

## MISSION STATEMENT

The City of Sweet Home will work to build an economically strong community with an efficient and effective local government that will provide infrastructure and essential services to the citizens we serve. As efficient stewards of the valuable assets available, we will be responsive to the community while planning and preparing for the future.



# CITY OF SWEET HOME CITY COUNCIL AGENDA

January 9, 2018, 6:30 p.m.  
City Hall Annex, 1140 12th Avenue  
Sweet Home, OR 97386

WiFi Passcode:  
guestwifi

PLEASE silence all cell phones – Anyone who wishes to speak, please sign in.

### A. Call to Order and Pledge of Allegiance

### B. Roll Call:

Councilor Briana	Councilor Gourley
Councilor Coleman	Mayor Mahler
Councilor Gerson	Councilor Trask
Councilor Goble	

### C. Consent Agenda:

- a) Approval of Minutes: December 12, 2017 (pg. 3-7)
- b) Approval of Minutes: December 19, 2017 – SP (pg. 8-9)

### D. Recognition of Visitors and Hearing of Petitions

### E. Old Business:

- a) Audit Presentation - Grove, Mueller and Swank P.C.
- b) S|EA Contract Approval (pg. 10-15)

### F. New Business:

- a) Request for Council Action - Appointment to YAC – Josie Hewitt (pg. 16-18)
- b) Request for Council Action – Appointment to Planning Commission – Lance Gatchell (pg. 19-21)

### G. Introduction, First and Second Reading of Ordinance Bills

- a) INTRODUCTION
- b) FIRST READING
- c) SECOND READING

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*The location of the meeting is accessible to the disabled. If you have a disability that requires accommodation, advanced notice is requested by notifying the City Manager's Office at 541-367-8969.*

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## MISSION STATEMENT

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### H. Third Reading of Ordinance Bills (Roll Call Vote Required)

#### I. Resolutions

- a) Resolution No. 1 for 2018 – A Resolution Accepting the City of Sweet Home Audit Report for Fiscal Year Ending June 30, 2017 (pg. 22- 149)
- b) Resolution No. 2 for 2018 – A Resolution to Designate City Property as Surplus and Authorize its Sale or Lawful Disposal (pg. 150-172)

#### J. Reports of Committees:

Administrative & Finance/Property	Goble
Parks Board	Trask
Public Safety/Traffic Safety	Coleman
Public Works	Mahler
Tree Commission	Trask
Youth Advisory Council	Gourley
Chamber of Commerce	Coleman
Fire District	Trask
Council of Governments	Gerson
Area Commission on Transportation	Coleman
Solid Waste Advisory Council	Goble
Ad Hoc Committee on Health (Minutes 12-18-17) (pg. 173)	Gourley

#### K. Reports of City Officials:

- a) Mayor's Report
- b) City Manager's Report
  - (1) Set Administration, Finance and Property Committee Meeting
- c) Department Director's Reports:
  - i. Finance Director
    - (1) November 2017 Finance Report (pg. 174)
    - (2) December 2017 Finance Report (pg. 175)
    - (3) November Check Reconciliation (pg. 176-179)
    - (4) December Check Reconciliation (pg. 180-182)
    - (5) SHMC November Report (pg. 183)
  - ii. Library Services Director
    - (1) Council Report – December 2017 (pg. 184)
    - (2) Library Advisory Board Minutes – December 2017 (pg. 185)
  - iii. Community and Economic Development Director
    - (1) Planning Commission Minutes 12-18-17 (pg. 186-192)
    - (2) CEDD Monthly Report (pg. 193-195)
  - iv. Police Chief
  - v. Public Works Director
    - (1) Sweet Home I&I Repeat Article (pg. 196-199)
  - vi. City Attorney's Report

#### L. Adjournment

SWEET HOME CITY COUNCIL  
MEETING MINUTES

December 12, 2017

Mayor Mahler called the meeting to order at 6:30 p.m. in the City Hall Annex. The Pledge of Allegiance was recited.

Staff Present: City Manager Ray Towry, City Attorney Robert Snyder, Police Chief Jeff Lynn, Community and Economic Development Director Jerry Sorte, Public Works Director Greg Springman, Finance Director Pat Gray, and Recording Secretary Julie Fisher

Visitors Registered to Speak: Bill Morley, Tina Lint, Colleen Maynard, Bill Matthews, Gerritt Schaffer

Media: Sean Morgan, The New Era

Roll Call:	Councilor Briana	P	Councilor Gourley	P
	Councilor Coleman	P	Mayor Mahler	P
	Councilor Gerson	P	Councilor Trask	P
	Councilor Goble	P		

**Consent Agenda:** **Motion was made to approve the Consent Agenda as submitted. (Goble/Trask)**

Items on the consent agenda are as follows:

Approval of Minutes:  
November 28, 2017 – SP  
November 28, 2017

**Recognition of Visitors & Hearing of Petitions**

Bill Morley  
3530 Flannigans Rd  
Sweet Home, OR 97386

Bill Morely addressed the Council on his concerns of the appearance of the City. He would like to see Council force property owners to clean-up their properties.

Tina Lint  
1780 11<sup>th</sup> Avenue  
Sweet Home, OR 97386

Tina Lint explained to the Council that she has been asked to move the trailer that she has been living in since 2009. The trailer is located in Northside Park and Tina is the park caretaker employed with the City since 2012.

City Manager Towry explained that the trailer does not meet code and sets a bad example for the City to allow an exception to the Code when enforcing the same issue on other property. Mr. Towry explained it is not an issue of job performance and Mrs. Lint will be able to keep her position as park caretaker.

Colleen Maynard  
1727 11<sup>th</sup> Avenue  
Sweet Home, OR 97386

Colleen Maynard expressed her concern of the wrongdoing by the City to Mrs. Lint. It is her opinion that the park will go downhill by not having Mrs. Lint on site at all times.

Gerritt Schaffer  
1633 11<sup>th</sup> Avenue  
Sweet Home, OR 97386

Gerritt Schaffer stated prior to Mrs. Lint moving onto the park it was a haven for drug users and other major problems. He was concerned that once Mrs. Lint leaves the park will no longer be a

safe and clean park.

Mayor Mahler stated that the concerns of the neighborhood are also the concerns of the City and Council. The City has hired additional park staff and working to keep the parks safe and clean.

Sweet Home Sanitation  
Scott Gagner  
Sweet Home, OR 97386

Scott Gagner of Sweet Home Sanitation informed to the Council on the 2017 Household Hazardous Waste Report. He reported 12,400 pounds of hazardous materials collected and disposed of properly during this event. Mr. Gagner also discussed a change in management at Sweet Home Sanitation.

**Old Business:**

S|EA Contract – Cost Estimate  
2525 East Burnside Road  
Portland, OR

Liz Cale and Sid Scott discussed with Council in detail their cost estimate to develop construction documents for the new City Hall building. The discussion reviewed concept design, schematics, design development, contract docs, bid phase, permitting, and construction administration. Each step in the process was explained. The Council had concerns on the estimate provided with the contract from Scott Edwards Architects and it was explained that estimate was provided to Council but construction cost could vary and will only be known once the project has been bid through a public bidding process.

Sid Scott made a proposal to the Council stating he would be willing to complete the architectural and structural documents for 10% of the bid cost from those plans.

**Motion to accept the proposal from S|EA to complete the architectural and structural documents for 10% of the bid cost from the plans. (Trask/Briana)**

Council discussed the proposal and Councilor Trask retracted his motion and Councilor Briana retracted his second.

**Motion to direct staff to work on a new set of terms with S|EA and present back to Council for approval. (Trask/Gerson) Motion passed with 7 Ayes, 0 Opposed and 0 Absent.**

Capital Improvement Plan Review

The Capital Improvement Project was presented back to the Council to discuss the process and policy setting opportunity. PWD Springman discussed maintenance, rehab, and replacement needs.

Council Rules – Information Only

City Manager Towry reviewed the draft Council Rules. By Consensus, the Council referred the matter to the Administration, Property and Finance Committee.

**New Business:**

Request for Council Action  
Liquor License Application  
Dollar General Store #18086

Chief Lynn reviewed the application for an OLCC License for the Dollar General location in Sweet Home.

**Motion to recommend to OLCC that Dollar General be granted an Liquor License for their Sweet Home store #18086 (Goble/Briana) Motion passes with 7 Ayes, 0 Opposed and 0 Absent.**

Sweet Home Police Department  
K9 Program

Chief Lynn introduced the Sweet Home Police Department K9 program which has been initiated by Officer Sasha McDonald and due, in part, to her efforts to obtain donations. Officer Sasha McDonald introduced the Council to the three year old K9 named Gem that was donated. Gem will be trained to recognize the smell of Heroin, Cocaine and Meth. At this time she will not be trained for Marijuana but that could be added to her training at a later date. Officer McDonald's goal is to have Gem certified by April.

Finance Director Recruitment

City Manager Towry reported he was contacted by a company that provides applicants and in return, if their applicant is hired, receives a percent of the first year salary. CM Towry stated that fee is roughly \$10,000 -\$12,000 for the Finance Director position.

City Attorney Snyder reported he did some research into these types of services and the fees range anywhere from 10% - 35%.

The Consensus of the Council was that the position had already closed and additional applications will not be accepted at this time.

**Introduction, First and Second Reading of Ordinance Bills:**

**Introduction:**

Ordinance No. 14 for 2017 – An Ordinance Amending Sweet Home Transient Lodging Tax Ordinance

**First Reading:**

**Second Reading:**

**Motion to approve Ordinance No. 14 for 2017 – Ordinance 1268 – An Ordinance Amending Sweet Home Transient Lodging Tax Ordinance. (Goble/Gerson)**

**Third and Final Reading of Ordinance Bills:**

**Roll Call Vote**

Request for Council Action –  
Ordinance No. 14 for 2017 – An  
Ordinance Amending Sweet Home  
Transient Lodging Tax Ordinance.

Mayor Mahler	Aye
Councilor Trask	Aye
Councilor Briana	Aye
Councilor Gerson	Aye
Councilor Goble	Aye
Councilor Coleman	Aye
Councilor Gourley	Aye

**Resolutions:**

**Motion carried 7 Ayes, 0 Opposed, 0 Vacant, 0 Absent**



Department Directors Reports:

Finance Director	Finance Director Gray announced her reports are not in the packet and will be a part of the next agenda.
Library Director	None
Community and Economic Development Director	CEDD Sorte answered questions from the Council regarding different types of Land Use Actions. A future zoning for public places such was discussed.
Police Chief	Chief Lynn referred to statistics that were provided in the packet.
Public Works	PWD Greg Springman referred to two reports included in the packet as well as a Public Works 3 month report.
City Attorney	City Attorney Snyder reviewed documents for the Quarry Property (also known as Knife River Property) and each Councilor was given a set of documents. City Attorney Snyder encouraged Council to review them and come to him with any questions. A Special Meeting was set for Tuesday, December 19 <sup>th</sup> at 5:30pm for a Council Vote regarding the property.

Adjournment: With no further business the meeting adjourned at 8:59 PM.

The foregoing is a true copy of the proceedings of the City Council at the December 12, 2017 regular City Council Meeting.

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Mayor

ATTEST:

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City Manager – Ex Officio City Recorder

SWEET HOME CITY COUNCIL  
SPECIAL MEETING MINUTES

December 19, 2017

The City Council Special Meeting was opened at 5:30pm in the City Hall Annex.

Roll Call:	Councilor Briana	AB	Councilor Gourley	P
	Councilor Coleman	P	Mayor Mahler	P
	Councilor Gerson	P	Councilor Trask	AB
	Councilor Goble	P		

Staff: City Manager Ray Towry, City Attorney Robert Snyder and Administrative Assistant Julie Fisher

Media: Sean Morgan, Audrey Gomez, The New Era

**Motion to excuse Councilor Briana and Councilor Trask (Gerson/Coleman) Motion passes with 5 Ayes, 0 Opposed and 2 Absent**

**Old Business:**

**Interview for Park and Tree Committee – Bob Dalton**

Mr. Dalton was unable to attend the Special Meeting. His interview for the Park and Tree Committee will be rescheduled.

**Knife River Property – Vote by Council**

City Attorney Robert Snyder reviewed the Phase 1 Report, Contaminated Media Management Plan (CMMP), Perspective Purchaser Agreement (PPA), Title Report, Resolution of Order, Disclaimer and Release Agreement, Deed, and DOGAMI Permit regarding the Knife River Property. The cost of the Phase 1 report, CMMP and Title Insurance were reviewed. It was noted the property has a Real Market Value of 2 million dollars. The cost associated with the property were discussed and included the Phase 1 report \$4,500, CMMP \$1,000, PPA \$5,500 and title insurance \$3,354.

There was time for questions from Council.

**Motion to direct the Mayor and City Staff to finalize and sign the appropriate documents with DEQ, Linn County, and other government agencies, as needed, for the transfer to the City of Sweet Home, the Knife River Property more particularly described as tax lots 3200 and 3805 map 13S10E2900 (formerly known as Morse Brothers Quarry) and to pay the transaction cost associated therewith (Gourley/Coleman)**

**Roll Call Vote:**

<b>Councilor Gerson</b>	Aye
<b>Councilor Goble</b>	Aye
<b>Councilor Coleman</b>	Aye
<b>Councilor Gourley</b>	Aye
<b>Mayor Mahler</b>	Aye
<b>Councilor Trask</b>	Aye
<b>Councilor Briana</b>	Aye

The meeting adjourned at 6:02 pm.



The foregoing is a true copy of the proceedings of the City Council at the December 19, 2017 City Council Special Meeting.

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Mayor

ATTEST:

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City Manager – Ex Officio City Recorder

January 4, 2018

Ray Towry, City Manager  
**City of Sweet Home**  
1140 12<sup>th</sup> Avenue  
Sweet Home, OR 97386

**RE: Contract for the City of Sweet Home New City Hall**

Dear Ray:

We enjoyed working with the City during the conceptual phase of design for your new City Hall and look forward to continuing with generating contract documents per our conversation. I have prepared the following contract to provide professional design services for the project.

**I. Understanding of the Project**

- A. The project intent is to renovate the existing building that was formerly the US Forest Service Building into a new City Hall. The US Forest Service Building is approximately 12,000 square feet and is located at 3225 Main Street, Sweet Home Oregon, 97386. Project scope includes a full interior office remodel with minor exterior modifications. Exterior modifications include new windows, a new exterior door and installation of new rooftop HVAC equipment. Scope assumes the project may be constructed in Phases.
- B. Scott Edwards Architecture (SEA) developed conceptual design and preliminary pricing under a previous contract. This contract is based on this prior work and is delineated in our drawings dated April, 19, 2017.
- C. This contract covers architectural, structural, and interior design services only. It is our understanding that the mechanical, electrical and plumbing scope of work will be “design/build” in which the design and construction will be contracted directly with the General Contractor. Construction cost estimating is not included in this contract.
- D. Our final fee will be based on the selected General Contractor’s bid dollar amount.

**II. Scope of Services**

**A. Schematic Design:**

- 1. Kick-off meeting with the Project Team to review pricing plan and pricing estimate generated under previous contract. Review budget and overall design direction. Review concept design imagery for interior design direction.
- 2. Field verify critical dimensions. Scope assumes the as-built drawings provided by the City to be accurate.
- 3. Inventory existing furniture as needed for space planning purposes.
- 4. Develop existing space plan and identify opportunities for phasing.

**B. Design Development:**

- 1. Continue to define space plan.
- 2. Selection and presentation of up to two (2) finish package options for the City Hall. Finish packages to include decorative lighting. Scope assumes up to two meetings.

3. Create interior concept sketches for key feature areas including the building / utility entry desks, common lobby, and council chambers.
4. Coordination with Structural Engineer to define scope.

C. Contract Documents:

1. Construction Documents to include drawing information required to secure the general building permit, including site plan, floor plans, ceiling plans, interior elevations, finish plans, details, specifications and schedules. Disciplines include architectural, interior design, and structural.
2. Coordination with Structural Engineer. Scope of work includes the following:
  - i. Site visit to review structural conditions and compare with record drawings.
  - ii. Engineer new bearing and shear wall openings per conceptual design. Additional scope may include support of new roof top mechanical units, details for suspended ceilings, and new exterior door opening. Scope assumes that the building is not considered an essential facility and immediate occupancy after a seismic or wind event is not required and that this is not required by Owner.
  - iii. Provide permit set of structural drawings.
  - iv. Review structural shop drawings and respond to contractor questions during construction.
3. SEA will show schematic equipment and furniture layouts on the building floor plans for coordination and planning purposes only. *Note: Furniture selection and lighting design can be provided by SEA as an additional service if desired.*
4. Scope assumes one meeting to review documents prior to bid phase.
5. Modifications to the existing mechanical, electrical and plumbing systems (MEP) shall be designed by the chosen general contractor or subcontractor. SEA will show conceptual HVAC and lighting layout to establish design intent, coordinate with subcontractor, and review proposed system to ensure it is in conformance with design intent. General Contractor shall be responsible for securing all trade permits from the local jurisdiction.

D. Bid Phase:

1. Assist City with issuing bid documents to General Contractors.
2. Respond to Contractor questions.
3. Review pricing with Owner and assist in contractor selection process as needed.

E. Permit:

1. Submit construction drawing set to local jurisdiction for plan review.
2. Respond to plan review comments as required to secure the general building permit. Trade permits shall be the responsibility of the general contractor or subcontractor.

- F. Construction Administration Services:
1. Project kick-off meeting.
  2. Respond to contractor questions and RFIs
  3. Coordination with design/build MEP.
  4. Review product submittals.
  5. One site visit per month during construction.
  6. Field notes.
  7. Punchlist / final closeout.

**III. Exclusions**

- A. Environmental studies (hazardous materials, wetlands, etc.)
- B. Geotechnical recommendations, evaluations or reports
- C. Site surveys
- D. Site design and Civil Engineering
- E. Sustainable certification (LEED, etc.)
- F. Mechanical, electrical and plumbing design and engineering
- G. Landscape design
- H. FF&E Selection or Procurement
- I. Construction cost estimating
- J. Permit fees

**IV. Estimated Fees:**

- A. We propose to provide the services outlined in the scope of services Section II per the following estimated fees, not including reimbursable expenses.
- B. The fees are estimated and are based on the conceptual pricing provided May 30, 2017. The final fee will be 10% of the total selected General Contractor's bid amount. Prior to the bid phase, we will bill for the full estimated schematic design and design development phases plus 50% of the construction document phase. Once the project bids, the fees for all phases will be adjusted based on the General Contractor's bid amount.

Task:	Structural	Architectural
Schematic Design	\$1,000	\$12,000
Design Development	\$0	\$18,170
Contract Documents	\$5,500	\$23,940
Bidding	\$0	\$5,420
Permit	\$0	\$4,400
Construction Services	\$2,000	\$21,000
Sub-Total:	\$8,500	\$84,930

**Total: \$93,430**

Reimbursable Expenses:

Printing costs, plotting, shipping, travel beyond Metro area, long distance communication and jurisdictional application fees paid on your behalf are billed at 1.10 times our direct expense. I would estimate the reimbursable expenses for your project will be \$4,000.

Ray Towry  
January 4, 2018  
Page 4

<u>Hourly Rates:</u>	
Principal	\$160/hr
Project Architect	\$130/hr
Project Manager	\$110/hr
Designer/Drafter	\$90/hr

**V. Terms of Service**

- A. Except as described herein, our agreement will be as outlined in Exhibit A – Terms and Conditions (attached to this document).

I appreciate the opportunity to submit this contract. If the contents are acceptable to you, please sign below to authorize work to begin. Please let me know if you have any questions or need more information. We are looking forward to getting started!

Sincerely,  
**SCOTT EDWARDS ARCHITECTURE, LLP**



Sid L. Scott, AIA  
Principal

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Authorization

Date

## TERMS AND CONDITIONS

1. **Standard of Care:** The services provided by Scott | Edwards Architecture LLP (hereinafter S | E A) under this Agreement will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances.

2. **Indemnity:** The Client shall, to the fullest extent permitted by law, indemnify and hold harmless S | E A, its officers, directors, employees, agents and subconsultants from and against all damage, liability and costs, including reasonable attorney's fees and costs, at trial, arbitration and on appeal, arising out of or in any way connected with the performance of Client and S | E A pursuant to this Agreement, excepting only those damages, liabilities, or costs attributable to the negligence or willful misconduct of S | E A.

3. **Non-Responsibility:** S | E A shall not be responsible for damages and shall not be held in default by reason of events or circumstances beyond S | E A's reasonable control; or for delays caused by failure of Client or Client's agents to furnish information or to approve or disapprove S | E A's work promptly, or due to late or slow or faulty performance by Client, Client's consultants, contractors, or governmental agencies, in the performance of acts which are precedent to or concurrent with the performance of S | E A services.

4. **Client Information:** Client shall provide all criteria and full information as to Client's requirements for the Project; designate a person to act with authority on Client's behalf in respect of all aspects of the Project; examine S | E A submissions; and respond promptly to S | E A; and give prompt written notice to S | E A whenever Client observes or otherwise becomes aware of any defect in the work. S | E A has a right to rely on information provided by Client.

5. **Payment:** Fees and reimbursable expenses will be billed monthly as services are performed on a percentage complete basis. Invoices shall be due upon receipt and shall be delinquent if not paid within 60 days of invoice. Delinquent invoices shall bear interest at the rate of 1½ percent per month (but not exceeding the maximum allowable by law) until paid. Payments received shall be first applied to interest and then to the unpaid principal balance. Hourly rates of service are subject to annual revision.

6. **Fees:** Client shall pay the cost of checking and inspection fees, zoning and annexation application fees, assessment fees, aerial topography fees and all other fees, permits, bond premiums, title company charges, document reproduction costs, and other charges not specifically covered by the terms of this Agreement. Any such fees paid by S | E A on behalf of Client shall be reimbursed, along with other reimbursable expenses, as invoiced.

7. **Site Control:** S | E A and its personnel shall have no authority or responsibility to exercise any control over any construction contractor or other entity in connection with their work or any health or safety precautions associated with the project. Client agrees that its contractor shall be solely responsible for job site safety, means and methods, and warrants that this intent shall be made evident in Client's agreement with its contractor.

Client also agrees that Client, S | E A, and S | E A's consultants shall be indemnified and shall be made additional insureds under the Contractor's General Liability Insurance Policy and Builder's Risk Policy.

8. **Document Ownership:** All reports, plans, specifications, field data and notes, and other documents including all documents on electronic media, prepared by S | E A as instruments of service shall remain the property of S | E A. Client may make and retain copies for information and reference in connection with the use and occupancy of the Project; however such documents are not intended or represented to be suitable for reuse by any person for extension of the Project or for any other project. Any reuse or modification of the documents, without the prior written authorization of S | E A shall be at Client's sole risk and without liability to S | E A, its independent professional associates or consultants. Client agrees, to the fullest extent permitted by law, to indemnify and hold S | E A harmless from any claim, cause of action, liability or cost (including reasonable attorney's fees and defense costs at trial, arbitration and on appeal) arising out or allegedly arising out of any unauthorized reuse or modification of the documents by Client or any person or entity that acquires or obtains the documents from or through Client without S | E A's written authorization.

9. **Cost Estimates:** In providing opinions of probable construction costs, Client understands that S | E A has no control over cost or the price of labor, equipment, or materials or over any contractor's method of pricing, and the opinions of probable construction costs provided by S | E A are to be made on the basis of S | E A's qualifications and experience. S | E A makes no warranty, expressed or implied, as to the accuracy of such opinions as compared to bids or actual costs of the work estimated.

10. **Hazardous Materials:** Client acknowledges that S | E A's scope of services does not include any services related to asbestos, hazardous or toxic materials. In the event S | E A, or any other party, encounters these materials at a job site or in adjacent areas which may affect S | E A performance of services, S | E A, may, at its option and without liability for consequential or any other damages, suspend performance of services on the project until the Client retains appropriate specialist(s), consultant(s), or contractor(s) to identify, abate and/or remove the asbestos, hazardous or toxic materials, and warrant that the job site is in full compliance with applicable laws and regulations. Client agrees to the fullest extent permitted by law to indemnify and hold harmless S | E A, its officers, directors, employees, agents, and subconsultants, from and against any and all claims, allegations, suits, liabilities, damages, and costs, including reasonable attorneys' fees and costs, at trial, arbitration or appeal, arising out of, or in any way connected with the detection, presence or handling, removing, abatement, or disposal of any asbestos, hazardous or toxic substances, products and materials, on, about or adjacent to, the job site.

11. **Termination - Suspension:** Failure by Client to pay any invoice before it becomes delinquent shall constitute a material breach of this Agreement and shall entitle S|E A to suspend performance of services until such delinquency is cured or, so long as such delinquency persists, S|E A may terminate this Agreement upon five days' written notice without liability. This Agreement may otherwise be terminated by either party upon 30 days' written notice to the other in the event of a material breach by the other. In the event that the Client becomes bankrupt or insolvent, S|E A may terminate this Agreement without liability for direct, consequential or any other type of damages. In the event of termination, Client shall promptly pay S|E A for all services rendered and all costs incurred up to the date of termination, in accordance with the compensation provision of this Agreement.

12. **Third-Party Beneficiary:** Nothing in this Agreement shall create a contractual relationship with, nor a cause of action in favor of a third party against, either Client or S|E A. S|E A services under this Agreement are performed solely for Client's benefit, and no other entity shall have any claim against S|E A because of this Agreement or the performance or non-performance of services hereunder.

13. **Mediation:** Should any dispute arise between Client and S|E A under this Agreement, it is agreed that such dispute will be submitted to a mediator, agreed to and compensated equally by the Parties, prior to commencement of arbitration or litigation. Mediation will be conducted in Portland, Oregon. Both Parties agree to exercise their best efforts and good faith to resolve all disputes in mediation.

14. **Oregon Law:** This Agreement is to be governed by and interpreted under the laws of the State of Oregon. Should any provision of this Agreement be found or deemed to be invalid, this Agreement shall be construed as not containing such provision and all other provisions which are otherwise lawful shall remain in full force and effect.

15. **Assignment:** Neither the Client nor S|E A shall assign its interest in this Agreement without prior written consent of the other.

16. **Warranties:** S|E A has made no warranties or guaranties except as expressly written within the Agreement.

17. **Integration:** This Agreement contains the entire Agreement between Client and S|E A, and no other oral or written inducement or promise has been made to or extended from either party as a part of this Agreement.

18. **Waiver:** The failure of either Party to enforce any provision of this Agreement shall not constitute a waiver of that or any other provision.

19. **Limitation of Liability: Professional and Nonprofessional Liability.** To the maximum extent permitted by law, and in recognition of the risks and rewards to Client and S|E A, the Client agrees to limit S|E A's liability for Client's damages arising from S|E A's errors and omissions associated with work performed under this Agreement to S|E A's available professional liability insurance policy. As to all non-professional liability claims, Client agrees to limit S|E A's liability to the limits available under S|EA's available insurance. These limitations shall apply regardless of the cause of action or legal theory pleaded or asserted, including, but not limited to negligence, breach of contract, negligent misrepresentation and strict liability. Client may negotiate higher limitations of liability for an additional fee.

**Consequential Damages:** Neither S|E A nor S|E A directors, agents, employees, representatives, or subconsultants, shall be liable to Client for any indirect, special, incidental, consequential, or exemplary damages arising out of, or in connection with, the performance of services under this Agreement, whether in an action based upon contract, delay, negligence, strict liability, negligent misrepresentation, or otherwise.

20. **Arbitration:**

**General:** Subject to the obligation to mediate in good faith, the Parties agree promptly to arbitrate any dispute between them utilizing the procedures set out under Oregon's Uniform Arbitration Act (36.000). Such arbitration shall be mandatory and binding. The Parties shall agree on a single arbitrator. In the event that the Parties are unable to agree to the mutual appointment of an arbitrator, the arbitrator may be appointed per ORS 36.645 (appointment by the court).

**Consolidated Arbitration:** The Parties agree to consolidate any arbitration between them with the arbitration of any related dispute between the Client and the general contractor for this project. Client shall include in its contract with the general contractor a provision requiring mandatory arbitration of disputes arising out of the project and consolidation with any related arbitration between Client and S|E A. S|E A shall attempt to obtain a substantially identical consolidated arbitration provision in its contracts, if any, with its subconsultants. Client shall require its general contractors to obtain a substantially identical consolidated arbitration provision in the contract with each of its subcontractors.

**Venue:** Any arbitration held pursuant to this provision shall be held in Portland, Oregon.

**Award:** The arbitrator's award shall be final and binding. Judgment may be entered upon it in accordance with the applicable law of any Court having jurisdiction over the Parties.

**No Limitations of Rights or Remedies:** This alternative dispute resolution clause shall not preclude either party from filing a statutory construction lien or from commencing an action to foreclose the lien, but the foreclosure case shall be stayed pending issuance of the arbitrator's award. The award shall be binding in the foreclosure case as to all matters determined in the arbitration, and the lien may then be foreclosed to the extent permitted by law.

It is understood that the terms "Client" and "Owner" are considered to be interchangeable in this and any Agreement into which this document is incorporated or to which it is attached. By initialing, Client hereby agrees to these Terms and Conditions.

Client's Initials

# REQUEST FOR COUNCIL ACTION

<b>PREFERRED AGENDA:</b> January 9, 2018	<b>TITLE:</b> Youth Advisory Council Appointment	<b>TYPE OF ACTION:</b> RESOLUTION
<b>SUBMITTED BY:</b> Ray Towry, City Manager	<b>ATTACHMENTS:</b> YAC	<u>X</u> MOTION
<b>REVIEWED:</b>	Application for Josie Hewitt	— OTHER

**PURPOSE OF THIS MEMO:** Josie Hewitt is requesting appointment to the Youth Advisory Council.

**BACKGROUND/CONTEXT:**

Josie Hewitt is an 8<sup>th</sup> grade student. She is seeking a position as a Jr. High Representative. Interviews were conducted on December 12, 2017 by a panel which included Mayor Mahler. There was an unanimous decision to appoint Josie Hewitt to the Youth Advisory Council.

Sweet Home Youth Advisory Council Membership Structure and Members:

High School Grades 9-12 (2 positions)

1 - 1 Year Term – Sarah Hewitt

1 - 2 Year Term – Chase Boyd

Junior High Grades 7-8 (2 positions)

1 - 1 Year Term – Madelyn Neuschwander

1 - 2 Year Term – *Recommended Appointment Josie Hewitt*

At Large Grades 7-12 (3 positions)

1 Year Term – Vacant

1 Year Term – Colby Montigue

1 Year Term – Vacant

**THE CHALLENGE/PROBLEM:** Vacancies on the Youth Advisory Council

**STAKEHOLDERS:**

**ISSUES & FINANCIAL IMPACTS:**

1. *None Known*

**ELEMENTS OF A STABLE SOLUTION:**

**OPTIONS:**

1. *Do Nothing.*
2. *Seek Additional Applicants*
3. *Make a Motion* to appoint Josie Hewitt to At Jr High Grades 7-8 position of the Youth Advisory Council with terms to expire June 30, 2018.

**RECOMMENDATION:**

It is recommended Make a Motion to appoint Josie Hewitt to At Jr High Grades 7-8 position of the Youth Advisory Council with terms to expire June 30, 2018.





# SWEET HOME YOUTH ADVISORY COUNCIL APPLICATION AND PARENT PERMISSION FORM

Name: Josie Hewitt Age: 13  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Phone: N/A E-mail: \_\_\_\_\_ Work: Student  
 School Currently Attending: Homeschool Grade: 8<sup>th</sup>  
 Parent(s) Name: Pam Hewitt, Bo Hewitt Phone: \_\_\_\_\_  
 Emergency Contact Name: Sunnee Hager Phone: \_\_\_\_\_

1. Please tell us a little about yourself and why you are interested in serving on the Youth Advisory Council. I am a 2 sport athlete. I would like to serve on the YAC because it is a great opportunity.
2. Please list below five issues you think are important to the youth and or the overall success of Sweet Home as a community.

