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**Rules of Conduct for Public Hearings**

1. No person shall be disorderly, abusive, or disruptive of the orderly conduct of the hearing.
2. Persons shall not testify without first receiving recognition from the presiding officer and stating their full name and residence address.
3. No person shall present irrelevant, immaterial, or repetitious testimony or evidence.
4. There shall be no audience demonstrations such as applause, cheering, display of signs, or other conduct disruptive of the hearing.

**CITY OF MILLERSBURG  
CITY COUNCIL MEETING**

Millersburg City Hall  
4222 NE Old Salem Road  
Albany OR 97321  
February 12, 2019 @ 6:30 p.m.

**Agenda**

- A. CALL TO ORDER
- B. ROLL CALL
- C. PLEDGE OF ALLEGIANCE
- D. CHANGES AND ADDITIONS TO THE AGENDA
- E. CONSENT AGENDA
  - 1) Approval of January 8, 2019 City Council Meeting Minutes
  - 2) Approval of November 29, 2018 Joint Council Meeting (Albany/Millersburg)
  - 3) Approval of Council Approval Report for City Bills
  - Action: \_\_\_\_\_
- F. PRESENTATIONS
  - 1) Linn County Sheriff's Office Report
- G. PUBLIC COMMENT
- H. COUNCIL MEMBER AND STAFF COMMENTS
  - 1) Modification of Employment Agreement – Kevin Kreitman  
Action: \_\_\_\_\_
  - 2) Modification of Employment Agreement – Janelle Booth  
Action: \_\_\_\_\_
- I. CITY MANAGER'S REPORT
  - 1) Project Updates
  - 2) FY 17/18 Annual Financial Report
  - Action: \_\_\_\_\_
- J. CITY ATTORNEY'S REPORT

K. UNFINISHED BUSINESS

L. NEW BUSINESS

- 1) Expansion of Linn County Enterprise Zone – Resolution 2019-3  
Action: \_\_\_\_\_
- 2) Water Master Plan Adoption – Resolution 2019-4  
Action: \_\_\_\_\_
- 3) CH2M Hill Professional Services for Morningstar and ATI Lift Station Improvements – Contract Amendment 3  
Action: \_\_\_\_\_
- 4) Adding Authority for Setting Fines – Ordinance 145  
Action: \_\_\_\_\_
- 5) Creation of an Events Planning Committee – Resolution 2019-5  
Action: \_\_\_\_\_
- 6) City of Lebanon Emergency Biosolids Hauling Intergovernmental Agreement – Resolution 2019-6  
Action: \_\_\_\_\_

M. CLOSING PUBLIC COMMENT

N. CLOSING COUNCIL COMMENT

O. ADJOURNMENT

*Note: Council may adjourn to executive session in accordance with ORS 192.660.*

Upcoming Meetings & Events:

February 19, 2019 @ 6:00 p.m. – Planning Commission Work Session

March 11, 2019 @ 6:00 p.m. – Joint Planning Commission and City Council Hearing

March 12, 2019 @ 6:30 p.m. – City Council Meeting

*The location of the meeting is accessible to the disabled. If you have a disability that requires accommodation to attend or participate, please notify the Millersburg City Hall in advance by calling 541-928-4523.*



## January 8, 2019 City Council Minutes

4222 NE Old Salem Road

Albany, OR 97321

6:30 p.m.

A. CALL TO ORDER: Called to order by Mayor Lepin at 6:30 p.m.

B. ROLL CALL

Councilors Present: Mayor Jim Lepin, Councilors Scott Cowan, Dave Harms, Scott McPhee, Don Miller

Councilors Absent: None

Staff Present: Kevin Kreitman, City Manager; Janelle Booth, Assistant City Manager/City Engineer; Forrest Reid, City Attorney; Kimberly Wollenburg, City Recorder

Presenters: Linn County Sheriff Lieutenant Michelle Duncan, Fire Chief John Bradner

C. PLEDGE OF ALLEGIANCE

D. Swearing in of Councilors, Vote for Mayor, Vote for Council President

1) City Attorney Forrest Reid provided the Oath of Office for Councilors Scott Cowan and Jim Lepin and swore them in.

2) A motion was entertained to vote for the position of Mayor for the next two years.

Action: **Motion to Elect Jim Lepin as Mayor for the City of Millersburg made by Councilor Scott Cowan; seconded by Councilor Scott McPhee.**

**Councilor Jim Lepin: Aye**

**Councilor Scott Cowan: Aye**

**Councilor Dave Harms: Aye**

**Councilor Scott McPhee: Aye**

**Councilor Don Miller: Aye**

3) A motion was entertained to vote for the position of Council President for the next two years.

Action: **Motion to Elect Scott Cowan as Council President of the City Council for the City of Millersburg made by Councilor Don Miller; seconded by Councilor Dave Harms.**

**Mayor Jim Lepin: Aye**

**Councilor Scott Cowan: Aye**

**Councilor Dave Harms: Aye**

**Councilor Scott McPhee: Aye**

**Councilor Don Miller: Aye**

E. CHANGES AND ADDITIONS TO THE AGENDA

Mayor Lepin noted two changes to the agenda:

- 1) Removal of item #1 under City Attorney as there is no longer a need for the discussion.
- 2) Addition under City Attorney to add an item for discussion of the Open Public Meetings Law

F. CONSENT AGENDA

- 1) Approval of December 11, 2018 City Council Meeting Minutes
- 2) Approval of revised Council Approval Report for Monthly City Bills  
Action: **Motion to Accept Consent Agenda made by Councilor Scott Cowan; seconded by Councilor Scott McPhee.**

<b>Mayor Jim Lepin:</b>	<b>Aye</b>
<b>Councilor Scott Cowan:</b>	<b>Aye</b>
<b>Councilor Dave Harms:</b>	<b>Aye</b>
<b>Councilor Scott McPhee:</b>	<b>Aye</b>
<b>Councilor Don Miller:</b>	<b>Aye</b>

G. PRESENTATIONS

- 1) Monthly Report from the Linn County Sheriff's Office.  
Linn County Sheriff's Office (LCSO) Lieutenant Michelle Duncan presented details on the report given to the City Council regarding responses within Millersburg in December. She noted that property crimes were higher in December and that some may be attributed to the holiday season while others may not. She reminded citizens to lock their vehicle doors. One potential burglary happened in an unlocked vehicle. She did note that in another incident, the vehicle window was smashed so a locked door may not completely prevent all incidents but would significantly help.

City Attorney Reid brought up the report on the dog complaint and the deputy's note regarding no references to leash laws. He spoke with LCSD and reminded everyone that Millersburg adopted the Linn County Dog Ordinance and asked Lieutenant Duncan to help remind deputies. City Recorder, Kimberly Wollenburg, noted that there is a link on the City website with information that Millersburg is under Linn County's Dog ordinance and said she would send Lieutenant Duncan the link.

- 2) Quarterly Report from Albany Fire Department  
Fire Chief John Bradner provided a handout (attached) with information regarding the service Millersburg received from the Albany Fire Department since July 1, 2018 through the end of 2018 then went over the following:
  - i. He discussed the numbers on the handout and that the calls are typically 80-82% medical.
  - ii. He mentioned that they haven't received the ISO report and are hoping to receive it sometime the month of January. Councilor Cowan asked Chief Bradner to expand on why Albany Fire is hoping for a lower ISO rating. He explained how a lower rating affects the fire department and the City of Millersburg.



- iii. Albany Fire is celebrating their 150<sup>th</sup> anniversary (January 4, 1869) and is having a small recognition on January 8 at 3:00 p.m. at Station 11.
- iv. Councilor McPhee asked about the status of ASA (Ambulance Service Area) program. Chief Bradner noted that the change is currently at the ASA committee level and Albany is waiting for the result. He said they only meet quarterly but believes there is a meeting coming up.

#### H. PUBLIC COMMENT

None

#### I. COUNCIL MEMBER AND STAFF COMMENTS

- 1) Mayor Lepin went over the current Council committee appointments and verified with the Council any desired changes to the assignments. The Council agreed to keep the appointments as noted in the handout. Councilor Cowan said that he wanted to make sure that Mayor Lepin is good with the number of committees he is primary on. Mayor Lepin assured Councilor Cowan that he's comfortable with the number as he likes the interaction with other cities and is available to attend more meetings.  
Action: **City Council Approved Committee Appointments as Presented**

- 2) Councilor Cowan said he revisited the information he had on the barrier need on the south end of Old Salem Road, near I-5. He contacted the Road Master, Darrin Lane, to re-open the discussions. He will keep the Council and residents updated on what he finds out and progress regarding the solutions. He reminded the Council that ODOT does not consider this a high risk area so anything to be done would be Linn County and Millersburg's responsibility.

#### J. CITY MANAGER'S REPORT

- 1) Project Updates  
City Manager Kreitman introduced Assistant City Manager/City Engineer Janelle Booth who then provided an overview of City projects highlighted in the staff report. More information is available online in the meeting packet. Highlighted projects included:
  - i. Sewer Lift Station Construction: Not quite done but is getting closer. Anticipate finishing in February.
  - ii. Parks Master Plan: Will provide more detail next month; however, it is moving forward.
  - iii. Stormwater Master Plan: Discussions will take place on January 22 at the next Council meeting.
  - iv. MS4 Permit: Discussions will take place on January 22 at the next Council meeting.
  - v. Rate and SDC Study: Progress has been slow due to problems with collecting data for consultants.
  - vi. Street Improvement Fee and Water Service Charges Increase: Fees were due to be reviewed and increased based on any Albany increases.

- vii. Millersburg Drive Stormwater Line: Is going to be installed right down the middle of Millersburg Drive. Will start to do actual work on road the week of January 14.

She went over the Gantt chart reminding that blue is complete and yellow is being worked on and that there will be an updated chart for 2019.

## 2) Water Line Project

City Manager Kreitman introduced the project by going over the background and the work that was done based on approval from the Council in December to proceed with the redesign of the water line project for Amanda, Bain, Waverly and Toni. Assistant City Manager/City Engineer Booth went over the staff report for the water line project showing the quotes provided by Jacobs for design and support during construction efforts for this project. She also presented construction estimates for installation of the water lines and resurfacing the roads.

There was some discussion regarding the costs of the road work and the condition of the streets. Waverly and Amanda need complete resurfacing as the pavement is so bad, an overlay won't last. Because their condition is so poor, trench patching would result in a patch that is much better than the rest of the road and there will be some challenges sawcutting a competent edge to patch up to. Since the water line project would require tearing up the road, it's more effective to resurface the roads at that time. She asked the Council if they wanted to go ahead with the project and how they wanted to handle the road surface reconstruction.

City Manager Kreitman shared that, for the audience's benefit, these are unimproved streets not currently constructed to City standards and the project would only restore them. Assistant City Manager/City Engineer Booth noted that the City does not have the right-of-way for full street improvements including curbs and sidewalks so doing something to maintain the pavement is in the future regardless of this project.

Councilor Cowan asked about Waverly having multi-family residences. Assistant City Manager/City Engineer confirmed there are duplexes on Amanda and Waverly. Councilor Cowan asked if those "go away", as zoned, could there be another duplex? City Manager Kreitman said it would depend on what comes out of the Land Use Code update. Councilor Cowan thought that this project is for the safety of residents and good housekeeping by the City. There followed some discussion regarding the details of the project, costs and potential future implications around development. Councilor Miller asked about the potential to recoup costs if the work is done and the land is later developed. Assistant City Manager/City Engineer Booth said that we could recoup some of those fees from our connection fees and we could require future developers to build more of the infrastructure.

Councilor McPhee asked about the timing, whether the roads needed to be improved now. Then followed discussion about a plan to perform regular maintenance on all the roads every year in the City but the ones at issue here are not budgeted yet. Assistant City Manager/City Engineer Booth said that waiting another year or two wouldn't change the costs all that much. However, she said that at some point, the roads need to be done. She said that Bain is in the best shape.

Councilor McPhee mentioned the past water line project in 2015 and that the Council decided not to do that piece and asked what the reason was. Assistant City Manager/City Engineer said that they evaluated the total cost and asked the neighbors if there was any interest in having city water available. Due to the lack of response from residents, the City decided not to do the project.

City Manager Kreitman mentioned that what's driving this coming up now is the recent requests for partition of lots in these areas. Since there are not currently water lines in these streets to connect to, they'll have to run water lines from Conser. Assistant City Manager/City Engineer Booth says it makes sense to do the project now that we are getting requests in order to allow the orderly construction of infrastructure and avoid getting a number of easements across various properties to allow for the running of the water lines.

The plan is to repackage the quote for bid, then post for the construction to begin this summer. The longer we wait, the harder it will be to get someone in and started before summer. There was some discussion regarding how to fund this project out of the current budget and the potential effect on funding for other roads, like Woods Road.

Councilor McPhee asked if Zuhlke Lane gets built out and has fire hydrants on it, would the distance to hydrants for fire coverage (1,000 feet) on these streets be met? City Manager Kreitman pointed out that unless there is actual connectivity between Zuhlke and the ends of these roads, it doesn't do any good. Discussion continued regarding connections and responses to fire or other emergency.

Councilor McPhee said that at some point, we should talk to the residents on Waverly and note that if they want fire and hydrant coverage, they are going to have to give something to the City so the infrastructure can happen. If they don't want to contribute then we don't do the project. Councilor Miller noted that the City hasn't done this in the past and has just assumed the cost. Councilor McPhee stated that we might ask for 30 feet of right-of-way. More discussion followed on redevelopment and water lines in the area. Assistant City Manager/City Engineer Booth said if someone were to come along and develop, the City would require them to put in a water line. The reason this is being proposed is for existing residents; as the City has grown the City has put in the infrastructure. As far as the residents contacted in 2015, she said she

doesn't know how many were contacted; however, she spoke to someone on Amanda who owns the duplexes and he's very interested in having water. She believes that the City might get a different response now.

Councilor Cowan asked that if we do the project, would that take away from the Woods Project. Assistant City Manager/City Engineer Booth confirmed the scope of the Woods Road project. Given that Woods Road is budgeted this year and next, it doesn't have to impact Woods Road project. However, to fund everything in the street fund requires general funds which is probably a budget committee discussion going forward. Discussion followed regarding the budget and paying for the water line project.

Councilor McPhee went back to frontage fees. If there is water out in one of those streets and someone's well goes bad, they would need to connect to City water and would they need to pay frontage fees? Assistant City Manager/City Engineer Booth said she believes that they wouldn't be required to pay a frontage fee. Councilor McPhee says if they don't have to pay frontage fees, we are back to the concern of the City footing the entire bill. Assistant City Manager/City Engineer Booth said SDC fees still apply. Frontage fees are intended for development.

Action: **Motion to Move Forward with Getting Bids to do the Water Line Project and Road Reconstruction on Amanda, Bain, Waverly and Toni made by Councilor Scott Cowan; seconded by Councilor Don Miller.**

Discussion continued after motion. Confirmation that motion was to only get bids. Councilor McPhee noted that it would cost the City \$25,000 in engineering to do. Assistant City Manager/City Engineer Booth cautioned them against doing this just to get bids as it could cause problems with future relationships with vendors if the City doesn't award a contract.

Councilor McPhee said he'd really like to get more input from the residents on those streets before the City takes action. City Manager Kreitman reminded the Council that the reason we are bringing this forward is because of the recent requests for partitions from residents on those streets. Having multiple water service lines to serve the partitions can lead to a service support problem. Councilor McPhee said if we aren't getting a lot of feedback, that we don't know if they want it, then the money could be better spent elsewhere.

Mayor Lepin asked what would be the impact if we waited another month. City Manager Kreitman said the Council could, but said he knows there is interest because of those wanting to partition. Assistant City Manager/City Engineer Booth said pushing it back one month wouldn't be problematic but later could make it challenging to get someone on board to do work this summer. Discussion followed regarding the bidding process.

Action: **Motion to Amend the Motion to Proceed with the Design Process and Spend Next Couple of Weeks Speaking to Residents to Check their Level of Interest in Pursuing made by Mayor Lepin; prior to vote on amendment, Mayor Lepin withdrew his Motion to Amend.**

Action: **Vote on Original Motion to Move Forward with Getting Bids to do the Water Line Project and Road Reconstruction on Amanda, Bain, Waverly, and Toni made by Councilor Cowan; seconded by Councilor Don Miller.**

<b>Mayor Jim Lepin:</b>	<b>Aye</b>
<b>Councilor Scott Cowan:</b>	<b>Aye</b>
<b>Councilor Dave Harms:</b>	<b>Nay</b>
<b>Councilor Scott McPhee:</b>	<b>Nay</b>
<b>Councilor Don Miller:</b>	<b>Nay</b>

MOTION FAILED.

Councilor Cowan asked that for those who said nay, would be it wise to revisit with the property owners or wait? Councilor Harms said he'd like to talk with property owners and has a few he will contact. Councilor Cowan said he would as well. Assistant City Manager/City Engineer confirmed that nothing is to be done with this project at this time. Council agreed.

K. CITY ATTORNEY'S REPORT

- 1) City Attorney Reid mentioned bringing in the SDC project list to Council in February. Assistant City Manager/City Engineer Booth said she believes the Capital Improvement Plan replaces the previous SDC project lists and it was confirmed the SDC project list update didn't need to be done.
- 2) City Attorney Forrest Reid reviewed the Oregon Open Meetings Law with City Council and after review, had each Councilor sign Exhibit B of Resolution 2018-26 stating they'd had the law reviewed with them by the City Attorney. There was some follow-up discussion on email communication, keeping of records, and what constituted a meeting.