- Involvement
- Safe city
- Clean water & air
- recreational opportunities
- Learning about city government.

3. Are you able to commit to attending YAC meetings monthly, typically on the third Tuesday from 6:30 – 8:00 PM and other meetings and events as scheduled?

Yes  No

If "No" please explain why:

**City of Sweet Home  
YAC Application and Parent Permission**

4. Selection

I understand that as part of the selection and appointment process to the YAC that I must attend a mandatory pre-appointment orientation with at least one parent/legal guardian. I/we further acknowledge that the City Council may remove me from this appointment for deficiencies in the performance of duties as outlined in the YAC Charter and Bylaws.

Josie Hewitt  
YAC Applicant Signature Date: 10/17/2017

Josie Hewitt  
Printed Name of Applicant

**Parent Permission:**

By signing below, I/We hereby grant permission for Josie Hewitt to participate in the City of Sweet Homes' Youth Advisory Council if selected and appointed. We acknowledge that regular meetings will be held on the third Tuesday of each month from 6:30-8:00 PM at the City Hall, 1140 12<sup>th</sup> Avenue, Sweet Home. We further acknowledge that I/We have reviewed the bylaws governing the Sweet Home Youth Advisory Council with our child and understand that from time to time there may be additional activities, meetings and events that my child will be asked to participate in, subject to my/our approval.

Pamela Hewitt  
Parent Legal Guardian Signature Date: 10/17/2017

Pamela Hewitt  
Printed Name of Parent/Legal Guardian

Kahlia Hewitt  
Parent Legal Guardian Signature Date: 10/17/2017

Kahlia Hewitt  
Printed Name of Parent/Legal Guardian

Received:  
Orientation: \_\_\_\_\_ Date: \_\_\_\_\_  
City Council Interview: \_\_\_\_\_ Date: \_\_\_\_\_  
Appointed for term: \_\_\_\_\_ to \_\_\_\_\_

# REQUEST FOR COUNCIL ACTION

<b>PREFERRED AGENDA:</b> January 9, 2018	<b>TITLE:</b> Planning Commission Appointment	<b>TYPE OF ACTION:</b> <input type="checkbox"/> RESOLUTION <input checked="" type="checkbox"/> MOTION <input type="checkbox"/> OTHER
<b>SUBMITTED BY:</b> Ray Towry, City Manager	<b>ATTACHMENTS:</b> PC Application for Lance Gatchell	
<b>REVIEWED:</b>		

**PURPOSE OF THIS MEMO:** Lance Gatchell is requesting re-appointment to the Planning Commission.

**BACKGROUND/CONTEXT:** Lance Gatchell has served on the Sweet Home Planning Commission for the past 10 years. He is seeking re-appointment. Interviews were conducted on December 12, 2017 by a panel which included Mayor Mahler. There was an unanimous recommendation to re-appoint Mr. Gatchell.

**THE CHALLENGE/PROBLEM:** Vacancies on the Planning Commission

**STAKEHOLDERS:**

**ISSUES & FINANCIAL IMPACTS:**

1. *None Known*

**ELEMENTS OF A STABLE SOLUTION:**

**OPTIONS:**

1. *Do Nothing.*
2. *Seek Additional Applicants*
3. *Make a Motion* to appoint Lance Gatchell to a four year term on the Planning Commission.

**RECOMMENDATION:**

It is recommended Make a Motion to appoint Lance Gatchell to a four year term on the Sweet Home Planning Commission with a term to expire December 31, 2021



CITY MANAGER'S OFFICE

1140 12<sup>th</sup> Avenue  
Sweet Home, OR 97386  
541-367-8969 541-367-5113 FAX  
[Jfisher@ci.sweet-home.or.us](mailto:Jfisher@ci.sweet-home.or.us)

## BOARD/COMMITTEE/COMMISSION APPLICATION

**Applicant Information (Please type/print clearly):**

Name: Lance Gatchell

Permanent Address: 610 5th Ave., Sweet Home, OR 97386

Mailing Address: same

Contact Phone Number: 541-367-1222

E-Mail Address: lgatchell@fs.fed.us

Preferred method of contact:  Mail  Phone  Email

Occupation: Fish Biologist/Hydrologist Employer: US Forest Service

Please mark the Board, Commission or Committee in which you are interested in serving:

- Budget Committee  Planning Commission  Library Board
- Traffic Safety Committee  Parks Board  Tree Commission
- Board of Appeals  All Hazard Mitigation Committee

Are you applying for reappointment:  Yes  No

If yes, how long have you served in this capacity: 10 Year(s) Month(s)

1. How long have you lived in the area: 10 Year(s) Month(s)

2. Please give a brief description of your experiences or training that you feel qualifies you for this particular position. The experience on the planning commission

3. List current involvement in other community groups and/or activities. Working with city manager's office to plan events for the people's Christmas tree

4. What special contribution do you feel you can make to the group/position you are applying for?  
Having been the chairperson for the last year I feel I should continue through the process of update of the city planning code

**RESIDENCY:**

**The following applies for appointments that require residency and elector status:**

I, , certify that I currently reside within the corporate limits of the City of Sweet Home and am an eligible elector as defined by ORS 246.012(5). I further acknowledge that should either my residency or my eligibility as an elector change I will notify the City of Sweet Home immediately.

**CRIMINAL HISTORY BACKGROUND CHECK (CCH):**

A Criminal History Check (CCH) may be performed as part of the City of Sweet Home appointment process for City Boards, Committees, and Commissions. I acknowledge that a refusal to allow the CCH to be performed, when required, will cause my application to no longer be considered.

**PUBLIC DISCLOSURE:**

The City sometimes receives requests for contact information for members serving on City boards, commissions and committees. As an appointed public body volunteer serving the City of Sweet Home, the information provided on this application is considered public record.

My signature acknowledges that the information I have provided on the application is true and complete to the best of my knowledge and I understand that a CCH may be performed, when required, and that the information provided on this application is considered public record.

Signature

Date of Signature



# REQUEST FOR COUNCIL ACTION

<b>PREFERRED AGENDA:</b> January 9, 2018	<b>TITLE:</b> Acceptance of June 30, 2017 audit report	<b>TYPE OF ACTION:</b> <u>  X  </u> RESOLUTION <u>    </u> MOTION <u>    </u> OTHER
<b>SUBMITTED BY:</b> Pat Gray, Finance Director	<b>ATTACHMENTS:</b> A Resolution Accepting the City of Sweet Home Audit Report for Fiscal Year Ending June 30, 2017	
<b>REVIEWED BY:</b>		

**PURPOSE OF THIS RCA:**

The annual financial audit has been completed and is ready to be presented to City Council. In past years, Council has reviewed the audit but only verbally accepted the audit. This Resolution will put it on record that the fiscal year audit has been reviewed and accepted by City Council.

**BACKGROUND/CONTEXT:**

ORS 297 establishes the laws requiring an annual financial audit of a municipal corporation's financial statements at least once every fiscal year by a qualified independent auditor. Grove, Mueller & Swank, PC began the annual audit process in May 2017 with a review of internal control controls and system descriptions within departments that handle cash receipts, payroll systems, building & permitting, municipal court, utility billings and journal entries. Onsite interviews are conducted with employees with a visual review of all processes. After June 30, the auditors submit to the Finance Director a list of items needed before they come back out in September or October when they do their fieldwork on all financial documents. The auditors will spend a week onsite reviewing the software process, documents submitted, bank accounts, receivables, payables and capital assets. Upon the completion of their audit, a draft report is submitted to the Finance Director for review and finalization of the management letter. State law requires the document be completed and submitted to the Secretary of State's office by December 31. The audit and management letter were submitted and received by the Secretary of State's office on December 27, 2017.

**THE CHALLENGE/PROBLEM:**

How do we ensure our financial records are accurate and in compliance with State budget law? Citizens have the right to know that their tax dollars and utility payments are being recorded accurately, are utilized as adopted by the Sweet Home Budget Committee and follow state law as to their correct use.

**STAKEHOLDERS:**

- City of Sweet Home Residents. Residents are ensured their tax dollars and utility payments are being recorded accurately, are utilized as adopted by the City Council and follow state law as to their correct use.
- City of Sweet Home Council Members. Council members are ensured that the City's internal controls are being followed, financial records are accurate and that the City is in compliance with Oregon budget law.
- State of Oregon. Secretary of State's office is ensured that the City of Sweet Home is submitting the proper documents in a timely manner.

- City of Sweet Home Employees. Employees of the City of Sweet Home are ensured that their departments are following internal controls and that funding and expenses within their departments are being recorded accurately.

**ISSUES & FINANCIAL IMPACTS:**

The City of Sweet Home must be in compliance with ORS 297 not only to function in the State of Oregon as a municipality, but also because organizations and governmental agencies look to the annual audit report when determining grants and loan eligibility. Showing that the City is in compliance and the numbers are accurate are major factors in future funding sources for the City.

**ELEMENTS OF A STABLE SOLUTION:**

The Sweet Home City Council needs to receive an audit presentation from Grove, Mueller & Swank, PC and adopt a resolution accepting the City of Sweet Home audit report for fiscal year ending June 30, 2017.

**OPTIONS:**

1. Not adopt the Resolution. City Council can continue past practice of verbally accepting the audit document without formally adopting a Resolution.
2. Not accept the audit report. City Council can decide not to accept the audit document and request a new audit of the City's financial records.
3. Accept of audit report. City Council can accept the audit report as presented.
4. Adopt the Resolution. City Council can accept the audit report as presented and adopt the Resolution Accepting the City of Sweet Home Audit Report for Fiscal Year Ending June 30, 2017.

**RECOMMENDATION:**

Staff recommends Option 4. Adoption of Resolution Accepting the City of Sweet Home Audit report for Fiscal Year Ending June 30, 2017



## GROVE, MUELLER & SWANK, P.C.

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

December 18, 2017

The Honorable Greg Mahler, Mayor  
And Members of the City Council  
City of Sweet Home  
1140 12<sup>th</sup> Avenue  
Sweet Home, Oregon 97386

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sweet Home (the City) as of and for the year ended June 30, 2017, and have issued our report thereon dated December 18, 2017. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated May 23, 2017, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

### **Planned Scope and Timing of the Audit**

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

### **Compliance with All Ethics Requirements Regarding Independence**

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



We have evaluated independence based on management's skills, knowledge, and experience (SKE) and safeguards established and have determined that the threats are significant, but have determined that management has the ability to take responsibility for the work performed and that safeguards in place are adequate. The safeguards applied include: the auditor does not make decisions for management, the auditors are preparing the financial statements in accordance with accounting principles generally accepted in the United States of America, management possesses suitable skills, knowledge, and experience to read and understand their financial statements, and Grove, Mueller & Swank, P.C. has a quality control system in place and we have an external peer review every three years.

## **Qualitative Aspects of the City's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in the notes to the financial statements. The City implemented one new pronouncement:

GASB Statement No. 77, "Tax Abatement Disclosures," addresses the disclosure requirements for governments that have tax abated properties in their jurisdiction. The statement requires governments to disclose a description of the tax abatement program, the gross dollar amount of taxes abated during the period, and commitments made by a government, other than to abate taxes, as part of the tax abatement agreement.

There was no effect to the City's financial statements as a result of implementing this pronouncement.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive estimates affecting the City's financial statements were management's estimates of depreciation, the collectability of utility billing receivables, deferred inflows, and net pension liability. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

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

## **Significant Difficulties Encountered during the Audit**

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

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account

balances or disclosures, and the financial statements as a whole and each applicable opinion unit. No uncorrected misstatements were identified.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. Attached is a list of misstatements identified during our audit procedures. Management has corrected all identified misstatements.

### **Disagreements with Management**

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

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated December 18, 2017.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

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

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

We were engaged to report on supplementary information, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section, which accompanies the financial statements but is not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Restriction on Use**

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

Very truly yours,

  
CERTIFIED PUBLIC ACCOUNTANTS

Client: **84772 - City of Sweet Home**  
 Engagement: **Audit 2017 - City of Sweet Home**  
 Period Ending: **6/30/2017**  
 Trial Balance: **3000 - TB**  
 Workpaper: **1401 - Adjusting Journal Entries**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>		<b>3701.01</b>		
To accrue expenses incurred in FY16-17 and paid after year-end as noted during PBSR testing.				
500-210-419-330	PROFESSIONAL SERVICES		3,862.61	
550-310-432-330	PROFESSIONAL SERVICE		3,862.60	
500-000-202-000	ACCOUNTS PAYABLE			3,862.61
550-000-202-000	ACCOUNTS PAYABLE			3,862.60
<b>Total</b>			<b>7,725.21</b>	<b>7,725.21</b>
<b>Adjusting Journal Entries JE # 2</b>		<b>4203.01</b>		
To adjust court revenues for items sent to collections subsequent to 6/30/17				
100-000-222-002	DEF.REV.COURT REC.		92,541.60	
100-000-115-002	ACCTS.REC.-COURT FEES			92,541.60
<b>Total</b>			<b>92,541.60</b>	<b>92,541.60</b>
<b>Adjusting Journal Entries JE # 3</b>		<b>4603</b>		
To correct balances in capital assets to reverse dispositions of items disposed in PYs				
500-000-164-000	MACHINERY & EQUIPMENT		1,541.00	
500-000-279-000	RETAINED EARNINGS		193.00	
550-000-164-000	MACHINERY & EQUIP.		2,835.00	
800-000-164-000	EQUIPMENT		19,469.00	
500-000-164-100	ACCUM.DEPREC.MACH.&EQ.			1,734.00
550-000-164-100	ACCUM.DEPRC.MACH.&EQ.			2,835.00
800-000-170-000	ACCUMULATED DEPRECIATION			19,446.00
800-000-280-001	INVEST IN GEN FXD ASSETS			23.00
<b>Total</b>			<b>24,038.00</b>	<b>24,038.00</b>
<b>Adjusting Journal Entries JE # 4</b>		<b>4302.02</b>		
To adjust to actual valuations of collections inventory.				
550-000-279-000	RETAINED EARNINGS		10,455.00	
550-000-141-000	INVENT. OF MATERIAL & SPL			10,455.00
<b>Total</b>			<b>10,455.00</b>	<b>10,455.00</b>



**CITY OF SWEET HOME**  
1140 12th AVENUE  
SWEET HOME, OREGON 97386  
541-367-5128  
FAX 541-367-5113

December 18, 2017

Grove Mueller & Swank, PC  
475 Cottage Street NE, Suite 200  
Salem, Oregon 97301

This representation letter is provided in connection with your audit of the financial statements of the City of Sweet Home, which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

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

We confirm, to the best of our knowledge and belief, as of December 18, 2017, the following representations made to you during your audit.

#### **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 23, 2017, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) We are not aware of any pending or threatened litigation, claims, or assessments that are required to be accrued or disclosed in the financial statements and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 9) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the proper accounts.
- 10) Guarantees, whether written or oral, under which the City of Sweet Home is contingently liable, if any, have been properly recorded or disclosed.

#### **Information Provided**

- 11) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the City of Sweet Home from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the City of Sweet Home and involves—
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the City of Sweet Home's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you the identity of the City of Sweet Home's related parties and all the related party relationships and transactions of which we are aware.

#### **Government-specific**

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have a process to track the status of audit findings and recommendations.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 21) The City of Sweet Home has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 23) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 24) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes. We have also completed the financial statement checklist which you provided to us. We also have reviewed, approved, and will post all journal entries proposed by you as a result of your audit procedures.
- 28) The City of Sweet Home has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 29) The City of Sweet Home has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 30) The financial statements properly classify all funds and activities in accordance with [GASB Statement No. 34](#).
- 31) All funds that meet the quantitative criteria in [GASBS Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 32) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 33) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 34) Provisions for uncollectable receivables have been properly identified and recorded.
- 35) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 36) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 37) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 38) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.

- 39) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 40) We have appropriately disclosed the City of Sweet Home's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 41) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 42) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 43) With respect to the supplementary information:
- a) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - b) If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Signature: \_\_\_\_\_



Title: Ray Towry, City Manager

Signature: \_\_\_\_\_



Title: Patricia Gray, Finance Director





City of  
Sweet Home, Oregon  
Annual Financial Report  
For the Fiscal Year Ended  
June 30, 2017

CITY OF SWEET HOME, OREGON

ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2017



PATRICIA GRAY, FINANCE DIRECTOR

Prepared by:

The Finance Department  
City of Sweet Home, Oregon

***CITY OF SWEET HOME***  
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***CITY OF SWEET HOME***  
***CITY OFFICIALS***  
***JUNE 30, 2017***

---

**MAYOR**

*Term Expires*

Greg Mahler, Mayor  
700 4<sup>th</sup> Avenue  
Sweet Home, Oregon 97386

December 31, 2018

**CITY COUNCIL MEMBERS**

Dave Trask, President Pro-Tem  
1276 2<sup>nd</sup> Avenue  
Sweet Home, Oregon 97386

December 31, 2020

Susan Coleman  
411 Nandina  
Sweet Home, Oregon 97386

December 31, 2018

Diane Gerson  
4949 Mimosa Circle  
Sweet Home, Oregon 97386

December 31, 2018

James Goble  
1096 29<sup>th</sup> Avenue  
Sweet Home, Oregon 97386

December 31, 2020

Lisa Gourley  
3441 Juniper Street  
Sweet Home, Oregon 97386

December 31, 2020

Ryan Underwood  
4590 Airport Lane  
Sweet Home, Oregon 97386

December 31, 2018

**CITY ADMINISTRATION**

Ray Towry, City Manager

Robert Snyder, City Attorney

**MAILING ADDRESS**

City Hall  
1140 12<sup>th</sup> Avenue  
Sweet Home, Oregon 97386  
(541) 367-5128



December 18, 2017

To the Mayor, City Council, and Citizens of the City of Sweet Home:

State Law requires that local governments publish within six months of the close of each fiscal year a complete set of audited financial statements. This Annual Financial Report for the City of Sweet Home is hereby submitted to fulfill this requirement for the fiscal year ended June 30, 2017.

Management assumes full responsibility for the completeness and reliability of the information contained in this report. To the best of our knowledge and belief, the enclosed data is accurate in all material respects 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's financial statements were audited by Grove, Mueller & Swank, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2017 were free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant accounting estimates made by management; as well as evaluating the overall presentation of the financial statements.

Grove, Mueller & Swank, P.C, have issued an opinion that the City's financial statements for the year ended June 30, 2017 are in accordance with accounting principles generally accepted in the United States of America. The independent auditor's report is located at the front of the Basic Financial Statements in the Financial Section of this report.

### **Profile of the Government**

The City of Sweet Home was founded in 1851 and incorporated on February 10, 1893. Located in the Mid-Willamette Valley at the east-end of Linn County, the City currently occupies approximately 6.5 square miles and serves a population of 9,090. It is the third largest city in Linn County lying at the foot of the Cascade Mountains, next to the pristine Santiam River and close to Foster and Green Peter Reservoirs. Sweet Home offers close proximity to major urban areas for commuters and shoppers: Portland is 100 miles, Salem is 50 miles, Eugene 50 miles and Albany 25 miles.

Sweet Home operates under the provisions of its own Charter and applicable state law. It has a City Manager/Council form of government. The City Council consists of seven members who are elected by the citizens of Sweet Home. Councilors are elected to serve overlapping terms of two and four years. The Mayor is elected by the Council members to serve for a term of two years. A full-time City Manager administers the affairs of the City for the Council, and supervises a staff of five department directors and 50 full-time and part-time employees.

For financial reporting purposes the City is a primary government. This report includes all services and activities for which the elected officials exercise financial control. These services include police and dispatch services, municipal court, administration and finance, community planning and development, parks, library, recreational activities, nuisance abatements, water and wastewater treatment, construction and maintenance of roadways, streets, and infrastructure.

Fire and Ambulance services are provided by the Sweet Home Fire and Ambulance District. The District is not a component of the City of Sweet Home. The City may interact or contract with the District and other governmental entities, but it is not financially accountable for those entities.

## **Local Economy**

Sweet Home is located away from major north-south transportation routes and population centers in the Willamette Valley. Historically, employment in Sweet Home has been dominated by lumber and wood products, which has declined in Sweet Home, but still remains a large employer in the Willamette Valley. The largest employer in Sweet Home has been the school district with manufacturing facilities such as Weyerhaeuser Industries and White's Electronic following at a distance.

Sweet Home's primary comparative advantage is its small size and location near recreational opportunities. Many residents move to Sweet Home with the desire to live in a rural small town community, yet be able to drive to their jobs in larger cities, like Lebanon, Eugene, Corvallis and even the Portland area. With a medical college, a Lowe's distribution center and a regional Veteran's Administration hospital in nearby Lebanon, Sweet Home continues to service an influx of residents who are able to achieve this. In addition to the current available housing, Sweet Home has a substantial inventory of buildable commercial and industrial land ready to accommodate any future developments.

## **Major Initiatives**

### **New Vision Statement, Mission Statement and Goals**

Following a two-day goal setting session February 2017, work session in March 2017 and a Public Hearing in April 2017, City Council adopted a new Vision Statement, updated its Mission Statement and established four goals at the April 11, 2017 City Council meeting.

### **Vision Statement**

The Sweet Home community members have elected the City Council to represent their collective best interests. WE have been entrusted to make decisions that do the most good, for the most people, for the longest period of time.

- I. WE ASPIRE to make Sweet Home a community people find desirable to live in.
- II. WE ASPIRE to have an effective and efficient local government.
- III. WE ASPIRE to provide viable and sustainable infrastructure.
- IV. WE ASPIRE to provide viable and sustainable essential services.
- V. WE ASPIRE to create an economically strong environment in which businesses prosper.

## **Mission Statement**

The City of Sweet Home will work to build an economically strong community with an efficient and effective local government that will provide infrastructure and essential services to the citizens we serve. As efficient stewards of the valuable assets available, we will be responsive to the community while planning and preparing for the future.

## **Goals**

### **INFRASTRUCTURE**

1. Develop specific steps for implementation of the adopted infrastructure master plans.
  - a. Water
  - b. Sewer
  - c. Streets
  - d. Parks
  - e. Property
2. Increase community awareness of infrastructure needs and appropriate planning documents.
  - a. Water
  - b. Sewer
  - c. Streets
  - d. Parks
  - e. Property

### **BE AN EFFECTIVE AND EFFICIENT GOVERNMENT**

1. Update and streamline processes
2. Develop continuity in planning and permitting processes.
3. Invest in long-term staff stability & training.
4. Develop transparency in all communication.
5. Continue to implement strong financial practices.
6. Employ sound technology to maximize efficiency.

### **ESSENTIAL SERVICES**

1. Increase access to quality healthcare services in Sweet Home.
2. Look for methods to improve community safety.
3. Develop partnerships w/ regional services and work to connect them w/ the appropriate members of the public

### **ECONOMIC STRENGTH**

1. Implement a business vitalization program
2. Support future economic development efforts within City Hall
3. Develop economic opportunities with regional partners

### **Staff Changes**

The City experienced a major change in management staff during 2016-2017. With the long-time City Manager having left in April 2016, the Planner/Community Development Director gone in May 2016 and the Public Director gone in March 2017, the City was without some key management personnel during the fiscal year.



An interim City Manager was hired in May 2016 and tasked with the responsibility of hiring a new City Manager, who came on in November 2016. The Planner/Community Development Director and Public Works Director positions remained unfilled during the fiscal year. The loss of these positions put many major projects on hold until the positions could be filled in the 2017-2018 fiscal year.

### **Personnel Costs**

While the General employees' contract was renewed with 7.5% cost of living spread over three years in late 2015-2016, the Police unit just started their contract negotiations in July 2016. When contract negotiations ended in April 2017, union employees received a 6% increase over 3 years, an additional 5% step at the top of the wage scale and incentive pay for specific duties. These costs carried into the non-represented positions.

With PERS rates continuing to increase, in addition to the contracted wage increases, the police department will need to be looking at cost containing measures in the future as their funding source continues to be limited by a renewable five year levy and a 32% compression rate.

### **Property Upgrades and Purchases**

In January 2016, City Council directed staff to negotiate the purchase of the old abandoned Forest Service Building on Highway 20 for a future City Hall. The purchase of the building was finalized in July 2016 in the amount of \$750,000. Staff worked during the 2016-2017 fiscal year to bring on an architect and develop some conceptual designs for council approval.

Following some minor remodeling in the interior of the Police Department building, Municipal Court was able to move from the Annex behind City Hall to a more permanent and secure area inside the Police Building in November 2016.

The old water treatment plant property at the end of 9<sup>th</sup> Avenue was surplus by City Council in the fall of 2016 and put on the real estate market in the hopes of selling it for funds to refurbish the building purchased by the City for a new City Hall. As of the end of the fiscal year in June, the property had not yet sold.

### **Financial Information**

#### **Financial and Accounting Policies**

This report is prepared in conformance with the guidelines for financial reporting developed by the Government Finance Officers Association of the United States and Canada and the Governmental Accounting Standards Board (GASB), including all effective GASB pronouncements.

It presents fairly the financial position of the various funds of the City at June 30, 2017, and the results of operations of such funds and cash flow of the proprietary fund types for the year ended in conformity and generally accepted accounting principles (GAAP).

During the fiscal year of 2016-2017 the City maintained a total of 29 funds, of which 17 were governmental fund types, and 12 were proprietary fund types. The City also maintained 2 sets of accounting records for capital assets and long-term debt. The modified accrual basis of accounting is used for the governmental fund types (General Fund, special revenue funds, debt service funds, and capital projects). The accrual basis is used for the government-wide and proprietary financial statements.

## **Budgetary Policies**

The annual budget for the City of Sweet Home is a comprehensive financial plan for the year ahead. The annual budget process integrates and authorizes the needs of the community with the finances available and the ability of city government to provide the needed services. Like all governments in Oregon, the City prepares its annual budget in accordance with provisions of Oregon Local Budget Law (ORS 294), which provides procedures for the preparation, presentation, administration, and appraisals of budgets.

The City establishes the level of budgetary control at the personal service, materials & services, capital outlay, contingency, debt service and transfers in all funds, except in the General Fund, where budgetary controls are established at the department level, capital outlay level and contingency. These levels are adopted in a resolution by City Council during a public hearing held during the final City Council meeting of the fiscal year. The adopted budget is implemented through the City's accounting operations and the provision of City services.

Oregon budget law allows for amendments to the City budget for reasons unforeseen at the time of the adoption of the original budget. Management is allowed to adjust budget numbers within adopted appropriations. Changes in appropriations, transfers outside of funds, appropriation of unexpected revenues and use of contingencies require Council action.

The City of Sweet Home manages its finances according to generally accepted accounting principals. During the year expenditures and revenues are closely monitored to ensure compliance with the adopted budget and state law. An annual audit is performed and filed with the State of Oregon each year by an independent Certified Public Accountant.

## **Acknowledgments**

The preparation of the Annual Financial Report on a timely basis was made possible by the services of the City's Finance Department staff and the certified public accountants of Grove, Mueller & Swank, P.C. Their contributions to this report are sincerely appreciated.

Respectfully submitted,

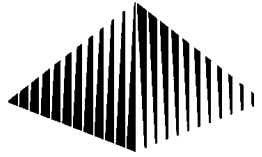
Patricia Gray  
Finance Director

Ray Towry  
City Manager

CITY OF SWEET HOME, OREGON  
ORGANIZATION CHART

# City of Sweet Home





## GROVE, MUELLER & SWANK, P.C.

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

### *INDEPENDENT AUDITOR'S REPORT*

The Honorable Greg Mahler, Mayor  
and Members of the City Council  
1140 12<sup>th</sup> Avenue  
Sweet Home, Oregon 97386

#### *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 Sweet Home, Oregon as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

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

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

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

#### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sweet Home, Oregon as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) on pages 11 through 19, the schedules of revenues, expenditures and changes in fund balance – budget to actual for the General, Public Levy and State Gas Tax funds (pages 52 through 54) (“the budgetary schedules”), the schedule of the City's proportionate share of the net pension liability – Oregon public employees retirement system, and the schedule of the City's contributions – Oregon public employees retirement system (PERS schedules) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the management discussion and analysis and PERS schedules described in the preceding paragraph 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The budgetary schedules described above were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The budgetary schedules have been subject 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 budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information and other financial schedules (collectively, the supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 is fairly presented, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***


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

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

***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 18, 2017, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

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

By:   
\_\_\_\_\_  
Ryan T. Pasquarella, A Shareholder  
December 18, 2017

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2017

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

Management's Discussion and Analysis (MD&A) focuses on current year activities and resulting changes. Please read it in conjunction with the Transmittal Letter (pages 2 through 6) and the City's financial statements (beginning on page 20).

## FINANCIAL HIGHLIGHTS

**City of Sweet Home**  
**Statement of Net Position (GAAP Basis)**  
**June 30,**  
**(in thousands)**

	<i>June 30,</i>		
	<u>2017</u>	<u>2016</u>	<u>change</u>
Net position	\$ 32,742	\$ 31,989	\$ 753
Change in net position	753	384	369
Governmental activities net position	20,459	20,324	135
Business-type activities net position	12,283	11,665	618
Change in governmental net assets	135	67	68
Change in proprietary net assets	618	317	301

The City's net position increased by \$753 thousand (or 2%) due to revenues exceeding expenses.

Governmental activities revenues decreased by \$152 thousand (or 3%) due to decreases in operating grants and other income.

Charges for services in the business-type activities increased \$257 thousand (5%) due to an increase in billing rates.

The Water Fund represents 47% of all utility revenues for the City. These revenues went towards operation of the water treatment plant located off 47th Avenue.

The Wastewater Fund represents 52% of all utility revenues for the City. Sweet Home is serviced by a sanitary sewer system that feeds into several mainlines which meet at the wastewater treatment facility located off Pleasant Valley Road.

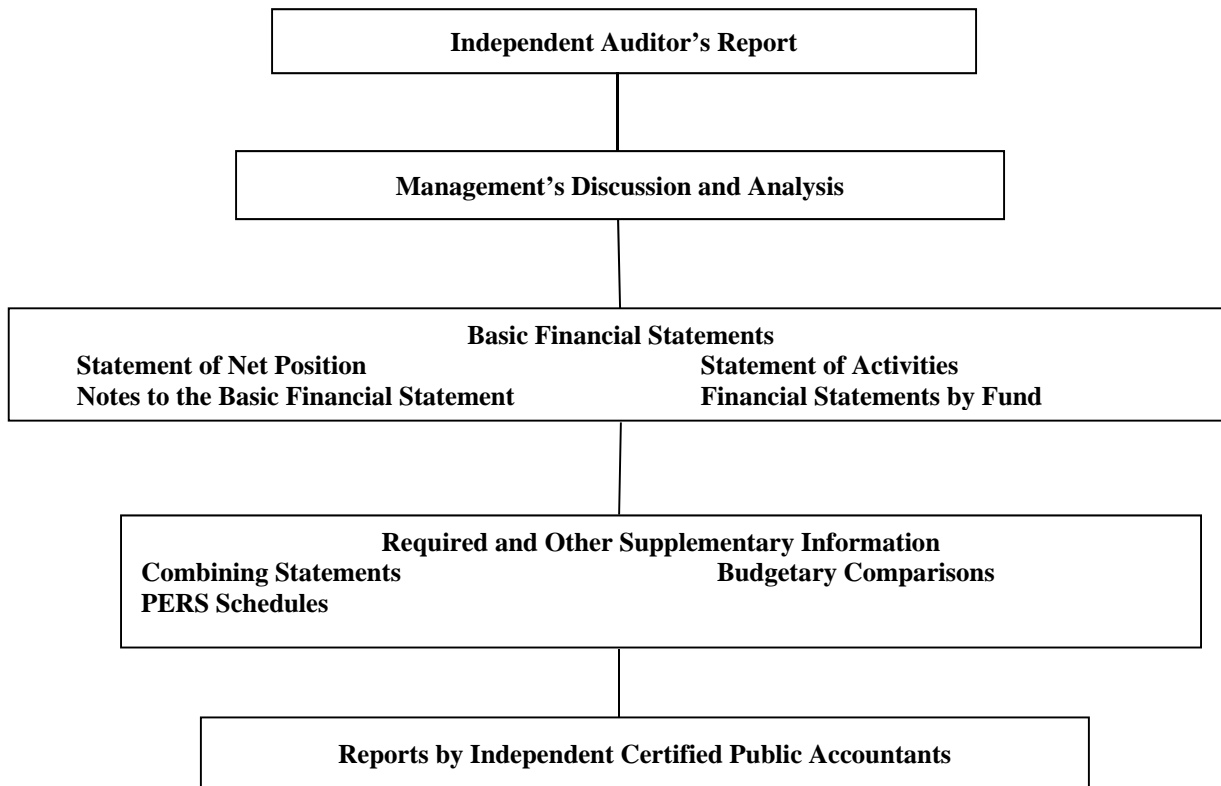
The Stormwater Fund represents 1% of all utility revenues for the City. These revenues are dedicated to storm drainage projects throughout the City.

Governmental activities program costs decreased by \$233 thousand and business-type activities program costs decreased by \$31 thousand.

## REPORT LAYOUT

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

### Components of the Annual Financial Report



**Independent Auditor’s Report** - Auditor’s opinion regarding the fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.

**Management’s Discussion and Analysis** - This section of the report provides financial highlights, overview and economic factors affecting the City.



**Basic Financial Statements** - Includes Statement of Net Position, Statement of Activities, fund financial statements and the notes to the financial statements. The Statements of Net Position and Activities focus on an entity-wide presentation using the accrual basis of accounting. They are designed to be more corporate-like in that all activities are consolidated into a total for the City.

- 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.
- The Fund Financial Statements focus separately on major governmental 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." Statements for the City's proprietary funds follow the governmental funds and include net position, revenues, expenses and changes in fund net position, and cash flows. 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." Statements for the City's proprietary funds follow the governmental funds and include net position, revenues, expenses, and changes in fund net position, and cash flows. The City's major proprietary funds are presented in their own column and the remaining funds are combined into a column titled "Other Enterprise Funds."
- The Notes to the Financial Statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the City's financial condition.

**Required Supplementary and Other Supplementary Information** - Required Supplementary Information includes budgetary comparison statements for the General, Public Safety Local Option Levy, State Gas Tax and Building Reserve Funds.

Readers desiring additional information on non-major funds can find it in the Combining Statements of Non-major Funds and/or the Supplementary Information-Budgetary Comparison sections of this report. Components within this section include:

- 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 those previously presented as required supplementary information.
- PERS Schedules. Schedules that reflect the City's proportionate share of the net pension liability and the City's contributions are presented as required supplementary information.

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

# CITY AS A WHOLE

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

The following table reflects a statement of net position of governmental and business-type funds compared to the prior year. Detail of this summary is presented on page 20.

	<b>Statements of Net Position</b>					
	<b>June 30,</b>					
	<b>(in thousands)</b>					
	<b>2017</b>			<b>2016</b>		
	<b><i>Governmental</i></b>	<b><i>Business-type</i></b>		<b><i>Governmental</i></b>	<b><i>Business-type</i></b>	
	<b><i>Activities</i></b>	<b><i>Activities</i></b>	<b><i>Total</i></b>	<b><i>Activities</i></b>	<b><i>Activities</i></b>	<b><i>Total</i></b>
Cash and investments	\$ 6,232	\$ 3,344	\$ 9,576	\$ 6,360	\$ 3,066	\$ 9,426
Other assets	890	853	1,743	943	787	1,730
Capital assets	13,583	26,228	39,811	13,185	26,824	40,009
<i>Total Assets</i>	<u>20,705</u>	<u>30,425</u>	<u>51,130</u>	<u>20,488</u>	<u>30,677</u>	<u>51,165</u>
Deferred outflows	369	-	369	30	-	30
Other liabilities	94	402	496	72	268	340
Long-term liabilities	521	17,740	18,261	122	18,744	18,866
<i>Total Liabilities</i>	<u>615</u>	<u>18,142</u>	<u>18,757</u>	<u>194</u>	<u>19,012</u>	<u>19,206</u>
Net position:						
Net investment in capital assets	13,583	8,532	22,115	13,185	8,127	21,312
Restricted	2,753	1,541	4,294	2,361	1,455	3,816
Unrestricted	4,123	2,210	6,333	4,778	2,083	6,861
<i>Total Net Position</i>	<u>\$ 20,459</u>	<u>\$ 12,283</u>	<u>\$ 32,742</u>	<u>\$ 20,324</u>	<u>\$ 11,665</u>	<u>\$ 31,989</u>

The following table reflects a change in activities for governmental and proprietary funds compared to the prior year. Detail of this summary is presented on page 21.

<b>Statements of Activities</b>						
<b>June 30,</b>						
<b>(in thousands)</b>						
<b>2017</b>			<b>2016</b>			
<b>Governmental Activities</b>	<b>Business- type Activities</b>	<b>Total</b>	<b>Governmental Activities</b>	<b>Business- type Activities</b>	<b>Total</b>	
<b>Revenues</b>						
Program Revenues						
Charges for service	\$ 542	\$ 4,397	\$ 4,939	\$ 556	\$ 4,170	\$ 4,726
Operating grants and contributions	695	-	695	1,066	-	1,066
General Revenues						
Taxes and assessments	3,027	-	3,027	2,647	-	2,647
Other	1,096	133	1,229	1,243	103	1,346
<b>Total Revenues</b>	<b>5,360</b>	<b>4,530</b>	<b>9,890</b>	<b>5,512</b>	<b>4,273</b>	<b>9,785</b>
<b>Expenses</b>						
Programs	5,464	3,673	9,137	5,697	3,704	9,401
<b>Transfers</b>	<b>239</b>	<b>(239)</b>	<b>-</b>	<b>252</b>	<b>(252)</b>	<b>-</b>
<b>Change in Net Position</b>	<b>135</b>	<b>618</b>	<b>753</b>	<b>67</b>	<b>317</b>	<b>384</b>
<b>Beginning Net Position</b>	<b>20,324</b>	<b>11,665</b>	<b>31,989</b>	<b>20,257</b>	<b>11,348</b>	<b>31,605</b>
<b>Ending Net Position</b>	<b>\$ 20,459</b>	<b>\$ 12,283</b>	<b>\$ 32,742</b>	<b>\$ 20,324</b>	<b>\$ 11,665</b>	<b>\$ 31,989</b>

**FUND FINANCIAL ANALYSIS: GOVERNMENTAL FUNDS**

The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

*General Fund.* The General Fund is the primary operating fund of the City. The fund balance was \$1,871 thousand at year end. The fund balance increased by \$431 thousand during the current fiscal year. The fund had revenues in excess of expenditures of \$276 thousand, and net transfers in of \$156 thousand. As a measure of the fund’s liquidity, it may be useful to compare total fund balances to total fund expenditures. Fund balance represents 100% of total General Fund expenditures.

*Police Levy Fund.* The Police Levy Fund is used to account for the local option property tax levy approved by voters every five years to finance police and dispatch services. The fund balance was \$1,213 thousand at year end. The fund balance decreased by \$79 thousand during the current fiscal year primarily due to an increase in police operations expenditures.

*State Gas Tax Fund.* The State Gas Tax Fund is used to account for the City’s share of state gasoline tax revenues which are restricted for use in the maintenance of streets. The fund balance was \$229 thousand at year end. The fund balance decreased by \$10 thousand during the current fiscal year as expenditures were in excess of revenues.

*Building Reserve Fund.* The Building Reserve Fund was established as a reserve for constructing a new City Hall. The fund balance was \$304 thousand at year end. The fund balance decreased by \$739 thousand due to the purchase of land and building for the new City Hall.

**FUND FINANCIAL ANALYSIS: PROPRIETARY FUNDS**

*Water Fund.* The Water Fund is used to account for the operation of the City’s water department. The fund net position was \$1,365 thousand at year end. The fund net position increased by \$234 thousand during the current fiscal year. The fund had \$591 thousand of operating revenues in excess of operating expenses, interest expense of roughly \$163 thousand and net transfers to other funds of \$196 thousand.

*Wastewater.* The Wastewater Fund is used to account for the operation of the City’s sewer utility. The fund net position was \$1,332 thousand at year end. The fund net position decreased by \$367 thousand during the current fiscal year, primarily due to transfers to other funds.

*Wastewater Depreciation.* The Wastewater Depreciation Fund is used to account for monies set aside for wastewater related capital projects. The fund net position was \$6,454 thousand at year end. The fund net position increased by \$865 thousand during the current fiscal year, primarily due to transfers from other funds.

**FUND BALANCES**

The following table reflects a summary of ending fund balances for governmental funds compared to the prior year. Detail of this summary is presented on page 22.

<u>Major Funds</u>	<b>June 30,</b> <b>(in thousands)</b>				<b>Compared to</b> <b>Prior Year</b>	
	<b>2017</b>		<b>2016</b>		<b>Change</b>	<b>%</b>
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>		
General	\$ 1,871	30%	\$ 1,440	22%	\$ 431	30%
Police Levy	1,213	19%	1,292	20%	(79)	-6%
State Gas Tax	229	4%	239	4%	(10)	-4%
Building Reserve	304	5%	1,042	16%	(738)	-71%
Other Governmental Funds	2,717	42%	2,490	38%	227	9%
Total fund balances	<u>\$ 6,334</u>	<u>100%</u>	<u>\$ 6,503</u>	<u>100%</u>	<u>\$ (169)</u>	<u>-3%</u>

The following table reflects a summary of ending fund balance for business-types activities on a budget basis compared to the prior year. Detail of this summary begins on page 79.

**Table 4**  
**Proprietary Funds - Fund Balances**  
**June 30,**  
**(in thousands)**

<u>Major Funds</u>	<b>June 30,</b> <b>(in thousands)</b>				<b>Compared to</b> <b>Prior Year</b>	
	<b>2017</b>		<b>2016</b>		<b>Change</b>	<b>%</b>
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>		
Water	\$ 200	5%	\$ 240	7%	\$ (40)	-17%
Wastewater	(37)	-1%	92	3%	(129)	-140%
Wastewater Depreciation	1,264	34%	1,065	30%	199	19%
Other Business-type Funds	2,280	62%	2,138	57%	142	7%
Total fund net assets	<u>\$ 3,708</u>	<u>100%</u>	<u>\$ 3,535</u>	<u>97%</u>	<u>\$ 173</u>	<u>5%</u>

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

**BUDGETARY HIGHLIGHTS**

City Council approved two changes to the adopted budget during the 2016-2017 fiscal year. City Council approved a transfer resolution authorizing the transfer of funds from General Fund contingency to legislative department materials and services, executive department materials and services, and finance department personnel services of \$2,600, \$10,000, and \$6,000, respectively. Another transfer resolution was authorized by City Council to transfer funds from municipal court personnel services to municipal court materials and services and to transfer funds from community development personnel services to community development materials and services in the amounts of \$20,000 and \$40,000, respectively.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The City’s investment in capital assets for its governmental and business activities as of year-end was \$40 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, equipment and infrastructure. The total decrease in the City’s investment in capital assets for the current fiscal year was \$198 thousand (a \$398 thousand increase for governmental activities and a \$596 thousand decrease for business-type activities.)

**Capital Assets at June 30, 2017 and 2016  
(in thousands)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Land and improvements	\$ 3,536	\$ 3,147	\$ -	\$ -	\$ 3,536	\$ 3,147
Buildings	9,617	9,221	21,795	21,539	31,412	30,760
Equipment	1,433	1,474	612	610	2,045	2,084
Infrastructure	25,736	25,736	10,297	10,297	36,033	36,033
Construction in progress	-	-	14,366	14,366	14,366	14,366
Accumulated depreciation	(26,739)	(26,393)	(20,842)	(19,988)	(47,581)	(46,381)
Net capital assets	<u>\$ 13,583</u>	<u>\$ 13,185</u>	<u>\$ 26,228</u>	<u>\$ 26,824</u>	<u>\$ 39,811</u>	<u>\$ 40,009</u>

The following table reconciles the change in capital assets. Included within additions is the continuing work on the wastewater inflow and infiltration project in Business-type Activities. Detail of this summary is presented on pages 39-40 of the notes.

**Changes in Capital Assets  
(in thousands)**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Beginning balance	\$ 13,185	\$ 26,824	\$ 40,009
Additions	798	261	1,059
Retirements	(22)	-	(22)
Depreciation	(378)	(857)	(1,235)
Ending balance	<u>\$ 13,583</u>	<u>\$ 26,228</u>	<u>\$ 39,811</u>

## Long-term Debt

The City's long-term debt at June 30, 2017 and 2016 is summarized below.

<b>City of Sweet Home General Obligation Debt June 30, (in thousands)</b>			
	Business-type Activities		Change
	<u>2017</u>	<u>2016</u>	<u>2016-2017</u>
Loans	\$ 17,696	\$ 18,697	\$ (1,001)

For more detailed information the City's debt and amortization terms refer to pages 41-42 of the notes.

## MAJOR INITIATIVES

### Staff Changes

The City experienced a major change in management staff during 2016-2017. With the long-time City Manager having left in April 2016, the Planner/Community Development Director gone in May 2016 and the Public Director gone in March 2017, the City was without some key management personnel during the fiscal year.

An interim City Manager was hired in May 2016 and tasked with the responsibility of hiring a new City Manager, who came on in November 2016. The Planner/Community Development Director and Public Works Director positions remained unfilled during the fiscal year. The loss of these positions put many major projects on hold until the positions could be filled in the 2017-2018 fiscal year.

### Personnel Costs

While the General employees' contract was renewed with 7.5% cost of living spread over three years in late 2015-2016, the Police unit just started their contract negotiations in July 2016. When contract negotiations ended in April 2017, union employees received a 6% increase over 3 years, an additional 5% step at the top of the wage scale and incentive pay for specific duties. These costs carried into the non-represented positions.

With PERS rates continuing to increase, in addition to the contracted wage increases, the police department will need to be looking at cost containing measures in the future as their funding source continues to be limited by a renewable five year levy and a 32% compression rate.

### Property Upgrades and Purchases

In January 2016, City Council directed staff to negotiate the purchase of the old abandoned Forest Service Building on Highway 20 for a future City Hall. The purchase of the building was finalized in July 2016 in the amount of \$750,000. Staff worked during the 2016-2017 fiscal year to bring on an architect and develop some conceptual designs for council approval.

Following some minor remodeling in the interior of the Police Department building, Municipal Court was able to move from the Annex behind City Hall to a more permanent and secure area inside the Police Building in November 2016.

The old water treatment plant property at the end of 9th Avenue was surplus by City Council in the fall of 2016 and put on the real estate market in the hopes of selling it for funds to refurbish the building purchased by the City for a new City Hall. As of the end of the fiscal year in June, the property had not yet sold.

## **FINANCIAL CONTACT**

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact the City's Finance Director at 1140 12th Avenue, Sweet Home, Oregon 97386.

***BASIC FINANCIAL STATEMENTS***



**CITY OF SWEET HOME, OREGON**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash and investments	\$ 6,231,793	\$ 3,343,506	\$ 9,575,299
Accounts receivable	207,133	674,669	881,802
Property taxes receivable	294,732	-	294,732
Assessment liens receivable	35,149	64,924	100,073
Loans receivable	353,091	-	353,091
Inventories	-	114,505	114,505
Non-depreciable capital assets	3,536,500	14,365,536	17,902,036
Other capital assets, net of depreciation	10,046,916	11,862,453	21,909,369
<i>Total Assets</i>	<u>20,705,314</u>	<u>30,425,593</u>	<u>51,130,907</u>
<b>DEFERRED OUTFLOWS</b>			
Deferred outflows related to pensions	369,206	-	369,206
<b>LIABILITIES</b>			
Accounts payable	93,434	161,076	254,510
Deposits payable	-	135,883	135,883
Accrued interest payable	-	105,518	105,518
Due within one year:			
Long-term debt	-	1,015,992	1,015,992
Accrued compensated absences	136,811	43,674	180,485
Due in more than one year:			
Long-term debt	-	16,680,463	16,680,463
Net pension liability	384,674	-	384,674
<i>Total Liabilities</i>	<u>614,919</u>	<u>18,142,606</u>	<u>18,757,525</u>
<b>NET POSITION</b>			
Net investment in capital assets	13,583,416	8,531,534	22,114,950
Restricted for:			
Public safety	1,417,084	-	1,417,084
Construction	-	951,788	951,788
Community development	1,091,610	-	1,091,610
Library	244,656	-	244,656
Debt service	-	589,633	589,633
Unrestricted	4,122,835	2,210,032	6,332,867
<i>Total Net Position</i>	<u>\$ 20,459,601</u>	<u>\$ 12,282,987</u>	<u>\$ 32,742,588</u>

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

**CITY OF SWEET HOME, OREGON**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2017**

<b>FUNCTIONS/PROGRAMS</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Fees, Fines and Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Governmental activities:</b>				
General government	\$ 1,480,822	\$ 277,970	\$ 205	\$ -
Library	276,376	9,154	2,758	-
Parks	237,260	729	31,526	-
Community development	900,913	3,429	624,695	-
Public safety	2,530,149	251,109	1,315	-
Community center	38,777	-	34,230	-
<i>Total Governmental activities</i>	5,464,297	542,391	694,729	-
<b>Business-type activities:</b>				
Water	1,649,511	2,064,498	-	48,732
Sewer	1,689,104	2,271,575	-	29,182
Stormwater	333,989	61,418	-	-
<i>Total Business-type activities</i>	3,672,604	4,397,491	-	77,914
<i>Total Activities</i>	<u>\$ 9,136,901</u>	<u>\$ 4,939,882</u>	<u>\$ 694,729</u>	<u>\$ 77,914</u>
<b>General Revenues:</b>				
Property taxes				
Franchise taxes				
Intergovernmental				
Loss on disposition of assets				
Miscellaneous				
<i>Total General Revenues</i>				
<b>Transfers</b>				
<b>Change in net position</b>				
<b>Net Position - beginning of year</b>				
<b>Net Position - end of year</b>				

***Net (Expenses) Revenues  
and Changes in Net Position***

<b><i>Governmental Activities</i></b>	<b><i>Business-type Activities</i></b>	<b><i>Totals</i></b>
\$ (1,202,647)	\$ -	\$ (1,202,647)
(264,464)	-	(264,464)
(205,005)	-	(205,005)
(272,789)	-	(272,789)
(2,277,725)	-	(2,277,725)
(4,547)	-	(4,547)
(4,227,177)	-	(4,227,177)
-	463,719	463,719
-	611,653	611,653
-	(272,571)	(272,571)
-	802,801	802,801
(4,227,177)	802,801	(3,424,376)
3,027,022	-	3,027,022
701,877	-	701,877
273,924	-	273,924
(15,458)	-	(15,458)
135,968	54,968	190,936
4,123,333	54,968	4,178,301
239,507	(239,507)	-
135,663	618,262	753,925
20,323,938	11,664,725	31,988,663
\$ 20,459,601	\$ 12,282,987	\$ 32,742,588

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

**CITY OF SWEET HOME, OREGON**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2017**

	<u>Special Revenue</u>		
	<u>General</u>	<u>Police Levy</u>	<u>State Gas Tax</u>
<b>ASSETS</b>			
Cash and investments	\$ 1,793,723	\$ 1,229,077	\$ 187,838
Accounts receivable	1,210,625	-	46,765
Property taxes receivable	58,298	203,985	-
Assessment liens receivable	12,228	-	-
Loans receivable	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Assets</i>	<u>\$ 3,074,874</u>	<u>\$ 1,433,062</u>	<u>\$ 234,603</u>
 <b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 47,635	\$ 15,978	\$ 5,470
 <b>Deferred Inflows</b>			
Unavailable revenue	1,156,034	203,985	-
 <b>Fund Balance:</b>			
Restricted for:			
Public safety	-	1,213,099	-
Community development	-	-	229,133
Library	-	-	-
Committed to:			
Public safety	-	-	-
Parks	-	-	-
Community development	-	-	-
Capital outlay	-	-	-
Community center	-	-	-
Unrestricted	1,871,205	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Fund Balance</i>	<u>1,871,205</u>	<u>1,213,099</u>	<u>229,133</u>
	<hr/>	<hr/>	<hr/>
<i>Total Liabilities, Deferred Inflows, and Fund Balances</i>	<u>\$ 3,074,874</u>	<u>\$ 1,433,062</u>	<u>\$ 234,603</u>

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<u><i>Building Reserve</i></u>	<u><i>Other Governmental Funds</i></u>	<u><i>Total</i></u>
\$ 303,954	2,717,201	\$ 6,231,793
-	23,684	1,281,074
-	32,449	294,732
-	22,921	35,149
-	353,091	353,091
\$ 303,954	\$ 3,149,346	\$ 8,195,839
\$ 303,954	\$ 3,149,346	\$ 8,195,839
\$ -	\$ 24,351	\$ 93,434
-	408,461	1,768,480
-	-	1,213,099
-	509,386	738,519
-	224,585	224,585
-	93,252	93,252
-	51,304	51,304
-	1,287,837	1,287,837
303,954	541,301	845,255
-	8,869	8,869
-	-	1,871,205
303,954	2,716,534	6,333,925
\$ 303,954	\$ 3,149,346	\$ 8,195,839

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

**CITY OF SWEET HOME, OREGON**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

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<i>Fund Balances</i>	\$ 6,333,925
<p>The Statement of Net Position reports receivables at their net realizable value. However, receivables not available to pay for current period expenditures are deferred in governmental funds.</p>	
Deferred revenues	1,768,480
Court receivables, net of allowance	(1,073,941)
<p>Capital assets are not financial resources in governmental funds, but are reported in the Statement of Net Position at their net depreciable value.</p>	
Cost	40,322,391
Accumulated depreciation	(26,738,975)
<p>All liabilities are reported in the Statement of Net Position. However, if they are not due and payable in the current period, they are not recorded in governmental funds.</p>	
Accrued compensated absences	(136,811)
<p>PERS net pension liability and deferred outflows/inflows related are not financial resources/requirements in governmental funds, but are reported in the Statement of Net Position.</p>	
Net pension liability	(384,674)
Deferred outflows	369,206
	<hr/>
<i>Net Position of Governmental Activities</i>	<u><u>\$ 20,459,601</u></u>

**CITY OF SWEET HOME, OREGON****STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2017**

	<u>Special Revenue</u>		
	<u>General Fund</u>	<u>Police Levy</u>	<u>State Gas Tax</u>
<b>REVENUES</b>			
Taxes and assessments	\$ 637,237	\$ 2,082,851	\$ -
Licenses and permits	924,262	485	-
Charges for services	42,927	-	-
Intergovernmental	280,608	43,972	543,793
Fines and forfeitures	175,833	-	-
Miscellaneous	80,273	56,217	2,691
<i>Total Revenues</i>	<u>2,141,140</u>	<u>2,183,525</u>	<u>546,484</u>
<b>EXPENDITURES</b>			
Current			
General government	1,188,108	-	-
Library	-	-	-
Parks	115,713	-	-
Community development	317,603	-	390,079
Public safety	244,008	2,230,523	-
Community center	-	-	-
Capital outlay	-	11,666	573
<i>Total Expenditures</i>	<u>1,865,432</u>	<u>2,242,189</u>	<u>390,652</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	275,708	(58,664)	155,832
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	248,267	-	-
Transfers out	(92,500)	(20,000)	(165,836)
<i>Total Other Financing Sources (Uses)</i>	<u>155,767</u>	<u>(20,000)</u>	<u>(165,836)</u>
<b>NET CHANGE IN FUND BALANCE</b>	431,475	(78,664)	(10,004)
<b>FUND BALANCE, beginning of year</b>	1,439,730	1,291,763	239,137
<b>FUND BALANCE, end of year</b>	<u>\$ 1,871,205</u>	<u>\$ 1,213,099</u>	<u>\$ 229,133</u>

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<i>Building Reserve</i>	<i>Other Governmental Funds</i>	<i>Total</i>
\$ -	\$ 309,210	\$ 3,029,298
-	-	924,747
-	-	42,927
-	80,902	949,275
-	5,439	181,272
9,299	139,194	287,674
<hr/>	<hr/>	<hr/>
9,299	534,745	5,415,193
-	-	1,188,108
-	277,386	277,386
-	1,371	117,084
-	174,090	881,772
-	-	2,474,531
-	38,777	38,777
828,743	34,723	875,705
<hr/>	<hr/>	<hr/>
828,743	526,347	5,853,363
<hr/>	<hr/>	<hr/>
(819,444)	8,398	(438,170)
80,000	257,585	585,852
-	(38,000)	(316,336)
<hr/>	<hr/>	<hr/>
80,000	219,585	269,516
<hr/>	<hr/>	<hr/>
(739,444)	227,983	(168,654)
1,043,398	2,488,551	6,502,579
<hr/>	<hr/>	<hr/>
\$ 303,954	\$ 2,716,534	\$ 6,333,925
<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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



**CITY OF SWEET HOME, OREGON**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2017**

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<i>Net Change in Fund Balances - Total Governmental Funds</i>	\$ (168,654)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received.	(33,285)
Governmental funds do not report expenditures for unpaid compensated absences since they do not require the use of current financial resources. However, the Statement of Activities reports such expenses when incurred, regardless of when settlement ultimately occurs.	(14,922)
Capital outlays are reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital outlay over their estimated useful lives as depreciation expense.	
Capital outlay expenditures	797,785
Depreciation	(377,915)
Net book value of assets disposed	(21,457)
Current year PERS pension expense related to the change in deferred outflows is reported as an expense in the Statement of Activities, but is not recorded as an expenditure in the governmental funds.	338,785
Current year PERS pension expense related to change in net pension liability is reported as an expense in the Statement of Activities, but is not recorded as an expenditure in the governmental funds.	(384,674)
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$ 135,663</u></u>

**CITY OF SWEET HOME, OREGON**  
**STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS**  
**JUNE 30, 2017**

	<u>Water</u>	<u>Wastewater</u>	<u>Wastewater Depreciation</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and investments	\$ 33,394	\$ -	\$ 891,081
Accounts receivable	316,414	350,221	-
Inventories	67,729	46,776	-
Due from other funds	-	-	375,664
<i>Total Current Assets</i>	417,537	396,997	1,266,745
<b>Noncurrent Assets</b>			
Assessment liens receivable	-	-	-
Nondepreciable capital assets	-	-	14,365,536
Other capital assets, net of depreciation	9,745,890	1,343,180	-
<i>Total Noncurrent Assets</i>	9,745,890	1,343,180	14,365,536
<i>Total Assets</i>	10,163,427	1,740,177	15,632,281
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	13,776	11,625	2,405
Deposits payable	135,883	-	-
Accrued interest payable	93,379	-	12,139
Due to other funds	-	375,664	-
Current portion of long-term liabilities			
Long-term debt	337,821	-	678,171
Accrued compensated absences	22,179	21,310	-
<i>Total Current Liabilities</i>	603,038	408,599	692,715
<b>Noncurrent Liabilities</b>			
Long-term debt	8,194,908	-	8,485,555
<i>Total Liabilities</i>	8,797,946	408,599	9,178,270
<b>FUND NET POSITION</b>			
Net investment in capital assets	1,213,161	1,343,180	5,201,810
Restricted for debt service	-	-	589,633
Restricted for construction	-	-	-
Unrestricted	152,320	(11,602)	662,568
<i>Total Fund Net Position</i>	\$ 1,365,481	\$ 1,331,578	\$ 6,454,011

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<i>Other Enterprise Funds</i>	<i>Total</i>
\$ 2,419,031	\$ 3,343,506
8,034	674,669
-	114,505
-	375,664
2,427,065	4,508,344
64,924	64,924
-	14,365,536
773,383	11,862,453
838,307	26,292,913
3,265,372	30,801,257
133,270	161,076
-	135,883
-	105,518
-	375,664
-	1,015,992
185	43,674
133,455	1,837,807
-	16,680,463
133,455	18,518,270
773,383	8,531,534
-	589,633
951,788	951,788
1,406,746	2,210,032
\$ 3,131,917	\$ 12,282,987

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

**CITY OF SWEET HOME, OREGON****STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2017**

	<u>Water</u>	<u>Wastewater</u>	<u>Wastewater Depreciation</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 2,064,498	\$ 2,271,575	\$ -
Miscellaneous	12,430	5,106	-
<i>Total Operating Revenues</i>	2,076,928	2,276,681	-
<b>OPERATING EXPENSES</b>			
Personal services	439,039	480,447	-
Materials and services	735,612	675,230	27,777
Depreciation	311,677	287,704	-
<i>Total Operating Expenses</i>	1,486,328	1,443,381	27,777
<b>OPERATING INCOME (LOSS)</b>	590,600	833,300	(27,777)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment revenue	2,318	512	11,526
Interest expense	(162,653)	(217,948)	-
Gain (loss) on sale of assets	(529)	-	-
<i>Total Nonoperating Revenues (Expenses)</i>	(160,864)	(217,436)	11,526
<b>NET INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	429,736	615,864	(16,251)
Capital contributions	-	-	-
Transfers in	-	-	881,699
Non-cash transfers in	261,285	-	-
Transfers out	(457,356)	(976,848)	-
Non-cash transfers out	-	(5,682)	-
<b>CHANGE IN FUND NET POSITION</b>	233,665	(366,666)	865,448
<b>FUND NET POSITION, beginning of year</b>	1,131,816	1,698,244	5,588,563
<b>FUND NET POSITION, end of year</b>	\$ 1,365,481	\$ 1,331,578	\$ 6,454,011

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<i>Other Enterprise</i>	
<i>Funds</i>	<i>Total</i>
\$ 61,418	\$ 4,397,491
-	17,536
61,418	4,415,027
73,520	993,006
2,863	1,441,482
257,606	856,987
333,989	3,291,475
(272,571)	1,123,552
23,076	37,432
-	(380,601)
-	(529)
23,076	(343,698)
(249,495)	779,854
77,914	77,914
396,990	1,278,689
-	261,285
(114,000)	(1,548,204)
(225,594)	(231,276)
(114,185)	618,262
3,246,102	11,664,725
\$ 3,131,917	\$ 12,282,987

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

**CITY OF SWEET HOME, OREGON**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	<u>Water</u>	<u>Wastewater</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Collected from customers	\$ 2,088,244	\$ 2,238,412
Paid to suppliers	(725,645)	(711,802)
Paid to employees	(436,779)	(486,378)
<i>Net Cash Provided by (Used in) Operating Activities</i>	925,820	1,040,232
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Received from (paid to) other funds	-	159,734
Transfers in	-	-
Transfers out	(457,356)	(976,848)
<i>Net Cash Provided by (Used in) Non-Capital Financing Activities</i>	(457,356)	(817,114)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of capital assets	-	(5,682)
Principal paid on long-term debt	(335,228)	-
Contribution of capital	-	-
Interest paid	(165,262)	(217,948)
<i>Net Cash Provided by (Used in) Capital and Related Financing Activities</i>	(500,490)	(223,630)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	2,318	512
<i>Increase (Decrease) in Cash and Investments</i>	(29,708)	-
<b>CASH AND INVESTMENTS, Beginning of year</b>	63,102	-
<b>CASH AND INVESTMENTS, End of year</b>	<u>\$ 33,394</u>	<u>\$ -</u>

<i>Wastewater Depreciation</i>	<i>Other Enterprise Funds</i>	<i>Totals</i>
\$ -	\$ 61,247	\$ 4,387,903
(35,115)	130,451	(1,342,111)
-	(73,520)	(996,677)
(35,115)	118,178	2,049,115
(159,734)	-	-
881,699	396,990	1,278,689
-	(114,000)	(1,548,204)
721,965	282,990	(269,515)
-	(225,594)	(231,276)
(665,534)	-	(1,000,762)
-	76,830	76,830
(1,039)	-	(384,249)
(666,573)	(148,764)	(1,539,457)
11,526	23,076	37,432
31,803	275,480	277,575
859,278	2,143,551	3,065,931
<u>\$ 891,081</u>	<u>\$ 2,419,031</u>	<u>\$ 3,343,506</u>

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

**CITY OF SWEET HOME, OREGON**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (Continued)**  
**YEAR ENDED JUNE 30, 2017**

	<u>Water</u>	<u>Wastewater</u>
<b><i>RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES</i></b>		
Operating income (loss)	\$ 590,600	\$ 833,300
Depreciation	311,677	287,704
Change in assets and liabilities:		
Accounts receivable	4,822	(38,269)
Inventory	11,573	(44,325)
Accounts payable and accrued liabilities	(1,606)	7,753
Customer deposits	6,494	-
Accrued vacation payable	2,260	(5,931)
	<u>\$ 925,820</u>	<u>\$ 1,040,232</u>
 <i>Net Cash Provided by (Used in) Operating Activities</i>		
	<u>\$ 925,820</u>	<u>\$ 1,040,232</u>
 <i>Noncash Transactions</i>		
Transfer of capital assets	<u>\$ (261,285)</u>	<u>\$ (5,682)</u>



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<i>Wastewater Depreciation</i>	<i>Other Enterprise Funds</i>	<i>Totals</i>
\$ (27,777)	(272,571)	\$ 1,123,552
-	257,606	856,987
-	(171)	(33,618)
-	-	(32,752)
(7,338)	133,314	132,123
-	-	6,494
-	-	(3,671)
<u>\$ (35,115)</u>	<u>\$ 118,178</u>	<u>\$ 2,049,115</u>
<u>\$ -</u>	<u>\$ (225,594)</u>	<u>\$ (492,561)</u>

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Sweet Home in Linn County, Oregon was incorporated as a municipal corporation in 1893 under the name of “City of Sweet Home.” The City of Sweet Home charter of 1986 was approved by the voters on June 24, 1986.