L. UNFINISHED BUSINESS

None

M. NEW BUSINESS

- 1) Planning Commission Re-Appointments – Resolution 2019-1  
City Manager Kreitman went over history of appointments to the Planning Commission including Ordinance 18's directive that at the first meeting in 1976, that members would draw lots for 1, 2 and 3 year terms. While it appears that was done, the City over the years, neglected to follow those appointments. If someone left and a new member was appointed, they should have filled out the previous term; however, most stayed for a three year term, many much longer. Staff recommends the Council approve the re-appointment of the current Planning Commission members and direct

them to draw lots during the first meeting of 2019 to reset the terms. Additionally, Staff requests the Council approval to revise Ordinance 18.

Action: **Motion to Approve Resolution 2019-1 Directing the Planning Commission to Draw Lots at Their First Meeting in January 2019; made by Councilor Don Miller; seconded by Councilor**

**Dave Harms.**

**Resolution 2019-1**

**Mayor Jim Lepin: Aye**  
**Councilor Scott Cowan: Aye**  
**Councilor Dave Harms: Aye**  
**Councilor Scott McPhee: Aye**  
**Councilor Don Miller: Aye**

The following Planning Commission members were reappointed:

Dennis Gunner  
Connie Lepin  
Jimmie Kirkendall  
Anne Pelletier  
Ryan Penning  
Ed Perlenfein  
Scott Stimpson  
John Sullivan  
Steve Vogler

Furthermore, the Council agreed to allow Staff to work with Planning Director to revise Ordinance 18.

- 2) No Parking Zone – Waverly, Amanda, Bain & Toni – Ordinance 142  
Assistant City Manager/City Engineer Booth went over staff report and reasons for concern on the referenced streets especially with regard to access by emergency vehicles and street widths. She shared that there have been concerns from residents living on those streets. Mayor Lepin noted a concern about semi-trucks and trailers parking on City streets and asked if there was something to prevent that from happening. Discussion followed on what codes or rules prevented this with some additional discussion regarding illegal parking on Alexander Lane and Linn County Sheriff Department involvement in enforcement.

Action: **Motion to Adopt an Ordinance Designating No Parking Zones On the Entirety of Waverly Drive, Amanda Lane, Bain Street, and Toni Street, made by Councilor Don Miller Cowan; seconded by Councilor Scott Cowan.**

**Ordinance 142**

**Mayor Jim Lepin: Aye**  
**Councilor Scott Cowan: Aye**  
**Councilor Dave Harms: Aye**  
**Councilor Scott McPhee: Aye**  
**Councilor Don Miller: Aye**

- 3) No Parking Zone – Western Way – Ordinance 143  
(see discussion under #2 above)

Action: **Motion to Adopt Ordinance Designating No Parking of Trucks Or Trailers on Western Way between 10 PM and 6 AM made by Councilor Don Miller; seconded by Councilor Scott Cowan.** Ordinance 143

**Mayor Jim Lepin: Aye**  
**Councilor Scott Cowan: Aye**  
**Councilor Dave Harms: Aye**  
**Councilor Scott McPhee: Aye**  
**Councilor Don Miller: Aye**

Resident Harvey Whittenberg made a suggestion that the spots on vacant industrial property could be leased out.

- 4) Payment of City Bills – Resolution 2019-2

City Manager Kreitman opened discussion then asked City Recorder Wollenburg to go over the staff report. City Recorder Wollenburg noted the proposed policy and procedure allows City staff to pay the bills of the City weekly versus waiting until a Council meeting for Council approval. The new policy is intended to permit the prompt payment of bills, allows the City to take advantage of vendor discounts, and ensures the City will not receive late payment charges.

Action: **Motion to Approve a Resolution Setting Forth a Policy and Procedure for the Payment of City Accounts Payables made by Councilor Scott Cowan; seconded by Councilor Don Miller.** Resolution 2019-2

**Mayor Jim Lepin: Aye**  
**Councilor Scott Cowan: Aye**  
**Councilor Dave Harms: Aye**  
**Councilor Scott McPhee: Aye**  
**Councilor Don Miller: Aye**

N. CLOSING PUBLIC COMMENT  
None

O. CLOSING COUNCIL COMMENT  
None

P. ADJOURNMENT  
Meeting adjourned at 8:46 p.m.

Respectfully submitted:

Reviewed by:

Kimberly Wollenburg  
City Recorder

Kevin Kreitman  
City Manager

Upcoming Meetings:

January 7, 2019 @ 6:00 p.m. – Planning Commission Work Session  
January 8, 2019 @ 5:00 p.m. – City Council Executive Session  
January 14, 2019 @ 6:00 p.m. – Planning Commission Work Session  
January 15, 2019 @ 6:00 p.m. – Planning Commission Meeting  
January 22, 2019 @ 4:00 p.m. – City Council Meeting

DRAFT



## MINUTES

Thursday, November 29, 2018

Special Session – Joint meeting with Millersburg City Council  
Council Chambers, City Hall

Approved Albany City Council: January 9, 2019

Approved Millersburg City Council: DRAFT

### CALL TO ORDER

Mayor Sharon Konopa called the meeting to order at 5:00 p.m.

### PLEDGE OF ALLEGIANCE

Konopa led the pledge of allegiance.

### ROLL CALL

City of Albany Councilors present: Mayor Sharon Konopa and Councilors Rich Kellum, Bill Coburn, Bessie Johnson, Ray Kopczynski, Dick Olsen, and Mike Sykes

City of Albany Councilors absent: None

City of Millersburg Councilors present: Mayor Jim Lepin; and Councilors Don Miller, Scott McPhee, and Dave Harms.

City of Millersburg Councilors absent: Scott Cowan

### INTRODUCTIONS

The Councilors introduced themselves.

### BUSINESS FROM THE PUBLIC

Albany Downtown Association (ADA) Executive Director Lise Grato thanked the Albany Fire Department for their assistance with the Christmas tree in downtown Albany.

### COMPOST FACILITY REVIEW

Project Manager Mark Yeager reported about staff's tour of Seattle-area composting facilities. Yeager introduced Mark Cullington from Kennedy Jenks Consultants.

Yeager gave a PowerPoint presentation titled "Composting Facility Tours" (see agenda file). In 2015, the City of Albany completed a composting pilot project by managing one heap at a time over the course of a year using the Gore system of composting, one of two available systems (ECS and Gore). In 2018, staff toured several composting facilities: Cedar Grove, La Conner, Arlington, Tacoma, and Centralia. The goals for the tour included evaluating the different manufactured systems; understanding staffing requirements, equipment, layout and storage needs; assessing odor impacts and facility locations; and learning about marketing programs, end user markets, and material pricing.

Councilor Bill Coburn arrived at 5:13 p.m.

Yeager gave a summary of each facility:

- Cedar Grove is a private operation in a heavily industrialized area. They charge a tipping fee for garbage collectors to dump the food waste and yard debris that make up the basic elements of their compost. Cedar Grove also sells their compost products so they receive revenue at two junctures. They only use food waste and yard debris, no municipal biosolids or sludge. It is a Gore system, using fabric covered, aerated static piles. Mixing the food waste and yard debris is an art, with the operator deciding how much of each product to mix together to build the piles. Their final compost product is sold in bulk and in bags, marketed as local and organic, and it is very popular.

- La Conner is a municipal facility operated under contract with a private service provider, which also runs the La Conner treatment plant. They use their own raw sludge and accept sludge from other municipalities (for a fee). They also accept yard debris for a fee and grind it to mix with the sludge for composting. They use their own version of composting set up similar to the ECS system. Some piles are under structures and others are not. No fabric covers are used, but all piles are covered with a layer of finished compost to help reduce odors. The facility is located at the treatment plant, close to town and developed properties. Customers buy punch cards at City Hall, so the operators don't handle money. They also have a free pile. There is a high demand for their products.
- Arlington uses dewatered, Class B biosolids, with an ECS system. They compost about 32% of their biosolids. Their system has two stages and is a faster process because the partially digested sludge is further along when it arrives at the facility. They use eco-blocks to build the bunkers, and supply to and withdraw air from the piles through floor trenches. Air withdrawn from the piles is run through an adjacent biofilter. This facility was odor free and located off-site from the treatment plant in a developed commercial and industrial area. They do not have any significant marketing program, although they do make the compost available to the public in one of their parks. The city uses most of the material for landscaping projects.
- Tacoma's facility is called TAGRO. TAGRO begins with a Class A biosolid material produced at the adjacent treatment plant that is combined with several amendments (sawdust, sand, etc.) to make several product mixes that are sold in bags or in bulk for pickup or delivery. The facility is located in an industrial area. They have a good marketing program and there is a very high demand for their product. Their program generates significant revenue to help offset the cost of managing biosolids from the treatment plant.
- Centralia is most similar to what Albany would use if we composted our sludge. They use dewatered, undigested sludge. Centralia used to have a lime pasteurization system for treating sludge, but it failed, so they salvaged the buildings and turned it into a composting facility. The facility is located at the treatment plant in a rural setting, and the composting system is based on the ECS model, using eco-blocks to build bunkers under existing buildings. Air supply and vacuum system for the compost piles is pipe on the ground. Air removed from the piles is treated with a biofilter. Currently, they do not do a lot of marketing, but they recently hired someone to help build the program. They have an on-site demonstration garden. A field trip to Centralia is planned for December 11, 2018, since they have a similar operation to what the City of Albany would be able to put together.

In summary, Yeager said staff learned a lot on the tour, including staffing requirements and ancillary equipment needed. All the facilities reported that they wanted to have more covered storage. The layout and space needed varies. A lot of the facilities started small and grew their programs over time. Odor issues were nonexistent. There was a wide variation of marketing energy, though product demand is high in most places.

Millersburg Mayor Jim Lepin asked if hauling sludge would be an issue for Millersburg-Albany. Yeager said it could be. Lepin asked if we considered bringing in sludge from other facilities; it could be an opportunity.

Yeager gave a PowerPoint presentation titled "Composting On Site" (see agenda file). After seeing the different facilities on the tour, staff wondered if it might be possible to consider doing a soft launch on the Water Reclamation Facility (WRF) site. Yeager reviewed the current site and possible future layouts for 20-30 years out. Using eco-blocks and metal-frame fabric buildings would provide flexibility and allow for future reconfiguration.

Yeager also discussed using offsite property. Requirements for new property would have to be specific in terms of size and zoning (industrial), either in the city limits or on property contiguous to the city limits inside the urban growth boundary. The process would need a conditional use permit, and 10-15 acres to allow for buffering and for buildout. There are very few parcels available and it would be expensive.

There was discussion about whether the proposed transfer facility in Millersburg would work.

Councilor Rich Kellum asked, if we started composting at our current site and then decided to move, how much of the facility could be picked up and moved elsewhere? Discussion followed. Staff pointed out that, with the soft launch approach, the amount they would be composting would be less than what they are currently hauling to the landfill. However, starting a composting operation would help reduce the number of trips to the landfill.

Yeager showed layout options for Phase 1 and Phase 2 at the current WRF site. It appears that, with the Phase 2 layout, the composting facility could handle approximately 130% of the sludge produced currently. So the on-site alternative has good capability and capacity. He said 50% of the sludge we produce today could be

composted under a soft launch and reduce the costs of hauling to the landfill. Once up and operating, we will know how successful it is based on the demand, and that would be a trigger for expansion.

Mayor Sharon Konopa asked about a regional facility. Yeager said moving ahead with our plan doesn't mean we can't pursue future collaborative relationships. The consultant was hired to look for offsite property and they will continue to that end, but if the two Councils approve, staff will move forward with a finishing a pre-design effort for a soft launch on the WRF site.

Konopa supports the idea, especially considering that we are currently spending \$700,000 a year to haul sludge to the landfill.

Millersburg Councilor Scott McPhee asked about a specific property by Eades Park. Yeager said it has floodplain issues and is not very big. McPhee suggested that if it is currently vacant it might make sense to try to get it now. Discussion followed.

This item will come back for more discussion after the consultant completes their pre-design report.

At the conclusion of the meeting, there was a discussion about the need to have a follow-up trip to Centralia for Councilors. It was concluded that a special trip for the whole group was not necessary at this time, but the group directed staff to make another trip to Centralia and bring back a videotape tour of the facility for presentation to the Councils at a future meeting.

BREAK

The Councils recessed for a break at 6:40 p.m.

RECONVENE

The Councils reconvened at 6:50 p.m.

RECESS TO EXECUTIVE SESSION TO DISCUSS LITIGATION LIKELY TO BE FILED IN ACCORDANCE WITH ORS 192.660(2)(h).

The Councils recessed to Executive Session at 6:51 p.m.

RECONVENE

The Councils reconvened at 7:10 p.m.

BUSINESS FROM THE COUNCILS

None.

There being no other business, the meeting was adjourned at 7:11 p.m.

Respectfully submitted,

Reviewed by,

Mary Dibble  
City Clerk

Peter Troedsson  
City Manager

*Note: Staff handouts referred to in the minutes as (see agenda file) are available on the website in the "Staff Handouts" column.*

**City of Millersburg  
Council Approval Report  
(Council Approval Report)**

Vendor		InvoiceNumber	Date	Description	Due Date	Invoice Amt	Approved Amt	Account Number	Account Description	Budgeted \$	YTD Balance
<b>653 Brandi Mendenhall</b>		01072019	01/10/19	PARKS & RECREATION - CITIZEN REIMBURSEMENT PROGRAM	01/10/19	\$120.00	\$120.00	01-2301	PARKS & RECREATION	\$15,000.00	\$8,370.40
							<b>\$120.00</b>				
<b>50 City of Albany, PO Box 490, Albany, OR, 97321</b>		MB-2018-12	01/08/19	EQUIPMENT/FURNISHINGS FOR NEW STATION	01/08/19	\$9,210.41	\$9,210.41	01-4305	EQUIPMENT/FURNISHI	\$125,000.00	\$46,246.64
							<b>\$9,210.41</b>				
<b>728 Conservation Technix, Inc., PO Box 885, Orlinda, CA, 94583</b>		773	01/02/19	PARKS MASTER PLAN	02/02/19	\$750.00	\$750.00	01-2303	PARKS MASTER PLAN	\$50,000.00	\$46,913.22
							<b>\$750.00</b>				
<b>272 Earth20, PO Box 70, Culver, OR, 97734</b>		60357	01/02/19	CITY HALL MAINTENANCE & SUPPLIES	01/02/19	\$26.29	\$26.29	01-1309	CITY HALL MAINTENAN	\$22,000.00	\$14,042.37
		68066	12/31/18	CITY HALL MAINTENANCE & SUPPLIES	01/31/19	\$6.00	\$6.00	01-1309	CITY HALL MAINTENAN	\$22,000.00	\$14,042.37
		095375	08/06/18	PARK SUPPLIES & MAINTENANCE	09/06/18	\$33.29	\$33.29	01-2302	PARK SUPPLIES & MAI	\$55,000.00	\$29,041.03
		12798	07/20/18	PARK SUPPLIES & MAINTENANCE	08/20/18	\$20.19	\$20.19	01-2302	PARK SUPPLIES & MAI	\$55,000.00	\$29,041.03
		472520	10/02/18	PARK SUPPLIES & MAINTENANCE	11/02/18	\$26.29	\$26.29	01-2302	PARK SUPPLIES & MAI	\$55,000.00	\$29,041.03
		60356	01/02/19	PARK SUPPLIES & MAINTENANCE	01/02/19	\$20.19	\$20.19	01-2302	PARK SUPPLIES & MAI	\$55,000.00	\$29,041.03
		665580	10/30/18	PARK SUPPLIES & MAINTENANCE	11/30/18	\$14.19	\$14.19	01-2302	PARK SUPPLIES & MAI	\$55,000.00	\$29,041.03
		68524	12/31/18	PARK SUPPLIES & MAINTENANCE	01/30/19	\$6.00	\$6.00	01-2302	PARK SUPPLIES & MAI	\$55,000.00	\$29,041.03
		859615	11/29/18	PARK SUPPLIES & MAINTENANCE	12/29/18	\$20.19	\$20.19	01-2302	PARK SUPPLIES & MAI	\$55,000.00	\$29,041.03
							<b>\$172.63</b>				
<b>121 Elisha Saville</b>		12272018	01/10/19	PARKS & RECREATION - CITIZEN REIMBURSEMENT PROGRAM	01/10/19	\$120.00	\$120.00	01-2301	PARKS & RECREATION	\$15,000.00	\$8,370.40
							<b>\$120.00</b>				
<b>108 Jamie Tappana</b>		106234727	01/11/19	PARKS & RECREATION - Recreation Reimbursement - Jamie Tappana	01/11/19	\$52.00	\$52.00	01-2301	PARKS & RECREATION	\$15,000.00	\$8,370.40
							<b>\$52.00</b>				
<b>648 Kelsey Marie Cordier</b>		82245187	01/09/19	PARKS & RECREATION - CITIZEN REIMBURSEMENT PROGRAM	01/09/19	\$40.00	\$40.00	01-2301	PARKS & RECREATION	\$15,000.00	\$8,370.40
							<b>\$40.00</b>				
<b>23 Pacific Power, PO Box 26000, Portland, OR, 97256-0001</b>		01032019	01/03/19	CITY HALL UTILITIES	01/21/19	\$1,144.60	\$1,144.60	01-1317	CITY HALL UTILITIES	\$15,000.00	\$7,889.33
		01032019	01/03/19	PARK SUPPLIES & MAINTENANCE	01/21/19	\$70.56	\$70.56	01-2302	PARK SUPPLIES & MAI	\$55,000.00	\$29,041.03
		01032019	01/03/19	STREET LIGHTS POWER	01/21/19	\$3,135.00	\$3,135.00	02-1323	STREET LIGHTS POWE	\$40,000.00	\$10,288.84