The government of the City of Sweet Home is vested in a City Council. The Council is composed of seven members elected at large at each biennial general election. The three council members who receive the highest number of votes serve four year terms and the councilor who receives the next highest number of votes serves for a two-year term. The Mayor is elected by the other council members after each biennial general election for a two-year term. The City Manager, City Attorney, and Municipal Judge are appointed by and serve at the pleasure of the City Council. The City Manager is selected by the Council as the administrative head of the city government.

*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. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

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

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

*Basis of Presentation*

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

The model sets forth minimum criteria (percentage of the assets liabilities, revenues or expenditures of either fund category or the government and enterprise combined) for the determination of major funds.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Basis of Presentation (Continued)*

The City reports the following major governmental funds:

*General Fund* - this fund is used to account for all financial resources except those required to be accounted for in another fund. Primary sources of revenue are property taxes, franchise fees, state shared revenues, licenses and permits. Primary expenditures are made for public safety, parks and community services and general government.

*Special Revenue Funds*

*Police Levy Fund* - this fund is used to account for the serial property tax levy approved by voters every four years to finance police and dispatch services.

*State Gas Tax Fund* - this fund is used to account for the City's share of state gasoline tax revenues which are restricted for use in the maintenance of streets.

*Building Reserve Fund* - this fund was established as a reserve for the construction of a new City Hall.

The City reports the following major proprietary funds:

*Water Fund* - this fund is used to account for the operation of the City's water department. Primary revenues are sales of waters to users, connection fees, and interest on invested funds.

*Wastewater Fund* - this fund is used to account for the operation of the City sewer utility.

*Wastewater Depreciation Fund* - this fund is used to account for monies set aside for wastewater related capital projects.

The City reports the following nonmajor governmental funds:

*Special Revenue Funds*

*Narcotic Enforcement Reserve Fund* - this fund is used to account for property seized and forfeited to the Police Department in drug related cases, which must be used for drug enforcement by the Police Department.

*Library Levy Fund* - this fund is used to account for serial property tax levy approved by voters every four years for operation of the library.

*Parks and Recreation Program Fund* - this fund is used to account for funds received from donations that are to be used for parks improvements and a recreation program.

*Path Program Reserve Fund* - this fund accounts for the construction of bicycle paths.

*Street Maintenance Improvement Fund* - this fund is used to account for funds received from Linn County in conjunction with the transfer of several County roads to the City and for the City's share of Linn County timber revenues which are restricted to maintenance and improvement of these roads.

**CITY OF SWEET HOME, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2017**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Basis of Presentation (Continued)*

*Special Revenue Funds (Continued)*

*Housing Rehabilitation Loan Fund* - this fund is used to account for Community Development Block Grant housing rehabilitation loans.

*Community Center Operating Fund* - this fund is used to account for funds to be used for the general operation of the community center.

*Special Assessments Fund* - this fund is used to account for reimbursements on local improvement City projects financed by assessments against benefited property owners.

*Public Transit Grant Fund* - this fund is used to account for the expenditures of public transportation grant monies.

*Weddle Bridge Fund* - this fund is used to account for donations received to restore the Weddle Bridge to a usable condition.

*Special Events Fund* - this fund is used to account for revenues received for events that are self-supporting and fund specific activities put on by the City.

*Capital Projects Funds*

*Equipment Reserve Fund* - this fund is a reserve for purchase of equipment.

*Debt Service Fund*

*Police Facilities Debt Service Fund* - this fund is used to account for revenues from property tax payments to pay back general obligation bonds used to build the Police/Emergency Dispatch Facilities.

The City reports the following nonmajor proprietary funds:

*Water SDC Fund* - this fund is used to account for interest in investments and transfers from the Water Fund. Expenditures are for the development of the water system.

*Water Capital Fund* - this fund is used to account for water facilities projects.

*Water Depreciation Fund* - this fund is used to account for monies set aside for water related capital projects.

*Wastewater SDC Fund* - this fund is used to account for sewer system improvements and expansion.

*Wastewater Capital Fund* - this fund is used to account for wastewater facilities project.

*Storm Water Drainage Fund* - this fund is used to account for the operation of the storm water drainage system.

*Storm Water SDC Fund* - this fund is used to account for interest in investments and transfers from the Storm Water Drainage Fund. Expenditures are for the development of the storm water system.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Basis of Presentation (Continued)*

*Storm Water Capital Fund* - this fund is used to account for storm water facilities project.

*Storm Water Depreciation Fund* - this fund is used to account for monies set aside for storm water related capital projects.

*Fund Balance*

The fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Although not a major impact on the financial statements, Governmental Fund type fund balances are now reported in the following classifications.

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

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

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

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

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

When expenditures are paid for purposes in which both net position - restricted and net position - unrestricted are available, the City deems net position - restricted to be spent first.

*Definitions of Governmental Fund Types*

The General Fund is used to account for all financial resources not accounted for in another fund.

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Definitions of Governmental Fund Types (Continued)*

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

Debt Service Funds are utilized to account for the accumulation of resources for, and the payment of, long-term debt principal and interest.

*Measurement Focus and Basis of Accounting*

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The government-wide financial statements and the proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statement of Net position. Net position is segregated into investment in capital assets, net of related debt, restricted and unrestricted components. Operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. “Available” is defined as being collectible within the current period or soon enough thereafter (30 days) to be used to liquidate liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are franchise taxes, licenses, interest revenue and charges for services. Fines and permits and property taxes revenues are not susceptible to accrual because generally they are not measurable until received in cash.

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

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reporting amounts of certain assets, liabilities, revenues and expenses as of and for the year ended June 30, 2017. Actual results may differ from such estimates.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Cash and Investments*

Investments, included in cash and investments, are carried at cost which approximates fair value. For purposes of the statement of cash flows, the proprietary funds consider cash and cash equivalents to include the cash and investment common pool. These amounts have the general characteristics of demand deposit accounts in that the proprietary funds may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty.

*Receivables and Unavailable Revenues*

Receivables for state, county and local shared revenues, included in accounts receivable, are recorded as revenue in the governmental funds as earned.

Receivables of the enterprise funds are recorded as revenue as earned.

Property taxes receivable for the governmental fund types are recognized as revenues if they are collected within thirty days of fiscal year end. Uncollected property taxes are offset by unavailable revenue and, accordingly, have not been recorded as revenue. Real and personal property taxes are levied upon all taxable property within the City and become liens against the property as of July 1 of each year and are payable in three installments which are due on November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Property taxes receivable by the City represent the City's allocated share of delinquent property taxes and other amounts to be collected from property owners within Linn County, Oregon.

Assessment liens in the governmental fund types are recognized as receivables at the time property owners are assessed for property improvements. All assessments receivable are offset by a deferred revenue account and, accordingly, have not been recorded as revenue.

Interest earned on assessments in the governmental fund types is accrued when due.

*Inventory*

Inventories of supplies in the proprietary funds are stated at cost (first-in, first-out basis) and are charged to expense as used.

*Capital Assets*

Capital assets are stated at cost or estimated historical cost. Donated assets are recorded at fair market value at date of donation. Estimated fair market value of donated assets is determined based on engineering estimates of current cost or price indexed cost.

Normal maintenance and repairs are charged to operations as incurred. Major additions, improvements and replacements are capitalized. Gains or losses from sales or retirements of fixed assets are included in operations.

Capital assets include land, right-of-way (included with land), buildings, improvements, equipment, infrastructure, and other tangible and intangible assets costing over \$200 used in operations that have initial useful lives extending beyond a single reporting period. Infrastructure is those capital assets that are stationary in

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Capital Assets (Continued)*

nature and can be preserved for a significantly greater number of years than most other capital assets. Infrastructure reported in business-type activities consists of water, stormwater and wastewater collection systems.

Capital assets are depreciated unless they are inexhaustible in nature (e.g., land and right-of-ways). Depreciation is an accounting process to allocate the cost of capital assets to expense in a systematic and rational manner to those periods expected to benefit from the use of capital assets. Depreciation is not intended to represent an estimate in the decline of fair market value, nor are capital assets, net of accumulated depreciation, intended to represent an estimate of the current condition of the assets, or the maintenance requirements needed to maintain the assets at their current level of condition.

Depreciation is computed over the estimated useful lives of the capital assets. All estimates of useful lives are based on actual experience by City departments with identical or similar capital assets. Depreciation is calculated on the straight-line basis, except for infrastructure and improvements other than buildings reported in the governmental activities column of the government-wide financial statements, which are calculated using a composite depreciation method. The estimated useful lives of the various categories of assets are as follows:

Buildings	30-50 years
Improvements other than buildings	20 years
Infrastructure	20-40 years
Equipment	3-15 years

Upon disposal of capital assets, cost and accumulated depreciation are removed from the accounts and, if appropriate, a gain or loss on the disposal is recognized. In accordance with the composite depreciation method, no gain or loss is recorded upon disposal, but rather, cost is removed from the capital asset account and charged to the accumulated depreciation account.

*Long-Term Obligations*

In the government-wide financial statements, and in proprietary fund types, long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Issuance costs are expensed.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs at the time of issuance. Bond proceeds are reported as other financing sources net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

*Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The City reports deferred outflow of resources related to pensions for contributions made after the June 30, 2016 measurement date.



**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows*, represents an acquisition that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. The City reports deferred inflows related to pensions for changes in projected earnings versus actual earnings and contribution versus proportionate share of contributions.

The other instance of deferred inflows arises only under a modified accrual basis of accounting. Accordingly, *unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and loans receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

*Accrued Compensated Absences*

Accumulated vested vacation pay is accrued in the government-wide and proprietary funds as it is earned by employees. In the governmental fund types the amounts, if any, expected to be liquidated with expendable available resources are accrued as liabilities of the funds. Accumulated sick leave does not vest and is therefore recorded in all funds when leave is taken.

*Encumbrances*

The City does not utilize encumbrances.

*Budget and Budgetary Accounting*

A budget is prepared for each fund in accordance with the modified accrual basis of accounting with certain modifications and legal requirements set forth in the Oregon Local Budget Law.

The City begins its budgeting process after City Council holds a work session in January at which goals and objectives are discussed for the upcoming year. Utilizing the goals and objectives adopted by City Council, city staff develops a proposed budget in early spring which is present to the Budget Committee in late spring. Following a series of public meetings with the Budget Committee an Approved Budget is sent to City Council for adoption at a Public Hearing at the end of June.

City Council adopts the budget, makes appropriations and declares the tax levies by resolution no later than June 30. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The City established the levels of budgetary control at the personal services, materials and services, capital outlay, operating contingencies, debt service, and all other requirement levels for all funds except the General Fund, in which budgetary controls are established at the departmental operations level, capital outlay and contingency. Management is allowed to adjust budget numbers between services levels within funds, while transfers outside of funds, appropriation of unexpected revenues and use of contingencies require Council action through the supplemental budget process.

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 a local newspaper and approval by the City Council. City Council must authorize all appropriation transfers and supplementary budgetary appropriations. With the approval of the supplemental budget during the year, budget amounts shown in the general purpose financial statements have been revised since the original budget amounts were adopted. All annual appropriations lapse at fiscal year-end.

**CITY OF SWEET HOME, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2017**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Budget and Budgetary Accounting (Continued)*

A detailed budget document that contains more specific information on all funds, their operational purposes, their levels of budgetary controls and historical data is made available to the public and used constantly by the City for its administration control purposes.

**CASH AND INVESTMENTS**

Cash and investments are comprised of the following at June 30, 2017:

	<i>Carrying Value</i>	<i>Fair Value</i>
	<u>                    </u>	<u>                    </u>
<b>Cash</b>		
Cash on hand	\$ 2,683	\$ 2,683
Deposits with financial institutions	561,640	561,640
Certificates of deposit	140,118	140,118
<b>Investments</b>		
Local Government Investment Pool	8,870,858	8,870,858
	<u>\$ 9,575,299</u>	<u>\$ 9,575,299</u>

*Deposits*

The book balance of the City’s bank deposits with various financial institutions was \$701,758 and the bank balance was \$756,007 at year-end. The difference is due to transactions in process. Deposits are secured to legal limits by federal deposit insurance. The remaining amount is secured in accordance with ORS 295 under a collateral program administered by the Oregon State Treasurer.

*Custodial Credit Risk - Deposits*

This is the risk that in the event of a bank failure, the City’s deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City’s deposits with financial institutions for up to \$250,000 each for the aggregate of all demand deposits and the aggregate of all time deposit and savings accounts at each financial institution. Deposits in excess of FDIC coverage are with institutions participating in the Oregon Public Funds Collateralization Program. The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. As of June 30, 2017, \$256,007 of the City's bank balances were covered by the PFCP.

**CITY OF SWEET HOME, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2017**

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**CASH AND INVESTMENTS (Continued)**

*Investments*

The State Treasurer of the State of Oregon maintains the Oregon Short-Term Fund, of which the Local Government Investment Pool (LGIP) is part. Participation by local governments is voluntary. At June 30, 2017, the carrying value of the position in the Oregon State Treasurer’s Short-Term Investment Pool approximates fair value. The investment in the Oregon Short-Term Fund is not subject to risk evaluation. Separate financial statements for the Oregon Short-Term Fund are available from the Oregon State Treasurer.

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short Term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP.

These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP. The LGIP is not rated for credit quality.

**CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2017, was as follows:

*Business-type Activities*

	<i>Balances</i> <i>July 1,</i> <i>2016</i>	<i>Increases</i>	<i>Decreases</i>	<i>Balances</i> <i>June 30,</i> <i>2017</i>
	<u>2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>2017</u>
<b>NON-DEPRECIABLE</b>				
Construction in progress-sewer	\$ 14,365,536	\$ -	\$ -	\$ 14,365,536
<b>DEPRECIABLE</b>				
Equipment-water	177,471	5,682	(4,333)	178,820
Equipment-sewer	431,473	-	-	431,473
Equipment - stormwater	1,886	-	-	1,886
Water facilities	11,757,196	255,603	-	12,012,799
Sewer facilities	9,782,260	-	-	9,782,260
Stormwater Infrastructure	10,296,700	-	-	10,296,700
<i>Total depreciable</i>	<u>32,446,986</u>	<u>261,285</u>	<u>(4,333)</u>	<u>32,703,938</u>

**CITY OF SWEET HOME, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2017**

**CAPITAL ASSETS (Continued)**

*Business-type Activities (Continued)*

	<i>Balances July 1, 2016</i>	<i>Increases</i>	<i>Decreases</i>	<i>Balances June 30, 2017</i>
<b>ACCUMULATED DEPRECIATION</b>				
Equipment-water	\$ (127,828)	\$ (17,747)	\$ 3,804	\$ (141,771)
Equipment-sewer	(359,198)	(43,147)	-	(402,345)
Equipment - stormwater	(567)	(189)	-	(756)
Water facilities	(2,010,024)	(293,930)	-	(2,303,954)
Sewer facilities	(8,223,653)	(244,557)	-	(8,468,210)
Stormwater Infrastructure	(9,267,032)	(257,417)	-	(9,524,449)
<i>Total accumulated depreciation</i>	<u>(19,988,302)</u>	<u>(856,987)</u>	<u>3,804</u>	<u>(20,841,485)</u>
<i>Business-type activities capital assets, net</i>	<u>\$ 26,824,220</u>	<u>\$ (595,702)</u>	<u>\$ (529)</u>	<u>\$ 26,227,989</u>

*Governmental Activities*

	<i>Balances July 1, 2016</i>	<i>Increases</i>	<i>Decreases</i>	<i>Balances June 30, 2017</i>
<b>NON-DEPRECIABLE</b>				
Land and improvements	\$ 3,146,500	\$ 390,000	\$ -	\$ 3,536,500
<b>DEPRECIABLE</b>				
Buildings	9,221,515	395,779	-	9,617,294
Equipment	1,473,766	12,006	(53,183)	1,432,589
Infrastructure	25,736,008	-	-	25,736,008
<i>Total depreciable</i>	<u>36,431,289</u>	<u>407,785</u>	<u>(53,183)</u>	<u>36,785,891</u>
<b>ACCUMULATED DEPRECIATION</b>				
Buildings	(4,938,403)	(230,538)	-	(5,168,941)
Equipment	(1,714,021)	(147,377)	31,725	(1,829,673)
Infrastructure	(19,740,361)	-	-	(19,740,361)
<i>Total accumulated depreciation</i>	<u>(26,392,785)</u>	<u>(377,915)</u>	<u>31,725</u>	<u>(26,738,975)</u>
<i>Governmental activities capital assets, net</i>	<u>\$ 13,185,004</u>	<u>\$ 419,870</u>	<u>\$ (21,458)</u>	<u>\$ 13,583,416</u>

Depreciation expense in the amount of \$377,915 was charged to general government on the statement of activities. Depreciation of \$856,987 was charged to business-type activities in the same amounts as shown.

**CITY OF SWEET HOME, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2017**

**LONG-TERM DEBT**

Long-term debt transactions for the year were as follows:

	<u>Outstanding July 1, 2016</u>	<u>Issued</u>	<u>Matured/ Redeemed During Year</u>	<u>Outstanding June 30, 2017</u>	<u>Due Within One Year</u>
<i>Business-type Activities</i>					
Water treatment facility note, estimated annual payments of \$289,310 including interest at 1%	\$ 5,967,773	\$ -	\$ (221,246)	\$ 5,746,527	\$ 223,459
Water treatment facility note, due two years after project completion including interest at 3.56%	2,900,184	-	(113,982)	2,786,202	114,362
Wastewater Depreciation Fund Wastewater improvement note, annual payments of \$275,854 including interest at 3.14%	2,099,195	-	(205,248)	1,893,947	211,743
Wastewater improvement note, variable annual payments including interest at 2.90%	3,730,065	-	(210,286)	3,519,779	216,428
Wastewater improvement note, semi-annual payments of \$125,000 including 0% interest. Annual fees at 0.5% are charged.	4,000,000	-	(250,000)	3,750,000	250,000
	<u>\$ 18,697,217</u>	<u>\$ -</u>	<u>\$ (1,000,762)</u>	<u>\$ 17,696,455</u>	<u>\$ 1,015,992</u>

Business-type activity debt requirements are shown below for the full amount of the Water Treatment Facility and Wastewater Improvement loans.

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,015,992	\$ 319,107	\$ 1,335,099
2019	1,036,733	300,991	1,337,724
2020	1,053,004	281,720	1,334,724
2021	1,074,726	261,998	1,336,724
2022	1,092,015	241,034	1,333,049
2023-2027	5,254,508	884,669	6,139,177
2028-2032	4,417,717	433,048	4,850,765
2033-2037	1,925,567	130,158	2,055,725
2038-2040	826,193	16,579	842,772
	<u>\$ 17,696,455</u>	<u>\$ 2,869,304</u>	<u>\$ 20,565,759</u>

**CITY OF SWEET HOME, OREGON**

*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*

*YEAR ENDED JUNE 30, 2017*

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**LONG-TERM DEBT** *(Continued)*

On November 26, 2002, the City signed a \$2,000,000 loan agreement with the State of Oregon Department of Environmental Quality. On April 13, 2004, the City signed an amendment for an additional \$2,000,000, bringing the total loan amount to \$4,000,000. The loan requires a reserve balance of \$268,625. The City was in compliance with the loan reserve requirement as of June 30, 2017. Funds are being disbursed from the State's Clean Water State Revolving Loan Fund to correct storm water inflow and infiltration problems that are affecting the City's wastewater system. The interest rate is set at 3.14% for twenty years. Payments of \$269,564 plus fees will continue annually until the loan is paid back. The City will make these payments utilizing wastewater revenue set aside for depreciation replacement. Final payment is scheduled for 2024-25.

On September 22, 2004, the City signed a \$4,000,000 loan with Oregon Economic and Community Development Department to finance the planning, design and construction of river intake and transmission lines, two pump stations, a new 6,000 square-foot building, a filter, a disinfection contact tank, structural improvements to existing buildings, a new backwash pond, a clearwell and plumbing and electrical improvements. On March 10, 2009, the City signed an amendment bringing the total loan amount to \$7,500,000. This loan was made under a promissory note and a related loan agreement under which the City has pledged revenue of its Water Fund and also its taxing power under Article XI, Section 11 of the Constitution of the State of Oregon. Interest is set at 1.00% per annum. The State of Oregon has assigned the City's obligations under this loan agreement to a trustee under the State's bond indenture as security for the bonds issued by the State of Oregon. Funds will be disbursed from the State's Clean Water State Revolving Loan Fund. Final payment is scheduled for 2039-40.

On September 22, 2004, the City signed a \$1,030,000 loan with Oregon Economic and Community Development Department for costs associated with the construction of a new water treatment facility. The City subsequently signed an amendment for an additional \$3,000,000, bringing the total loan amount to \$4,030,000. Interest on this loan is set at 3.56%.

On April 1, 2005, the City signed a \$2,000,000 loan agreement with the State of Oregon Department of Environmental Quality. On April 30, 2005, the loan agreement was amended to reduce the interest rate to a rate in effect at the time of loan execution, which was 2.90%. On February 5, 2007, the City signed an amendment bringing the total loan amount to \$4,667,024. The loan requires a reserve balance of \$196,008. Funds will be disbursed from the State's Clean Water State Revolving Loan Fund. During the year ending June 30, 2017, the City was in compliance with the reserve requirement. Future debt service requirements for this loan are based on the payment schedule provided by the State of Oregon, which assumes full disbursement of the loan. Final payment is scheduled for 2030-31.

On December 16, 2009, the City signed a \$5,000,000 loan agreement with the State of Oregon Department of Environmental Quality. Funds are being disbursed from the State's Clean Water State Revolving Loan Fund to fund wastewater system improvements to reduce inflow and infiltration problems that are affecting the City's wastewater system. There is no interest charged on the loan. The loan requires a reserve balance of \$125,000. During the year ending June 30, 2017, the City was in compliance with the reserve requirement. Interest is set at 0.00% with a fee of 0.50% per annum. Final payment is scheduled for 2031-32.

**CITY OF SWEET HOME, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2017

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**PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**

***Plan Description***

Some of the City's employees are members in the Oregon Public Employees Retirement System (OPERS); a cost-sharing multiple-employer defined benefit pension plan that acts as a common investment and administrative agent for government units in the State of Oregon. Employees hired before August 29, 2003 belong to the Tier One/Tier Two Retirement Benefit Program (established pursuant to ORS Chapter 238), while employees hired on or after August 29, 2003 belong to the OPSRP Pension Program (established pursuant to ORS Chapter 238A). OPERS produces an independently audited CAFR which can be found at: [http://www.oregon.gov/pers/Pages/section/financial\\_reports/financials.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx).

***Benefits Provided***

***Tier One/Tier Two Retirement Benefit***

***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% for police and fire employees, 1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

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

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

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

***Disability Benefits.*** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefit regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

**CITY OF SWEET HOME, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2017

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**PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)**

**Benefits Provided (Continued)**

*Benefit Changes After Retirement.* Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25% on the first \$60,000 of annual benefit and 0.15% on annual benefits above \$60,000.

*OPSRP Pension Program*

*Pension Benefits.* The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated by formula for members who attain normal retirement age. For general service members, 1.5% 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. For police and fire members, 1.8% is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

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

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

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

*Benefit Changes After Retirement.* Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2016 and beyond will vary based on 1.25% on the first \$60,000 of annual benefit and 0.15% on annual benefits above \$60,000.

**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. Employer contribution rates for the period were based on the December 31, 2014 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2015. The City's contribution rates for the period were 6.61% for Tier One/Tier Two members, .45% for OPSRP General Service members, and .81% for OPSRP Police and Fire members. The City's total contributions exclusive of the 6% "pick-up" were \$33,298.



**CITY OF SWEET HOME, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2017**

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**PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)**

**Contributions (Continued)**

Covered employees are required to contribute 6% of their salary to the Plan, but the employer is allowed to pay any or all of the employees’ contribution in addition to the required employers’ contribution. The City has elected to contribute the 6% “pick-up” or \$61,712 of the employees’ contribution.

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

At June 30, 2017, the City reported a liability of \$384,674 for its proportionate share of the OPERS net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to June 30, 2016. 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. At June 30, 2017 and 2016, the City’s proportion was 0.00256% and 0.00000%, respectively.

For the year ended June 30, 2017, the City recognized pension expense of \$45,890. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u><i>Deferred Outflows of Resources</i></u>	<u><i>Deferred Inflows of Resources</i></u>
Differences between expected and actual experience	\$ 12,727	\$ -
Changes of assumptions	82,042	-
Net difference between projected and actual earnings on investments	75,995	-
Changes in proportionate share	137,945	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	27,199	-
Contributions subsequent to measurement date	33,298	-
<b>Total</b>	<u><u>\$ 369,206</u></u>	<u><u>\$ -</u></u>

**CITY OF SWEET HOME, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2017**

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**PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)**

***Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)***

Deferred outflows of resources related to pensions of \$33,298 resulting from the City’s contributions subsequent to the measurement date will be recognized as either a reduction of the net pension liability or an increase in the net pension asset in the year ended June 30, 2018. Other amounts reported as net deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b><i>Fiscal Year</i></b> <b><i>Ending</i></b> <b><i>June 30,</i></b>		
2018	\$	71,351
2019		71,351
2020		97,960
2021		79,110
2022		16,136
		<hr/>
Total	\$	335,908
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**CITY OF SWEET HOME, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2017**

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**PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)**

**Actuarial Methods and Assumptions**

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial methods and assumptions:

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
Actuarial Assumptions:	
Inflation Rate	2.50%
Investment Rate of Return	7.50%
Projected Salary Increases	3.50% overall payroll growth; salaries for individuals are assumed to grow at 3.50% plus assumed rates of merit/longevity increases based on service
Mortality	<p>Healthy retirees and beneficiaries:  RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members:  Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p>Disabled retirees:  Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.</p>

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

**CITY OF SWEET HOME, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2017**

**PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)**

**Long-Term Expected Rate of Return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption was 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.

<u>Asset Class</u>	<u>Target</u>	<u>Compound Annual Return (Geometric)</u>
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
Assumed Inflation - Mean		2.50 %

**Discount Rate**

The discount rate used to measure the total pension liability was 7.50% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those 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.

**CITY OF SWEET HOME, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2017**

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**PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)**  
**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 (asset) calculated using the discount rate of 7.50%, as well as what the City’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	<u>1% Decrease</u> <u>(6.50%)</u>	<u>Discount Rate</u> <u>(7.50%)</u>	<u>1% Increase</u> <u>(8.50%)</u>
Proportionate share of the net pension liability	\$ 621,121	\$ 384,674	\$ 187,046

**Pension Plan Fiduciary Net Position**

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

**DEFINED CONTRIBUTION PENSION PLAN**

*Plan Description*

Under the ICMA IRC Section 401 defined contribution pension plan agreement for all full-time general and emergency services employees who are union members and not covered by another retirement plan, the City’s contribution rate is 12% of the employee's salary. There is no mandatory or voluntary employee contribution and the plan does not provide for employer “pick-up” of any employee contributions. The City’s contribution to this plan for fiscal year ended June 30, 2017 totaled \$148,838 on \$1,241,490 of covered payroll.

Under the ICMA IRC Section 401 defined contribution pension plan agreement for non-contractual employees the City’s contribution rate is 15.7% of the non-contractual employee’s salary. The non-contractual employees also have a mandatory 1.0% contribution based on their salary. The City’s contribution to the money purchase pension plan for the non-contractual employees for the fiscal year ended June 30, 2017 was \$85,465 on \$544,366 of covered non-contractual City payroll.

*Plan Description (Continued)*

Under the ICMA Pension Plans there is no minimum age requirement and there is a six-month period of service requirement for participation. The normal retirement age under this pension plan is age 65. There is no minimum vesting requirement under the plan and employees vest as follows:

<u>Years of Service</u> <u>Completed</u>	<u>Specified Percent Vesting</u>
1	-
2	-
3	50%
4	75%
5	100%

**CITY OF SWEET HOME, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2017**

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**DEFINED CONTRIBUTION PENSION PLAN (Continued)**

*Deferred Compensation*

The City makes available an IRC Section 457 deferred compensation plan through the ICMA Retirement Corporation for all employees. Employee participation is voluntary and the City does not make any contribution to the plan.

**COMMITMENTS AND CONTINGENCIES**

The City purchases commercial insurance from the City/County Insurance Services Trust to cover all commonly insurable risks, which includes property damage, liability and employee bonds. This is a self-insurance pool set up for city and county entities in Oregon. For premiums paid by the city during the 2016-2017 fiscal year, the city received insurance for four major concerns: Liability, Auto & Equipment, Property and Equipment Breakdown for Boiler and Machinery. The general Liability Coverage has a per occurrence limit of \$5,000,000. A \$2,500 conditional deductible may apply on certain employment claims. Auto coverage has a \$100 deductible for comprehensive and \$500 for collision. Property coverage has a \$1,000 deductible, while the Equipment Breakdown for Boiler and Machinery has a maximum coverage of \$50,000 with a \$1,000 deductible per occurrence.

If the pool is profitable, the trustees can make a distribution of net income to the entities based upon a pro rata share and experience. During fiscal year 2016-2017, the City incurred no claims with \$1,000 held in reserves for all open claims. No insurance claims settled in each of the prior three years have exceeded policy coverage.

<u><i>Fiscal Year Ended June 30,</i></u>	<u><i>Insurance Settlements</i></u>	<u><i>Premiums Paid by City</i></u>
2015	\$ -	\$ 151,900
2016	-	152,260
2017	2,539	164,543

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

The City has received several federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. Based upon prior experience, City Management believes such disallowances, if any, will be immaterial.

**CITY OF SWEET HOME, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2017**

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**TRANSFERS**

Interfund transfers on a budgetary basis for the year ended June 30, 2017, consisted of the following amounts:

<u>Fund Name</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 248,267	\$ 92,500
Public Safety	-	20,000
State Gas Tax	-	165,836
Building Reserve	80,000	-
Non-major governmental	257,585	38,000
Water	-	457,356
Wastewater	-	310,277
Wastewater Depreciation	215,127	-
Non-major proprietary	396,990	114,000
	<u>\$ 1,197,969</u>	<u>\$ 1,197,969</u>

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

**SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 18, 2017, the date on which the financial statements were available to be issued. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements.

***REQUIRED SUPPLEMENTARY INFORMATION***



**CITY OF SWEET HOME, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2017**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Taxes and assessments	\$ 595,017	\$ 595,017	\$ 637,237	\$ 42,220
Licenses and permits	788,725	788,725	924,262	135,537
Charges for services	37,752	37,752	42,927	5,175
Intergovernmental	247,191	247,191	280,608	33,417
Fines and forfeitures	182,152	182,152	175,833	(6,319)
Miscellaneous	48,112	48,112	80,273	32,161
<i>Total Revenues</i>	1,898,949	1,898,949	2,141,140	242,191
<b>EXPENDITURES</b>				
General government	19,588	22,188	21,771	417
Executive department	262,498	272,498	247,515	24,983
Municipal court	297,377	297,377	244,008	53,369
Building inspection program	180,950	180,950	170,037	10,913
Community development	191,073	191,073	129,266	61,807
Community services programs	18,300	18,300	18,300	-
Parks maintenance	238,925	238,925	115,713	123,212
Finance	213,390	219,390	218,737	653
Non-departmental	845,936	845,936	700,085	145,851
Capital outlay	25,000	25,000	-	25,000
Contingency	100,000	81,400	-	81,400
<i>Total Expenditures</i>	2,393,037	2,393,037	1,865,432	527,605
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(494,088)	(494,088)	275,708	769,796
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	276,858	276,858	248,267	(28,591)
Transfers out	(92,500)	(92,500)	(92,500)	-
<i>Total Other Financing Sources (Uses)</i>	184,358	184,358	155,767	(28,591)
<b>NET CHANGE IN FUND BALANCE</b>	(309,730)	(309,730)	431,475	741,205
<b>FUND BALANCE, beginning of year</b>	976,155	976,155	1,439,730	463,575
<b>FUND BALANCE, end of year</b>	\$ 666,425	\$ 666,425	\$ 1,871,205	\$ 1,204,780

**CITY OF SWEET HOME, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – POLICE LEVY FUND**  
**YEAR ENDED JUNE 30, 2017**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Taxes and assessments	\$ 2,055,353	\$ 2,055,353	\$ 2,082,851	\$ 27,498
Licenses and permits	220	220	485	265
Intergovernmental	45,781	45,781	43,972	(1,809)
Miscellaneous	28,947	28,947	56,217	27,270
<i>Total Revenues</i>	2,130,301	2,130,301	2,183,525	53,224
<b>EXPENDITURES</b>				
Police operations	2,375,329	2,375,329	2,230,523	144,806
Capital outlay	24,020	24,020	11,666	12,354
Contingency	50,000	50,000	-	50,000
<i>Total Expenditures</i>	2,449,349	2,449,349	2,242,189	207,160
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(319,048)	(319,048)	(58,664)	260,384
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(20,000)	(20,000)	(20,000)	-
<b>NET CHANGE IN FUND BALANCE</b>	(339,048)	(339,048)	(78,664)	260,384
<b>FUND BALANCE, beginning of year</b>	1,264,731	1,264,731	1,291,763	27,032
<b>FUND BALANCE, end of year</b>	\$ 925,683	\$ 925,683	\$ 1,213,099	\$ 287,416

**CITY OF SWEET HOME, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - STATE GAS TAX FUND**  
**YEAR ENDED JUNE 30, 2017**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Intergovernmental	\$ 522,402	\$ 522,402	\$ 543,793	\$ 21,391
Miscellaneous	926	926	2,691	1,765
<i>Total Revenues</i>	523,328	523,328	546,484	23,156
<b>EXPENDITURES</b>				
Operations	463,592	463,592	390,079	73,513
Capital outlay	8,750	8,750	573	8,177
Contingency	37,107	37,107	-	37,107
<i>Total Expenditures</i>	509,449	509,449	390,652	118,797
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	13,879	13,879	155,832	141,953
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(165,836)	(165,836)	(165,836)	-
<b>NET CHANGE IN FUND BALANCE</b>	(151,957)	(151,957)	(10,004)	141,953
<b>FUND BALANCE, beginning of year</b>	201,922	201,922	239,137	37,215
<b>FUND BALANCE, end of year</b>	\$ 49,965	\$ 49,965	\$ 229,133	\$ 179,168

**CITY OF SWEET HOME, OREGON**  
**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY— OREGON**  
**PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**LAST FOUR FISCAL YEARS<sup>1</sup>**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
(asset)	0.0026%	0.0000%	0.0000%	0.0000%
City's proportionate share of the net pension liability (asset)	\$ 384,674	\$ -	\$ -	\$ -
City's covered-employee payroll	985,491	935,590	859,981	763,360
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	39.0%	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	80.5%	103.6%	103.6%	92.0%

<sup>1</sup> 10-year trend information required by GASB Statement 68 will be presented prospectively

**CITY OF SWEET HOME, OREGON**  
**SCHEDULE OF THE CITY'S CONTRIBUTIONS – OREGON PUBLIC EMPLOYEES RETIREMENT**  
**SYSTEM**  
**LAST FOUR FISCAL YEARS<sup>1</sup>**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 33,298	\$ 30,422	\$ 20,843	\$ 18,502
Contributions in relation to the contractually required contribution	<u>(33,298)</u>	<u>(30,422)</u>	<u>(20,843)</u>	<u>(18,502)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 985,491	\$ 935,590	\$ 859,981	\$ 763,360
Contributions as a percentage of covered-employee payroll	3.38%	3.25%	2.42%	2.42%

<sup>1</sup> 10-year trend information required by GASB Statement 68 will be presented prospectively

***OTHER SUPPLEMENTARY INFORMATION***

**CITY OF SWEET HOME, OREGON**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2017**

	<i>Special Revenue</i>		
	<i>Narcotics Enforcement</i>	<i>Library Levy</i>	<i>Parks and Recreation Program</i>
<b>ASSETS</b>			
Cash and investments	\$ 92,960	\$ 226,788	\$ 51,745
Accounts receivable	-	-	-
Property taxes receivable	-	20,071	-
Assessment liens receivable	-	-	-
Loans receivable	-	-	-
<i>Total Assets</i>	<u>\$ 92,960</u>	<u>\$ 246,859</u>	<u>\$ 51,745</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ 2,203	\$ 441
<b>Deferred Inflows</b>			
Unavailable revenue	-	20,071	-
<b>Fund Balance:</b>			
Restricted for:			
Community development	-	-	-
Library	-	224,585	-
Committed to:			
Public safety	92,960	-	-
Parks	-	-	51,304
Community development	-	-	-
Capital outlay	-	-	-
Community center	-	-	-
<i>Total Fund Balance</i>	<u>92,960</u>	<u>224,585</u>	<u>51,304</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 92,960</u>	<u>\$ 246,859</u>	<u>\$ 51,745</u>

<i>Special Revenue</i>				
<i>Path Program Reserve</i>	<i>Street Maintenance Improvement</i>	<i>Housing Rehabilitation Loan</i>	<i>Community Center Operating</i>	<i>Special Assessment</i>
\$ 239,180	\$ 1,274,942	\$ 270,206	\$ 6,480	\$ 777
-	-	-	4,279	-
-	-	-	-	-
-	7,593	-	-	15,328
-	-	353,091	-	-
<b>\$ 239,180</b>	<b>\$ 1,282,535</b>	<b>\$ 623,297</b>	<b>\$ 10,759</b>	<b>\$ 16,105</b>
\$ -	\$ -	\$ -	\$ 1,890	\$ -
-	7,593	353,091	-	15,328
239,180	-	270,206	-	-
-	-	-	-	-
-	-	-	-	-
-	1,274,942	-	-	777
-	-	-	-	-
-	-	-	8,869	-
<b>239,180</b>	<b>1,274,942</b>	<b>270,206</b>	<b>8,869</b>	<b>777</b>
<b>\$ 239,180</b>	<b>\$ 1,282,535</b>	<b>\$ 623,297</b>	<b>\$ 10,759</b>	<b>\$ 16,105</b>



**CITY OF SWEET HOME, OREGON**

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (Continued)**

**JUNE 30, 2017**

	<b>Special Revenue</b>		
	<b>Public Transit Grant</b>	<b>Weddle Bridge</b>	<b>Special Events</b>
<b>ASSETS</b>			
Cash and investments	\$ -	\$ 4,700	\$ 7,830
Accounts receivable	19,405	-	-
Property taxes receivable	-	-	-
Assessment liens receivable	-	-	-
Loans receivable	-	-	-
<i>Total Assets</i>	<u>\$ 19,405</u>	<u>\$ 4,700</u>	<u>\$ 7,830</u>
 <b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 19,405	\$ -	\$ 412
 <b>Deferred Inflows</b>			
Unavailable revenue	-	-	-
 <b>Fund Balance:</b>			
Restricted for:			
Community development	-	-	-
Library	-	-	-
Committed to:			
Public safety	-	-	-
Parks	-	-	-
Community development	-	4,700	7,418
Capital outlay	-	-	-
Community center	-	-	-
<i>Total Fund Balance</i>	<u>-</u>	<u>4,700</u>	<u>7,418</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 19,405</u>	<u>\$ 4,700</u>	<u>\$ 7,830</u>

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<u>Capital Projects</u>	<u>Debt Service</u>	
<u>Project/ Equipment Reserve</u>	<u>Police Facilities</u>	<u>Total</u>
\$ 541,301	\$ 292	\$ 2,717,201
-	-	23,684
-	12,378	32,449
-	-	22,921
-	-	353,091
<u>\$ 541,301</u>	<u>\$ 12,670</u>	<u>\$ 3,149,346</u>
\$ -	\$ -	\$ 24,351
-	12,378	408,461
-	-	509,386
-	-	224,585
-	292	93,252
-	-	51,304
-	-	1,287,837
541,301	-	541,301
-	-	8,869
<u>541,301</u>	<u>292</u>	<u>2,716,534</u>
<u>\$ 541,301</u>	<u>\$ 12,670</u>	<u>\$ 3,149,346</u>

**CITY OF SWEET HOME, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	<i>Special Revenue</i>		
	<i>Narcotics Enforcement</i>	<i>Library Levy</i>	<i>Parks and Recreation Program</i>
<b>REVENUES</b>			
Taxes and assessments	\$ -	\$ 309,210	\$ -
Intergovernmental	-	-	-
Fines and forfeitures	-	5,439	-
Miscellaneous	901	10,052	3,460
<i>Total Revenues</i>	901	324,701	3,460
<b>EXPENDITURES</b>			
Library	-	277,386	-
Parks	-	-	1,371
Community development	-	-	-
Community center	-	-	-
Capital outlay	-	-	-
<i>Total Expenditures</i>	-	277,386	1,371
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	901	47,315	2,089
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	5,000
Transfers out	-	(13,000)	-
<i>Total Other Financing Sources (Uses)</i>	-	(13,000)	5,000
<b>NET CHANGE IN FUND BALANCE</b>	901	34,315	7,089
<b>FUND BALANCE, beginning of year</b>	92,059	190,270	44,215
<b>FUND BALANCE, end of year</b>	\$ 92,960	\$ 224,585	\$ 51,304

<i>Special Revenue</i>				
<i>Path Program Reserve</i>	<i>Street Maintenance Improvement</i>	<i>Housing Rehabilitation Loan</i>	<i>Community Center Operating</i>	<i>Special Assessment</i>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
2,233	12,861	56,754	34,268	8
2,233	12,861	56,754	34,268	8
-	-	-	-	-
-	-	-	-	-
-	29,626	20,078	-	-
-	-	-	38,777	-
33,530	-	-	-	-
33,530	29,626	20,078	38,777	-
(31,297)	(16,765)	36,676	(4,509)	8
75,000	-	-	-	-
-	(25,000)	-	-	-
75,000	(25,000)	-	-	-
43,703	(41,765)	36,676	(4,509)	8
195,477	1,316,707	233,530	13,378	769
\$ 239,180	\$ 1,274,942	\$ 270,206	\$ 8,869	\$ 777

**CITY OF SWEET HOME, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUNDS (Continued)**  
**YEAR ENDED JUNE 30, 2017**

	<b>Special Revenue</b>		
	<b>Public Transit Grant</b>	<b>Weddle Bridge</b>	<b>Special Events</b>
<b>REVENUES</b>			
Taxes and assessments	\$ -	\$ -	\$ -
Intergovernmental	80,902	-	-
Fines and forfeitures	-	-	-
Miscellaneous	-	46	8,165
<i>Total Revenues</i>	80,902	46	8,165
<b>EXPENDITURES</b>			
Library	-	-	-
Parks	-	-	-
Community development	80,902	-	9,954
Community center	-	-	-
Capital outlay	-	-	-
<i>Total Expenditures</i>	80,902	-	9,954
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	46	(1,789)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	5,000
Transfers out	-	-	-
<i>Total Other Financing Sources (Uses)</i>	-	-	5,000
<b>NET CHANGE IN FUND BALANCE</b>	-	46	3,211
<b>FUND BALANCE, beginning of year</b>	-	4,654	4,207
<b>FUND BALANCE, end of year</b>	\$ -	\$ 4,700	\$ 7,418

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<u><i>Capital Projects</i></u>	<u><i>Debt Service</i></u>	
<i>Project/ Equipment Reserve</i>	<i>Police Facilities</i>	<i>Total</i>
\$ -	\$ -	\$ 309,210
-	-	80,902
-	-	5,439
10,443	3	139,194
<hr/>		
10,443	3	534,745
-	-	277,386
-	-	1,371
-	-	140,560
-	-	38,777
34,723	-	68,253
<hr/>		
34,723	-	526,347
<hr/>		
(24,280)	3	8,398
172,585	-	257,585
-	-	(38,000)
<hr/>		
172,585	-	219,585
<hr/>		
148,305	3	227,983
392,996	289	2,488,551
<hr/>		
\$ 541,301	\$ 292	\$ 2,716,534
<hr/> <hr/>		

**CITY OF SWEET HOME, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - BUILDING RESERVE FUND**  
**YEAR ENDED JUNE 30, 2017**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	\$ 8,050	\$ 8,050	\$ 9,299	\$ 1,249
<b>EXPENDITURES</b>				
Operations	3,000	3,000	-	3,000
Capital outlay	1,080,000	1,080,000	828,743	251,257
<i>Total Expenditures</i>	1,083,000	1,083,000	828,743	254,257
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(1,074,950)	(1,074,950)	(819,444)	255,506
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	80,000	80,000	80,000	-
<b>NET CHANGE IN FUND BALANCE</b>	(994,950)	(994,950)	(739,444)	255,506
<b>FUND BALANCE, beginning of year</b>	1,008,675	1,008,675	1,043,398	34,723
<b>FUND BALANCE, end of year</b>	\$ 13,725	\$ 13,725	\$ 303,954	\$ 290,229

**CITY OF SWEET HOME, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - NARCOTICS ENFORCEMENT RESERVE FUND  
YEAR ENDED JUNE 30, 2017**

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	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	\$ 271	\$ 271	\$ 901	\$ 630
<b>EXPENDITURES</b>				
Capital outlay	92,155	92,155	-	92,155
<b>NET CHANGE IN FUND BALANCE</b>	(91,884)	(91,884)	901	92,785
<b>FUND BALANCE, beginning of year</b>	91,884	91,884	92,059	175
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 92,960	\$ 92,960

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**CITY OF SWEET HOME, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - LIBRARY LEVY FUND**  
**YEAR ENDED JUNE 30, 2017**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Taxes and assessments	\$ 304,695	\$ 304,695	\$ 309,210	\$ 4,515
Fines and forfeitures	4,547	4,547	5,439	892
Miscellaneous	23,724	23,724	10,052	(13,672)
<i>Total Revenues</i>	332,966	332,966	324,701	(8,265)
<b>EXPENDITURES</b>				
Operations	346,031	346,031	277,386	68,645
Capital outlay	1,000	1,000	-	1,000
Contingency	10,000	10,000	-	10,000
<i>Total Expenditures</i>	357,031	357,031	277,386	79,645
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(24,065)	(24,065)	47,315	71,380
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(13,000)	(13,000)	(13,000)	-
<b>NET CHANGE IN FUND BALANCE</b>	(37,065)	(37,065)	34,315	71,380
<b>FUND BALANCE, beginning of year</b>	183,498	183,498	190,270	6,772
<b>FUND BALANCE, end of year</b>	\$ 146,433	\$ 146,433	\$ 224,585	\$ 78,152

**CITY OF SWEET HOME, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - PARKS AND RECREATION PROGRAM FUND  
YEAR ENDED JUNE 30, 2017**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	\$ 3,589	\$ 3,589	\$ 3,460	\$ (129)
<b>EXPENDITURES</b>				
Operations	1,367	1,367	1,371	(4)
Capital outlay	46,561	46,561	-	46,561
<i>Total Expenditures</i>	47,928	47,928	1,371	46,557
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(44,339)	(44,339)	2,089	46,428
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	5,000	5,000	5,000	-
<b>NET CHANGE IN FUND BALANCE</b>	(39,339)	(39,339)	7,089	46,428
<b>FUND BALANCE, beginning of year</b>	43,516	43,516	44,215	699
<b>FUND BALANCE, end of year</b>	\$ 4,177	\$ 4,177	\$ 51,304	\$ 47,127

**CITY OF SWEET HOME, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - PATH PROGRAM RESERVE FUND  
YEAR ENDED JUNE 30, 2017**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	\$ 610	\$ 610	\$ 2,233	\$ 1,623
<b>EXPENDITURES</b>				
Capital outlay	165,000	165,000	33,530	131,470
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(164,390)	(164,390)	(31,297)	133,093
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	75,000	75,000	75,000	-
<b>NET CHANGE IN FUND BALANCE</b>	(89,390)	(89,390)	43,703	133,093
<b>FUND BALANCE, beginning of year</b>	195,258	195,258	195,477	219
<b>FUND BALANCE, end of year</b>	\$ 105,868	\$ 105,868	\$ 239,180	\$ 133,312

**CITY OF SWEET HOME, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - STREET MAINTENANCE IMPROVEMENT FUND  
YEAR ENDED JUNE 30, 2017**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Taxes and assessments	\$ 125,000	\$ 125,000	\$ -	\$ (125,000)
Intergovernmental	179,356	179,356	-	(179,356)
Miscellaneous	6,438	6,438	12,861	6,423
<i>Total Revenues</i>	310,794	310,794	12,861	(297,933)
<b>EXPENDITURES</b>				
Operations	400,000	400,000	29,626	370,374
Capital outlay	740,000	740,000	-	740,000
<b>REVENUES OVER (UNDER) EXPENDITURES</b>				
	(829,206)	(829,206)	(16,765)	812,441
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(25,000)	(25,000)	(25,000)	-
<b>NET CHANGE IN FUND BALANCE</b>				
	(854,206)	(854,206)	(41,765)	812,441
<b>FUND BALANCE, beginning of year</b>				
	1,205,685	1,205,685	1,316,707	111,022
<b>FUND BALANCE, end of year</b>				
	\$ 351,479	\$ 351,479	\$ 1,274,942	\$ 923,463

**CITY OF SWEET HOME, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - HOUSING REHABILITATION LOAN FUND  
YEAR ENDED JUNE 30, 2017**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Intergovernmental	\$ 300,000	\$ 300,000	\$ -	\$ (300,000)
Miscellaneous	1,099	1,099	56,754	55,655
<i>Total Revenues</i>	301,099	301,099	56,754	(244,345)
<b>EXPENDITURES</b>				
Operations	534,853	534,853	20,078	514,775
<b>NET CHANGE IN FUND BALANCE</b>	(233,754)	(233,754)	36,676	270,430
<b>FUND BALANCE, beginning of year</b>	233,754	233,754	233,530	(224)
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 270,206	\$ 270,206

**CITY OF SWEET HOME, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - COMMUNITY CENTER OPERATING FUND  
YEAR ENDED JUNE 30, 2017**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	\$ 34,264	\$ 34,264	\$ 34,268	\$ 4
<b>EXPENDITURES</b>				
Operations	44,001	44,001	38,777	5,224
Contingency	1,000	1,000	-	1,000
<i>Total Expenditures</i>	45,001	45,001	38,777	6,224
<b>NET CHANGE IN FUND BALANCE</b>	(10,737)	(10,737)	(4,509)	6,228
<b>FUND BALANCE, beginning of year</b>	10,737	10,737	13,378	2,641
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 8,869	\$ 8,869

**CITY OF SWEET HOME, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - SPECIAL ASSESSMENTS FUND**  
**YEAR ENDED JUNE 30, 2017**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	\$ 4	\$ 4	\$ 8	\$ 4
<b>EXPENDITURES</b>	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	4	4	8	4
<b>FUND BALANCE, beginning of year</b>	768	768	769	1
<b>FUND BALANCE, end of year</b>	\$ 772	\$ 772	\$ 777	\$ 5

**CITY OF SWEET HOME, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - PUBLIC TRANSIT GRANT FUND  
YEAR ENDED JUNE 30, 2017**

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	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Intergovernmental	\$ 90,263	\$ 90,263	\$ 80,902	\$ (9,361)
<b>EXPENDITURES</b>				
Operations	90,263	90,263	80,902	9,361
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
<b>FUND BALANCE, beginning of year</b>	-	-	-	-
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ -	\$ -



**CITY OF SWEET HOME, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – WEDDLE BRIDGE FUND  
YEAR ENDED JUNE 30, 2017**

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	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	\$ 22	\$ 22	\$ 46	\$ 24
<b>EXPENDITURES</b>				
Operations	4,672	4,672	-	4,672
<b>NET CHANGE IN FUND BALANCE</b>	(4,650)	(4,650)	46	4,696
<b>FUND BALANCE, beginning of year</b>	4,650	4,650	4,654	4
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 4,700	\$ 4,700

**CITY OF SWEET HOME, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – SPECIAL EVENTS FUND**  
**YEAR ENDED JUNE 30, 2017**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	\$ 10,013	\$ 10,013	\$ 8,165	\$ (1,848)
<b>EXPENDITURES</b>				
Operations	15,000	15,000	9,954	5,046
<b>REVENUES OVER (UNDER)</b>	(4,987)	(4,987)	(1,789)	3,198
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	5,000	5,000	5,000	-
<b>NET CHANGE IN FUND BALANCE</b>	13	13	3,211	3,198
<b>FUND BALANCE, beginning of year</b>	4,024	4,024	4,207	183
<b>FUND BALANCE, end of year</b>	\$ 4,037	\$ 4,037	\$ 7,418	\$ 3,381

**CITY OF SWEET HOME, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – PROJECT/EQUIPMENT RESERVE FUND**  
**YEAR ENDED JUNE 30, 2017**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	\$ 1,265	\$ 1,265	\$ 10,443	\$ 9,178
<b>EXPENDITURES</b>				
Capital outlay	120,000	120,000	34,723	85,277
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(118,735)	(118,735)	(24,280)	94,455
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	175,710	175,710	172,585	(3,125)
<b>NET CHANGE IN FUND BALANCE</b>	56,975	56,975	148,305	91,330
<b>FUND BALANCE, beginning of year</b>	316,971	316,971	392,996	76,025
<b>FUND BALANCE, end of year</b>	\$ 373,946	\$ 373,946	\$ 541,301	\$ 167,355

**CITY OF SWEET HOME, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - POLICE FACILITIES FUND**  
**YEAR ENDED JUNE 30, 2017**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	-	-	3	3
<b>EXPENDITURES</b>	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	-	-	3	3
<b>FUND BALANCE, beginning of year</b>	-	-	289	289
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 292	\$ 292

**CITY OF SWEET HOME, OREGON**

**COMBINING STATEMENT OF FUND NET POSITION - NONMAJOR PROPRIETARY FUNDS**

**JUNE 30, 2017**

	<u>Water SDC</u>	<u>Water Capital</u>	<u>Water Depreciation</u>	<u>Wastewater SDC</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and investments	\$ 423,297	\$ 96,902	\$ 686,106	\$ 452,584
Accounts receivable	-	-	-	-
<i>Total Current Assets</i>	<u>423,297</u>	<u>96,902</u>	<u>686,106</u>	<u>452,584</u>
<b>Noncurrent Assets</b>				
Assessment liens receivable	36,828	-	-	28,096
Capital assets, net of depreciation	-	-	-	-
<i>Total Noncurrent Assets</i>	<u>36,828</u>	<u>-</u>	<u>-</u>	<u>28,096</u>
<i>Total Assets</i>	<u>460,125</u>	<u>96,902</u>	<u>686,106</u>	<u>480,680</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	-	-	133,206	-
Accrued compensated absences	-	-	-	-
<i>Total Current Liabilities</i>	<u>-</u>	<u>-</u>	<u>133,206</u>	<u>-</u>
<b>FUND NET POSITION:</b>				
Investment in capital assets	-	-	-	-
Restricted for:				
Construction	460,125	-	-	480,680
Unrestricted	-	96,902	552,900	-
<i>Total Fund Net Position</i>	<u>\$ 460,125</u>	<u>\$ 96,902</u>	<u>\$ 552,900</u>	<u>\$ 480,680</u>

<i><b>Wastewater Capital</b></i>	<i><b>Storm Water Drainage</b></i>	<i><b>Storm Water SDC</b></i>	<i><b>Storm Water Capital</b></i>	<i><b>Storm Water Depreciation</b></i>	<i><b>Total</b></i>
\$ 526,193	\$ 17,403	\$ 10,983	\$ 73,058	\$ 132,505	\$ 2,419,031
-	8,034	-	-	-	8,034
526,193	25,437	10,983	73,058	132,505	2,427,065
-	-	-	-	-	64,924
-	773,383	-	-	-	773,383
-	773,383	-	-	-	838,307
526,193	798,820	10,983	73,058	132,505	3,265,372
-	64	-	-	-	133,270
-	185	-	-	-	185
-	249	-	-	-	133,455
-	773,383	-	-	-	773,383
-	-	10,983	-	-	951,788
526,193	25,188	-	73,058	132,505	1,406,746
<u>\$ 526,193</u>	<u>\$ 798,571</u>	<u>\$ 10,983</u>	<u>\$ 73,058</u>	<u>\$ 132,505</u>	<u>\$ 3,131,917</u>

**CITY OF SWEET HOME, OREGON**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -  
NONMAJOR PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2017**

	<u>Water SDC</u>	<u>Water Capital</u>	<u>Water Depreciation</u>	<u>Wastewater SDC</u>
<b>OPERATING REVENUES</b>				
Charges for services	\$ -	\$ -	\$ -	\$ -
<b>OPERATING EXPENSES</b>				
Personal services	-	-	-	-
Materials and services	-	-	-	-
Depreciation	-	-	-	-
<i>Total Expenses</i>	-	-	-	-
<b>OPERATING INCOME (LOSS)</b>	-	-	-	-
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment revenue	4,689	946	5,542	4,284
<b>NET INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	4,689	946	5,542	4,284
Capital contributions	48,732	-	-	29,182
Transfers in	-	-	302,990	-
Transfers out	-	-	-	-
Non-cash transfers out	-	-	(225,594)	-
<b>CHANGE IN FUND NET POSITION</b>	53,421	946	82,938	33,466
<b>FUND NET POSITION, beginning of year</b>	406,704	95,956	469,962	447,214
<b>FUND NET POSITION, end of year</b>	\$ 460,125	\$ 96,902	\$ 552,900	\$ 480,680

<i>Wastewater Capital</i>	<i>Storm Water Drainage</i>	<i>Storm Water SDC</i>	<i>Storm Water Capital</i>	<i>Storm Water Depreciation</i>	<i>Total</i>
\$ -	\$ 61,418	\$ -	\$ -	\$ -	\$ 61,418
-	73,520	-	-	-	73,520
-	2,863	-	-	-	2,863
-	257,606	-	-	-	257,606
-	333,989	-	-	-	333,989
-	(272,571)	-	-	-	(272,571)
5,103	889	106	470	1,047	23,076
5,103	(271,682)	106	470	1,047	(249,495)
-	-	-	-	-	77,914
-	-	-	47,000	47,000	396,990
-	(114,000)	-	-	-	(114,000)
-	-	-	-	-	(225,594)
5,103	(385,682)	106	47,470	48,047	(114,185)
521,090	1,184,253	10,877	25,588	84,458	3,246,102
\$ 526,193	\$ 798,571	\$ 10,983	\$ 73,058	\$ 132,505	\$ 3,131,917



**CITY OF SWEET HOME, OREGON**  
**COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	<u>Water SDC</u>	<u>Water Capital</u>	<u>Water Depreciation</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Collected from customers	\$ -	\$ -	\$ -
Paid to suppliers	-	-	133,206
Paid to employees	-	-	-
<i>Net Cash Provided by (Used in) Operating Activities</i>	-	-	133,206
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Transfers in	-	-	302,990
Transfers out	-	-	-
<i>Net Cash Provided by (Used in) Non-Capital Financing Activities</i>	-	-	302,990
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets	-	-	(225,594)
Contribution of capital	48,845	-	-
<i>Net Cash Provided by (Used in) Capital and Related Financing Activities</i>	48,845	-	(225,594)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	4,689	946	5,542
<i>Increase (Decrease) in Cash and Investments</i>	53,534	946	216,144
<b>CASH AND INVESTMENTS, Beginning of year</b>	<b>369,763</b>	<b>95,956</b>	<b>469,962</b>
<b>CASH AND INVESTMENTS, End of year</b>	<b>\$ 423,297</b>	<b>\$ 96,902</b>	<b>\$ 686,106</b>

<i>Wastewater SDC</i>	<i>Wastewater Capital</i>	<i>Storm Water Drainage</i>	<i>Storm Water SDC</i>	<i>Storm Water Capital</i>	<i>Storm Water Depreciation</i>	<i>Totals</i>
\$ -	\$ -	\$ 61,247	\$ -	\$ -	\$ -	\$ 61,247
-	-	(2,755)	-	-	-	130,451
-	-	(73,520)	-	-	-	(73,520)
-	-	(15,028)	-	-	-	118,178
-	-	-	-	47,000	47,000	396,990
-	-	(114,000)	-	-	-	(114,000)
-	-	(114,000)	-	47,000	47,000	282,990
-	-	-	-	-	-	(225,594)
27,985	-	-	-	-	-	76,830
27,985	-	-	-	-	-	(148,764)
4,284	5,103	889	106	470	1,047	23,076
32,269	5,103	(128,139)	106	47,470	48,047	275,480
420,315	521,090	145,542	10,877	25,588	84,458	2,143,551
\$ 452,584	\$ 526,193	\$ 17,403	\$ 10,983	\$ 73,058	\$ 132,505	\$ 2,419,031

**CITY OF SWEET HOME, OREGON**

**COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS (Continued)**

**YEAR ENDED JUNE 30, 2017**

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	<u>Water SDC</u>	<u>Water Capital</u>	<u>Water Depreciation</u>
<b>RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ -	\$ -	\$ -
Depreciation			
Change in assets and liabilities:			
Accounts receivable	-	-	-
Accounts payable and accrued liabilities	-	-	133,206
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 133,206</u></u>
 <i>Noncash Transactions</i>			
Transfer of capital assets	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (225,594)</u></u>

<i>Wastewater SDC</i>	<i>Wastewater Capital</i>	<i>Storm Water Drainage</i>	<i>Storm Water SDC</i>	<i>Storm Water Capital</i>	<i>Storm Water Depreciation</i>	<i>Totals</i>
\$ -	\$ -	\$ (272,571) 257,606	\$ -	\$ -	\$ -	\$ (272,571) 257,606
-	-	(171)	-	-	-	(171)
-	-	108	-	-	-	133,314
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,028)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,178</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (225,594)</u>