**City of Millersburg**  
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Vendor			InvoiceNumber	Date	Description	Due Date	Invoice Amt	Approved Amt	Account Number	Account Description	Budgeted \$	YTD Balance	
			01032019	01/03/19	SEWER MISCELLANEOUS EXPENSES AND LIFT STATION UTIL	01/21/19	\$1,053.62	\$1,053.62	04-1328	SEWER MISCELLANEO	\$25,000.00	\$3,027.04	
			<b>\$5,403.78</b>										
<b>738</b>	<b>Sharon Hager</b>												
01102019	01/10/19	LIBRARY SERVICES - Sharon Hager	01/30/19	\$40.00	\$40.00	01-1340	LIBRARY SERVICES	\$3,000.00	\$1,000.00				
			<b>\$40.00</b>										
<b>84</b>	<b>Ultrex, 110 SW 9th Avenue, Albany, OR, 97321</b>												
INV66547	01/02/19	OFFICE EXPENSES, Ultrex invoice, Copies use per copy, 9/27/18 - 12/26/18	01/15/19	\$80.33	\$80.33	01-1352	OFFICE EXPENSES	\$20,000.00	\$15,932.67				
			<b>\$80.33</b>										
<b>328</b>	<b>Valley Merchant Police, Inc, PO Box 14, Albany, OR, 97321</b>												
273369	11/30/18	CONTRACTED SERVICES	01/30/19	\$246.00	\$246.00	01-1332	CONTRACTED SERVIC	\$99,500.00	\$54,405.72				
			<b>\$246.00</b>										
<b>Total Bills To Pay:</b>								<b>\$16,235.15</b>					

**City of Millersburg**  
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Vendor		InvoiceNumber	Date	Description	Due Date	Invoice Amt	Approved Amt	Account Number	Account Description	Budgeted \$	YTD Balance
<b>49 Home Depot, Home Depot Credit Service/Dept. 32 - 2501856748, PO Box 9001043, Louisville, KY, 40290-1043</b>											
		121318	12/13/18	PARK SUPPLIES & MAINTENANCE	01/13/19	\$162.19	\$162.19	01-2302	PARK SUPPLIES & MAI	\$55,000.00	\$29,017.25
		121318	12/13/18	EQUIPMENT/FURNISHINGS FOR NEW STATION	01/13/19	\$7.56	\$7.56	01-4305	EQUIPMENT/FURNISHI	\$125,000.00	\$37,043.79
							<b>\$169.75</b>				
<b>439 Kristen Champion</b>											
		12282018	01/02/19	PARKS & RECREATION - CITIZEN REIMBURSEMENT PROGRAM	01/02/19	\$96.00	\$96.00	01-2301	PARKS & RECREATION	\$15,000.00	\$8,182.40
							<b>\$96.00</b>				
<b>Total Bills To Pay:</b>							<b>\$265.75</b>				

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Vendor		InvoiceNumber	Date	Description	Due Date	Invoice Amt	Approved Amt	Account Number	Account Description	Budgeted \$	YTD Balance
<b>7 4S Sign, LLC, 30255 HWY 34, Albany, OR, 97321</b>		46404	01/16/19	SIGNS, Woods Estates Sign replacement	02/16/19	\$274.15	\$274.15	02-1329	SIGNS	\$3,000.00	(\$14,068.47)
							<b>\$274.15</b>				
<b>43 Aflac, 1932 Wynnton Road, Columbus, GA,</b>		013878	01/12/19	Payroll Taxes Payable, AFLAC, Sean Shearer, Jan 19	02/01/19	\$49.08	\$49.08	01-9210	Payroll Taxes Payable	\$0.00	(\$11,675.88)
							<b>\$49.08</b>				
<b>442 Brad Hulburt</b>		01122019	01/18/19	PARKS & RECREATION - CITIZEN REIMBURSEMENT PROGRAM	01/18/19	\$44.00	\$44.00	01-2301	PARKS & RECREATION	\$15,000.00	\$8,086.40
		01182019	01/18/19	PARKS & RECREATION - CITIZEN REIMBURSEMENT PROGRAM	01/18/19	\$32.00	\$32.00	01-2301	PARKS & RECREATION	\$15,000.00	\$8,086.40
							<b>\$76.00</b>				
<b>596 Cardno, Inc., P.O. Box 123400, Dallas, TX, 75321-3400</b>		513285	01/10/19	STORMWATER MASTER PLAN	02/10/19	\$5,123.50	\$5,123.50	03-1321	STORMWATER WASTE	\$65,000.00	\$14,864.90
							<b>\$5,123.50</b>				
<b>48 Cintas Corporation-172, PO Box 650838, Dallas, TX, 75265-0838</b>		5012732764	01/18/19	CITY HALL MAINTENANCE & SUPPLIES - Cintas	02/18/19	\$48.21	\$48.21	01-1309	CITY HALL MAINTENAN	\$22,000.00	\$14,010.08
							<b>\$48.21</b>				
<b>566 Jake Gabell</b>		957	01/17/19	DEPUTY CITY RECORDER	01/17/19	\$619.64	\$619.64	01-1204	DEPUTY CITY RECORD	\$57,050.00	\$25,469.21
							<b>\$619.64</b>				
<b>575 Kathie Strathern</b>		01112019	01/15/19	PARKS & RECREATION - CITIZEN REIMBURSEMENT PROGRAM	01/15/19	\$63.20	\$63.20	01-2301	PARKS & RECREATION	\$15,000.00	\$8,086.40
							<b>\$63.20</b>				
<b>532 Millersburg Land &amp; Development LLC, PO Box 2375, Clackamas, OR, 97015</b>		PCPI 2018-04	01/14/19	Street PCPI Fees	01/14/18	\$5,804.35	\$5,804.35	02-1102	Street PCPI Fees	\$30,000.00	(\$10,335.28)
		PCPI 2018-04	01/14/19	STORMWATER PCPI	01/14/18	\$4,047.15	\$4,047.15	03-1102	STORMWATER PCPI	\$15,000.00	(\$16,140.05)
		PCPI 2018-04	01/14/19	Sewer PCPI Fees	01/14/18	\$3,637.91	\$3,637.91	04-1102	Sewer PCPI Fees	\$20,000.00	(\$3,640.44)
		PCPI 2018-04	01/14/19	WATER PCPI	01/14/18	\$3,825.84	\$3,825.84	05-1102	WATER PCPI	\$20,000.00	(\$182.81)
							<b>\$17,315.25</b>				
<b>585 MorganCPS Group, 1308 Marigold Street NE, Keizer, OR, 97303-3553</b>		8289	01/16/19	CONSULTANTS - PLANNING	02/16/19	\$4,240.00	\$4,240.00	01-1353	CONSULTANTS - PLAN	\$80,000.00	\$42,420.00
							<b>\$4,240.00</b>				
<b>53 Oregon Cascades West COG, 1400 Queen Ave. SE Suite 201, Albany, OR, 97322</b>											

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Vendor									
InvoiceNumber	Date	Description	Due Date	Invoice Amt	Approved Amt	Account Number	Account Description	Budgeted \$	YTD Balance
OctNovDec2018	01/16/19	CONTRACTED SERVICES - COG tech Support	02/16/19	\$428.25	\$428.25	01-1332	CONTRACTED SERVIC	\$99,500.00	\$54,159.72
01042019	01/15/19	DUES & SUBSCRIPTIONS	01/15/19	\$500.00	\$500.00	01-1336	DUES & SUBSCRIPTIO	\$9,000.00	\$2,980.71
					<b>\$928.25</b>				
<b>252</b>	<b>Oregon Mayors Association, 1201 Court St NE Ste 200, Salem, OR, 97301</b>								
01252019	01/14/19	DUES & SUBSCRIPTIONS - Oregon Mayors Association	01/14/19	\$106.00	\$106.00	01-1336	DUES & SUBSCRIPTIO	\$9,000.00	\$2,980.71
					<b>\$106.00</b>				
<b>23</b>	<b>Pacific Power, PO Box 26000, Portland, OR, 97256-0001</b>								
01232019	01/07/19	SEWER MISCELLANEOUS EXPENSES AND LIFT STATION UTIL	01/23/19	\$72.18	\$72.18	04-1328	SEWER MISCELLANEO	\$25,000.00	\$1,973.42
					<b>\$72.18</b>				
<b>15</b>	<b>Pitney Bowes Global Financial, PO Box 371887, Pittsburgh, PA, 15250-7887</b>								
01302019	01/03/19	POSTAGE AND SHIPPING	01/30/19	\$204.28	\$204.28	01-1327	POSTAGE AND SHIPPI	\$1,000.00	\$697.00
01302019	01/03/19	POSTAGE	01/30/19	\$408.56	\$408.56	04-1327	POSTAGE	\$2,500.00	\$1,388.05
01302019	01/03/19	POSTAGE	01/30/19	\$408.56	\$408.56	05-1327	POSTAGE	\$2,500.00	\$1,388.04
					<b>\$1,021.40</b>				
<b>41</b>	<b>Providence Health Plan, PO Box 4167, Portland, OR, 97208-4167</b>								
01102019	01/10/19	MEDICAL INSURANCE	02/01/19	\$6,625.95	\$6,625.95	01-1211	MEDICAL INSURANCE	\$85,000.00	\$45,244.30
					<b>\$6,625.95</b>				
<b>447</b>	<b>R.L Reimers Company, 3939 Old Salem Road Suite# 200, Albany, OR, 97321</b>								
218545	01/07/19	MORNINGSTAR AND ATI PUMP STATION UPGRADES	02/07/19	\$10,176.05	\$10,176.05	04-1403	MORNINGSTAR AND AT	\$385,000.00	\$48,525.14
					<b>\$10,176.05</b>				
<b>739</b>	<b>Sara Klindtworth</b>								
01012019	01/15/19	LIBRARY SERVICES	01/15/19	\$40.00	\$40.00	01-1340	LIBRARY SERVICES	\$3,000.00	\$960.00
					<b>\$40.00</b>				
<b>89</b>	<b>Staples Advantage, Dept LA, PO Box 83689, Chicago, IL, 60696-3689</b>								
852782052	01/05/19	OFFICE EXPENSES - Staples Jan 2019 bill	01/20/19	\$77.19	\$77.19	01-1352	OFFICE EXPENSES	\$20,000.00	\$15,852.34
					<b>\$77.19</b>				
<b>422</b>	<b>Teresa Wilkinson</b>								
01132019	01/18/19	LIBRARY SERVICES	01/18/19	\$40.00	\$40.00	01-1340	LIBRARY SERVICES	\$3,000.00	\$960.00
					<b>\$40.00</b>				
<b>399</b>	<b>Tommy Cooper</b>								
01152019	01/15/19	LIBRARY SERVICES	01/15/19	\$40.00	\$40.00	01-1340	LIBRARY SERVICES	\$3,000.00	\$960.00
					<b>\$40.00</b>				



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<b>Total Bills To Pay:</b>							<u>\$46,936.05</u>				

**City of Millersburg**  
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<b>740 Cascades West Regional Consortium, 1400 Queet Avenue SE, Suite 205, Albany, OR, 97322</b>											
	cwrc-ml2018-2019	01/04/19	DUES & SUBSCRIPTIONS, Cascade West COG Dues		02/04/19	\$500.00	\$500.00	01-1336	DUES & SUBSCRIPTIO	\$9,000.00	\$2,134.71
						<b>\$500.00</b>					
<b>48 Cintas Corporation-172, PO Box 650838, Dallas, TX, 75265-0838</b>											
	4015397657	01/22/19	CITY HALL MAINTENANCE & SUPPLIES		02/02/19	\$69.61	\$69.61	01-1309	CITY HALL MAINTENAN	\$22,000.00	\$13,961.87
	4015397591	01/22/19	PARK SUPPLIES & MAINTENANCE		02/02/19	\$95.79	\$95.79	01-2302	PARK SUPPLIES & MAI	\$55,000.00	\$28,855.06
	4015397640	01/22/19	PARK SUPPLIES & MAINTENANCE		02/02/19	\$90.61	\$90.61	01-2302	PARK SUPPLIES & MAI	\$55,000.00	\$28,855.06
						<b>\$256.01</b>					
<b>514 Cintas, PO Box 631025, Cincinnati, OH, 45263-1025</b>											
	5012732766	01/18/19	CITY HALL MAINTENANCE & SUPPLIES		02/18/19	\$53.88	\$53.88	01-1309	CITY HALL MAINTENAN	\$22,000.00	\$13,961.87
						<b>\$53.88</b>					
<b>659 David Evans &amp; Associates, Inc., Dept LA 24340, Pasadena, CA, 91185-4340</b>											
	436760	01/21/19	STREET PCPI EXJEMSE		02/21/19	\$2,002.99	\$2,002.99	02-1303	PCPI EXPENSE	\$20,000.00	\$10,030.89
	436760	01/21/19	SEWER PCPI EXPENSE		02/21/19	\$2,002.99	\$2,002.99	04-1303	SEWER PCPI	\$15,000.00	\$5,168.53
	436760	01/21/19	WATER PCPI EXPENSE		02/21/19	\$2,002.99	\$2,002.99	05-1303	PCPI EXPENSE	\$15,000.00	\$5,168.51
						<b>\$6,008.97</b>					
<b>327 De Lage Landen Financial Services, Inc., PO Box 41602, Philadelphia, PA, 19101-1602</b>											
	62163739	01/15/19	CONTRACTED SERVICES - Financial Services		03/01/19	\$375.13	\$375.13	01-1332	CONTRACTED SERVIC	\$99,500.00	\$53,731.47
						<b>\$375.13</b>					
<b>242 Dick Welker Construction Inc., PO Box 1032, Albany, OR, 97321</b>											
	2960	01/20/19	O&M COLLECTION SYSTEM		02/20/19	\$4,900.00	\$4,900.00	04-1305	O&M COLLECTION SYS	\$175,000.00	\$117,354.08
						<b>\$4,900.00</b>					
<b>335 EC Electrical Construction Co, PO Box 35146, Seattle, WA, 98124-5146</b>											
	172953	01/17/19	Park Lighting Upgrades		02/17/19	\$4,586.00	\$4,586.00	01-2406	Park Lighting Upgrades	\$12,000.00	\$8,032.06
						<b>\$4,586.00</b>					
<b>49 Home Depot, Home Depot Credit Service/Dept. 32 - 2501856748, PO Box 9001043, Louisville, KY, 40290-1043</b>											
	01132019	01/23/19	PARK SUPPLIES & MAINTENANCE		01/23/19	\$14.97	\$14.97	01-2302	PARK SUPPLIES & MAI	\$55,000.00	\$28,855.06
						<b>\$14.97</b>					
<b>494 Kevin Kreitman</b>											
	01082019	01/23/19	MATERIALS & SUPPLIES		01/23/19	\$48.82	\$48.82	01-1330	MATERIALS & SUPPLIE	\$10,000.00	\$9,125.00
						<b>\$48.82</b>					
<b>483 MetLife - Group Benefits, PO Box 804466, Kansas City, MO, 64180-4466</b>											
	01142019	01/14/19	DENTAL & VISION INSURANCE		02/01/19	\$776.96	\$776.96	01-1214	DENTAL & VISION INSU	\$9,600.00	\$5,170.08
						<b>\$776.96</b>					
<b>53</b>	<b>Oregon Cascades West COG, 1400 Queen Ave. SE Suite 201, Albany, OR, 97322</b>										

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		octnovdec2018-2	01/16/19	CONTRACTED SERVICES - COG Tech Support	01/16/19	\$428.25	\$428.25	01-1332	CONTRACTED SERVIC	\$99,500.00	\$53,731.47
							<b>\$428.25</b>				
<b>233</b>	<b>Stutzman Services, 4185 Spicer Dr SE, Albany, OR, 97322</b>										
		43252010219	01/02/19	EQUIPMENT/FURNISHINGS FOR NEW STATION	02/02/19	\$598.89	\$598.89	01-4305	EQUIPMENT/FURNISHI	\$125,000.00	\$37,036.23
							<b>\$598.89</b>				
<b>Total Bills To Pay:</b>							<b>\$18,547.88</b>				