**CITY OF SWEET HOME, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - WATER FUND**  
**YEAR ENDED JUNE 30, 2017**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Charges for services	\$ 2,196,431	\$ 2,196,431	\$ 2,064,498	\$ (131,933)
Miscellaneous	4,057	4,057	14,748	10,691
<i>Total Revenues</i>	2,200,488	2,200,488	2,079,246	(121,242)
<b>EXPENDITURES</b>				
Operations	1,238,099	1,238,099	1,160,149	77,950
Debt service				
Principal	335,229	335,229	335,228	1
Interest	165,263	165,263	165,263	-
Capital outlay	11,901	11,901	669	11,232
Contingency	69,744	69,744	-	69,744
<i>Total Expenditures</i>	1,820,236	1,820,236	1,661,309	158,927
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	380,252	380,252	417,937	37,685
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(457,356)	(457,356)	(457,356)	-
<b>NET CHANGE IN FUND BALANCE</b>	(77,104)	(77,104)	(39,419)	37,685
<b>FUND BALANCE, beginning of year</b>	271,168	271,168	239,568	(31,600)
<b>FUND BALANCE, end of year</b>	\$ 194,064	\$ 194,064	\$ 200,149	\$ 6,085

**CITY OF SWEET HOME, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - WASTEWATER FUND**  
**YEAR ENDED JUNE 30, 2017**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Charges for services	\$ 2,649,455	\$ 2,649,455	\$ 2,271,575	\$ (377,880)
Miscellaneous	6,005	6,005	5,619	(386)
<i>Total Revenues</i>	2,655,460	2,655,460	2,277,194	(378,266)
<b>EXPENDITURES</b>				
Operations	1,292,166	1,292,166	1,189,501	102,665
Debt service				
Principal	665,534	665,534	665,534	-
Interest	218,986	218,986	218,986	-
Capital outlay	23,323	23,323	22,114	1,209
Contingency	41,749	41,749	-	41,749
<i>Total Expenditures</i>	2,241,758	2,241,758	2,096,135	145,623
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	413,702	413,702	181,059	(232,643)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(413,702)	(413,702)	(310,277)	103,425
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(129,218)	(129,218)
<b>FUND BALANCE, beginning of year</b>	-	-	92,149	92,149
<b>FUND BALANCE (Deficit), end of year</b>	\$ -	\$ -	\$ (37,069)	\$ (37,069)

**CITY OF SWEET HOME, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - WASTEWATER DEPRECIATION FUND**  
**YEAR ENDED JUNE 30, 2017**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	\$ 5,332	\$ 5,332	\$ 11,526	\$ 6,194
<b>EXPENDITURES</b>				
Operations	400,000	400,000	27,778	372,222
Capital outlay	900,000	900,000	-	900,000
<i>Total Expenditures</i>	<u>1,300,000</u>	<u>1,300,000</u>	<u>27,778</u>	<u>1,272,222</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(1,294,668)	(1,294,668)	(16,252)	1,278,416
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>286,836</u>	<u>286,836</u>	<u>215,127</u>	<u>(71,709)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,007,832)	(1,007,832)	198,875	1,206,707
<b>FUND BALANCE, beginning of year</b>	<u>1,025,686</u>	<u>1,025,686</u>	<u>1,065,464</u>	<u>39,778</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 17,854</u>	<u>\$ 17,854</u>	<u>\$ 1,264,339</u>	<u>\$ 1,246,485</u>

**CITY OF SWEET HOME, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - WATER SDC FUND**  
**YEAR ENDED JUNE 30, 2017**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Licenses and permits	\$ 1,500	\$ 1,500	\$ 48,845	\$ 47,345
Miscellaneous	1,559	1,559	4,689	3,130
<i>Total Revenues</i>	3,059	3,059	53,534	50,475
<b>EXPENDITURES</b>				
Operations	75,000	75,000	-	75,000
Capital outlay	200,000	200,000	-	200,000
<i>Total Expenditures</i>	275,000	275,000	-	275,000
<b>NET CHANGE IN FUND BALANCE</b>	(271,941)	(271,941)	53,534	325,475
<b>FUND BALANCE, beginning of year</b>	355,923	355,923	361,523	5,600
<b>FUND BALANCE, end of year</b>	\$ 83,982	\$ 83,982	\$ 415,057	\$ 331,075



**CITY OF SWEET HOME, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - WATER CAPITAL FUND**  
**YEAR ENDED JUNE 30, 2017**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Miscellaneous	\$ 490	\$ 490	\$ 946	\$ 456
<b>EXPENDITURES</b>				
Capital outlay	70,000	70,000	-	70,000
<b>NET CHANGE IN FUND BALANCE</b>	(69,510)	(69,510)	946	70,456
<b>FUND BALANCE, beginning of year</b>	82,040	82,040	95,956	13,916
<b>FUND BALANCE, end of year</b>	\$ 12,530	\$ 12,530	\$ 96,902	\$ 84,372

**CITY OF SWEET HOME, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - WATER DEPRECIATION FUND  
YEAR ENDED JUNE 30, 2017**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Miscellaneous	\$ 2,112	\$ 2,112	\$ 5,542	\$ 3,430
<b>EXPENDITURES</b>				
Operations	140,000	140,000	-	140,000
Capital outlay	420,000	420,000	225,594	194,406
<i>Total Expenditures</i>	560,000	560,000	225,594	334,406
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(557,888)	(557,888)	(220,052)	337,836
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	302,990	302,990	302,990	-
<b>NET CHANGE IN FUND BALANCE</b>	(254,898)	(254,898)	82,938	337,836
<b>FUND BALANCE, beginning of year</b>	443,329	443,329	469,962	26,633
<b>FUND BALANCE, end of year</b>	\$ 188,431	\$ 188,431	\$ 552,900	\$ 364,469

**CITY OF SWEET HOME, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - WASTEWATER SDC FUND**  
**YEAR ENDED JUNE 30, 2017**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Licenses and permits	\$ 1,000	\$ 1,000	\$ 27,985	\$ 26,985
Miscellaneous	1,867	1,867	4,284	2,417
<i>Total Revenues</i>	2,867	2,867	32,269	29,402
<b>EXPENDITURES</b>				
Operations	50,000	50,000	-	50,000
Capital outlay	300,000	300,000	-	300,000
<i>Total Expenditures</i>	350,000	350,000	-	350,000
<b>NET CHANGE IN FUND BALANCE</b>	(347,133)	(347,133)	32,269	379,402
<b>FUND BALANCE, beginning of year</b>	408,714	408,714	415,055	6,341
<b>FUND BALANCE, end of year</b>	\$ 61,581	\$ 61,581	\$ 447,324	\$ 385,743

**CITY OF SWEET HOME, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - WASTEWATER CAPITAL FUND**  
**YEAR ENDED JUNE 30, 2017**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	\$ 2,447	\$ 2,447	\$ 5,103	\$ 2,656
<b>EXPENDITURES</b>				
Materials and services	75,000	75,000	-	75,000
Capital outlay	435,000	435,000	-	435,000
<i>Total Expenditures</i>	510,000	510,000	-	510,000
<b>NET CHANGE IN FUND BALANCE</b>	(507,553)	(507,553)	5,103	512,656
<b>FUND BALANCE, beginning of year</b>	520,561	520,561	521,090	529
<b>FUND BALANCE, end of year</b>	\$ 13,008	\$ 13,008	\$ 526,193	\$ 513,185

**CITY OF SWEET HOME, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – STORM WATER DRAINAGE FUND**  
**YEAR ENDED JUNE 30, 2017**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Charges for services	\$ 60,000	\$ 60,000	\$ 61,418	\$ 1,418
Miscellaneous	586	586	889	303
<i>Total Revenues</i>	60,586	60,586	62,307	1,721
<b>EXPENDITURES</b>				
Operations	85,697	85,697	74,488	11,209
Capital outlay	2,000	2,000	1,852	148
Contingency	8,459	8,459	-	8,459
<i>Total Expenditures</i>	96,156	96,156	76,340	19,816
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(35,570)	(35,570)	(14,033)	21,537
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(114,000)	(114,000)	(114,000)	-
<b>NET CHANGE IN FUND BALANCE</b>	(149,570)	(149,570)	(128,033)	21,537
<b>FUND BALANCE, beginning of year</b>	149,570	149,570	153,405	3,835
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 25,372	\$ 25,372

**CITY OF SWEET HOME, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - STORM WATER SDC FUND**  
**YEAR ENDED JUNE 30, 2017**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	\$ 51	\$ 51	\$ 106	\$ 55
<b>EXPENDITURES</b>				
Capital outlay	10,700	10,700	-	10,700
<b>NET CHANGE IN FUND BALANCE</b>	(10,649)	(10,649)	106	10,755
<b>FUND BALANCE, beginning of year</b>	10,866	10,866	10,877	11
<b>FUND BALANCE, end of year</b>	\$ 217	\$ 217	\$ 10,983	\$ 10,766

**CITY OF SWEET HOME, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - STORM WATER CAPITAL FUND**  
**YEAR ENDED JUNE 30, 2017**

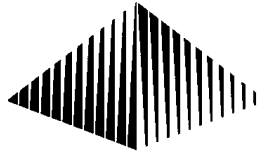
	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	\$ 108	\$ 108	\$ 470	\$ 362
<b>EXPENDITURES</b>				
Operations	10,000	10,000	-	10,000
Capital outlay	55,000	55,000	-	55,000
<i>Total Expenditures</i>	65,000	65,000	-	65,000
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(64,892)	(64,892)	470	65,362
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	47,000	47,000	47,000	-
<b>NET CHANGE IN FUND BALANCE</b>	(17,892)	(17,892)	47,470	65,362
<b>FUND BALANCE, beginning of year</b>	25,559	25,559	25,588	29
<b>FUND BALANCE, end of year</b>	\$ 7,667	\$ 7,667	\$ 73,058	\$ 65,391

**CITY OF SWEET HOME, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - STORM WATER DEPRECIATION FUND**  
**YEAR ENDED JUNE 30, 2017**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	\$ 397	\$ 397	\$ 1,047	\$ 650
<b>EXPENDITURES</b>				
Operations	10,000	10,000	-	10,000
Capital outlay	120,000	120,000	-	120,000
<i>Total Expenditures</i>	130,000	130,000	-	130,000
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(129,603)	(129,603)	1,047	130,650
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	47,000	47,000	47,000	-
<b>NET CHANGE IN FUND BALANCE</b>				
	(82,603)	(82,603)	48,047	130,650
<b>FUND BALANCE, beginning of year</b>				
	84,373	84,373	84,458	85
<b>FUND BALANCE, end of year</b>				
	\$ 1,770	\$ 1,770	\$ 132,505	\$ 130,735



***COMPLIANCE SECTION***



## GROVE, MUELLER & SWANK, P.C.

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

### ***INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS***

The Honorable Greg Mahler, Mayor  
and Members of the City Council  
1140 12<sup>th</sup> Avenue  
Sweet Home, Oregon 97386

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of City of Sweet Home, Oregon as of and for the year ended June 30, 2017, and have issued our report thereon dated December 18, 2017.

#### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatements, 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 include, but were not limited to the following:

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

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


***Internal Control Over Financial Reporting***

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

***Restriction on Use***

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

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

By:   
\_\_\_\_\_  
Ryan T. Pasquarella, A Shareholder  
December 18, 2017

**RESOLUTION NO. 1 FOR 2018**

**A RESOLUTION ACCEPTING THE CITY OF SWEET HOME AUDIT REPORT FOR FISCAL YEAR ENDING JUNE 30, 2017**

**WHEREAS**, ORS 297 establishes the laws requiring an annual financial audit of a municipal corporation's financial statements at least once every fiscal year by a qualified independent auditor; and

**WHEREAS**, for the fiscal year ending June 30, 2017 the firm of Grove, Mueller & Swank, PC certified public accountants performed the financial audit of the City of Sweet Home's financial statements.

**NOW, THEREFORE, THE CITY OF SWEET HOME DOES RESOLVE AS FOLLOWS:**

The City of Sweet Home hereby accepts the audit report and management letter for the audit of the City's financial statements for the fiscal year ending June 30, 2017.

**PASSED by the Council and approved by the Mayor this 9th day of January, 2018.**

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Mayor

ATTEST:

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City Manager – Ex Officio City Recorder

## REQUEST FOR COUNCIL ACTION

<b>PREFERRED AGENDA:</b> 01-09-2018	<b>TITLE:</b> City Surplus Property	<b>TYPE OF ACTION:</b> <u>X</u> RESOLUTION
<b>SUBMITTED BY:</b> Chief Jeff Lynn and PW Director Greg Springman	<b>ATTACHMENTS:</b>	<u>—</u> MOTION
<b>REVIEWED:</b>		<u>—</u> OTHER

### **PURPOSE OF THIS MEMO:**

For Council to review the proposal and recommendation to adopt the City of Sweet Home Resolution No. 2 and declare as surplus property the attached list of Sweet Home Public Works equipment and Sweet Home Police Department vehicles.

### **BACKGROUND/CONTEXT:**

The Sweet Home Public Works Department and the Sweet Home Police Department maintain various equipment and vehicles to accomplish our missions. At times, that equipment and those vehicles either get replaced, upgraded or outlive their useful life expectancy. When that happens, a decision must be made on whether or not to keep those items in the City's inventory or to dispose of them according to City policy and State law.

### **THE CHALLENGE:**

The challenge is to maintain modern, reliable equipment, including vehicles, that will meet the needs of the City. At different points in the life of equipment or vehicles, the maintenance cost associated with them begin to increase and the cost/benefit of that equipment comes into question. The following is the list of equipment and vehicles in question.

#### **Public Works Equipment:**

- 1 - Pallet Jack
- 1 - Battery Pallet Jack
- 1 - 40 Drawer Card Catalog (wood)
- 2 - 4 Sided Spinning Display w/ adjustable shelves
- 1 - Library Card File (metal)
- 1 - Genie Lift
- 2 - 45 Drawer Library Card Catalog (wood)
- 1 - 2 Sided Display Case w/adjustable shelves
- 1 - 3 Step Aluminum Ladder
- 1 - Light Box
- 1 - Deep File Cabinet (metal)
- 1 - Tool Box for Truck Bed
- 3 - Vintage Child's Chair
- 1 - Electric Adjustable Computer Desk

### Public Works Vehicles:

- 1 - 1993 Ford F350 Diesel, Manual Transmission, Dual Rear End 88K miles
- 1 - 1995 Ford Ranger Extra Cab 2wd 4.0 V6, Automatic Transmission, 238K miles
- 1 - 1978 Ford L700, Gas, Alison Automatic Transmission, 5Yd Dump Bed. 50K miles
- 1 - 1975 410 John Deere Backhoe, Vin# 9410-0315871
- 1 - 1978 Chevrolet C60, Manual Transmission, 350 CID Gas, 11K miles
- 1 - 1979 Ford L800 HVC Rodder Truck, Gas, Manual Transmission, 1000 Gal. tank, 134K miles
- 1 - 1993 Chevrolet S10, 5 Speed, 2wd, 145K miles
- 1 - 1996 Chevrolet Astro, AWD Automatic Transmission, 198K miles
- 1 - 2004 Ford Ranger 2wd, Automatic Transmission, 50K miles (Salvaged)

### Police Department Vehicles:

- 1 – 2005 GMC Yukon Denali, 122,485 miles
- 1 – 2004 Chevy Trailblazer, 129,394 miles
- 1 – 2006 Chevy Impala, 125,313 miles (Marked Patrol Car)

### **ISSUES & FINACIAL IMPACTS:**

1. Police Department – The listed vehicles have either been replaced or are experiencing mechanical issues. In both cases, the Police Department will save funds by surplusing the property and not investing in their maintenance. Two of the three vehicles will not be replaced. There is the potential to replace on that will be utilized by the Detective during investigations.
2. Public Works - The listed vehicles for Public Works are beyond their useful life, are experiencing mechanical issues, or salvaged due to accident. All vehicles have been removed from service. The Public Works Department will save funds by not investing in future maintenance costs to operate. Miscellaneous equipment is no longer utilized by Public Works Department and recognizes this property as surplus and considered of such little value that it should be discarded.

### **OPTIONS:**

1. Do Nothing. Continue to keep the equipment and vehicles in the City's possession.
2. Authorize the City Department's to Surplus the listed items – These items have no further functional, useful value to the city.
3. Determine and authorize only a portion of the listed items to be suprlused – Determine which items should be retained by the City.
4. Request Additional information on the specific items listed.

### **RECOMMENDATION:**

City staff recommend option #2.

# City of Sweet Home

Police Department/Public Works Department

Surplus Vehicles & Miscellaneous Equipment 2017



# Public Works Department

## Miscellaneous Equipment





1 each pallet jack

1 each battery pallet jack



1 each- 40 Drawer Card Catalog (wood)

2 each- 45 Drawer Card Catalog (wood)



2 each- 4 Sided Spinning Displays w/adjustable shelves

1 each- Library Card files (metal)



1 each- Genie Lift

1 each- 2 Sided Display Case w/adjustable shelves



1 each- 3 Step Aluminum Ladder

1 each- Light Box



1 each- Deep File Cabinet (metal)

1 each- Tool Box for Truck Bed



3 each- Vintage Child's Chair

1 each- Electric Adjustable Computer Desk



# Public Works Department

## Surplus Vehicles & Equipment





1993 Ford F350 Diesel, Manual Trans 88k miles

1995 Ford Ranger, Ex Cab, 2wd, 238 miles



1978 Ford L700, Gas Engine, 5yd dump, 50k miles

410 John Deere Backhoe



1978 Chevrolet C60, 350CID gas engine, 11k miles

1979 Ford L800 Rodder, Gas, 1000 water tank, 134k miles



1993 Chevrolet S10, 5 speed, 2wd, 145k miles

1996 Chevrolet Astro, AWD, auto trans, V6, 198k miles



## 2004 Ford Ranger 2wd, V6, 50k miles wrecked



# Police Department

## Surplus Vehicles



2006 Chevy Impala (Marked Patrol Car) 125,313 miles

2004 Chevy Trailblazer, 129,394 miles



# 2005 GMC Yukon Denali, 122,485 miles







Questions?

# MEMORANDUM



TO: Sweet Home City Council  
FROM: Greg Springman, Public Works Director  
DATE: December 1, 2017  
SUBJECT: Surplus Vehicles and Miscellaneous Equipment

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The following is a list of Public Works Department vehicles and miscellaneous equipment, and Police Department vehicles which have been decommissioned. The Sweet Home City Council must designate all surplus vehicles and equipment prior to its disposal.

## Public Works Equipment:

- 1 - Pallet Jack
- 1 - Battery Pallet Jack
- 1 - 40 Drawer Card Catalog (wood)
- 2 - 4 Sided Spinning Display w/ adjustable shelves
- 1 - Library Card File (metal)
- 1 - Genie Lift
- 2 - 45 Drawer Library Card Catalog (wood)
- 1 - 2 Sided Display Case w/adjustable shelves
- 1 - 3 Step Aluminum Ladder
- 1 - Light Box
- 1 - Deep File Cabinet (metal)
- 1 - Tool Box for Truck Bed
- 3 - Vintage Child's Chair
- 1 - Electric Adjustable Computer Desk

## Public Works Vehicles:

- 1 - 1993 Ford F350 Diesel, Manual Transmission, Dual Rear End 88K miles
- 1 - 1995 Ford Ranger Extra Cab 2wd 4.0 V6, Automatic Transmission, 238K miles
- 1 - 1978 Ford L700, Gas, Alison Automatic Transmission, 5Yd Dump Bed. 50K miles
- 1 - 1975 410 John Deere Backhoe, Vin# 9410-0315871
- 1 - 1978 Chevrolet C60, Manual Transmission, 350 CID Gas, 11K miles
- 1 - 1979 Ford L800 HVC Rodder Truck, Gas, Manual Transmission, 1000 Gal. tank, 134K miles
- 1 - 1993 Chevrolet S10, 5 Speed, 2wd, 145K miles
- 1 - 1996 Chevrolet Astro, AWD Automatic Transmission, 198K miles
- 1 - 2004 Ford Ranger 2wd, Automatic Transmission, 50K miles (Salvaged)

## Police Department Vehicles:

- 1 - 2005 GMC Yukon Denali, 122,485 miles
- 1 - 2004 Chevy Trailblazer, 129,394 miles
- 1 - 2006 Chevy Impala, 125,313 miles (Marked Patrol Car)

## RESOLUTION NO. 2 FOR 2018

A RESOLUTION TO DESIGNATE CITY PROPERTY AS SURPLUS AND AUTHORIZE ITS SALE OR LAWFUL DISPOSAL.

WHEREAS, the City has determined there is no longer a use for the following City property;

### Public Works Equipment:

- 1 - Pallet Jack
- 1 - Battery Pallet Jack
- 1 - 40 Drawer Card Catalog (wood)
- 2 - 4 Sided Spinning Display w/ adjustable shelves
- 1 - Library Card File (metal)
- 1 - Genie Lift
- 2 - 45 Drawer Library Card Catalog (wood)
- 1 - 2 Sided Display Case w/adjustable shelves
- 1 - 3 Step Aluminum Ladder
- 1 - Light Box
- 1 - Deep File Cabinet (metal)
- 1 - Tool Box for Truck Bed
- 3 - Vintage Child's Chair
- 1 - Electric Adjustable Computer Desk

### Public Works Vehicles:

- 1 - 1993 Ford F350 Diesel, Manual Transmission, Dual Rear End 88K miles
- 1 - 1995 Ford Ranger Extra Cab 2wd 4.0 V6, Automatic Transmission, 238K miles
- 1 - 1978 Ford L700, Gas, Allison Automatic Transmission, 5Yd Dump Bed. 50K miles
- 1 - 1975 410 John Deere Backhoe, Vin# 9410-0315871
- 1 - 1978 Chevrolet C60, Manual Transmission, 350 CID Gas, 11K miles
- 1 - 1979 Ford L800 HVC Rodder Truck, Gas, Manual Transmission, 1000 Gal. tank, 134K miles
- 1 - 1993 Chevrolet S10, 5 Speed, 2wd, 145K miles
- 1 - 1996 Chevrolet Astro, AWD Automatic Transmission, 198K miles
- 1 - 2004 Ford Ranger 2wd, Automatic Transmission, 50K miles (Salvaged)

### Police Department Vehicles:

- 1 – 2005 GMC Yukon Denali, 122,485 miles
- 1 – 2004 Chevy Trailblazer, 129,394 miles
- 1 – 2006 Chevy Impala, 125,313 miles (Marked Patrol Car)

WHEREAS, the City recognizes this property as surplus and available for public sale or other lawful disposal;

NOW, THEREFORE, BE IT RESOLVED THAT:

The City of Sweet Home does hereby declare the property listed above as surplus and available for public sale or other lawful disposal.

This resolution shall be effective immediately upon its passage.

PASSED by the Council and approved by the Mayor, this 9th day of January 2018.

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Mayor

ATTEST:

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City Manager – Ex Officio City Recorder

SWEET HOME CITY COUNCIL  
COMMUNITY HEALTH COMMITTEE  
MEETING MINUTES

December 18, 2017

Councilor Gourley called the meeting to order at 6:06 p.m. in the City Hall Annex.

Present: Chair Councilor Gourley, Bob Dalton, Jim Gourley, Larry Horton, and Marty Cahill

Staff Present: Administrative Assistant Julie Fisher

**Approval of Minutes November 20, 2017 (J. Gourley/Dalton) 4 Ayes, 0 Opposed, 1 Abstain (Cahill – was not in attendance)**

**Committee Reports:**

Health Fair Committee: Bob Dalton gave a brief update. Councilor Gourley asked Mr. Dalton to provide a list of projects he is working on for the committee.

First Responders: There was discussion on the role first responders' play in Community Health and suggestions of ways first responders can become more involved and opportunities for them to give out information on resources available. Councilor Gourley asked if funds were available to send out general information to people served by first responders.

Marty Cahill talked about the Healthy Home Initiatives Screening.

Hero Banner Project: Jim Gourley reported a local company is creating the brackets. 7 or 8 banners have been ordered. The goal is to have 100 banners up by Memorial Day. Donations are being accepted to purchase banners for Veterans who cannot afford a banner.

Western University: Larry Horton reported he and City Manager Ray Towry met with Di Lacey 2 weeks prior and are hoping to bring the focus groups together in January and well as an additional 5 or 6 clients who are users of the service.

**Committee Goals:**

Ideas were discussed for future projects for 2018. Jim Gourley suggested edible plants be grown in the parks.

**Good of the Order:**

**Meeting adjourned.**

With no further business the meeting adjourned at 7:09 pm

The foregoing is a true copy of the proceedings of the City Council Community Health Committee Meeting on December 18, 2017.

\_\_\_\_\_  
Chair – Councilor Gourley

\_\_\_\_\_  
Date:



# City of Sweet Home Finance Department Monthly Report

## November 2017

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- **Finance Activities:**

Accounts Payable: 154 checks were processed for payments of \$1,022,277.34  
(list is included)

Passport Applications processed: 31

Passport Photos: 40

Lien Searches: 16

- **Utility Billing Activities:**

Service Requests processed: 192

New customers to Sweet Home: 20 (16 own - 4 rent)

Accounts opened: 47

Account closed: 48

	<b>November</b>
UB Statements Processed	3,331
Past Due Notices Processed	1,264
Phone Calls made on delinquent Accounts	167
Number of accts on Turn off List	34



# City of Sweet Home Finance Department Monthly Report

## December 2017

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- **Finance Activities:**

Accounts Payable: 138 checks were processed for payments of \$111,656.77  
(list is included)

Passport Applications processed: 40

Passport Photos: 37

Lien Searches: 58

- **Utility Billing Activities:**

Service Requests processed: 174

New customers to Sweet Home: 16 (8 own - 8 rent)

Accounts opened: 47

Account closed: 40

	<b>December</b>
UB Statements Processed	3,318
Past Due Notices Processed	1,455*
Phone Calls made on delinquent Accounts	99
Number of accts on Turn off List	20

\*old closed accounts were billed increasing number of notices by approx. 200

December is the last month phone calls will be made on delinquent accounts prior to turn offs

# Bank Reconciliation

## Checks by Date

User: pgray  
 Printed: 12/04/2017 - 8:31AM  
 Cleared and Not Cleared Checks

**City of Sweet Home**  
**1140 12th Avenue**  
**(541) 367-5128**  
**(541) 367-5113 Fax**



Check No	Check Date	Name	Comment	Module	Clear Date	Amount
86230	11/6/2017	ACCELA, INC. #774375		AP		1,484.00
86231	11/6/2017	ALSCO		AP		291.00
86232	11/6/2017	AUDIO EDITIONS		AP		134.24
86233	11/6/2017	BENTON COUNTY PUBLIC WORKS		AP		3,743.60
86234	11/6/2017	BLUE HERON FARM		AP		579.00
86235	11/6/2017	BULLARD LAW		AP		943.00
86236	11/6/2017	CASCADE EARTH SCIENCES		AP		1,000.00
86237	11/6/2017	CH2M OM SERVICES		AP		95,866.67
86239	11/6/2017	COMCAST		AP		359.36
86240	11/6/2017	COMCAST BUSINESS		AP		1,480.48
86241	11/6/2017	BOB DALTON		AP		100.00
86242	11/6/2017	CONNIE DEBUSSCHERE		AP		66.85
86243	11/6/2017	JUNE DENNISON		AP		12.05
86244	11/6/2017	DEPT. OF ADMINISTRATIVE SERVI		AP		900.00
86245	11/6/2017	FASTENAL COMPANY		AP		32.70
86246	11/6/2017	FRANK PRINTING, LLC		AP		324.00
86247	11/6/2017	GONZALEZ CONSTRUCTION LLC		AP		31.55
86248	11/6/2017	GROVE, MUELLER & SWANK, INC.		AP		8,000.00
86249	11/6/2017	HOME DEPOT CREDIT SERVICES		AP		719.35
86250	11/6/2017	JUNIOR LIBRARY GUILD		AP		54.75
86251	11/6/2017	KIP AMERICA, INC.		AP		240.00
86252	11/6/2017	KNIFE RIVER		AP		371.77
86253	11/6/2017	LEAVE YOUR MARK		AP		93.19
86254	11/6/2017	LES SCHWAB WAREHOUSE CENTE		AP		336.37
86255	11/6/2017	LESTER SALES		AP		27.00
86256	11/6/2017	LINN COUNTY TAX COLLECTOR		AP		8,766.60
86257	11/6/2017	MAILFINANCE		AP		704.25
86258	11/6/2017	CHAYHOWA MCELHINNY		AP		40.00
86259	11/6/2017	CAROLYN MOFFET		AP		240.22
86260	11/6/2017	MOONLIGHT BPO, INC.		AP		2,260.70
86261	11/6/2017	NATIONAL PHOTOCOPY CORPORA		AP		677.94
86262	11/6/2017	FLOYD NEUSCHWANDER		AP		35.00
86263	11/6/2017	NORTHWEST NATURAL		AP		1,195.51
86264	11/6/2017	OFFICE DEPOT		AP		282.07
86265	11/6/2017	OREGON ASSOC. OF WATER UTILI		AP		315.00
86266	11/6/2017	OREGON DEPT. OF ENVIRONMEN		AP		300.00
86267	11/6/2017	OREGON DEPT. OF STATE LANDS		AP		1,336.96
86268	11/6/2017	PACIFIC POWER		AP		20,975.56
86269	11/6/2017	ROSE PEDA		AP		74.40
86270	11/6/2017	PERCEPHONE FARMS		AP		1,538.00
86271	11/6/2017	ALEX PERKINS		AP		30.00
86272	11/6/2017	PETTY CASH - FINANCE OFFICE		AP		51.75
86273	11/6/2017	PETTY CASH - LIBRARY		AP		135.58
86274	11/6/2017	RADIATOR SUPPLY HOUSE, INC.		AP		12.00
86275	11/6/2017	CYNTHIA ROBECK		AP		63.46
86276	11/6/2017	KAYLA ROSA		AP		31.55



Check No	Check Date	Name	Comment	Module	Clear Date	Amount
86277	11/6/2017	KATHY RUSSELL		AP		20.16
86278	11/6/2017	SOUTH FORK TRADING CO., INC.		AP		38.90
86279	11/6/2017	STANDARD INS. CO.		AP		3,552.19
86280	11/6/2017	STAPLES ADVANTAGE		AP		763.92
86281	11/6/2017	THRIFTWAY		AP		3.37
86282	11/6/2017	VERIZON WIRELESS		AP		357.21
86283	11/6/2017	WEATHERFORD THOMPSON COW		AP		890.00
86284	11/6/2017	WELLS FARGO FINANCIAL LEASIN		AP		733.98
86285	11/6/2017	WELLS FARGO VENDOR FIN SERV		AP		157.93
86286	11/14/2017	AMERICAN LEGAL PUBLISHING C		AP		400.80
86287	11/14/2017	ANDERSON ENTERPRISES		AP		777.60
86288	11/14/2017	ARAMARK UNIFORM SERVICES		AP		497.39
86289	11/14/2017	BI-MART CORPORATION		AP		86.97
86290	11/14/2017	BUCK'S SANITARY SERVICE, INC.		AP		823.00
86291	11/14/2017	CASELLE, INC.		AP		196.67
86292	11/14/2017	HOY'S TRUE VALUE		AP		228.67
86293	11/14/2017	ICPC - REGION 2		AP		525.00
86294	11/14/2017	INGRAM LIBRARY SERVICES		AP		385.05
86295	11/14/2017	LIBERTY ROCK PRODUCTS, INC.		AP		242.90
86296	11/14/2017	RACHEL LINGAR		AP		100.55
86297	11/14/2017	LINN COUNTY TREASURER		AP		106.00
86298	11/14/2017	ANNAMARIE MATTOX		AP		72.62
86299	11/14/2017	CHAYHOWA MCELHINNY		AP		40.00
86300	11/14/2017	MOONLIGHT BPO, INC.		AP		337.00
86301	11/14/2017	NEOFUNDS BY NEOPOST		AP		1,000.00
86302	11/14/2017	NET ASSETS		AP		404.00
86303	11/14/2017	NEU FLO PLUMBING		AP		185.00
86304	11/14/2017	NEW ERA		AP		786.60
86305	11/14/2017	NORWEST SAFETY		AP		31.60
86306	11/14/2017	OFFICE DEPOT		AP		108.64
86307	11/14/2017	OREGON DEPT. OF ENVIRONMENT		AP		17,599.00
86308	11/14/2017	OREGON DEPT. OF REVENUE		AP		647.00
86309	11/14/2017	PETROCARD		AP		1,719.38
86310	11/14/2017	RAINBOW PRINTING, INC.		AP		462.00
86311	11/14/2017	SAIF CORPORATION		AP		75.00
86312	11/14/2017	CHAD SCHUSTER		AP		592.00
86313	11/14/2017	SIERRA SPRINGS		AP		66.78
86314	11/14/2017	TCMS, INC.		AP		2,740.50
86315	11/14/2017	THYSSENKRUPP ELEVATOR CORP.		AP		495.03
86316	11/14/2017	VALLEY FIRE CONTROL, INC.		AP		144.50
86317	11/21/2017	911 SUPPLY		AP		894.98
86318	11/21/2017	ACCELA, INC. #774375		AP		500.00
86319	11/21/2017	GARY ADAMS		AP		52.08
86320	11/21/2017	ALBERTSONS / SAFEWAY		AP		23.49
86321	11/21/2017	BULLFROG ENTERPRISES		AP		150.00
86322	11/21/2017	BUSINESS OREGON		AP		280,923.82
86323	11/21/2017	CASCADE COMPUTER MAINTENA		AP		3,154.00
86324	11/21/2017	CENTER POINT LARGE PRINT		AP		175.56
86325	11/21/2017	CENTURYLINK		AP		1,345.65
86326	11/21/2017	CH2M OM SERVICES		AP		85,863.27
86327	11/21/2017	CIS TRUST		AP		682.94
86328	11/21/2017	COMCAST		AP		413.40
86329	11/21/2017	DENNIS CONNER		AP		68.00
86330	11/21/2017	CUB-ALBANY PRINTING		AP		132.00
86331	11/21/2017	CUSTOM MICRO INTERACTIVE, IN		AP		3,000.00
86332	11/21/2017	DAY MANAGEMENT CORPORATIO		AP		393.00