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Vendor		InvoiceNumber	Date	Description	Due Date	Invoice Amt	Approved Amt	Account Number	Account Description	Budgeted \$	YTD Balance
<b>7 4S Sign, LLC, 30255 HWY 34, Albany, OR, 97321</b>		46411	01/24/19	SIGNS	02/24/19	\$3,416.20	\$3,416.20	02-1329	SIGNS	\$3,000.00	(\$14,342.62)
							<b>\$3,416.20</b>				
<b>607 Business Connections, Inc., P.O. Box 566, Salem, OR, 97308-0566</b>		072201212019	01/21/19	TELEPHONE - After Hours phone service, Business Connections	02/11/19	\$42.95	\$42.95	01-1358	TELEPHONE	\$7,000.00	\$5,464.35
							<b>\$42.95</b>				
<b>26 Century Link, PO Box 91155, Seattle, WA,</b>		02092019	01/20/19	SEWER MISCELLANEOUS EXPENSES AND LIFT STATION UTIL	02/09/19	\$50.56	\$50.56	04-1328	SEWER MISCELLANEO	\$25,000.00	\$3,480.70
							<b>\$50.56</b>				
<b>107 Grove, Mueller &amp; Swank, P.C., PO Box 2122, Salem, OR, 97308-2122</b>		8889	01/25/19	ACCOUNTING & AUDIT, FY 17-18 Financial Audit, Grove Mueller & Swank	01/30/19	\$4,950.00	\$4,950.00	01-1302	ACCOUNTING & AUDIT	\$20,000.00	\$10,018.00
							<b>\$4,950.00</b>				
<b>439 Kristen Champion</b>		01282019	01/28/19	LIBRARY SERVICES - Kristen Champion	02/18/19	\$40.00	\$40.00	01-1340	LIBRARY SERVICES	\$3,000.00	\$840.00
							<b>\$40.00</b>				
<b>39 LifeMap Billing, PO Box 6840, Portland, OR, 97228-6840</b>		IN0420653	01/20/19	DISABILITY INSURANCE	02/08/19	\$139.74	\$139.74	01-1212	DISABILITY INSURANC	\$3,200.00	\$2,097.95
							<b>\$139.74</b>				
<b>720 McGovern Maintenance, PO Box 1025, Lebanon, OR, 97355</b>		3681bb	01/21/19	INSTALLATION OF TEMP FACILITIES	01/21/19	\$200.00	\$200.00	01-4304	INSTALLATION OF TEM	\$50,000.00	\$50,028.97
							<b>\$200.00</b>				
<b>708 Oregon Department of Revenue, PO Box 14800, Salem, OR, 97309-0920</b>		12312018	12/31/18	Payroll Taxes Payable, Oregon Statewide Transit Tax Payment, Q4 2018	12/31/18	\$97.61	\$97.61	01-9210	Payroll Taxes Payable	\$0.00	(\$16,849.02)
							<b>\$97.61</b>				
<b>Roy Mason</b>		01252019	01/25/19	PARKS & RECREATION - CITIZEN REIMBURSEMENT PROGRAM	01/25/19	\$200.00	\$200.00	01-2301	PARKS & RECREATION	\$15,000.00	\$7,947.20
							<b>\$200.00</b>				
<b>700 US Bank, P.O. Box 790428, St Louis, MO, 63179-0428</b>		01212019	01/21/19	CITY HALL UTILITIES - Republic Services	02/21/19	\$134.69	\$134.69	01-1317	CITY HALL UTILITIES	\$15,000.00	\$6,787.68
		01212019	01/21/19	CITY HALL UTILITIES - Comcast Cable	02/21/19	\$325.77	\$325.77	01-1317	CITY HALL UTILITIES	\$15,000.00	\$6,787.68
		01212019	01/21/19	MILLERSBURG CELEBRATION - Wix.com website cost	02/21/19	\$156.66	\$156.66	01-1326	MILLERSBURG CELEBR	\$10,000.00	(\$15,610.16)

**City of Millersburg**  
**Council Approval Report**  
**(Council Approval Report)**

Vendor										
InvoiceNumber	Date	Description	Due Date	Invoice Amt	Approved Amt	Account Number	Account Description	Budgeted \$	YTD Balance	
01212019	01/21/19	MILLERSBURG CELEBRATION - Godaddy.com domain cost	02/21/19	\$90.22	\$90.22	01-1326	MILLERSBURG CELEBR	\$10,000.00	(\$15,610.16)	
01212019	01/21/19	MILLERSBURG CELEBRATION - Eclectic edge race depot	02/21/19	\$100.00	\$100.00	01-1326	MILLERSBURG CELEBR	\$10,000.00	(\$15,610.16)	
01212019	01/21/19	MATERIALS & SUPPLIES - Home Depot paint	02/21/19	\$9.96	\$9.96	01-1330	MATERIALS & SUPPLIE	\$10,000.00	\$9,076.18	
01212019	01/21/19	MEETINGS & TRAINING - Big Town Hero	02/21/19	\$54.65	\$54.65	01-1335	MEETINGS & TRAINING	\$8,000.00	\$6,554.12	
01212019	01/21/19	MEETINGS & TRAINING - Costco, food for meeting	02/21/19	\$92.81	\$92.81	01-1335	MEETINGS & TRAINING	\$8,000.00	\$6,554.12	
01212019	01/21/19	MEETINGS & TRAINING - Local Boyz food for meeting	02/21/19	\$52.75	\$52.75	01-1335	MEETINGS & TRAINING	\$8,000.00	\$6,554.12	
01212019	01/21/19	DUES & SUBSCRIPTIONS - ENR subscription	02/21/19	\$78.00	\$78.00	01-1336	DUES & SUBSCRIPTIO	\$9,000.00	\$1,874.71	
01212019	01/21/19	OFFICE EXPENSES - Amazon Business Prime Membership Costs	02/21/19	\$179.00	\$179.00	01-1352	OFFICE EXPENSES	\$20,000.00	\$15,775.15	
01212019	01/21/19	OFFICE EXPENSES - newspaper subscription	02/21/19	\$15.00	\$15.00	01-1352	OFFICE EXPENSES	\$20,000.00	\$15,775.15	
01212019	01/21/19	OFFICE EXPENSES - Site 5 web hosting	02/21/19	\$15.95	\$15.95	01-1352	OFFICE EXPENSES	\$20,000.00	\$15,775.15	
01212019	01/21/19	PARK SUPPLIES & MAINTENANCE - Republic Services	02/21/19	\$300.85	\$300.85	01-2302	PARK SUPPLIES & MAI	\$55,000.00	\$28,653.69	
01212019	01/21/19	UTILITIES - FIRE STATION - Republic Services	02/21/19	\$160.92	\$160.92	01-4303	UTILITIES - FIRE STATI	\$6,000.00	\$4,347.10	
01212019	01/21/19	INSTALLATION OF TEMP FACILITIES - Oregon Gutter Service	02/21/19	\$900.96	\$900.96	01-4304	INSTALLATION OF TEM	\$50,000.00	\$50,028.97	
					<b>\$2,668.19</b>					
<b>Total Bills To Pay:</b>					<b>\$11,805.25</b>					

**City of Millersburg**  
**Council Approval Report**  
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Vendor									
InvoiceNumber	Date	Description	Due Date	Invoice Amt	Approved Amt	Account Number	Account Description	Budgeted \$	YTD Balance
<b>700</b>	<b>US Bank, P.O. Box 790428, St Louis, MO, 63179-0428</b>								
11202018	11/20/18	CITY HALL MAINTENANCE & SUPPLIES, Amazon monitor	12/20/18	\$99.99	\$99.99	01-1309	CITY HALL MAINTENAN	\$22,000.00	\$13,838.38
11202018	11/20/18	CITY HALL MAINTENANCE & SUPPLIES	12/20/18	\$1.50	\$1.50	01-1309	CITY HALL MAINTENAN	\$22,000.00	\$13,838.38
090618	09/06/18	MILLERSBURG CELEBRATION	09/06/18	(\$40.00)	(\$40.00)	01-1326	MILLERSBURG CELEBR	\$10,000.00	(\$15,957.04)
11202018	11/20/18	MATERIALS & SUPPLIES	12/20/18	\$67.30	\$67.30	01-1330	MATERIALS & SUPPLIE	\$10,000.00	\$9,066.22
11202018	11/20/18	MATERIALS & SUPPLIES, Labor Law Posters	12/20/18	\$437.00	\$437.00	01-1330	MATERIALS & SUPPLIE	\$10,000.00	\$9,066.22
11202018	11/20/18	MATERIALS & SUPPLIES, Costco, water and soda	12/20/18	\$42.96	\$42.96	01-1330	MATERIALS & SUPPLIE	\$10,000.00	\$9,066.22
11202018	11/20/18	MATERIALS & SUPPLIES, Amazon supplies	12/20/18	\$41.67	\$41.67	01-1330	MATERIALS & SUPPLIE	\$10,000.00	\$9,066.22
11202018	11/20/18	MATERIALS & SUPPLIES, Amazon supplies	12/20/18	\$19.97	\$19.97	01-1330	MATERIALS & SUPPLIE	\$10,000.00	\$9,066.22
11202018	11/20/18	MATERIALS & SUPPLIES, Amazon supplies	12/20/18	\$12.32	\$12.32	01-1330	MATERIALS & SUPPLIE	\$10,000.00	\$9,066.22
11202018	11/20/18	EDUCATION & TRAINING, Amazon, book	12/20/18	\$27.18	\$27.18	01-1334	EDUCATION & TRAININ	\$2,000.00	\$756.00
11202018	11/20/18	MEETINGS & TRAINING, Membershipp Forum luncheon	12/20/18	\$48.00	\$48.00	01-1335	MEETINGS & TRAINING	\$8,000.00	\$6,353.91
11212018	11/07/18	DUES & SUBSCRIPTIONS, ODOT renewal credit	11/07/18	(\$112.00)	(\$112.00)	01-1336	DUES & SUBSCRIPTIO	\$9,000.00	\$1,796.71
11202018	11/20/18	US Bank late charge fee	12/20/18	\$7.43	\$7.43	01-1350	LGIP FUND FEES	\$50.00	\$42.56
092818	09/28/18	OFFICE EXPENSES	09/28/18	(\$8.00)	(\$8.00)	01-1352	OFFICE EXPENSES	\$20,000.00	\$15,565.20
11202018	11/20/18	OFFICE EXPENSES, DH subscription	12/20/18	\$15.00	\$15.00	01-1352	OFFICE EXPENSES	\$20,000.00	\$15,565.20
11202018	11/20/18	OFFICE EXPENSES, Stie 5 webhosting	12/20/18	\$15.95	\$15.95	01-1352	OFFICE EXPENSES	\$20,000.00	\$15,565.20
11202018	11/20/18	OFFICE EXPENSES, Amazon supplies	12/20/18	\$17.48	\$17.48	01-1352	OFFICE EXPENSES	\$20,000.00	\$15,565.20
11202018	11/20/18	PARK SUPPLIES & MAINTENANCE, dept of Ag ePay licence renewal	12/20/18	\$57.50	\$57.50	01-2302	PARK SUPPLIES & MAI	\$55,000.00	\$28,352.84
					<b>\$751.25</b>				
<b>Total Bills To Pay:</b>					<b>\$751.25</b>				
					<b>\$751.25</b>				

**City of Millersburg**  
**Council Approval Report**  
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Vendor		InvoiceNumber	Date	Description	Due Date	Invoice Amt	Approved Amt	Account Number	Account Description	Budgeted \$	YTD Balance
<b>25 ADS. LLC, PO Box 74008582, Chicago, IL, 60674-8582</b>		12814.1218	02/04/19	O&M COLLECTION SYSTEM	02/04/19	\$5,699.00	\$5,699.00	04-1305	O&M COLLECTION SYS	\$175,000.00	\$112,454.08
							<b>\$5,699.00</b>				
<b>692 Allen &amp; LaPorte General Contracting, Inc., P.O. Box 808, Albany, OR, 97321</b>		20419	02/04/19	Temporary Station - downspouts	03/04/19	\$725.00	\$725.00	01-4403	Temporary Station	\$295,000.00	(\$54,425.13)
							<b>\$725.00</b>				
<b>539 Barrett Business Services Inc., 421 Water Avenue NE, Albany, OR, 97321</b>		3102334	01/25/19	CONTRACTED SERVICES - Office Assistant	02/25/19	\$486.20	\$486.20	01-1332	CONTRACTED SERVIC	\$99,500.00	\$54,439.34
		3103103	02/01/19	CONTRACTED SERVICES - Office Assistant	03/01/19	\$442.00	\$442.00	01-1332	CONTRACTED SERVIC	\$99,500.00	\$54,439.34
		3100085	01/04/19	WETLANDS/WASTEWATER TREATMENT PLANT CAPITAL PROJEC	02/04/19	\$260.00	\$260.00	04-1409	WETLANDS/WASTEWA	\$107,500.00	\$73,165.20
		3102334	01/25/19	WETLANDS/WASTEWATER TREATMENT PLANT CAPITAL PROJEC	02/25/19	\$260.00	\$260.00	04-1409	WETLANDS/WASTEWA	\$107,500.00	\$73,165.20
		3103103	02/01/19	WETLANDS/WASTEWATER TREATMENT PLANT CAPITAL PROJEC	03/01/19	\$780.00	\$780.00	04-1409	WETLANDS/WASTEWA	\$107,500.00	\$73,165.20
							<b>\$2,228.20</b>				
<b>466 CH2MHill Engineers, Inc, PO Box 201869, Dallas, TX, 75320-1869</b>		704841CH004	02/04/19	CONSULTANTS - ENGINEERING	03/04/19	\$198.80	\$198.80	01-1354	CONSULTANTS - ENGI	\$20,000.00	\$8,153.91
		676583ch005	02/04/19	MORNINGSTAR AND ATI PUMP STATION UPGRADES	03/04/19	\$2,791.20	\$2,791.20	04-1403	MORNINGSTAR AND AT	\$385,000.00	\$38,349.09
		704841CH004	02/04/19	20% CONSULTANT - ENGINEERING	03/04/19	\$162.38	\$162.38	05-1301	20% CONSULTANT - EN	\$20,000.00	\$17,718.83
		704841CH004	02/04/19	20% CONSULTANT - ENGINEERING	03/04/19	\$974.28	\$974.28	05-1301	20% CONSULTANT - EN	\$20,000.00	\$17,718.83
							<b>\$4,126.66</b>				
<b>50 City of Albany, PO Box 490, Albany, OR, 97321</b>		0021094	02/01/19	CONTRACTED FIRE SERVICES	02/01/19	\$320,003.75	\$320,003.75	01-4301	CONTRACTED FIRE SE	\$1,000,000.00	\$359,992.50
							<b>\$320,003.75</b>				
<b>728 Conservation Technix, Inc., PO Box 885, Orlinda, CA, 94583</b>		780	02/01/19	PARKS MASTER PLAN	03/01/19	\$1,173.03	\$1,173.03	01-2303	PARKS MASTER PLAN	\$50,000.00	\$46,163.22
							<b>\$1,173.03</b>				
<b>251 Dustin Patton</b>		02012019	02/01/19	TELEPHONE, Cell Phone Reimbursement, Feb 2019, Dustin	02/01/19	\$35.00	\$35.00	01-1358	TELEPHONE	\$7,000.00	\$5,421.40
							<b>\$35.00</b>				
<b>272 Earth2O, PO Box 70, Culver, OR, 97734</b>		265208	01/30/19	CITY HALL MAINTENANCE & SUPPLIES	02/28/19	\$28.49	\$28.49	01-1309	CITY HALL MAINTENAN	\$22,000.00	\$13,736.89
		265207	01/30/19	PARK SUPPLIES & MAINTENANCE	02/28/19	\$15.49	\$15.49	01-2302	PARK SUPPLIES & MAI	\$55,000.00	\$28,295.34
							<b>\$43.98</b>				
<b>16 Forrest Reid, PO Box 329, Tangent, OR, 97389</b>											

**City of Millersburg**  
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Vendor									
InvoiceNumber	Date	Description	Due Date	Invoice Amt	Approved Amt	Account Number	Account Description	Budgeted \$	YTD Balance
January2019	02/01/19	CITY ATTORNEY	02/01/19	\$18,850.00	\$18,850.00	01-1316	CITY ATTORNEY	\$80,000.00	\$13,075.00
					<b>\$18,850.00</b>				
<b>608</b>		<b>Garten Services, Inc., P.O. Box 13970, Salem, OR, 97309</b>							
M62868	01/28/19	CONTRACTED SERVICES - Custodial Services	02/27/19	\$664.92	\$664.92	01-1332	CONTRACTED SERVIC	\$99,500.00	\$54,439.34
					<b>\$664.92</b>				
<b>566</b>		<b>Jake Gabell</b>							
02012019	02/01/19	TELEPHONE, Cell Phone Reimbursement, Feb 2019, Jake	02/01/19	\$35.00	\$35.00	01-1358	TELEPHONE	\$7,000.00	\$5,421.40
					<b>\$35.00</b>				
<b>239</b>		<b>Janice Zuhlke</b>							
02052019	02/05/19	LIBRARY SERVICES - Janice Zuhlke	02/05/19	\$40.00	\$40.00	01-1340	LIBRARY SERVICES	\$3,000.00	\$800.00
					<b>\$40.00</b>				
<b>743</b>		<b>Kenneth May</b>							
02062019	02/08/19	LIBRARY SERVICES, Kenneth May	02/08/19	\$40.00	\$40.00	01-1340	LIBRARY SERVICES	\$3,000.00	\$800.00
					<b>\$40.00</b>				
<b>20</b>		<b>Koontz, Perdue, Blasquez &amp; Co., P.C., PO Box 605, Albany, OR, 97321</b>							
62056	01/31/19	CONTRACTED SERVICES - Payroll Services for Dec 18 and Jan 19	02/28/19	\$336.00	\$336.00	01-1332	CONTRACTED SERVIC	\$99,500.00	\$54,439.34
					<b>\$336.00</b>				
<b>697</b>		<b>Linn County Print &amp; Supplies, 330 3rd Avenue SW, Albany, OR, 97321</b>							
0-190201-4	02/01/19	PRINTING & ADVERTISING	03/01/19	\$863.00	\$863.00	01-1355	PRINTING & ADVERTISI	\$5,000.00	\$3,106.34
					<b>\$863.00</b>				
<b>742</b>		<b>Lynda Hice</b>							
01312019	01/31/19	PARKS & RECREATION - CITIZEN REIMBURSEMENT PROGRAM - Lynda Hice	01/31/19	\$200.00	\$200.00	01-2301	PARKS & RECREATION	\$15,000.00	\$7,747.20
					<b>\$200.00</b>				
<b>27</b>		<b>Metereaders, LLC., PO Box 1902, Lake Oswego, OR, 97035</b>							
8680	02/01/19	O&M TRANSMISSION LINES - Metereaders	02/01/19	\$927.15	\$927.15	05-1304	O&M TRANSMISSION LI	\$80,000.00	(\$22,635.78)
					<b>\$927.15</b>				
<b>598</b>		<b>Oregon Association of Clean Water Agencies, 240 Country Club Road, Suite A, Eugene, OR, 97401</b>							
8039	02/08/19	STORM DRAINS & DITCHES	03/10/19	\$210.00	\$210.00	03-1331	STORM DRAINS & DITC	\$21,000.00	\$1,039.09
					<b>\$210.00</b>				
<b>23</b>		<b>Pacific Power, PO Box 26000, Portland, OR, 97256-0001</b>							
01292019	01/29/19	UTILITIES - FIRE STATION - Power Bill, Feb 2019	02/28/19	\$628.07	\$628.07	01-4303	UTILITIES - FIRE STATI	\$6,000.00	\$4,186.18



**City of Millersburg**  
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Vendor									
InvoiceNumber	Date	Description	Due Date	Invoice Amt	Approved Amt	Account Number	Account Description	Budgeted \$	YTD Balance
02052019	02/05/19	SEWER MISCELLANEOUS EXPENSES AND LIFT STATION UTIL	02/21/19	\$68.59	\$68.59	04-1328	SEWER MISCELLANEO	\$25,000.00	\$3,430.14
					<b>\$696.66</b>				
<b>6</b>	<b>Petro Card, PO Box 34243, Seattle, WA, 98124-1243</b>								
C409800	01/31/19	PARK SUPPLIES & MAINTENANCE	02/12/19	\$147.21	\$147.21	01-2302	PARK SUPPLIES & MAI	\$55,000.00	\$28,295.34
					<b>\$147.21</b>				
<b>15</b>	<b>Pitney Bowes Global Financial, PO Box 371887, Pittsburgh, PA, 15250-7887</b>								
03032019	02/03/19	POSTAGE AND SHIPPING	03/03/19	\$208.05	\$208.05	01-1327	POSTAGE AND SHIPPI	\$1,000.00	\$492.72
03032019	02/03/19	POSTAGE	03/03/19	\$400.00	\$400.00	04-1327	POSTAGE	\$2,500.00	\$979.49
03032019	02/03/19	POSTAGE	03/03/19	\$400.00	\$400.00	05-1327	POSTAGE	\$2,500.00	\$979.48
					<b>\$1,008.05</b>				
<b>249</b>	<b>Secretary of State, 255 Capitol ST STE 500, Salem, OR, 97310</b>								
01212019	01/21/19	ACCOUNTING & AUDIT	02/21/19	\$300.00	\$300.00	01-1302	ACCOUNTING & AUDIT	\$20,000.00	\$5,068.00
					<b>\$300.00</b>				
<b>233</b>	<b>Stutzman Services, 4185 Spicer Dr SE, Albany, OR, 97322</b>								
43746013119	01/31/19	RENTAL PROPERTY	02/28/19	\$400.00	\$400.00	01-1357	RENTAL PROPERTY	\$5,000.00	\$4,840.61
43876020419	02/04/19	RENTAL PROPERTY	02/12/19	\$408.56	\$408.56	01-1357	RENTAL PROPERTY	\$5,000.00	\$4,840.61
					<b>\$808.56</b>				
<b>664</b>	<b>US Bank Equipment Finance, P.O. Box 790448, St Louis, MO, 63179-0448</b>								
376726428	01/28/19	CONTRACTED SERVICES	02/22/19	\$120.00	\$120.00	01-1332	CONTRACTED SERVIC	\$99,500.00	\$54,439.34
					<b>\$120.00</b>				
<b>328</b>	<b>Valley Merchant Police, Inc, PO Box 14, Albany, OR, 97321</b>								
273492	02/01/19	CONTRACTED SERVICES, Valley Merchant gate unlock	02/01/19	\$246.00	\$246.00	01-1332	CONTRACTED SERVIC	\$99,500.00	\$54,439.34
					<b>\$246.00</b>				
<b>652</b>	<b>Wheat LLC, 1141 Chemawa Rd N, Keizer, OR, 97321</b>								
5001	02/01/19	STREET SWEEPING	02/01/19	\$1,975.77	\$1,975.77	02-1319	STREET SWEEPING	\$24,000.00	\$16,347.69
					<b>\$1,975.77</b>				
<b>681</b>	<b>Xtreme GrafX, LLC, 505 Main SE, Albany, OR, 97321</b>								
19456	01/23/19	RENTAL PROPERTY, Full Color Sign	01/23/19	\$190.00	\$190.00	01-1357	RENTAL PROPERTY	\$5,000.00	\$4,840.61
19518	02/08/19	RENTAL PROPERTY, sign install	02/08/19	\$200.00	\$200.00	01-1357	RENTAL PROPERTY	\$5,000.00	\$4,840.61
					<b>\$390.00</b>				



### Consolidated Summary Statement

**Account Statement**  
For the Month Ending **January 31, 2019**

#### MILLERSBURG CITY OF

<b>Account Number</b>	<b>Account Name</b>	<b>Opening Balance</b>	<b>Purchases</b>	<b>Redemptions</b>	<b>Closing Balance</b>	<b>Dividends</b>
3049	MILLERSBURG CITY/PERLENFEIN W PARK ZUHL	93,325.08	217.96	0.00	93,543.04	217.96
3063	MILLERSBURG EAGLES NEST/MILLERSBURG DR	330,496.32	771.86	0.00	331,268.18	771.86
3064	CITY OF MILLERSBURG STREET SDCS	1,023,839.62	2,391.13	0.00	1,026,230.75	2,391.13
3065	CITY OF MILLERSBURG PARK SDCS	326,480.83	762.48	0.00	327,243.31	762.48
3839	MILLERSBURG CITY OF/WETLANDS PROJECT	26,816.00	62.63	0.00	26,878.63	62.63
5809	MILLERSBURG CITY OF	11,158,123.61	193,094.75	(50,010.05)	11,301,208.31	26,168.13
<b>Total</b>		<b>\$12,959,081.46</b>	<b>\$197,300.81</b>	<b>(\$50,010.05)</b>	<b>\$13,106,372.22</b>	<b>\$30,374.19</b>



# MODIFICATION OF EMPLOYMENT AGREEMENT

## CITY OF MILLERSBURG and KEVIN KREITMAN

Pursuant to Section 1: Term and Employment of Employment Agreement City of Millersburg and Kevin Kreitman (hereinafter Employment Agreement), dated 1/11/2018, the Employment Agreement is modified to increase Kevin Kreitman's hourly wage to \$72.77 (seventy-two dollars and seventy-seven). Said modification is effective February 1, 2019.

All other terms and conditions of the Employment Agreement remain in force and effect.

CITY OF MILLERSBURG:

\_\_\_\_\_  
Jim Lepin  
Mayor

\_\_\_\_\_  
Date

ACCEPTED BY:

\_\_\_\_\_  
Kevin Kreitman  
City Manager

\_\_\_\_\_  
Date

APPROVED AS TO FORM AND CONTENT:

\_\_\_\_\_  
Forrest Reid  
City Attorney

\_\_\_\_\_  
Date

# MODIFICATION OF EMPLOYMENT AGREEMENT

## CITY OF MILLERSBURG and JANELLE BOOTH

Pursuant to Section 1: Term and Employment of Employment Agreement City of Millersburg and Janelle Booth (hereinafter Employment Agreement), dated 1/11/2018, the Employment Agreement is modified to increase Janelle Booth's monthly salary to \$10,500 (ten thousand five hundred dollars). Said modification is effective February 1, 2019.

All other terms and conditions of the Employment Agreement remain in force and effect.

CITY OF MILLERSBURG:

\_\_\_\_\_  
Jim Lepin  
Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Kevin Kreitman  
City Manager

\_\_\_\_\_  
Date

ACCEPTED BY:

\_\_\_\_\_  
Janelle Booth  
Assistant City Manager/City Engineer

\_\_\_\_\_  
Date

APPROVED AS TO FORM AND CONTENT:

\_\_\_\_\_  
Forrest Reid  
City Attorney

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Date



TO: Millersburg City Council  
VIA: Kevin Kreitman, City Manager  
FROM: City Staff  
DATE: February 7, 2019 for Council Meeting February 12, 2019  
SUBJECT: Project Updates Memo

**Monthly Update on Projects:**

Staff are currently in the process of implementing many projects and activities in the City to address objectives of the Strategic Plan, direction from Council, and needs Staff have identified. In order to facilitate tracking these tasks, a Gantt chart has been developed. As Staff continue to work on these tasks, the Gantt chart will be periodically updated and provided for Council and public information. The most recent version of the Gantt chart is attached to this memo. Tasks in blue are complete, tasks in yellow are in progress, and tasks that are not colored have not been started.

There are many tasks currently in progress. An overview of several specific tasks is provided below.

**Sewer Lift Station Construction:**

Construction on the ATI Sewer Lift Station is nearing completion. Startup, commissioning, and testing took place the first week of February. It is anticipated that the project will be complete by the end of February.

**Parks Master Plan:**

The first meeting with the Parks Committee took place on January 30. The Committee's role was discussed, along with a review of draft survey questions. The next meeting of the Parks Committee has not yet been scheduled.

**Rate and SDC Study:**

The work on the City's rate and SDC study continues. The consultant has completed the model of the water and sewer rates. Now that final year-end financial information is available, it can be incorporated and the proposed rate structures developed. Staff are scheduling a meeting with the consultant to review the recommendations. When the proposed water and sewer rate structures are available, a council work session will be scheduled to go over the changes and discuss comments.

Water and sewer SDCs are anticipated to be complete by the end of February, with street SDCs in March. Following water, sewer, and streets, the consultant will move on to looking at potential frameworks for stormwater rates and SDCs. Because the City does not currently have a stormwater rate or SDC, this information will be important in determining whether one or both is the right option for the City.

**City Hall Work:**

In the 2018-2019 FY, funds were budgeted for improvements to City Hall, including work in the council chambers and file room. Staff have been meeting with vendors and obtaining quotes for this work.

The council chambers work includes installation of two video screens, wireless microphones, and associated equipment. In addition, staff have requested quotes for a second monitor in the entry area that would be used to display announcements and City information. Quotes received to date indicate the cost to accomplish this work will be higher than the amount originally budgeted. Staff are working on value engineering the design to reduce the costs.

Work in the file room consists of installation of a rolling file system. The cost of this work is anticipated to be within the budgeted amount.

**Permanent Fire Station:**

Staff are beginning the process of developing a request for qualifications (RFQ) to hire a consultant to begin preliminary design of the permanent fire station. In addition to the design of the fire station itself, staff anticipates a master planning effort to identify the best utilization of the available property for a fire station, along with other potential public and commercial uses.

**Construction in Millersburg:**

Several private development projects are under construction in Millersburg, some of which impact public streets. Notices for the following projects have been posted on the City of Millersburg website.

**Millersburg Drive:** The contractor for the West Valley Estates subdivision is installing approximately 1900 feet of new storm drain line in Millersburg Drive, from just east of the Crooks Creek bridge to the West Valley Estates subdivision (currently under construction). Construction began 1/15/19 and is anticipated to last approximately 2 months. During construction, the contractor will provide flaggers and at least 1 lane of traffic will be kept open at all times. The project will also construct 2 new road entrances off Millersburg Drive as well as additional utility work in the area of the West Valley Estates subdivision. At completion of construction, the trench in Millersburg Drive will be patched and the road surface restored by grinding and replacing the top 2" of asphalt pavement between bike lanes.

**Woods Road:** Portions of Woods Road for approximately 600 feet south of Sonora Drive were excavated to repair a settled trench caused by a water service leak. Due to the time of year, weather conditions, and asphalt availability, restoration of the road surface has taken longer than normal. As soon as the weather allows, the work will be completed. We apologize for the inconvenience and thank our residents for their patience with this process.

In addition, work within the Sweetwater Estates Phase 3 subdivision continues and construction at Ti Squared is now complete.

ID	Task Mode	Task Name	Duration	Start	Finish	Predecessors	Resource Names
1		<b>Millersburg Tasks</b>					
2							
3		<b>Charter and Council</b>	260 days	Wed 1/2/19	Tue 12/31/19		Kevin, Forrest
4		Update of charter					
5		Consider election of mayor					
6		Update Strategic Plan	50 days	Mon 1/21/19	Fri 3/29/19		
7							
8		<b>Ordinances and Code</b>	260 days	Wed 1/2/19	Tue 12/31/19		Forrest, Kim, Kevin
9		Update Code of Ordinances - change to Municipal Code	260 days	Wed 1/2/19	Tue 12/31/19		
10		Resolutions - need to update water resolution with new billing cycle CO 50.05	151 days	Wed 1/2/19	Wed 7/31/19		
11		Update ordinances to include water and storm utility systems					
12		Comprehensive Plan Update	260 days	Wed 1/2/19	Tue 12/31/19		
13							
14		<b>Policies, Procedures, and Standards</b>	260 days	Wed 1/2/19	Tue 12/31/19		
15		Ethics Policy					Kevin, Janelle
16		Fleet policy and best practices for vehicles					Kevin, Janelle
17		Computer/electronics use policy					Kevin, Janelle
18		Equipment use policy					Kevin, Janelle
19		Billing policy					Kim
20		<b>Safety procedures and training</b>	260 days	Wed 1/2/19	Tue 12/31/19		Kevin, Janelle
21		Safety manual					
22		Staff training plans					
23		Ergo evaluations					
24		PPE					
25							
26		<b>Budget</b>	120 days	Mon 1/14/19	Fri 6/28/19		
27		Supplemental Budget for 2018-2019	42 days	Mon 1/14/19	Tue 3/12/19		Jake, Kevin, Janelle
28		<b>2019-2020 Budget</b>	75 days	Mon 3/18/19	Fri 6/28/19		Jake, Kevin, Janelle
29		Revise budget layout	10 days	Mon 1/14/19	Fri 1/25/19		Jake
30		Develop proposed budget	55 days	Mon 1/28/19	Fri 4/12/19		
31		Adopt budget	55 days	Mon 4/15/19	Fri 6/28/19		
32		CIP update	50 days	Mon 2/4/19	Fri 4/12/19		Janelle
33							
34		<b>Equipment life/replacement costs tracking</b>	260 days	Wed 1/2/19	Tue 12/31/19		
35		City Hall Equipment					
36		Parks/Maintenance Equipment					
37		Fire Station					
38							
39		<b>City Hall work</b>	83 days	Wed 1/2/19	Fri 4/26/19		
40		<b>Council Chambers</b>					
41		Upgrade audio and video system	128 days	Wed 1/2/19	Fri 6/28/19		
42		Consider new audience chairs?					
43		Records Room reorganization - rolling files	128 days	Wed 1/2/19	Fri 6/28/19		Kim, Kevin
44		Office space modifications	128 days	Wed 1/2/19	Fri 6/28/19		Kevin, Kim
45		Upgrade phone system?					Jake
46		Broadband					Kevin
47		Walking path around north end of City Hall					
48		Security cameras on City Hall exterior					
49							
50		<b>Planning, Building, and Development</b>	260 days	Wed 1/2/19	Tue 12/31/19		
51		Complete Land Use Development Code Revision	84.25 days	Wed 1/2/19	Tue 4/30/19		John Morgan
52		Consider UGB expansion		Wed 1/2/19			John, Kevin, Janelle
53		Update planning fees					John, Matt
54		Ability to get on County online system for building permits	84 days	Tue 7/2/19	Fri 10/25/19		Kevin, Janelle
55		Engineering standards	128 days	Mon 2/4/19	Wed 7/31/19		Janelle
56		Connection Fees/Reimbursement Agreement	70 days	Wed 1/2/19	Tue 4/9/19		Janelle, Jeff

Project: Task List  
Date: Wed 2/6/19

Task		Summary		Inactive Milestone		Duration-only		Start-only
Split		Project Summary		Inactive Summary		Manual Summary Rollup		Finish-only
Milestone		Inactive Task		Manual Task		Manual Summary		External Task