Check No	Check Date	Name	Comment	Module	Clear Date	Amount
86333	11/21/2017	MANDY DOUGHERTY		AP		72.62
86334	11/21/2017	DRYER VENT WIZARD OF THE VAI		AP		359.00
86335	11/21/2017	LUA EDMONSON		AP		52.08
86336	11/21/2017	FASTENAL COMPANY		AP		480.66
86337	11/21/2017	GATEWAY IMPRINTS, INC.		AP		154.00
86338	11/21/2017	CAROL GONZALES		AP		5.00
86339	11/21/2017	BETHANY HART		AP		68.07
86340	11/21/2017	ICMA		AP		225.00
86341	11/21/2017	LINN COUNTY RECORDER		AP		55.00
86342	11/21/2017	LLOYD R. RICE TOWING SERVICE		AP		60.00
86343	11/21/2017	METEREADERS, LLC		AP		1,869.00
86344	11/21/2017	MOONLIGHT BPO, INC.		AP		758.90
86345	11/21/2017	NATIONAL PHOTOCOPY CORPORA		AP		109.60
86346	11/21/2017	NORTHWEST CODE PROFESSIONA		AP		969.50
86347	11/21/2017	O & M POINT S TIRE & AUTO SERV		AP		240.00
86348	11/21/2017	OFFICE DEPOT		AP		132.50
86349	11/21/2017	OREGON DEPT. OF ENVIRONMENI		AP		158,472.00
86350	11/21/2017	OREGON DEPT. OF REVENUE		AP		1,136.00
86351	11/21/2017	OREGON GOVERNMENT FINANCE		AP		75.00
86352	11/21/2017	OREGON HEALTH AUTHORITY - S]		AP		140.00
86353	11/21/2017	O'REILLY AUTOMOTIVE, INC.		AP		10.45
86354	11/21/2017	PASTEGA COFFEE SERVICE		AP		257.46
86355	11/21/2017	PETROCARD		AP		2,050.45
86356	11/21/2017	PETTY CASH - POLICE DEPT		AP		57.84
86357	11/21/2017	LINDA READ		AP		9.00
86358	11/21/2017	RELIABLE WELDING, INC.		AP		1,441.73
86359	11/21/2017	RENEWED PROPERTIES, LLC		AP		73.55
86360	11/21/2017	GINA RILEY		AP		61.92
86361	11/21/2017	KEITH ROHRBOUGH		AP		725.00
86362	11/21/2017	CHAD SCHUSTER		AP		10.00
86363	11/21/2017	SCOTT EDWARDS ARCHITECTURE		AP		150.00
86364	11/21/2017	SENIOR CITIZENS OF SWEET HOM		AP		47,274.00
86365	11/21/2017	SHAMROCK SUPPLY COMPANY, IN		AP		54.00
86366	11/21/2017	SUNSHINE INDUSTRIES UNLIMITE		AP		1,300.00
86367	11/21/2017	SWEET HOME INN		AP		75.00
86368	11/21/2017	THE BANK OF NEW YORK MELLOI		AP		217,667.16
86369	11/21/2017	KIM THOMAS		AP		49.80
86370	11/21/2017	THRIFTWAY		AP		5.00
86371	11/21/2017	TYLER TECHNOLOGIES, INC.		AP		7,020.00
86372	11/21/2017	US TACTICAL SUPPLY		AP		34.00
86373	11/21/2017	VAN DYKE'S SIGNMAKER, INC.		AP		620.00
86374	11/21/2017	WALKER HEATING & AC, INC.		AP		212.50
86375	11/21/2017	WEATHERFORD THOMPSON COWG		AP		1,415.00
86376	11/21/2017	WELLS FARGO FINANCIAL LEASIN		AP		49.00
86377	11/21/2017	WELLS FARGO VENDOR FIN SERV		AP		296.00
86378	11/21/2017	ROGER WILLIAMS		AP		119.12
86379	11/21/2017	DAVID WILSON		AP		500.00
86380	11/30/2017	OREGON AFSCME COUNCIL 75		AP		1,109.60
86381	11/30/2017	STEELHEAD STRENGTH & FITNES		AP		668.70
86382	11/30/2017	SWEET HOME COMMUNITY FOUN		AP		125.00
86383	11/30/2017	UNITED WAY		AP		110.00
86384	11/30/2017	OREGON DEPT. OF REVENUE		AP		867.55

Total Check Count: 154

Check No	Check Date	Name	Comment	Module	Clear Date	Amount
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Total Check Amount:

1,022,277.34

# Bank Reconciliation

## Checks by Date

User: pgray  
 Printed: 01/02/2018 - 2:23PM  
 Cleared and Not Cleared Checks



Check No	Check Date	Name	Comment	Module	Clear Date	Amount
86385	12/6/2017	ACCELA, INC. #774375		AP		1,478.00
86386	12/6/2017	AMERICAN LEGAL PUBLISHING C		AP		495.00
86387	12/6/2017	ANDERSON ENTERPRISES		AP		428.00
86388	12/6/2017	AUDIO EDITIONS		AP		212.18
86389	12/6/2017	BENTLEY SYSTEMS, INC.		AP		207.75
86390	12/6/2017	BI-MART CORPORATION		AP		11.78
86391	12/6/2017	BULLARD LAW		AP		840.00
86392	12/6/2017	COMCAST		AP		361.00
86393	12/6/2017	TIMOTHY DAVIS		AP		24.70
86394	12/6/2017	DEMCO		AP		107.92
86395	12/6/2017	ECLECTIC EDGE EVENTS, LLC		AP		100.00
86396	12/6/2017	RANDEE FIELDS		AP		130.00
86397	12/6/2017	GIDEON FREUDMANN		AP		250.00
86398	12/6/2017	GLEANERS		AP		80.00
86399	12/6/2017	HOME DEPOT CREDIT SERVICES		AP		34.97
86400	12/6/2017	JUNIOR LIBRARY GUILD		AP		54.75
86401	12/6/2017	KIP AMERICA, INC.		AP		240.00
86402	12/6/2017	METEREADERS, LLC		AP		1,872.60
86403	12/6/2017	MOONLIGHT BPO, INC.		AP		2,540.78
86404	12/6/2017	MOOSE CREEK MACHINE & REPAI		AP		180.00
86405	12/6/2017	NORM'S ELECTRIC, INC.		AP		1,797.37
86406	12/6/2017	NORTHWEST COMPRESSOR		AP		6,589.89
86407	12/6/2017	NORTHWEST NATURAL		AP		571.98
86408	12/6/2017	OFFICE DEPOT		AP		123.46
86409	12/6/2017	OREGON OSHA		AP		480.00
86410	12/6/2017	OWEN EQUIPMENT COMPANY, INC		AP		345.00
86411	12/6/2017	PACIFIC POWER		AP		36.00
86412	12/6/2017	ALEX PERKINS		AP		30.00
86413	12/6/2017	ROOTX		AP		276.04
86414	12/6/2017	SAIF CORPORATION		AP		75.00
86415	12/6/2017	SAMARITAN OCCUPATIONAL MED		AP		86.00
86416	12/6/2017	DANIEL AND JANET SHELTON		AP		1,500.00
86417	12/6/2017	STANDARD INS. CO.		AP		3,927.64
86418	12/6/2017	SUNBELT RENTALS, INC.		AP		326.99
86419	12/6/2017	REBECCA SWOBODA		AP		147.58
86420	12/6/2017	SYNCB/AMAZON		AP		1,877.45
86421	12/6/2017	TYLER TECHNOLOGIES, INC.		AP		1,500.00
86422	12/6/2017	VERIZON WIRELESS		AP		358.21
86423	12/6/2017	WELLS FARGO VENDOR FIN SERV		AP		157.93
86424	12/7/2017	ALSCO		AP		291.00
86425	12/7/2017	AMERICAN LEGAL PUBLISHING C		AP		150.30
86426	12/7/2017	COMCAST BUSINESS		AP		1,480.48
86427	12/7/2017	GROVE, MUELLER & SWANK, INC.		AP		5,000.00
86428	12/7/2017	H & H MACHINE, INC.		AP		393.00
86429	12/7/2017	INGRAM LIBRARY SERVICES		AP		304.88
86430	12/7/2017	KNIFE RIVER		AP		293.95

Check No	Check Date	Name	Comment	Module	Clear Date	Amount
86431	12/7/2017	LES SCHWAB WAREHOUSE CENTE		AP		407.46
86432	12/7/2017	LIBERTY ROCK PRODUCTS, INC.		AP		92.05
86433	12/7/2017	LINN COUNTY RECORDER		AP		55.00
86434	12/7/2017	CHAYHOWA MCELHINNY		AP		60.00
86435	12/7/2017	NATIONAL PHOTOCOPY CORPORA		AP		854.65
86436	12/7/2017	NET ASSETS		AP		345.00
86437	12/7/2017	NEW ERA		AP		792.53
86438	12/7/2017	NORTHWEST NATURAL		AP		1,321.54
86439	12/7/2017	OREGON HEALTH AUTHORITY - S1		AP		200.00
86440	12/7/2017	PACIFIC POWER		AP		21,084.61
86441	12/7/2017	ANDREW ROBERTSON		AP		68.07
86442	12/7/2017	SAMARITAN HEALTH SERVICES		AP		750.00
86443	12/7/2017	SECURITY ALARM CORPORATION		AP		281.00
86444	12/7/2017	SIERRA SPRINGS		AP		66.78
86445	12/7/2017	SWEET HOME CHAMBER OF COMI		AP		5,000.00
86446	12/7/2017	SWEET HOME INN		AP		75.00
86447	12/7/2017	THYSSENKRUPP ELEVATOR CORP.		AP		495.03
86448	12/7/2017	VALLEY FIRE CONTROL, INC.		AP		355.75
86449	12/7/2017	WELLS FARGO FINANCIAL LEASIN		AP		734.02
86450	12/7/2017	WILCO		AP		111.99
86451	12/15/2017	ARAMARK UNIFORM SERVICES		AP		618.50
86452	12/15/2017	BUCK'S SANITARY SERVICE, INC.		AP		348.00
86453	12/15/2017	CASCADE COMPUTER MAINTENA		AP		3,154.00
86454	12/15/2017	CASELLE, INC.		AP		196.67
86455	12/15/2017	CENTER POINT LARGE PRINT		AP		175.56
86456	12/15/2017	CENTURYLINK		AP		1,323.41
86457	12/15/2017	COMCAST		AP		263.55
86458	12/15/2017	COMCAST BUSINESS		AP		1,036.28
86459	12/15/2017	AUDREY COTA		AP		54.11
86460	12/15/2017	DRIVER AND MOTOR VEHICLE SEI		AP		11.50
86461	12/15/2017	EXTRAORDINAIR		AP		219.00
86462	12/15/2017	RANDEE FIELDS		AP		20.00
86463	12/15/2017	HOY'S TRUE VALUE		AP		172.50
86464	12/15/2017	DAVE LAMBERT		AP		40.00
86465	12/15/2017	LAW OFFICE OF PERRY & MOELLE		AP		400.00
86466	12/15/2017	MOONLIGHT BPO, INC.		AP		2,255.76
86467	12/15/2017	NORTHWEST CODE PROFESSIONA		AP		200.00
86468	12/15/2017	OFFICE DEPOT		AP		34.44
86469	12/15/2017	OREGON DEPT. OF AGRICULTURE		AP		57.50
86470	12/15/2017	OREGON DEPT. OF ENVIRONMENI		AP		160.00
86471	12/15/2017	ROSE PEDA		AP		174.50
86472	12/15/2017	PETROCARD		AP		2,212.55
86473	12/15/2017	LESTER STANDRIDGE		AP		56.65
86474	12/15/2017	STAPLES ADVANTAGE		AP		347.76
86475	12/15/2017	SUNSHINE INDUSTRIES UNLIMITE		AP		650.00
86476	12/15/2017	SWEET HOME UNITED METHODIS'		AP		1,090.00
86477	12/15/2017	TWGW, INC. NAPA AUTO PARTS		AP		468.38
86478	12/15/2017	WEATHERFORD THOMPSON COWC		AP		525.00
86479	12/15/2017	WELLS FARGO FINANCIAL LEASIN		AP		49.00
86480	12/15/2017	WHITE STAR REALTY INC		AP		52.23
86481	12/15/2017	WILBUR-ELLIS COMPANY LLC		AP		146.26
86482	12/21/2017	BUCKMASTER, INC.		AP		251.00
86483	12/21/2017	BULLARD LAW		AP		1,105.00
86484	12/21/2017	CALIFA GROUP / INFOPEOPLE		AP		200.00
86485	12/21/2017	COMCAST		AP		149.85
86486	12/21/2017	COMCAST BUSINESS		AP		1,036.28

Check No	Check Date	Name	Comment	Module	Clear Date	Amount
86487	12/21/2017	DAN DEE SALES		AP		153.00
86488	12/21/2017	DAY MANAGEMENT CORPORATIO		AP		1,714.75
86489	12/21/2017	DELUXE FOR BUSINESS		AP		480.95
86490	12/21/2017	DENIM & PEARLS CATERING		AP		60.00
86491	12/21/2017	FASTENAL COMPANY		AP		315.44
86492	12/21/2017	GOVERNMENT ETHICS COMMISSI		AP		570.14
86493	12/21/2017	INTERNATIONAL CODE COUNCIL,		AP		167.00
86494	12/21/2017	ROBIN KUTSCH		AP		52.08
86495	12/21/2017	LINN COUNTY RECORDER		AP		55.00
86496	12/21/2017	LINN COUNTY TREASURER		AP		101.00
86497	12/21/2017	M & W ELECTRIC, INC.		AP		845.00
86498	12/21/2017	CHERYL MORRIS		AP		36.11
86499	12/21/2017	NATIONAL PHOTOCOPY CORPORA		AP		130.94
86500	12/21/2017	NEW ERA		AP		35.00
86501	12/21/2017	NORM'S ELECTRIC, INC.		AP		3,144.50
86502	12/21/2017	O & M POINT S TIRE & AUTO SERV		AP		1,188.50
86503	12/21/2017	OFFICE DEPOT		AP		77.14
86504	12/21/2017	OREGON DEPT. OF REVENUE		AP		840.00
86505	12/21/2017	OREGON LIBRARY ASSOCIATION		AP		90.00
86506	12/21/2017	PASTEGA COFFEE SERVICE		AP		119.30
86507	12/21/2017	PETROCARD		AP		2,305.91
86508	12/21/2017	PITNEY BOWES		AP		147.72
86509	12/21/2017	PRAETORIAN DIGITAL / POLICEOI		AP		2,048.00
86510	12/21/2017	PROFESSIONAL SECURITY ALARM		AP		576.00
86511	12/21/2017	RENEWED PROPERTIES, LLC		AP		70.30
86512	12/21/2017	SAIF CORPORATION		AP		46.00
86513	12/21/2017	SHAMROCK SUPPLY COMPANY, IN		AP		51.00
86514	12/21/2017	SUNSHINE INDUSTRIES UNLIMITE		AP		650.00
86515	12/21/2017	SYNCB/AMAZON		AP		2,045.66
86516	12/21/2017	WELLS FARGO VENDOR FIN SERV		AP		296.00
86517	12/21/2017	WISE AUTO		AP		160.00
86518	12/29/2017	OREGON AFSCME COUNCIL 75		AP		1,137.78
86519	12/29/2017	OREGON DEPT. OF REVENUE		AP		867.55
86520	12/29/2017	STEELHEAD STRENGTH & FITNES		AP		668.70
86521	12/29/2017	SWEET HOME COMMUNITY FOUN		AP		125.00
86522	12/29/2017	UNITED WAY		AP		110.00

Total Check Count: 138

Total Check Amount: 111,656.77

Part 5

## SWEET HOME MUNICIPAL COURT MONTHLY REPORT NOVEMBER 2017

OFFENSE CLASS	FILED	TERMINATED	TRIALS
MISDEMEANORS	22	8	0
VIOLATIONS	47	40	1
<b>TOTALS</b>	<b>69</b>	<b>48</b>	<b>1</b>

WARRANTS	36
SUSPENSIONS	15
SHOW CAUSE ORDERS	5
COURT ASSIGNED CASE	147

**COURT REVENUE:**

TOTAL DEPOSITS	+	8,781.99
TOTAL BAIL FORFEIT	+	9.00
TOTAL BAIL (CURRENT MONTH)	-	
TOTAL REFUNDS (NON-BAIL)	-	(9.00)
<b>TOTAL COURT REVENUE</b>		<b>8,781.99</b>

**TOTAL NON-REVENUE  
CREDIT ALLOWED  
AGAINST FINES:**

**CASH PAYMENTS TO:**

CITY	6,379.99
STATE	840.00
COUNTY	101.00
OTHER	1,461.00
<b>TOTAL</b>	<b>8,781.99</b>

**COURT PAYMENTS:**

CITY (FINES)	2,904.00
RESTITUTION & OTHER	1,461.00
UNITARY ASSESSMENT	733.00
COUNTY/JAIL ASSESSMENT (CA/CC)	101.00
LEMLA & SCFS	7.00
DUII	100.00
PAYMENTS TO OTHER AGENCIES	
CITY COSTS (FEES)	3,475.99
<b>TOTAL COURT PAYMENTS</b>	<b>8,781.99</b>

RECEIVED FROM COLLECTIONS THIS MO:	917.99
RECEIVED FROM COLLECTIONS TO DATE:	197,331.75
TURNED TO COLLECTIONS TO DATE:	2,081,893.91

<b>BALANCE FORWARD: audited</b>	<b>1,134,777.47</b>
<b>NEW A/R IMPOSED BY JUDGE:</b>	<b>31,801.00</b>
<b>MINUS:</b>	
<b>PAYMENTS REC'D BY COURT:</b>	<b>(7,855.00)</b>
<b>NON-REVENUE CREDIT:</b>	
<b>SENT TO COLLECTIONS:</b>	<b>(5,440.00)</b>
<b>NET A/R</b>	<b>1,153,283.47</b>



**City of Sweet Home**  
Sweet Home Public Library  
1101 – 13<sup>th</sup> Avenue  
Sweet Home, OR 97386  
541-367-5007

## Sweet Home Public Library

# December happenings at the Library!

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### *Statistics*

Patrons checked out 2,747 items and renewed 934 items.

Patrons placed 122 items on hold.

Staff issued 61 new library cards to patrons and 4 nonresident cards.

436 individuals signed on to use the computers in the library and printed 608 pages.

### *Events*

With the help of volunteers, we offered two “Legos Simple Mechanisms” programs and a “Mechanisms – Simple machines from Leonardo DaVinci to High Tech” program”.

The Library offered the program, CelloBop, performed by Gideon Freudman. We had an audience of 53 people of all ages who enjoyed the program.

We also offered “A Christmas Carol in Prose” performed by Rickie Birran from Man of Words Theater. The audience of 35 enjoyed this seasonal program.

The library hosted two second grade classes from Oak Heights Elementary for an afterhours program in the Library. A total of 70 children and adults learned about the library, enjoyed stories, and ate pizza and gingerbread cookies. Volunteers from the Friends of the Sweet Home Library lent a hand during the program.

All library staff attended a city-wide staff training by John Morgan focusing on the book “The Radical Leap” written by Steve Farber.

We received the grant from the Ford Family Foundation in the amount of \$500 to purchase ukuleles and cases.

Submitted by - Rose Peda, Library Services Director  
January, 2018



Library Advisory Board Minutes  
December 14, 2017  
Meeting Time 4:30pm

Present at the meeting were Kevin Hill, Diane Gerson, Charlene Adams, Don Hopkins, Eva Journey and Rose Peda

**Motion to approve the minutes as presented for the November 9, 2017 meeting. Motion approved (5 ayes, 0 opposed).**

**Discussion of expenditures**

Don Hopkins inquired about the advertising charges for the month. Rose explained the current expenditures were for multiple programs in the month. Discussion followed regarding the effectiveness of advertising in the New Era and word-of-mouth advertising by staff inviting patrons to attend programs. The Board requested that alternative advertising be used or reductions in the number of ads placed. Some recommendations of alternative advertising were Facebook, Tell-N-Sell or the Lebanon Monthly paper.

Statistics were reviewed and Rose commented that the current inventory for the library has been reduced as a result of weeding the collection of items that have not circulated for the last four years.

**Unfinished Business**

Program updates -

The library hosted the second graders from Oak Heights Elementary with 70 parents and children in attendance. Our goal is to invite all the second grade classes to an after-hours event at the Library as second graders are just becoming independent readers and we want them excited about coming to the library and reading.

The program, CelloBop, was well attended with over 50 in attendance. The program, Shakespeare Maniac and Monsters, had 25 in attendance.

Rose stated that she picked up all the ukuleles from Troubadour Music Center in Corvallis. The hard cases were on backorder. Staff is working on cataloging the ukuleles and getting them ready for checkout.

**New Business**

Rose stated the Library received the grant from Spirit Mountain in the amount of \$2,500. The grant is called "Keep Kids Reading" and the monies will be used to purchase give away books for the Free Little Libraries.

The Board had requested a total of the grants awarded under the tenure of current Library Director. Rose reported that the library has received \$48,459 in grants.

Rose stated that a job offer was extended and accepted by the top candidate. After a reference check and criminal background check, the new staff person will begin at the end of the month.

After a presentation at the Linn Libraries Director's meeting, the group decided not to contract with Lynda.com. Rose felt that this database would be beneficial to our community and with the Board's approval will include the first year cost in the Trust Management Grant. Charlene Adams inquired, if in the future, the City would assist in the paying for the database.

Rose reported that the Linn Libraries Director's decided to hold the Oregon Community Foundation grant funds for the Courier service until the next fiscal year.

Rose reported that the Lebanon Public Library is sharing resources with the Linn Libraries Consortium.

The meeting was adjourned.

The next Library Advisory Board meeting is January 11, 2018.



Community and Economic Development Department

City of Sweet Home  
1140 12<sup>th</sup> Avenue  
Sweet Home, OR 97386  
541-367-8113  
Fax 541-367-5113  
www.ci.sweet-home.or.us

PLANNING COMMISSION MEETING  
DECEMBER 18, 2017  
CITY HALL ANNEX - COUNCIL CHAMBERS  
1140 12<sup>TH</sup> AVENUE

**PUBLIC MEETING CALL TO ORDER AT 6:32 PM**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL ATTENDING:**

Edith Wilcox    Henry Wolthuis    Eva Jurney    Thomas Herb  
Greg Stephens    Lance Gatchell (Excused)    Anay Hausner (Excused/Tardy)

**STAFF:**

Jerry Sorte, Community and Economic Development Director (CEDD)  
Kathryn Wilcox, Planning Assistant

**REGISTERED VISITORS:**

Greg Springman, Public Works Director, City of Sweet Home, Sweet Home, OR 97386  
Joe Graybill, Staff Engineer, City of Sweet Home, Sweet Home, OR 97386  
Stacy Vaughn, 240 West Holley Road, Sweet Home, OR 97376  
Stephen Gilliam, 401 18<sup>th</sup> Avenue, Sweet Home, OR 97376  
Shellene Foster, 401 18<sup>th</sup> Avenue, Sweet Home, OR 97376  
Jim Gourley, 3441 Juniper Street, Sweet Home, OR 97376  
Sean Morgan, New Era, Sweet Home, OR 97386

**Interim Chairperson Wolthuis opened discussion for corrections to the November 6<sup>th</sup> 2017 meeting minutes.**

**Edits Included;**

**Page 11, Paragraph 3, “understanding” should be changed to “understand”.**

**Comments Included;**

**None**

**Commissioner Jurney** moved to approve the minutes with corrections.

**Chairperson Wilcox** seconded the motion to approve.

**Question was called**

**Aye (4)**

**Commissioner Jurney, Commissioner Herb, Interim Chairperson Wolthuis and, Commissioner Wilcox**

**Nay (0)**

**Abstained (1)**

**Commissioner Stephens**

**Motion Passed Unanimously 4 Ayes to 0 Nays**

**PUBLIC HEARING OPENED AT 6:38PM**

**Interim Chairperson Wolthuis stated the following;**

**The applicable substantive criteria are listed in the staff report. Testimony, arguments and evidence must be directed toward the criteria described or other criteria in the plan or land use regulation which the person believes to apply to the decision. Failure to raise an issue accompanied by statements or evidence sufficient to afford the decision maker and the parties an opportunity to respond to the issue precludes appeal to the Land Use Board of Appeals based on that issue.**

**Interim Chairperson Wolthuis stated the first public hearing will be in regards to;**

**VR17-06, the applicant is requesting variances in order to build an addition to an existing dwelling. The addition would replace an existing carport with and expanded garage. This proposal requests that the yard setback of the proposed addition be reduced from 20 feet to 12 feet along the front property line and from 5 feet to 4 feet, 8 inches along the south, side property line. The subject property contains approximately 0.12 acre and is located in the Residential Low-Density (R-1) Zone.**

**Interim Chairperson Wolthuis asked the Commissioners if they had any of the below stated in regards to the application;**

**Personal Bias: None  
Conflict of Interest: None  
Exparte: None**

**CEDD Jerry Sorte** explained the Land Use request, staff report, and background of the property. He then reviewed approval criteria that are applicable to the variance request, as well as the staff findings, and application. He explained that the structure is legally non-conforming in several ways and how that impacts the request. He recommended that the Planning Commission hear testimony and make a decision on this matter. He also asked that the Planning Commission specify the appeal period and direct staff to prepare an order for signature of the Commission Chair. He then asked if there were any questions of staff.

**Concerns and Considerations:**

- **Loss of parking spaces due to front setback variance**
- **Parked vehicles could potentially block the sidewalk**

**Interim Chairperson Wolthuis asked the applicant to speak to the request.**

**Stacy Vaughn** explained that he is attempting to improve the property. He stated that the current single-car carport is not usable and that he would like to improve it to an enclosed garage. He explained that the garage would be approximately eleven feet wide by twenty-three feet deep. He stated that he would most likely move the door to the house. He explained that he would address the parking issues if need be and do what he would need to do in order to be in compliance.

**Testimony in Favor:**

**Shellene Foster** stated that she lives to the north of the property in question. She stated that the property has been in disrepair and that she is thankful the applicant has purchased the property to fix it up. She stated that there are neighboring properties that have no parking and that the proposed improvement would be beneficial to the neighborhood.

**Stephen Gilliam** stated that he agreed with the previous testimony and felt that this request and proposed development was a good thing.

**Interim Chairperson Wolthuis** thanked those that gave testimony.

**Testimony in Opposition:** None

**Neutral Testimony:** None

**Rebuttal:** None

**PUBLIC HEARING CLOSED AT 6:56PM**

**Planning Commission discussed the applications.**

**Concerns and Considerations:**

- **Off street parking requirements**
- **Allowing a reduction in off street parking**
- **Existing non-conforming conditions**
- **Allowing applicant to keep some yard area**
- **Potential for vehicles to block sidewalks**
- **Code enforcement to address blocked sidewalks**
- **Pedestrian safety**
- **Potential for parking pad on the side of the property**
- **Width of property**

**PUBLIC HEARING RE-OPENED AT 7:07PM**

**Interim Chairperson Wolthuis** asked the applicant if he would have any issues with supplying the one off street parking space in addition to the garage and hard surface approach.

**Stacy Vaughn** explained that he would have no issues with complying with that standard, but he would like to verify the utility locations to make sure there would be no issues.

**Interim Chairperson Wolthuis** thanked the applicant.

**PUBLIC HEARING CLOSED AT 7:08PM**

**Vice-Chairperson Hausner** made a motion to approve the application request for land use file VR17-06, requesting variances in order to build an addition to an existing dwelling. The addition would replace an existing carport with an expanded garage. This proposal requests that the yard setback of the proposed addition be reduced from 20 feet to 12 feet along the front property line and from 5 feet to 4 feet, 8 inches along the south, side property line. This variance request, if approved, would also permit the minor increase of

height for the dwelling that would occur within the side yard area resulting from the construction of a new roof on the existing dwelling and garage addition. The subject property contains approximately 0.12 acre and is located in the Residential Low-Density (R-1) Zone. There will be a 12 day appeal period, starting from the date that the notice of decision is mailed. The approval is subject to the following conditions;

1. A hard surface approach shall extend to the front of the garage.
2. The variance shall also allow for a reduction in hard surfaced, off-street parking spaces, from the required two spaces, to one.

Commissioner Herb seconded the motion.

Question was called

Aye (6)

Commissioner Journey, Commissioner Herb, Interim Chairperson Wolthuis, and Vice Chairperson Hausner, Commissioner Wilcox, Commissioner Stephens

Nay (0)

Motion Passed Unanimously 6 Ayes to 0 Nays

**PUBLIC HEARING OPENED AT 7:16PM**

Interim Chairperson Wolthuis stated the following;

The applicable substantive criteria are listed in the staff report. Testimony, arguments and evidence must be directed toward the criteria described or other criteria in the plan or land use regulation which the person believes to apply to the decision. Failure to raise an issue accompanied by statements or evidence sufficient to afford the decision maker and the parties an opportunity to respond to the issue precludes appeal to the Land Use Board of Appeals based on that issue.

Interim Chairperson Wolthuis stated the first public hearing will be in regards to;

CU17-07 The City of Sweet Home is requesting a Conditional Use Permit in order to expand and improve facilities at the Sweet Home Wastewater Treatment Plant. These improvements are needed in order to comply with Oregon Department of Environmental Quality wastewater requirements. The work may be completed in phases, and the request includes, but is not limited to: bar screening, aeration basin, outfall, grit removal, wet weather treatment, filtration, and clarifier construction and/or improvement. Work will be limited to the existing footprint of the Plant site; within the perimeter fenced boundary, and the outfall; which is outside the fenced boundary. The project is focused on renovation with minimal new building structures. The subject tract contains approximately 10.5 acres, and is located in the Residential Low-Density (R-1) and Natural Resources (NR) Zones. Portions of the tract are also located within the 100-year floodplain and floodway.