ID	Task Mode	Task Name	Duration	Start	Finish	Predecessors	Resource Names
57		Buildable lands inventory?					
58							
59		<b>Economic Development</b>	<b>260 days</b>	<b>Wed 1/2/19</b>	<b>Tue 12/31/19</b>		
60		Business license					
61		Access to City property west of tracks					
62		Fuel tax					
63		Transient room tax					
64		Wetland delineation for city owned property	135 days	Mon 3/18/19	Fri 9/20/19		
65							
66		<b>Fire Station Permanent</b>	<b>247 days</b>	<b>Mon 1/21/19</b>	<b>Tue 12/31/19</b>		
67		Select Site	50 days	Mon 1/21/19	Fri 3/29/19		Kevin,Janelle
68		Select Architect	50 days	Mon 2/25/19	Fri 5/3/19		Kevin,Janelle
69		Preliminary Design	172 days	Mon 5/6/19	Tue 12/31/19		Kevin,Janelle
70							
71		<b>Parks</b>	<b>260 days</b>	<b>Wed 1/2/19</b>	<b>Tue 12/31/19</b>		
72		Review reservation fees	63 days	Wed 1/2/19	Fri 3/29/19		Jake
73		Park safety inspection checklist	173 days	Wed 1/2/19	Fri 8/30/19		Janelle,Sean
74		<b>Parks Master Plan</b>	<b>173 days</b>	<b>Wed 1/2/19</b>	<b>Fri 8/30/19</b>		<b>Janelle</b>
75		Parks Maintenance Plan	173 days	Wed 1/2/19	Fri 8/30/19		Janelle
76		Remote control of irrigation system					
77							
78		<b>Utilities</b>	<b>83 days</b>	<b>Wed 1/2/19</b>	<b>Fri 4/26/19</b>		<b>Kevin,Janelle,consultant</b>
79		New utility billing and GL system					Kim
80		<b>Rates</b>	<b>63 days</b>	<b>Wed 1/2/19</b>	<b>Fri 3/29/19</b>		
81		Water	42 days	Wed 1/2/19	Thu 2/28/19		
82		Sewer	42 days	Wed 1/2/19	Thu 2/28/19		
83		Stormwater	40 days	Mon 3/4/19	Fri 4/26/19		
84		<b>SDCs</b>	<b>231 days</b>	<b>Wed 1/2/19</b>	<b>Wed 11/20/19</b>		
85		Water	63 days	Wed 1/2/19	Fri 3/29/19		
86		Sewer	63 days	Wed 1/2/19	Fri 3/29/19		
87		Streets	61 days	Fri 2/1/19	Fri 4/26/19		
88		Stormwater	61 days	Fri 2/1/19	Fri 4/26/19		
89		Parks	39 days	Mon 9/9/19	Thu 10/31/19		
90							
91		<b>Stormwater</b>	<b>260 days</b>	<b>Wed 1/2/19</b>	<b>Tue 12/31/19</b>		
92		Complete Stormwater Master Plan	15 days	Wed 1/2/19	Tue 1/22/19		
93		TMDL matrix revision	51 days	Mon 1/21/19	Mon 4/1/19		
94		Stormwater/drainage flyer	19 days	Mon 2/4/19	Thu 2/28/19		
95		Crooks Creek north trib project	194 days	Mon 2/4/19	Thu 10/31/19		
96		Stormfilter cartridges at Crooks Creek on Millersburg drive - regular checking/cleaning/replacement plan	63 days	Wed 1/2/19	Fri 3/29/19		Janelle
97		Have Millersburg storm drain facilities added to Albany GIS system	42 days	Wed 1/2/19	Thu 2/28/19		Janelle
98		Erosion Control Permit Program	85 days	Mon 2/4/19	Fri 5/31/19		Janelle
99		Develop inspection and maintenance program	60 days	Mon 2/4/19	Fri 4/26/19		Janelle
100							
101		<b>Water</b>	<b>260 days</b>	<b>Wed 1/2/19</b>	<b>Tue 12/31/19</b>		
102		Evaluate DRC contract	45 days	Mon 4/1/19	Fri 5/31/19		Janelle
103		Water master plan - submit finance component	85 days	Wed 1/2/19	Tue 4/30/19		Janelle
104		Annual water audit	39 days	Mon 1/7/19	Thu 2/28/19		Janelle,Kim
105		Leak detection program	260 days	Wed 1/2/19	Tue 12/31/19		Janelle
106		Public education	260 days	Wed 1/2/19	Tue 12/31/19		Janelle,Kim
107		Industrial conservation measures	260 days	Wed 1/2/19	Tue 12/31/19		Janelle
108		Consider weather station on park irrigation system	108 days	Wed 1/2/19	Fri 5/31/19		Janelle,Sean
109		OHA requirements tracking	260 days	Wed 1/2/19	Tue 12/31/19		Janelle
110							
111		<b>Sewer</b>	<b>260 days</b>	<b>Wed 1/2/19</b>	<b>Tue 12/31/19</b>		
112		Manhole grouting	18 days	Wed 1/2/19	Fri 1/25/19		Janelle

Project: Task List  
Date: Wed 2/6/19

Task		Summary		Inactive Milestone		Duration-only		Start-only	
Split		Project Summary		Inactive Summary		Manual Summary Rollup		Finish-only	
Milestone		Inactive Task		Manual Task		Manual Summary		External Tasks	

ID	Task Mode	Task Name	Duration	Start	Finish	Predecessors	Resource Names
113		Finish lift station project	42 days	Wed 1/2/19	Thu 2/28/19		Janelle
114		Evaluate flow monitoring contract	45 days	Mon 4/1/19	Fri 5/31/19		Janelle
115		Reuse water study	83 days	Wed 1/2/19	Fri 4/26/19		Janelle, Kevin
116							
117		<b>Transportation/Streets</b>	<b>260 days</b>	<b>Wed 1/2/19</b>	<b>Tue 12/31/19</b>		
118		Bridge and pavement reporting to ODOT	23 days	Wed 1/2/19	Fri 2/1/19		Janelle
119		Street striping program	109 days	Wed 1/2/19	Mon 6/3/19		Janelle
120		Crack seal/slurry seal program	109 days	Wed 1/2/19	Mon 6/3/19		Janelle
121		Update TSP?					Janelle
122							
123		<b>Miscellaneous</b>	<b>260 days</b>	<b>Wed 1/2/19</b>	<b>Tue 12/31/19</b>		
124		Newsletter	38 days	Wed 1/2/19	Fri 2/22/19		Kim
125		Post utility rate and SDC info to website once changes are adopted	175 days	Mon 4/1/19	Fri 11/29/19		Janelle, Kim
126		Change city name for addressing					
127		Complaint form	1 day	Wed 1/2/19	Wed 1/2/19		
128		Monument signs on north and south end of City					
129		Fee Chart, review and update fees					
130							
131		<b>HR</b>	<b>38 days</b>	<b>Wed 1/2/19</b>	<b>Fri 2/22/19</b>		
132		Annual evaluations	38 days	Wed 1/2/19	Fri 2/22/19		Kevin, Janelle
133		Update employee manual	38 days	Wed 1/2/19	Fri 2/22/19		Kevin, Forrest
134		Update maintenance job descriptions	38 days	Wed 1/2/19	Fri 2/22/19		Janelle

Project: Task List  
Date: Wed 2/6/19

	Task		Summary		Inactive Milestone		Duration-only
	Split		Project Summary		Inactive Summary		Manual Summary Rollup
	Milestone		Inactive Task		Manual Task		Manual Summary





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

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

January 24, 2019

City Council  
City of Millersburg  
4222 NE Old Salem Rd  
Albany, Oregon 97321

We have audited the modified cash basis financial statements of the City of Millersburg (the City) as of and for the year ended June 30, 2018, and have issued our report thereon dated January 24, 2019. Professional standards require that we advise you of the following matters relating to our audit.

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

As communicated in our engagement letter dated July 11, 2018, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

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

We conducted our audit consistent with the planned scope and timing we previously communicated to you in our letter dated July 11, 2018.

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

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

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

### *Significant Accounting Policies*

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

GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. The statement requires governments in all types of OPEB plans to present more extensive note disclosures about their OPEB liabilities. This statement did not have a significant impact on the City's financial statements.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimate affecting the financial statements is management's estimate of capital asset depreciation expense, based on the original cost and estimated useful life of each asset.

We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

### *Financial Statement Disclosures*

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

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

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

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

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

## **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 January 24, 2019.

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

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

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

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

We were engaged to report on supplementary information, which accompanies the financial statements 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 management's discussion and analysis, 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 Millersburg and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

  
CERTIFIED PUBLIC ACCOUNTANTS



Kevin Kreitman, City Manager  
Janelle Booth, Assistant City Manager/City Engineer  
Jim Lepin, Mayor

January 24, 2019

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

This representation letter is provided in connection with your audit of the financial statements of the City of Millersburg (the City) as of June 30, 2018 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position and results of operations, where applicable, of the various opinion units of the City in accordance with the modified cash basis of accounting.

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

We confirm, to the best of our knowledge and belief, as of January 24, 2019, the following representations made to you during your audit.

### **Financial Statements**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 11, 2018, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with the modified cash basis of accounting and for preparation of the supplemental information in accordance with the applicable criteria.
- 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.



- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the modified cash basis of accounting.
- All events subsequent to the date of the financial statements and for which modified cash basis of accounting requires adjustment or disclosure have been adjusted or disclosed.
- We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
- We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (FASB Accounting Standards Codification (ASC) 450, *Contingencies*), and we have not consulted a lawyer concerning litigation, claims, or assessments.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.



- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- With respect to the Combining Balance Sheets; Combining Statements of Revenues, Expenditures and Changes in Fund Balances; and Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual accompanying the financial statements:
  - We acknowledge our responsibility for the presentation of the supplementary information in accordance with the modified cash basis of accounting.
  - We believe the supplementary information, including its form and content, is measured and fairly presented in accordance with the modified cash basis of accounting.
  - The methods of measurement or presentation have not changed from those used in the prior period.
  - We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
  - When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
  - We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
  - We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
- As part of your audit, you assisted with the preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those 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.

### **Information Provided**

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and

- Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the City and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the City's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The City has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the City is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the City will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
- The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.



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Kevin Kreitman, City Manager



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Kimberly Wollenburg, City Recorder

***CITY OF MILLERSBURG, OREGON  
ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2018***

**CITY OF MILLERSBURG, OREGON**  
**CITY OFFICIALS**  
**JUNE 30, 2018**

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<u><i>Name and Address</i></u>	<u><i>Position</i></u>	<u><i>Term Expires</i></u>
Jim Lepin 3360 Lauren Avenue NE Albany, Oregon 97321	Mayor	December 31, 2018
Scott Cowan 2491 Millersburg Drive NE Albany, Oregon 97321	Council President	December 31, 2018
Scott McPhee P.O. Box 1852 Albany, Oregon 97321	Council Member	December 31, 2020
Don Miller 2690 Millersburg Drive NE Albany, Oregon 97321	Council Member	December 31, 2020
Dave Harms 3206 Yosemite Place NE Albany, Oregon 97321	Council Member	December 31, 2020

***Appointed Officials***

Kevin Kreitman  
City Manager  
4222 Old Salem Road NE  
Albany, Oregon 97321

**CITY OF MILLERSBURG, OREGON**  
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***FINANCIAL 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***

Honorable Mayor and Members of the City Council  
City of Millersburg  
4222 Old Salem Rd NE  
Albany, Oregon 97321

#### ***Report on the Financial Statements***

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in the notes to the financial statements; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these modified cash basis 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 modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Millersburg, as of June 30, 2018, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in the notes to the financial statements.

### ***Basis of Accounting***

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

### ***Other Matters***

#### ***Report on Supplemental and Other Information***

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


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

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

***Other Legal and Regulatory Requirements***

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated January 24, 2019, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

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

By:   
\_\_\_\_\_  
Ryan T. Pasquarella, A Shareholder  
January 24, 2019

City of Millersburg, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2018

The management of the City of Millersburg, Oregon presents this narrative overview and analysis to facilitate both a short and a long-term analysis of the financial activities of the City for the fiscal year ended June 30, 2018. This Management's Discussion and Analysis (MD&A) is based on currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report. Please read it in conjunction with the City's financial statements which follow this section.

**Financial Highlights**

	June 30,		change
	2018	2017	
Net Position	\$ 43,995,486	\$ 41,788,325	\$ 2,207,161
Change in Net Position	2,207,161	1,460,454	746,707
Governmental Net Position	25,080,703	23,287,435	1,793,268
Proprietary Net Position	18,914,783	18,500,890	413,893
Change in Governmental Net Position	1,793,268	1,208,802	584,466
Change in Proprietary Net Position	413,893	251,652	162,241

**Overview of the Financial Statements**

The following discussion and analysis is intended to serve as an introduction to the City's basic financial statements and other supplementary information. The City's basic financial statements are comprised of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

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

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

*The Statement of Activities (Modified Cash Basis).* The *statement of activities* presents information showing how the net position of the City changed over the most recent fiscal year by tracking revenues, expenses and other transactions that increase or decrease net position in total.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include the following:

- General government
- Highways and streets

The business-type activities of the City include the following:

- Water utility
- Sewer utility

The government-wide financial statements can be found on pages 10 through 11 of this report.

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

*Governmental funds* - Governmental funds are used to account for activities where the emphasis is placed on available financial resources, rather than upon net income determination. Therefore, unlike the government-wide financial statements, governmental fund financial statements focus on the acquisition and use of current spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial decisions. By doing so, readers may better understand the long-term impact of the government’s near-term financial decisions.

The City maintains three individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for those funds that are considered significant (major) to the City taken as a whole. These financial statements report two major funds, the General and Street Reserve.

The governmental fund financial statements can be found on pages 12 through 13 in the basic financial statements.

The City adopts an annual appropriated budget for all governmental funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the General fund, Street fund, and Street Reserve fund.

*Proprietary funds* - Proprietary funds are used to account for activities where the emphasis is placed on net income determination. All of the City’s proprietary funds are enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the governmental-wide financial statements.

The City uses enterprise funds to account for its water and sewer activity.

The enterprise funds for Water Utility and Sewer Utility are considered to be major funds of the City and are reported separately in the proprietary fund financial statements in the basic financial statements.

The City adopts an annual appropriated budget for each enterprise fund. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the enterprise funds as other supplemental information.

The enterprise fund financial statements can be found on pages 14 through 15 in the basic financial statements.

**Notes to the basic financial statements** - The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. They are an integral part of the basic financial statements and should be read in conjunction with them.

**Other information** - In addition to the basic financial statements and accompanying notes, this report also presents certain *supplemental information*, including the budgetary comparison schedules, the combining nonmajor fund financial statements, and other schedules.

## Government-Wide Financial Analysis

### Statement of Net Position (Modified Cash Basis)

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

	2018			2017		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 8,143,963	\$ 4,714,318	\$ 12,858,281	\$ 6,950,063	\$ 4,937,474	\$ 11,887,537
Non-depreciable capital assets	6,505,758	188,953	6,694,711	5,622,558	188,953	5,811,511
Depreciable capital assets, net	10,430,982	21,025,590	31,456,572	10,714,814	21,015,754	31,730,568
Total assets	25,080,703	25,928,861	51,009,564	23,287,435	26,142,181	49,429,616
Current liabilities	-	718	718	-	-	-
Long-term liabilities	-	7,013,360	7,013,360	-	7,641,291	7,641,291
Total liabilities	-	7,014,078	7,014,078	-	7,641,291	7,641,291
Net position:						
Net investment in capital assets	16,936,740	14,201,183	31,137,923	16,337,372	13,563,416	29,900,788
Restricted	2,532,123	2,052,384	4,584,507	2,101,590	2,486,668	4,588,258
Unrestricted	5,611,840	2,661,216	8,273,056	4,848,473	2,450,806	7,299,279
Total Net Position	<u>\$ 25,080,703</u>	<u>\$ 18,914,783</u>	<u>\$ 43,995,486</u>	<u>\$ 23,287,435</u>	<u>\$ 18,500,890</u>	<u>\$ 41,788,325</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$43,995,486 at June 30, 2018.

The City's net investment in capital assets, \$31,137,923 or approximately 71% represents the net book value of capital assets less the outstanding balance of debt issued for the purpose of acquiring or constructing capital assets.

A portion of the City's net position, \$4,584,507, or approximately 10%, represents resources that are subject to external restrictions on how they may be used. The remaining balance is net position - unrestricted totaling \$8,273,056, or approximately 19%.

**Statements of Activities (Modified Cash Basis)**

**City of Millersburg  
Statements of Activities (Modified Cash Basis)  
For the Year Ended June 30,**

	2018			2017		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
<b>Revenues</b>						
Program Revenues						
Fees, fines and charges for services	\$ 1,163,448	\$ 1,810,063	\$ 2,973,511	\$ 823,605	\$ 1,631,935	\$ 2,455,540
Operating grants and contributions	120,539	37,538	158,077	128,735	37,713	166,448
Capital grants and contributions	1,489,838	619,540	2,109,378	964,013	541,621	1,505,634
General Revenues						
Property taxes	782,233	-	782,233	736,444	-	736,444
Franchise taxes	919,647	-	919,647	881,770	-	881,770
Intergovernmental	64,837	-	64,837	58,867	-	58,867
Miscellaneous	307,507	-	307,507	176,626	-	176,626
<i>Total Revenues</i>	<u>4,848,049</u>	<u>2,467,141</u>	<u>7,315,190</u>	<u>3,770,060</u>	<u>2,211,269</u>	<u>5,981,329</u>
<b>Expenses</b>						
General government	2,515,152	-	2,515,152	2,038,628	-	2,038,628
Highway and streets	539,629	-	539,629	522,630	-	522,630
Water	-	1,087,832	1,087,832	-	977,265	977,265
Sewer	-	965,416	965,416	-	982,352	982,352
<i>Total Expenses</i>	<u>3,054,781</u>	<u>2,053,248</u>	<u>5,108,029</u>	<u>2,561,258</u>	<u>1,959,617</u>	<u>4,520,875</u>
Transfers	-	-	-	-	-	-
Change in Net Position	1,793,268	413,893	2,207,161	1,208,802	251,652	1,460,454
Net Position, beginning of year	<u>23,287,435</u>	<u>18,500,890</u>	<u>41,788,325</u>	<u>22,078,633</u>	<u>18,249,238</u>	<u>40,327,871</u>
Net Position, end of year	<u>\$ 25,080,703</u>	<u>\$ 18,914,783</u>	<u>\$ 43,995,486</u>	<u>\$ 23,287,435</u>	<u>\$ 18,500,890</u>	<u>\$ 41,788,325</u>

The City's net position increased \$2,207,161 during fiscal 2017-2018. This increase is explained in the government and business-type activities as follows:

*Governmental activities* - The City's net position increased by \$1,793,268 from governmental activities. This increase is due mainly to expenditures being under budget.

**Major Governmental Funds:**

*General.* The General fund is the primary operating fund of the City. Fund balance was \$5,945,105 at June 30, 2018. The fund balance increased by \$765,382 during the year mainly due to a significant increase in building activity and the associated permits.

As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance represents 237% of total General fund expenditures.

*Street Reserve.* The Street Reserve fund accounts for revenues and expenditures related to street maintenance and improvements. The fund balance increased this year by \$261,537 due to substantial revenue and minimal expenditures.

*Business-type activities* - The City's net position increased by \$413,893 from business-type activities. This increase was primarily due to increased charges for services.

*Major Proprietary Funds:*

*Water Utility.* The Water Utility fund revenues are from charges for services and expenses are for personal services, materials and services and capital outlay. The fund balance increased by \$218,256 during the year as a result of revenues being over budget and expenditures being under budget.

*Sewer Utility.* The Sewer fund revenues are from charges for services and expenses are for personal services, materials and services and capital outlay. The fund’s net position decreased by \$760,164 during the year primarily due to increased capital outlay.

**Capital Assets and Debt Administration**

*Capital Assets*

The City’s capital assets for governmental and business-type activities are shown below. Capital assets include land, buildings and improvements, furniture and equipment, and infrastructure. More detailed information on the City’s capital assets can be found in the notes to the financial statements.

	Governmental activities		Business-type activities		Totals	
	2018	2017	2018	2017	2018	2017
Land	\$ 6,505,758	\$ 5,622,558	\$ 188,953	\$ 188,953	\$ 6,694,711	\$ 5,811,511
Buildings and improvements	2,998,660	2,946,596	-	-	2,998,660	2,946,596
Furniture and equipment	179,839	167,484	11,651	5,022	191,490	172,506
Infrastructure	12,739,471	12,555,701	32,500,080	31,451,127	45,239,551	44,006,828
Accumulated depreciation	(5,486,988)	(4,954,967)	(11,486,141)	(10,440,395)	(16,973,129)	(15,395,362)
Net capital assets	<u>\$ 16,936,740</u>	<u>\$ 16,337,372</u>	<u>\$ 21,214,543</u>	<u>\$ 21,204,707</u>	<u>\$ 38,151,283</u>	<u>\$ 37,542,079</u>

*Long-Term Debt*

The long-term debt of the City is shown below. The City made scheduled payments on existing debt during the year. More detailed information on the City’s long-term debt can be found in the notes to the financial statements.

State statutes limit the amount of general obligation debt a government entity may issue up to 3 percent of its total assessed valuation. The City currently has no general obligation debt.

**City of Millersburg  
Outstanding Debt**

	Business-type Activities	
	2018	2017
SPWF Water Loan	\$2,550,311	\$2,844,912
City of Albany Sewer Plant	3,788,049	4,071,379
DEQ Wetlands Loan	675,000	725,000
	<u>\$7,013,360</u>	<u>\$7,641,291</u>

**Current Year Budgetary Highlights**

There were no changes made to the adopted budget for the General fund during the current fiscal year.

## **Economic Factors and Next Year's Budgets and Rates**

During the preparation of the budget for the ensuing fiscal year, the long-term impacts of the local economy were examined in conjunction with business decisions made by the City. The following are the major assumptions used in developing the FY 2019 budget:

- The City's population is expected to grow significantly in 2019.
- The City's tax rate is estimated to be 100% of the City's permanent levy rate of \$3.500.
- Assessed values, the basis of property tax revenues, will grow by 3% due to market conditions.
- Interest rates on investments will be similar to 2018.

## **Requests for Information**

This financial report is designed to provide a general overview of the City's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report should be addressed to the City Administrator at 4222 Old Salem Road NE, Albany, Oregon 97321.



***BASIC FINANCIAL STATEMENTS***

**CITY OF MILLERSBURG, OREGON**  
**STATEMENT OF NET POSITION (MODIFIED CASH BASIS)**  
**JUNE 30, 2018**

	<i><b>Governmental Activities</b></i>	<i><b>Business-type Activities</b></i>	<i><b>Totals</b></i>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 8,143,963	\$ 4,714,318	\$ 12,858,281
Non-depreciable capital assets	6,505,758	188,953	6,694,711
Depreciable capital assets, net	10,430,982	21,025,590	31,456,572
<i>Total Assets</i>	25,080,703	25,928,861	51,009,564
<b>LIABILITIES</b>			
Deposits payable	-	718	718
Long-term liabilities			
Portion due within one year	-	660,183	660,183
Portion due in more than one year	-	6,353,177	6,353,177
<i>Total Liabilities</i>	-	7,014,078	7,014,078
<b>NET POSITION</b>			
Net investment in capital assets	16,936,740	14,201,183	31,137,923
Restricted for:			
Debt service	-	369,124	369,124
Streets	2,198,858	-	2,198,858
Capital acquisitions	333,265	1,683,260	2,016,525
Unrestricted	5,611,840	2,661,216	8,273,056
<i>Total Net Position</i>	\$ 25,080,703	\$ 18,914,783	\$ 43,995,486

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

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**CITY OF MILLERSBURG, OREGON**  
**STATEMENT OF ACTIVITIES (MODIFIED CASH BASIS)**  
**YEAR ENDED JUNE 30, 2018**

<i>FUNCTIONS/PROGRAMS</i>	<i>Expenses</i>	<i>Program Revenues</i>		
		<i>Fees, Fines and Charges for Services</i>	<i>Operating Grants and Contributions</i>	<i>Capital Grants and Contributions</i>
<b><i>Governmental activities:</i></b>				
General government	\$ 2,515,152	\$ 1,053,198	\$ -	\$ 1,034,575
Highway and streets	539,629	110,250	120,539	455,263
<i>Total Governmental activities</i>	3,054,781	1,163,448	120,539	1,489,838
<b><i>Business-type activities:</i></b>				
Water	1,087,832	876,366	-	299,071
Sewer	965,416	933,697	37,538	320,469
<i>Total Business-type activities</i>	2,053,248	1,810,063	37,538	619,540
<i>Total Activities</i>	<u>\$ 5,108,029</u>	<u>\$ 2,973,511</u>	<u>\$ 158,077</u>	<u>\$ 2,109,378</u>
<b><i>General Revenues:</i></b>				
Property taxes				
Franchise taxes				
Intergovernmental				
Miscellaneous				
<i>Total General Revenues</i>				
<b><i>Change in Net Position</i></b>				
<b><i>Net Position - beginning of year</i></b>				
<b><i>Net Position - end of year</i></b>				

---

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

---

<i>Governmental Activities</i>	<i>Business-type Activities</i>	<i>Total</i>
\$ (427,379)	\$ -	\$ (427,379)
146,423	-	146,423
(280,956)	-	(280,956)
-	87,605	87,605
-	326,288	326,288
-	413,893	413,893
(280,956)	413,893	132,937
782,233	-	782,233
919,647	-	919,647
64,837	-	64,837
307,507	-	307,507
2,074,224	-	2,074,224
1,793,268	413,893	2,207,161
23,287,435	18,500,890	41,788,325
<u>\$ 25,080,703</u>	<u>\$ 18,914,783</u>	<u>\$ 43,995,486</u>

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

**CITY OF MILLERSBURG, OREGON**  
**BALANCE SHEET (MODIFIED CASH BASIS) - GOVERNMENTAL FUNDS**  
**JUNE 30, 2018**

	<u>General</u>	<u>Capital Projects Street Reserve Fund</u>	<u>Other Governmental Funds Special Revenue Street Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,945,105	\$ 1,782,145	\$ 416,713
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>	\$ -	\$ -	\$ -
<b>Fund Balance:</b>			
Restricted for:			
Streets	-	1,782,145	416,713
Capital acquisitions	333,265	-	-
Unassigned	5,611,840	-	-
<b>Total Fund Balance</b>	<b>5,945,105</b>	<b>1,782,145</b>	<b>416,713</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 5,945,105</b>	<b>\$ 1,782,145</b>	<b>\$ 416,713</b>

**Reconciliation of the Balance Sheet (Modified Cash Basis)  
to the Statement of Net Position (Modified Cash Basis)**

*Fund balances*

Capital assets are not financial resources in governmental funds, but are reported in the Statement of Net

Position at their net depreciable value:

Capital assets, cost

Accumulated depreciations

*Net Position*

---

<b><i>Total</i></b>
\$ 8,143,963
\$ -
2,198,858
333,265
5,611,840
8,143,963
\$ 8,143,963
\$ 8,143,963
22,423,728
(5,486,988)
\$ 25,080,703

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

**CITY OF MILLERSBURG, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**(MODIFIED CASH BASIS) - GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2018**

	<b>General Fund</b>	<b>Capital Projects Street Reserve Fund</b>	<b>Other Governmental Funds Special Revenue Street Fund</b>
<b>REVENUES</b>			
Taxes and assessments	\$ 782,233	\$ -	\$ 8,671
Intergovernmental	64,837	-	120,539
Licenses and permits	2,112,399	446,592	-
Charges for services	10,495	-	-
Miscellaneous	308,833	-	110,250
<i>Total Revenues</i>	<u>3,278,797</u>	<u>446,592</u>	<u>239,460</u>
<b>EXPENDITURES</b>			
General government	2,431,835	-	72,479
Capital acquisitions	81,580	185,055	-
<i>Total Expenditures</i>	<u>2,513,415</u>	<u>185,055</u>	<u>72,479</u>
<b>NET CHANGE IN FUND BALANCE</b>	765,382	261,537	166,981
<b>FUND BALANCE, beginning of year</b>	5,179,723	1,520,608	249,732
<b>FUND BALANCE, end of year</b>	<u>\$ 5,945,105</u>	<u>\$ 1,782,145</u>	<u>\$ 416,713</u>

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance (Modified Cash Basis) to the Statement of Activities (Modified Cash Basis)**

*Net change in fund balance*

Capital acquisitions are reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital acquisitions over the estimated useful life as depreciation expense:

Capital acquisitions  
 Depreciation expense

*Change in net position of governmental activities*



---

<i><b>Total</b></i>
\$ 790,904
185,376
2,558,991
10,495
419,083
3,964,849
2,504,314
266,635
2,770,949
1,193,900
6,950,063
\$ 8,143,963
\$ 1,193,900
1,131,389
(532,021)
\$ 1,793,268

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

**CITY OF MILLERSBURG, OREGON**  
**STATEMENT OF FUND NET POSITION (MODIFIED CASH BASIS) - PROPRIETARY FUNDS**  
**JUNE 30, 2018**

	<u>Water Utility Fund</u>	<u>Sewer Utility Fund</u>	<u>Other Non- Major Funds Sewer Construction Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,977,540	\$ 2,404,961	\$ 331,817
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Deposits Payable	-	718	-
<b>FUND NET POSITION:</b>			
Restricted for:			
Debt service	369,124	-	-
Capital acquisitions	1,586,753	-	96,507
Unrestricted	21,663	2,404,243	235,310
<b>Total Fund Net Position</b>	<b>\$ 1,977,540</b>	<b>\$ 2,404,243</b>	<b>\$ 331,817</b>

**Reconciliation of the Statement of Fund Net position (Modified Cash Basis)  
to the Statement of Net Position (Modified Cash Basis)**

*Fund net position*

Capital assets are not financial resources for the modified cash basis, but are reported in the Statement of Net Position at their net depreciable value:

    Capital assets, cost  
    Accumulated depreciations

Long-term liabilities are not financial requirements for the modified cash basis, but are reported in the Statement of Net position

*Net position*

---

*Total*

\$ 4,714,318

718

369,124  
1,683,260  
2,661,216

\$ 4,713,600

\$ 4,713,600

32,700,684  
(11,486,141)

(7,013,360)

\$ 18,914,783

**CITY OF MILLERSBURG, OREGON**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**(MODIFIED CASH BASIS) - PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2018**

	<u>Water Utility Fund</u>	<u>Sewer Utility Fund</u>	<u>Other Non-Major Funds Sewer Construction Fund</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 876,366	\$ 933,697	\$ -
Intergovernmental	-	37,538	-
<i>Total Operating Revenues</i>	876,366	971,235	-
<b>OPERATING EXPENSES</b>			
Materials and services	462,835	252,403	-
<b>OPERATING INCOME</b>	413,531	718,832	-
<b>NONOPERATING ITEMS</b>			
Capital contributions	299,071	2,435	318,034
Capital acquisitions	(40,882)	(1,023,297)	-
Debt payments			
Principal	(294,601)	(333,330)	-
Interest	(158,863)	(124,804)	-
<i>Total Nonoperating Items</i>	(195,275)	(1,478,996)	318,034
<b>CHANGE IN FUND NET POSITION</b>	218,256	(760,164)	318,034
<b>FUND NET POSITION, beginning of year</b>	1,759,284	3,164,407	13,783
<b>FUND NET POSITION, end of year</b>	\$ 1,977,540	\$ 2,404,243	\$ 331,817

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance (Modified Cash Basis) to the Statement of Activities (Modified Cash Basis)**

*Change in fund net position*

Capital acquisitions are reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital acquisitions over the estimated useful life as depreciation expense:

Capital acquisitions  
Depreciation expense

Debt principal paid is reported as an expenditure for the modified cash basis. However, it does not affect the Statement of Activities, but is reported as a decrease in noncurrent liabilities on the Statement of Net Position

*Change in net position of business-type activities*

---

	<b><i>Total</i></b>
	<hr/>
\$	1,810,063
	37,538
	<hr/>
	1,847,601
	715,238
	<hr/>
	1,132,363
	619,540
	(1,064,179)
	(627,931)
	(283,667)
	<hr/>
	(1,356,237)
	<hr/>
	(223,874)
	4,937,474
	<hr/>
\$	4,713,600
	<hr/> <hr/>

\$ (223,874)

	1,055,582
	(1,045,746)
	627,931
	<hr/>
\$	413,893
	<hr/> <hr/>

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Millersburg, Oregon was incorporated in 1974 under the provisions of the Oregon Statutes. The City offers a beautiful eleven-acre park with a large shelter for year-round use. It boasts of a volleyball court, a jogging path, a tennis court, and an outdoor basketball court. Two baseball fields, playground equipment, and horseshoe pits round out the park amenities. With a population of 1,620 and growing, Millersburg gives you that country feeling with big city facilities nearby. The City is headed by a City Council and Mayor who are responsible for rule-making, budget preparation and enforcement, expenditure approval, and hiring of the City management personnel. The Mayor and four City Council members are elected by vote of the general public.

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

*Basic Financial Statements*

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

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

*The Statement of Net Position (Modified Cash Basis)* presents all the recorded assets and liabilities of the City. Net position, representing assets less liabilities, is shown in two components: restricted for special purposes, amounts which must be spent in accordance with legal restrictions; and unrestricted, the amount available for ongoing City activities.

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

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

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

*Basis of Presentation*

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

The City reports the following major governmental funds:

*General Fund*

This fund accounts for the financial operations of the City not accounted for in any other fund. Principal sources of revenues are property taxes, licenses and permits, franchise fees and State shared revenues. Primary expenditures are for general administration.

*Capital Projects Fund*

*Street Reserve Fund* – The Street Reserve Fund is used to accumulate resources for future construction of streets. The primary source of revenue is street frontage fees. Expenditures are primarily for existing street repairs, improvements, and upgrades.

The City reports the following nonmajor governmental fund:

*Special Revenue Fund*

*Street Fund* – The Street Fund accounts for state highway use tax revenues. Expenditures are for street lighting and repairs, as allowed by Oregon statutes.

The City reports the following major proprietary funds:

*Enterprise Funds*

*Water Utility Fund* – The Water Utility Fund accounts for the activities of the City’s water utilities. The primary source of revenue is user charges. Expenditures are primarily for the operation of the water system and acquisition and construction of capital assets.

*Sewer Utility Fund* - The Sewer Utility Fund accounts for the activities of the City’s sewer utilities. The primary source of revenue is user charges. Expenditures are primarily for the operation of the utility and acquisition of capital assets.

The City reports the following nonmajor proprietary fund:

*Sewer Construction Fund* – The Sewer Construction Fund accounts for financial resources to be used for the acquisition and construction of sewer facilities. The primary source of revenue is investment earnings. Expenditures are primarily for sewer expansion.