Interim Chairperson Wolthuis asked the Commissioners if they had any of the below stated in regards to the application;

Personal Bias: None

Conflict of Interest: None

**Exparte: None**

**CEDD Jerry Sorte** explained the Land Use request, staff report, and background of the property. He then reviewed approval criteria that are applicable to the conditional use request, as well as the staff findings, and application. He recommended that the Planning Commission hear testimony and make a decision on this matter. He also asked that the Planning Commission specify the appeal period and direct staff to prepare an order for signature of the Commission Chair. He then asked if there were any questions of staff.

**Interim Chairperson Wolthuis asked the applicant to speak to the request.**

**Greg Springman, Public Works Director** explained the history of the waste water treatment plant and how water treatment characteristics have changed over time. He explained the issues caused by non-flushable materials such as scum, plastics, and debris. He explained that in order to bring the plant into compliance with the DEQ (Department of Environmental Quality) they must rehabilitate and expand the facility. He explained this would lower the costs and budget for operation, allowing the City to save funds for future projects. He explained that they have already begun the bid process for the project and that they will be holding a project kick-off meeting the next day. He explained that maintenance is expensive, and disposing of the bio-solids is expensive. He explained that upgrading to a class B (as proposed) will lower those costs. He explained that this proposed development will not only make the site more pleasant overall, but also support growth for years to come.

**Joe Graybill, Staff Engineer** explained that the proposed improvements will increase the energy efficiency and that the site will be self-contained to its location. He explained that rather than spreading the project out over thirty years in phases, as originally proposed, it would be consolidated to a more prudent and cost effective time frame. He explained the goal is reach compliance with the state goals for capacity compliance for the community. He stated that the design and engineering phase will take place in 2018, and the construction phase is planned for 2019 and 2020. He explained that the timeline will be flexible, but they project the project to be completed by the end of the year of 2020 or early in the year of 2021.

**Testimony in Favor: None**

**Testimony in Opposition: None**

**Neutral Testimony:**

**Jim Gourley** stated that in 1987 the rebuild on the treatment plant was started. He said it was completed in 1991 but it wasn't certified until 1994. He explained that the longer you wait to complete the project, the harder it becomes to finish. He explained that it is important to be cognoscente of money, but it is also important to have a plan and move forward in order to be ready for the expansion that will surely be coming.

**Rebuttal: None**

**Interim Chairperson Wolthuis** thanked those that gave testimony.

**PUBLIC HEARING CLOSED AT 7:37PM**

**Planning Commission discussed the applications.**

Page 5 of 7

Planning Commission Hearing – December 18, 2017

Revision Date: 12/19/17 ~ File Name: Planning Commission Minutes 12-18-17 - DRAFT

City Council Packet 1-09-2018 pg.190

**Concerns and Considerations:**

- Time constraints for completing proposed development
- Complexity of the proposed development

Commissioner Wilcox made a motion to approve the application request CU 17-07; including the conditions of approval listed in Section IV of the Staff Report, the setting of a 12-day appeal period from the date of the established, as defined under SHMC 17.80.070(A), within that time period. The City Planner may grant one extension of up to one year for a conditional use permit that contained a one year initial duration upon written request of the applicant and prior to the expiration of the approved period. Requests other than a one year request made prior to the expiration of the approved period must be approved by the Planning Commission. A conditional use permit not meeting the above time frames will be expired and a new application will be required. The approval is subject to the following conditions;

1. The project footprint shall be limited to the locations reviewed in this application (CU 17-07) as depicted on the applicant's plot plan; included as Attachment B.
2. All new exterior lighting shall be located in such a manner so as not to face directly, shine or reflect glare onto a street, a highway or a property in a residential zone.

Commissioner Stephens seconded the motion.

Question was called  
Aye (6)

Commissioner Journey, Commissioner Herb, Interim Chairperson Wolthuis, Vice Chairperson Hausner, Commissioner Wilcox, and Commissioner Stephens  
Nay (0)

Motion Passed Unanimously 6 Ayes to 0 Nays

**Comments from the Public: None**

**Discussion Ensued** about the Planning Commission Meeting schedule.

**Concerns Included:**

- Conflicting work schedules
- Annual election of Chair and Vice Chair

**Decision was made to change the meeting start time from 6:30PM to 7:00PM.**

**Decision was made to hold the election of Chairperson and Vice Chairperson at the January meeting.**

**Discussion Ensued** about the Quality Development Awards.

**Concerns Included:**

- Holiday scheduling
- Attendance of award winners

**Decision was made to bring nominations to the January Planning Commission meeting work session, and hold the awards ceremony in February.**

**Decision was made to that Awardees must be present to accept the award.**

**Interim Chairperson Wolthuis** shared his thoughts about revitalization and main street improvements. He urged the Planning Commission to review the document he submitted and consider ideas for improvement.

**CEDD Jerry Sorte** explained that he is currently working with programs and partners that would best facilitate these kinds of improvements. He stated that he is also working towards Code Enforcement recruitment, as the position will come into the Community and Development Department. He urged Planning Commissioners to consider within the Code Update, how they can implement code so that there would be less land use applications, allowing more time for planning projects.

**PUBLIC MEETING CLOSED AT 8:01PM**

**To the best of the recollection of the members of the Planning Commission, the foregoing is a true copy of the proceedings of the Public Hearings of December 18, 2017.**

---

Henry Wolthuis, Interim Chairperson  
Sweet Home Planning Commission

Respectfully submitted by: Katie Wilcox, Planning Assistant



# MEMORANDUM



TO: City Council  
Ray Towry, City Manager  
Interested Parties

FROM: Jerry Sorte, Community and Economic Dev. Director

DATE: January 3, 2018

SUBJECT: Community and Economic Development Department Report for December 2017

---

The Community and Economic Development Department (CEDD) consists of the City's Building, Planning, Economic Development, and Parks and Recreation programs. The following is a summary of activities for the month of December 2017.

## 1. BUILDING

- Summary of Building Program Permits Issued (December 1, 2017-December 31, 2017).

Construction Category	Number of Permits
Single Family Dwellings	1
Manufactured Dwellings	0
Commercial Structural	2
Commercial Plumbing	1
Multi-Family	0
Residential Structural	1
Residential Demolition	1
Residential Site Development	0
Residential Mechanical Permits	14
Residential Plumbing	1
<b>Total Permits</b>	<b>21</b>
<b>Value Estimate of All Permits</b>	<b>\$316,263</b>

- Notes: Commercial structural permits include installation of signs and re-roofing. Mechanical permits include projects such as the installation of fans and heating and cooling systems. The residential structural permit was for repair to an existing foundation. The value estimate is used to determine permits costs and represents a rough estimate of the total value of the above improvements.

## 2. PLANNING

- Summary of Planning Division Permits Issued (December 1, 2017 – December 31, 2017).

Permit Type	Number of Permits
Conditional Use Permits	1
Variances	1
Fence Permits	2

- Annexation Request: The Department received a request for annexation and re-zone by the property owners at 845 Alder Street. Sweet Home Municipal Code (SHMC) Section 17.104.010 states:

*17.104.010 GENERALLY.*

*A. Upon receiving any petition for annexation of territory to the city, or before initiating any such action on its own motion, the Council shall refer the proposal for annexation to the Planning Commission for its consideration and recommendation.*

*B. The Planning Commission shall review the proposal for annexation, hold such hearings as it deems proper, make such finding of facts as it deems proper and make recommendations to the Council.*

*C. In the event that the Council finds that immediate action is necessary to initiate proceedings for annexation, either before the proposal is referred to the Planning Commission, or before recommendations are received from the Planning Commission, the Council may proceed, but the Planning Commission shall be promptly advised, so that it may have an opportunity to make recommendations to the Council during the Council proceedings.*

The applicant has not indicated that “immediate action is necessary” with respect to the annexation, so the application will be brought before the Planning Commission for recommendation and then brought to the City Council. This will allow the implementing City zone to be applied to the property through the required state and local processes for an annexation and amendment to the Zoning Map. Based on a review of City records, the last annexation to occur in the City was in February 2010.

- Notes: Staff is currently processing one annexation request, one conditional use permit, one variance, one partition, and two property line adjustment-replat applications.

Projects and Activities: An objective of the the Planning Division is provide clear and concise information to community members about their projects that may require a permit or otherwise be subject to the SHMC. It is important that we provide accurate, consistent information the first time that we discuss a project. In order to achieve this objective, as you know, the Department is preparing text amendments to the Sweet Home Municipal Code: Title 16; Land Divisions and Line Adjustments, and Title 17; Zoning. These amendments will replace large sections of our code in order to first and foremost make the code clear and easy to administer. Our Department currently spends a significant amount of time determining what our code requires and how it applies in a given circumstance. A new code should be easy to administer for all involved in the development process. An updated code will provide a solid foundation from which to build; and long-range planning, which may result in additional coded updates, will need to be an ongoing effort. We have scheduled a code update work session with the Planning Commission for January 22, 2018.

Staff provided support to the Planning Commission at their meeting on December 18, 2017, and at that meeting the Planning Commission changed their meeting time from 6:30 PM to 7:00 PM. As a means to allow more timely processing of quasi-judicial land use cases; the Planning Commission has agreed to meet on either or both the first and third Mondays of the month as needed. This will reduce potential delays that result from a monthly meeting schedule. Staff also provided support to the Park and Tree Committee Meeting at their meeting on December 20, 2017.

### **3. ECONOMIC DEVELOPMENT**

I attended the Sweet Home Active Revitalization Effort (SHARE) meeting on December 13, 2017. At that meeting we discussed the commercial improvement program, and created a plan

to begin outreach to business owners in order to gather feedback and information before taking the next steps to re-start the commercial improvement program.

Our Economic Development team submitted a Letter of Intent application to Business Oregon under for the Rural Opportunities Initiative grant program. Through this process, we hope to obtain funding to support entrepreneurs in Sweet Home. If successful, the grant would provide funding to partner with the Regional Accelerator & Innovation Network (RAIN) to hire a person (Venture Catalyst) to serve the region and help entrepreneurs launch and grow their companies. We drafted a letter of support for the initiative that was signed by the mayors and city managers of Philomath, Monroe, Harrisburg, Halsey, Brownsville, Lebanon, and Sweet Home. This partnership would provide an opportunity for the seven cities to pool resources through the grant and have a strong chance of being able to hire a Venture Catalyst. Business Oregon will award the grants in mid-March 2018.

#### **4. CODE ENFORCEMENT**

The Department has taken steps to move Code Enforcement from the Police Department to the Community and Economic Development Department. We are in the process of finalizing a job description and compiling the elements of the program. The emphasis of the program will be to actively patrol, identify, and address code violations. As we progress in this transition, the Department will place an emphasis on providing outreach to the community to identify the most common code violations and how to achieve compliance.

#### **5. PARKS – RECREATION PROGRAMMING**

Staff is in the process of preparing for the 2018 Sweetheart Run; which will take place on February 10. This will be another event where we will make a call for volunteers to help make this event successful. This event is largely supported by the City, so Sweet Home residents may register at a discounted “In-City” price. Participants may register now at [www.shsweetheartrun.weebly.com](http://www.shsweetheartrun.weebly.com). Proceeds will be used to support the City’s Parks and Recreation activities.

At their December 20, 2017 meeting, the Park and Tree Committee formed a subcommittee that will meet to discussion recreation programming priorities for the upcoming year. That group will prepare a recommendation for the full Park and Tree Committee. The Recreation program remains limited due to limited funding and staff resources. A key component to development of the program will be to partner and coordinate efforts with other organizations in Sweet Home.



# Shelter From the Storm

**Sweet Home uses modeling and inspection data to target inflow and infiltration sources and reduce excess treatment demand**

STORY Dan Heim | PHOTOS Peter Krupp

**W**hen it rained in Sweet Home, Oregon, flow to the local treatment plant could reach 22 times dry-weather flow.

Sweet Home is nestled in central Willamette Valley, about 100 miles south of Portland, near the foothills of the Cascade Range. The utility serves around 3,200 customers with an 8.5-square-mile service area, 64 miles of pipe, and 1,020 manholes. And they get plenty of rain — some 45 inches per year on average.

I&I was a huge problem for the aging collections system, often overwhelming the treatment plant during peak wet-weather events, but the utility has reduced I&I significantly with smart planning and coordinated rehabilitation efforts.

“We knew we had a real problem with I&I, so starting in 2001, we embarked on a four-phase plan to solve that problem,” says Dominic Valloni, former engineering technician, who is now a crew chief for the Streets and Parks Department.

The city formulated a plan to solve their wastewater issues with input from the collections crew and engineering department, and guided by Rob Lee, P.E., an engineer with Murraysmith who was with Brown and Caldwell at the time. Lee says that led to a long-term program to assist with the city’s efforts to mitigate I&I.

## **GETTING STARTED**

Phase 1 of their plan involved flow monitoring, smoke testing and video inspection of the pipes. The city also asked Brown and Caldwell to build a hydrologic model of their system so they could predict problems and focus their resources. The result was a multiphase I&I abatement program. Flow monitoring after each phase drove analysis and helped fine-tune the program.

High groundwater levels and natural springs in the area exacerbated I&I problems, especially in winter, and made trenching or excavation difficult at best. There are also many trees in the Sweet Home environs, and root intrusion further contributed to I&I.



Crew chief Doug Latham (left) and maintenance worker Dean LeBret help bring a coworker aboveground after performing maintenance in the sewer line.

**“We knew we had a real problem with I&I, so starting in 2001, we embarked on a four-phase plan to solve that problem.”**

Dominic Valloni



Engineer Rob Lee (left) and Sweet Home Streets and Parks Department crew chief Dominic Valloni review sewer plans during phase 4 of the city's I&I project.

**UTILITY:**  
**SWEET HOME, OREGON**

**PROJECT:**  
Four-phase I&I abatement program

**RESULT:**  
Approximately 5 mgd reduction in wet-weather flow

**COST:**  
\$17 million

Finally, their aging collections system had pipes dating back to 1938, composed mostly of concrete. That pipe was rapidly deteriorating, and much of it had already reached the end of its service life.

Two additional phases of design and construction occurred. At the start of the most recent phase 4 project, flow to the treatment plant at times reached 15 mgd over what it could handle.

By the end of the phase 4 project in 2012, projected peak flows had been reduced to a few million gallons over the plant's 7 mgd treatment capacity. While the continued deterioration of aging pipes has created new sources of I&I, the utility has made great strides in tightening up its system.

**EARLY PHASES**

Phases 1 and 2 of the city's program began in the early 2000s. Smoke testing revealed a number of cross connections between storm sewers and private roof drains. These were disconnected early on by in-house staff.

Rehabilitation used a number of technologies including open-cut replacement, cured-in-place pipe and pipe bursting. Additionally, the type of work



Valloni (left) and crew chief Doug Latham lower a CUES camera into a manhole at the start of an inspection.

varied by sewer basin. In some basins, only mainline sewers were rehabilitated. In others, mainlines and laterals to the property line were rehabilitated, while in others, private-side laterals were addressed.

At this point, Brown and Caldwell conducted another round of flow monitoring and modeling. This allowed the city to determine which methodology was most effective and how much of the collections system required attention.

Modeling results were conclusive: addressing only sewer mains and manholes would result in a 10 percent decrease in I&I during peak weather events, while addressing manholes, sewer mains, and laterals to property lines would yield a 30 percent decrease. If private laterals were included, a 60 to 80 percent reduction in peak I&I was expected.

"The success of the city's program was their willingness to address the private-side laterals," Lee says. "Without that commitment, reduction in I&I would have been much less — and several times more expensive — to get the same results."

These predictions convinced the city to move forward by rehabilitating mains, manholes and laterals as far as possible. Given the limited number of rehabilitation contractors, the city followed Brown and Caldwell's recommendation to allow various rehabilitation techniques to be bid against each other. Pipe bursting was bid against CIPP, and various manhole products were tested in numerous phases. The result was greater competition and lower bid prices, with contract documents emphasizing quality.

**MAKING PROGRESS**

During the first three phases of work, Sweet Home experimented with the gamut of products for manholes from various manufacturers: polyurea, several spray-on products, fiber-reinforced cementitious compounds, and CIPP manhole liners. By phase 4 they had settled on an epoxy product manufactured by Epoxytec.

The city uses PVC for open-cut replacement of mains and laterals, but pipe bursting with HDPE is their preferred method for rehabilitation. "We found that if you can burst a pipe with HDPE, it is the best way to go," Valloni says. City Council Packet 1-09-2018 pg.198

Sweet Home wrapped up phase 4 of its I&I plan in 2013. With that, they had already gotten most of the low-hanging fruit.

Lee says the city has been monitoring flows during all phases of their program to see what really works, including an extensive round of hydrological modeling after completion of phase 4 to determine whether it would be better to throw resources at treatment plant capacity upgrades or collections system upgrades. “We really need to look at the balance there to get the most bang for our buck,” he says.

While originally a four-phase plan, phase 5 is now imminent and is expected to focus on improvements to the treatment plant: increasing size and capacity with probable technology upgrades for increased efficiency. The city has put phase 5 out to bid with engineering firms, and though it is the final phase of this specific project, it’s not the end of I&I for Sweet Home.

“They’ll continue looking for other I&I sources. That means continuing camera inspections and staying involved with controlling inflow sources,” Lee says. “We’ve done some rain gardens and green streets improvements, but the focus continues to be the deteriorating collections system.”



Dale Jarvis from subcontractor K&R Plumbing installs a new Epoxytec manhole liner.

PHOTOS COURTESY OF DOMINIC VALLONI

**“The success of the city’s program was their willingness to address the private-side laterals. Without that commitment, reduction in I&I would have been much less — and several times more expensive — to get the same results.”** Rob Lee, P.E.

## LESSONS LEARNED

Significant I&I reductions are proof of the value of Sweet Home’s approach to system improvement.

Lee says the city has already done the bulk of the necessary work and should be proud of the progress to date. The phase 5 treatment capacity

upgrades and continued annual focus on the collections system should put Sweet Home in total compliance with permits.

“They have been creative in obtaining funds for this effort, and the City Council has been extremely supportive,” Lee says. “They realize this is a process. ... You can’t do it all in one fell swoop.

“And the city is funding this work the right way. Instead of slapping customers with a 40 percent rate increase in one shot, gradual and consistent rate increases compatible with future planning went a long way toward preventing customer backlash.”

Valloni notes that the city has spent close to \$17 million through all their I&I reduction projects, which is a huge amount of money for a city its size. “Much of our funding has come through DEQ and a few federal grants. The rest of it is just good planning and overall support from the city. We need to maintain the mentality that we’re not done, and the city has supported us in that respect.”

“One final thing I’d like to emphasize is the importance of knowing your system, whether by monitoring, modeling or inspection,” Valloni concludes. “Utilizing that information when planning projects has been critical to our success.” **I&I**



K&R Plumbing employees Brandon Moore (left) and Steve Roberts guide 8-inch HDPE pipe into a pipe bursting machine.

PHOTOS COURTESY OF DOMINIC VALLONI

## Featured products from:

### Brown and Caldwell

800-727-2224 | [www.browncaldwell.com](http://www.browncaldwell.com)

### Epoxytec

877-463-7699 | [www.epoxytec.com](http://www.epoxytec.com)

City Council Packet 1-09-2018 pg.199

**Retirement Party for Pat Gray  
January 26, 2018  
4pm—6pm  
City Hall Annex**

Please join us for Pat Gray's Retirement Celebration.  
Pat has been with the City of Sweet Home for over 26 years.  
Please come and help us wish her the best in her retirement.







December 21, 2017

Mr. Ray Towry  
City Manager  
City of Sweet Home  
1140 12th Avenue  
Sweet Home, OR 97386

Dear Mr. Towry:

At Comcast, we are striving to make customer experience our best product. In line with our vision of providing a great customer experience, we're making an enhancement to our billing statement.

The New Xfinity Statement contains all customer billing information in a simplified, easy-to-read format so customers can get the information they need without having to search for it. It also includes a simpler summary, helpful reminders, easy-to-spot contact information, and service tips. It consolidates items like taxes and fees into one section so they are easy to find.

One of the most important features of the New Xfinity statement is the addition of helpful notifications in the right column, as well as a page of helpful information like information on My Account, how to contact us, ways to pay, and other useful information.

We will begin rolling out the new statement the week of January 28, 2018. A sample of the new statement format is attached.

As always, feel free to contact me at (503) 605-6357 should you have any questions or concerns.

Sincerely,

Tim Goodman  
Director, Government Affairs



Account Number  
8778 XXXXXXXx

Billing Date  
Oct 08, 2017

Services From  
Oct 13, 2017 to Nov 12, 2017

Page  
1 of 4

# Hello Jane Smith,

Thank you for choosing XFINITY from Comcast.

## Your bill at a glance

For 123 Main St., Portland, OR 97000

Previous balance		\$238.47
Payments		\$0.00
Credits	Page 3	-\$2.87
<b>Balance forward due now</b>		<b>\$235.60</b>
Partial charges	Page 3	-\$40.61
Regular monthly charges	Page 3	\$69.45
One-time charges	Page 3	-\$5.00
Taxes, surcharges & fees	Page 4	-\$3.03
<b>New charges due Oct 28, 2017</b>		<b>\$20.81</b>

**Amount due \$256.41**

### ! Your account is past due

Your account is past due, so you may have been assessed a late fee of \$9.50. To keep your services, please pay the balance forward now. Thanks!

## Your bill explained

- This page gives you a quick summary of your monthly bill. A detailed breakdown of your charges begins on page 3.
- Your regular monthly charges have changed because a change was made to your XFINITY services. See Regular monthly charges for details.
- The charge on your bill is different this month because you have some one-time charges on your account. See One-time charges for more details.

## Need help?

- Visit [xfinity.com/customersupport](http://xfinity.com/customersupport) or see page 2 for other ways to contact us.

Detach the bottom portion of this bill and enclose with your payment

Please write your account number on your check or money order



9602 S 300 W, STE B  
SANDY UT 84070-3302

JANE SMITH  
123 Main St  
PORTLAND, OR 97000

Account number **8778 XX XXXXX**

**Balance forward due now \$235.60**

New charges due Oct 28, 2017 \$20.81

**Please pay \$256.41**

**Amount enclosed \$**

Make checks payable to Comcast  
Do not send cash

COMCAST  
P.O. BOX 34744  
SEATTLE WA 98124-1227

8778XXXXXXXXXXXXXXXXXXXX

## Apps on your phone are great. Apps on X1 are even better.

All the entertainment you love is all in one place with XFINITY X1. Just say "apps" into your X1 Voice Remote to access Netflix, YouTube, CBS Sports Fantasy Football and more.

Discover more awesome features at [xfinity.com/x1](http://xfinity.com/x1)



## Fall TV is back!






Reunite with your favorite shows and discover some new ones this fall with XFINITY. Watch a handpicked selection of the best Fall TV available on XFINITY X1, online and anywhere, anytime with XFINITY Stream app.

Start watching now at [xfinity.com/stream](http://xfinity.com/stream)



## Contact

We're here to help when you need us.

-  **By chat**  
Visit [xfinity.com/chat](http://xfinity.com/chat)
-  **Social**  
Tweet us @comcastcares
-  **By app**  
Download the My Account app at [xfinity.com/apps](http://xfinity.com/apps)
-  **By phone**  
Call 1-800-XFINITY (1-800-934-6489)
-  **In store**  
At your nearest XFINITY store  
find one at [xfinity.com/storelocator](http://xfinity.com/storelocator)

## Useful information

### Moving?

Visit [xfinity.com/moving](http://xfinity.com/moving) today to help you stay connected to all of your XFINITY services.


### Accessibility

If you are hearing/speech impaired, call 711.

For closed captioning concerns and other accessibility issues affecting customers with disabilities, call 1-855-270-0379, go online to chat live at <https://www.xfinity.com/support/account/accessibility-services>, email [accessibility@comcast.com](mailto:accessibility@comcast.com), fax 1-866-599-4268, or write to Comcast at 1701 JFK Blvd., Philadelphia, PA 19103-2838  
Attn: S. Adams.

## Ways to pay

- ✓ **Looking to shorten your to-do list?**  
Set up automatic monthly payments and never worry about remembering to pay your bill again. Enrolling is fast, easy, and free at [xfinity.com/autopay](http://xfinity.com/autopay).

-  **Hello paperless billing, goodbye clutter**  
With paperless billing, you can pay and view your bill online. It's faster, easier and helps cut down the clutter, not the trees! Visit [xfinity.com/ecobill](http://xfinity.com/ecobill) to go green.

## Additional billing information

### Other ways to pay

Visit [xfinity.com/myaccount](http://xfinity.com/myaccount)  
Use the My Account app

To avoid a late fee of \$9.50, we have to receive payment of your balance before the due date. If your service is disconnected, a reactivation fee will be applied to reactivate your account.

## Additional billing information

### Other ways to pay



Account Number  
8778 XX XXXX

Billing Date  
Oct 08, 2017

Services From  
Oct 13, 2017 to Nov 12, 2017

Page  
3 of 4

<b>Balance forward</b>	<b>\$235.60</b>
Previous balance	\$238.47

<b>Credits</b>	<b>-\$2.87</b>	
Excise Tax - Adjustment	Sep 14	-\$2.87

<b>Partial charges</b>	<b>-\$40.61</b>	
[-] Services removed	Oct 04 - Oct 12	-\$72.41
[+] Services added	Oct 04 - Oct 12	\$20.31

On your last bill you were billed in advance for services between Sep 13 - Oct 12. We've applied a credit of -\$40.61 as a result of your changes on Oct 04 & Oct 08. For details surrounding this change please go to [xfinity.com/myaccount](http://xfinity.com/myaccount).


<b>Regular monthly charges</b>	<b>\$69.45</b>
<b>Your XFINITY package</b>	<b>\$59.99</b>
<b>Internet: Performance Plus</b>	<b>\$39.99</b>
Internet	
Includes \$24.96 Service Discount	
<b>Internet: Speed Increase</b>	<b>\$20.00</b>
Blast! Pro Internet	
Includes \$10.00 Service Discount	

<b>Equipment &amp; services</b>	<b>\$10.00</b>
Internet Equipment	\$10.00
Rental	

<b>Other charges</b>	<b>-\$0.54</b>
Universal Connectivity Charge	-\$0.24
Regulatory Recovery Fees	-\$0.30

<b>One-time charges</b>	<b>-\$5.00</b>	
<b>Other charges</b>	<b>-\$5.00</b>	
Outage Credit	Sep 26	-\$5.00

**What's included?**

 **Internet:** Download as fast as 200 Mbps  
Visit [xfinity.com/myaccount](http://xfinity.com/myaccount) for more details

---

You've saved \$34.96 this month with your service discounts

---

Visit [xfinity.com/contract](http://xfinity.com/contract) for details

---

Term Agreement Applies 12 Month Term Agreement On Account. Visit [www.xfinity.com/myaccount](http://www.xfinity.com/myaccount) for Details.

<b>Taxes, surcharges &amp; fees</b>	<b>-\$3.03</b>
Service fees	-\$1.48
Franchise Fee	-\$1.48

<b>Taxes &amp; surcharges</b>	<b>-\$1.55</b>
Excise Tax	-\$1.82
State & Local Sales Tax	\$0.27

### Additional information

Your Franchise Authority is: Cable TV Administrator: ABC Cable Office, FCC Community ID # is UT0105

# Hope Center

*Changing lives in Jesus' name!*

PO Box 351, 1080 12th Ave,  
Sweet Home, OR. 97386  
541-367-4673



## In This Issue 1



Financial donations are needed to help pay for needs such as utilities, insurance, and repairs.

Financial gifts to HOPE Center are tax deductible.

Checks are to be made out to Hope Center.

We would like to thank all of those who support us. Through prayer, financial, and volunteering We greatly appreciate you all.



Help bring hope to the hopeless.

Opens doors for opportunity to serve others who are overcome with needs.

Provides a homelike environment for those who are homeless.

Establishes worth and value to those who feel worthless.

## Newsletter - December 2017

*For I was hungry and you gave me something to eat,  
I was thirsty and you gave me something to drink,  
I was a stranger and you invited me in.*

Thank you to Tom and Shirley Browning for hosting Bible Study every Friday. This is an open Bible Study for everyone to attend.

A big thank you to Elm Street Baptist and Hillside Fellowship Church for always being there for the Hope Center, and all that they have done.



A very big thank you, to Valley Life Church for printing our newsletter.

Please ask for ways that YOU can get involved with the Hope Center.

Praying for the ongoing needs in the lives of these girls and HOPE in general

Generously volunteering 4 hours a week to answer the phone and the doors.

Help with our Sales Team. We receive donations all the time, we are always in need of people to help with our sales.

Support with your financial gifts



**"The Hope Center has allowed me to relax, take a step back and re-evaluate life and stand on my own two feet. To be able to take a deep breath and give my life back to Jesus and my children. We feel safe, secure and comfortable."**

**"My children can play and not have to worry about stuff they shouldn't have to worry about as children. Thank you from us all. It has been a true blessing for us. We cannot thank the Hope Center and Litta and Jesse enough for opening your doors and arms and accepting us into such an amazing place!"**

# Hope Center

Changing lives in Jesus' name!

PO Box 351, 1080 12th Ave,  
Sweet Home, OR. 97386  
541-367-4673



## In This Issue 2



Financial donations are needed to help pay for needs such as utilities, insurance, and repairs.

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Checks are to be made out to Hope Center.

We would like to thank all of those who support us. Through prayer, financial, and volunteering We greatly appreciate you all.



**H**elp bring hope to the hopeless.

**O**pens doors for opportunity to serve others who are overcome with needs.

**P**rovides a homelike environment for those who are homeless.

**E**stablishes worth and value to those who feel worthless.

## Newsletter - December 2017

What are guests think...

My name is Sonja McKendric. When I first came to the Hope Center I was so displaced in my life. I was tired of the strife and not feeling like I didn't matter. Since I've been at the Hope Center I found Peace. Joy that has been missed for a very long time. I have felt a whole bunch of love, felt valued and found me again! Even my 11 year old son's attitude changed. I started seeing the good boy I knew he could be. I love Litta to pieces and her boys are amazing. The Hope Center reconnected me and my son. We loved eating dinner together at the table. The morning devotionals helped me stay focused during the day and the bible studies and Littas cooking every Friday morning is awesome. I loved being here. I'm happy/sad if that makes any sense. You either Love this place or you don't. I LOVED IT. Thank you.

Forever Friends,  
Sonja and Daniel

Dear Lord,

I know you built me tough from the minute I was in the womb. I know that you made me so strong that you knew that I could handle every obstacle, hardship, pain and heartache life threw at me. You knew it would only make me that much stronger. I feel you made me strong for others who aren't quite strong enough. I get that, I understand it's made me the person I am today. But I'm tired. I'm exhausted in every way.

I'm hanging on by a thread and I've been through so much. More than any one person should have to go through, or experience. My Spirit is broken. I'm lost. I'm so scared. I'm worried. I have no more hope for anything else. I'm only one person and this is far too much for even the strongest person to handle. So I'm giving it all to you. I need your strength and guidance. I pray for protection for my boys and I. That you help us through this and that you help supply our needs. I don't ask for much, but I do know I can't do this without you.

After pouring my heart out and deciding to give everything to God and deciding to trust, believe and have faith in God, things have gotten better then bad again. I had to couch hop for weeks while being away from my two boys and almost losing them. I was angry, heartbroken and scared. I felt defeated and like a failure. How could I give everything to God and it just get worse? But I didn't give up. I hung on to God with what faith and strength I had left, and then the Hope Center happened.

Hearing them say welcome home was the best news and I could not stop the tears from my eyes. See, I almost gave up and lost all hope. But I clung to God and He had me the whole time. It's not ideal and it's still hard, but god has a reason for everything. We are safe, we are in a place that's God centered. See, sometimes a miracle isn't fireworks. Sometimes it's as simple as a mom and her two boys being able to be together and safe and be a family. From the bottom of my heart,

THANK YOU! I know God's got us even when it feels like the world's crashing down around us. Giving it all to God was all I needed to do. Thank you for letting me get to say "I'm home".