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

*Fund Balance*

In governmental funds, the City's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

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 City Administrator uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the City's Annual Financial Report.

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

*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.

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

*Measurement Focus and Basis of Accounting*

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



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

*Measurement Focus and Basis of Accounting (Continued)*

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

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

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

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

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

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

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

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

*Measurement Focus and Basis of Accounting(Continued)*

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

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

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.

*Cash and Cash Equivalents*

The City maintains cash and cash equivalents in a common pool that is available for use by all funds. Each fund type's portion of this pool is displayed in the financial statements as cash and cash equivalents. Additionally, several funds held separate cash accounts. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances. The City considers cash on hand, demand deposits, and short-term investments with an original maturity of three months or less from the date of acquisition to be cash and cash equivalents.

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

Investments are stated at cost, which approximates fair value.

*Property Taxes*

Property taxes are levied by the County Assessor and collected by the County Tax Collector. The taxes are levied and become a lien as of July 1. They may be paid in three installments payable in equal payments due November 15, February 15, and May 15. The City's property tax collection records show that most of the property taxes due are collected during the year of levy and delinquent taxes are collected in the next few years.

*Capital Assets*

Capital assets (items costing more than \$5,000 and lasting more than one year) are reported in the applicable governmental or business-type activities in the notes to the financial statements. In the fund statements, capital assets are charged as expenditures as purchased. Capital assets are recorded at cost or estimated historical cost where records are available. Donated assets are not recorded, unless determined to be significant. Maintenance and repairs are expensed as incurred. Replacements which improve or extend the lives of property are capitalized.

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

*Capital Assets (Continued)*

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 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. Depreciation is calculated on the straight-line basis. The estimated useful lives of the various categories of assets are as follows:

Buildings and improvements	50 years
Water and sewer systems	25 - 80 years
Infrastructure	40 years
Furniture and equipment	5 - 20 years

Upon disposal of capital assets, cost and accumulated depreciation are removed from the accounts.

*Long-Term Debt*

Long-term debt is presented only in the government-wide financial statements and in the notes to the financial statements. Payments of principal and interest are recorded as expenditures / expenses when paid.

*Accrued Compensated Absences*

Accumulated unpaid vacation and comp time pay is not accrued. Earned but unpaid sick pay is recorded as an expenditure when paid.

*Budgets and Budgetary Accounting*

The City adopts the budget on an object basis (personnel services, materials and services, capital outlay, debt service), for all funds except the General fund, where the budget is adopted on a departmental basis. Therefore, cash expenditures of a fund may not legally exceed that object's appropriations for cash expenditures. The City Council may amend the budget to expend unforeseen revenues by supplemental appropriations. All supplemental appropriations are included in the budget comparison statements. Appropriations lapse at year-end and may not be carried over. The City does not use encumbrance accounting.

*Use of Estimates*

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect reporting amounts of certain assets, liabilities, revenues and expenditures / expenses as of and for the year ended June 30, 2018. Actual results may differ from such estimates.

**CITY OF MILLERSBURG, OREGON**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2018*

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**CASH AND CASH EQUIVALENTS**

<i>Cash</i>	
Cash on hand	\$ 70
Deposits with financial institutions	614,073
<i>Investments</i>	
Local Government Investment Pool	12,244,138
	<hr/>
	\$ 12,858,281
	<hr/> <hr/>

*Deposits*

The book balance of the City's bank deposits was \$614,073 and the bank balance was \$708,128 at year end. The difference is due to transactions in process. Bank 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.

*Local Government Investment Pool*

The State Treasurer of the State of Oregon maintains the Oregon Short-Term Fund, of which the Local Government Investment Pool is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. The Oregon Short-Term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). At June 30, 2018, the fair value of the position in the Oregon State Treasurer's Short-Term Investment Pool was approximately equal to the value of the pool shares. The investment in the Oregon Short-Term Fund is not subject to risk evaluation. LGIP is not rated for credit quality. Separate financial statements for the Oregon Short-Term Fund are available from the Oregon State Treasurer.

*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 for the aggregate of all demand deposits and the aggregate of all time deposit and savings accounts at each institution. Deposits in excess of FDIC coverage are with institutions participating in the Oregon Public Funds Collateralization Program (PFCP). The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. As of June 30, 2018, \$458,128 of the City's bank balances were covered by the PFCP.

**CASH AND CASH EQUIVALENTS (Continued)**

*Interest Rate Risk*

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

*Custodial Risk – Local Government Investment Pool*

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

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

**CITY OF MILLERSBURG, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2018**

**CAPITAL ASSETS**

The summary of capital assets for governmental activities for the year ended June 30, 2018 is as follows:

	<i><b>Balances July 1, 2017</b></i>	<i><b>Additions</b></i>	<i><b>Retirements</b></i>	<i><b>Balances June 30, 2018</b></i>
Nondepreciable capital assets				
Land	\$ 5,622,558	\$ 883,200	\$ -	\$ 6,505,758
Depreciable capital assets				
Buildings	2,946,596	52,064	-	2,998,660
Equipment	167,484	12,355	-	179,839
Infrastructure	12,555,701	183,770	-	12,739,471
Total depreciable capital assets	15,669,781	248,189	-	15,917,970
Less accumulated depreciation				
Buildings	(849,144)	(61,654)	-	(910,798)
Equipment	(152,583)	(4,503)	-	(157,086)
Infrastructure	(3,953,240)	(465,864)	-	(4,419,104)
Total accumulated depreciation	(4,954,967)	(532,021)	-	(5,486,988)
Net depreciable capital assets	10,714,814	(283,832)	-	10,430,982
Net capital assets	<u>\$ 16,337,372</u>	<u>\$ 599,368</u>	<u>\$ -</u>	<u>\$ 16,936,740</u>

The summary of capital assets for the business-type activities for the year ended June 30, 2018 is as follows:

	<i><b>Balances July 1, 2017</b></i>	<i><b>Additions</b></i>	<i><b>Retirements</b></i>	<i><b>Balances June 30, 2018</b></i>
Nondepreciable capital assets				
Land	\$ 188,953	\$ -	\$ -	\$ 188,953
Depreciable capital assets				
Equipment	5,022	6,629	-	11,651
Infrastructure	31,451,127	1,048,953	-	32,500,080
Total depreciable capital assets	31,456,149	1,055,582	-	32,511,731
Less accumulated depreciation				
Equipment	(5,022)	(295)	-	(5,317)
Infrastructure	(10,435,373)	(1,045,451)	-	(11,480,824)
Total accumulated depreciation	(10,440,395)	(1,045,746)	-	(11,486,141)
Net depreciable capital assets	21,015,754	9,836	-	21,025,590
Net capital assets	<u>\$ 21,204,707</u>	<u>\$ 9,836</u>	<u>\$ -</u>	<u>\$ 21,214,543</u>

**CITY OF MILLERSBURG, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2018**

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**LONG-TERM LIABILITIES**

The following is a summary of long-term liabilities transactions for the year:

	<i>Outstanding July 1, 2017</i>	<i>Issued</i>	<i>Matured/ Redeemed During Year</i>	<i>Outstanding June 30, 2018</i>	<i>Due Within One Year</i>
<i>Business-type activities</i>					
Loan Payable - OECDD 2001 OBDD Special Public Works Fund Loan	\$ 2,844,912	\$ -	\$ (294,601)	\$ 2,550,311	\$ 310,080
Loans Payable - City of Albany	4,071,379	-	(283,330)	3,788,049	300,103
Loan Payable - DEQ CWSRF	725,000	-	(50,000)	675,000	50,000
	<u>\$ 7,641,291</u>	<u>\$ -</u>	<u>\$ (627,931)</u>	<u>\$ 7,013,360</u>	<u>\$ 660,183</u>

The Sewer Utility and Water Utility Funds have traditionally been used to liquidate long-term liabilities. Interest and fees charged to the City during the year ended June 30, 2018 amounted to \$283,667 and \$328,591, respectively.

*Loan Payable – OECDD*

The 2001 Special Public Works Fund Loan through the Oregon Economic and Community Development Department was signed on August 27, 1999, with interest at 5.25% due annually on December 1 through the year 2024. The proceeds were used for water system improvements.

*Loans Payable – City of Albany*

The City of Millersburg signed two loan agreements with the City of Albany as part of an intergovernmental agreement to finance the construction costs for wastewater treatment facilities. Both loans were signed on August 17, 2007, with payments and interest due semiannually on April 1 and October 1 through 2029. In addition to interest, the City must pay an administrative loan fee equal to 0.50% of the outstanding balance.

*Loan Payable – DEQ CWSRF*

The City of Millersburg signed a loan agreement with the Oregon Department of Environmental Quality (DEQ) Clean Water State Revolving Fund (CWSRF) to finance Phase 1 of the wastewater wetlands project. The project was completed in July 2011 and the final loan amount was determined to be \$4,000,000. Due to the City’s compliance with the requirements of the CWSRF loan agreement, \$3,000,000 principal forgiveness outlined in Article 1 of the loan agreement took place, leaving the City with \$1,000,000 to be repaid to DEQ. The City of Millersburg’s ownership percentage constitutes 10% of the total project cost. Payment and fees are due semiannually on February 1 and August 1 through 2031. The City meets the requirement of the covenant to maintain a loan reserve account in which the amount is equal to half of the average annual debt service.

**CITY OF MILLERSBURG, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2018**

**LONG-TERM LIABILITIES (Continued)**

*Future Maturities of Long-Term Liabilities*

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	\$ 660,183	\$ 207,643	\$ 867,826
2020	681,237	185,315	866,552
2021	702,701	162,024	864,725
2022	729,741	137,327	867,068
2023	752,247	111,322	863,569
2024-2028	2,774,067	200,297	2,974,364
2029-2032	713,184	9,445	722,629
	<b>\$ 7,013,360</b>	<b>\$ 1,013,373</b>	<b>\$ 8,026,733</b>

**PENSION PLAN**

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

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

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

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

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



**CITY OF MILLERSBURG, OREGON**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2018*

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**PENSION PLAN (Continued)**

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

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

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

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

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

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

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

Contribution Requirements – As a participating employer, the City is required to make monthly contributions to PERS based on actuarially determined percentages of covered payroll. Rates in effect for fiscal year 2018 were 20.98% for Tier One/Tier Two employees, 13.76% for OPSRP general service employees, and 18.53% for OPSRP police/fire employees. The City's total contributions to PERS were \$47,135, for fiscal year ended June 30, 2018.

Contribution requirements are established by Oregon statute and may be amended by an act of the Oregon State Legislature. Employer contribution rates for fiscal year 2018 were based on the December 31, 2015 actuarial valuation using the entry age normal actuarial cost method. It is important to note that the actuarial valuations used for rate setting are based on different methods and assumptions than those used for financial reporting which are described later in this note.

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

**CITY OF MILLERSBURG, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2018**

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**PENSION PLAN (Continued)**

Pension Assets/Liabilities, Pension Expense, and Pension-Related Deferrals – At June 30, 2018, the City reported a net pension liability of \$356,093 as its proportionate share of the collective net pension liability for PERS, measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was based on a December 31, 2015 actuarial valuation, rolled forward to the measurement date. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to PERS relative to the projected contributions of all participating employers, as actuarially determined. The City’s proportion was 0.00264% as of the June 30, 2017 measurement date, compared to 0.00279% as of June 30, 2016.

Actuarial Methods and Assumptions – The total pension liability in the December 31, 2015 actuarial valuation was determined using the entry age normal method and the following actuarial assumptions, applied to all periods included in the measurement: inflation rate of 2.50%, projected salary increases of 3.50%, investment rate of return of 7.50%, and mortality rates based on the RP-2000 sex-distinct mortality tables, with generational adjustments per scale BB. These assumptions were based on the results of an actuarial experience study for the four-year period ending December 31, 2014.

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

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

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

The following chart shows the sensitivity of the net pension liability (asset) to changes in the discount rate, based on calculations using discount rates of 6.50%, 7.50%, and 8.50%.

	<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	\$ 606,847	\$ 356,093	\$ 146,416

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

Defined Contribution Plan – PERS-eligible employees are statutorily required to contribute 6% of their annual covered salary to the OPSRP Individual Account Program (IAP), a defined contribution pension plan. Benefits terms, including contribution requirements, are established by the Oregon Legislature. As permitted, the City has opted to pick-up the contributions on behalf of employees; contributions were \$16,347 for the year ended June 30, 2018. Employees are fully vested after completing 600 hours of service in each of five calendar years. PERS contracts with VOYA Financial to administer the IAP.

**CITY OF MILLERSBURG, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2018**

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**PENSION PLAN (Continued)**

Changes in Plan Provisions Subsequent to Measurement Date – The PERS Board lowered the Assumed Rate of Return from 7.50% to 7.20% on July 28, 2017. This change is effective January 1, 2018, and will decrease the net OPEB asset or increase the net OPEB liability in future periods.

**POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

The other postemployment benefits (OPEB) for the City combines two separate plans. The City provides an implicit rate subsidy for retiree health insurance premiums administered by Citycounty Insurance Services (CIS), and a contribution to the State of Oregon’s PERS cost-sharing multiple-employer defined health insurance benefit plan. The total OPEB liability is based on a valuation provided by an independent actuarial firm based on assumptions including inflation rate, projected salary increases, discount rate, medical, dental and vision increases, and mortality rates and other inputs. The total OPEB liability was estimated at June 30, 2018 by Milliman Actuarial Services for both plans. Management has determined that the total OPEB liability is not material to the financial statements taken as a whole.

**CONTINGENCIES**

The City purchases commercial insurance to cover all commonly insurable risks, which includes property damage, liability and employee bonds. Most policies carry a small deductible amount. There were no open claims at the time of this report. No insurance settlements have exceeded coverage in the last three years.

At times, 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.

**OVEREXPENDITURES OF APPROPRIATIONS**

Oregon law prohibits expenditures in excess of council-approved appropriations. Overexpenditures of appropriations during the current year were as follows:

<i>Fund/Appropriation Category</i>	<i>Budget</i>	<i>Actual</i>	<i>Variance</i>
<i>General</i>			
Personnel services	\$ 546,200	\$ 583,445	\$ (37,245)
Materials and services	1,695,000	1,848,390	(153,390)
<i>Sewer</i>			
Capital outlay	960,000	1,023,297	(63,297)

***SUPPLEMENTAL INFORMATION***

**CITY OF MILLERSBURG, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2018**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Taxes and assessments	\$ 650,000	\$ 650,000	\$ 782,233	\$ 132,233
Intergovernmental	46,000	46,000	64,837	18,837
Licenses and permits	1,474,060	1,474,060	2,112,399	638,339
Charges for services	6,000	6,000	10,495	4,495
Miscellaneous	101,500	101,500	308,833	207,333
<i>Total Revenues</i>	<i>2,277,560</i>	<i>2,277,560</i>	<i>3,278,797</i>	<i>1,001,237</i>
<b>EXPENDITURES</b>				
Personnel services	546,200	546,200	583,445	(37,245)
Materials and services	1,295,000	1,695,000	1,848,390	(153,390)
Capital outlay	516,100	516,100	81,580	434,520
Contingency	500,000	100,000	-	100,000
<i>Total Expenditures</i>	<i>2,857,300</i>	<i>2,857,300</i>	<i>2,513,415</i>	<i>343,885</i>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(579,740)	(579,740)	765,382	1,345,122
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(52,100)	(52,100)	-	52,100
<b>NET CHANGE IN FUND BALANCE</b>	(631,840)	(631,840)	765,382	1,397,222
<b>FUND BALANCE, beginning of year</b>	4,291,000	4,291,000	5,179,723	888,723
<b>FUND BALANCE, end of year</b>	<b>\$ 3,659,160</b>	<b>\$ 3,659,160</b>	<b>\$ 5,945,105</b>	<b>\$ 2,285,945</b>

**CITY OF MILLERSBURG, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**(MODIFIED CASH BASIS) - BUDGET AND ACTUAL – STREET RESERVE FUND**  
**YEAR ENDED JUNE 30, 2018**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Licenses and permits	\$ 240,000	\$ 240,000	\$ 446,592	\$ 206,592
<b>EXPENDITURES</b>				
Capital outlay	824,390	824,390	185,055	639,335
<b>NET CHANGE IN FUND BALANCE</b>	(584,390)	(584,390)	261,537	845,927
<b>FUND BALANCE, beginning of year</b>	1,469,900	1,469,900	1,520,608	50,708
<b>FUND BALANCE, end of year</b>	\$ 885,510	\$ 885,510	\$ 1,782,145	\$ 896,635

**CITY OF MILLERSBURG, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - STREET FUND**  
**YEAR ENDED JUNE 30, 2018**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Licenses and permits	\$ -	\$ -	\$ 8,671	\$ 8,671
Intergovernmental	80,000	80,000	120,539	40,539
Miscellaneous	-	-	110,250	110,250
<i>Total Revenues</i>	80,000	80,000	239,460	159,460
<b>EXPENDITURES</b>				
Materials and services	167,700	167,700	72,479	95,221
Contingency	100,000	100,000	-	100,000
<i>Total Expenditures</i>	267,700	267,700	72,479	195,221
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(187,700)	(187,700)	166,981	354,681
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,100	1,100	-	(1,100)
<b>NET CHANGE IN FUND BALANCE</b>	(186,600)	(186,600)	166,981	353,581
<b>FUND BALANCE, beginning of year</b>	186,700	186,700	249,732	63,032
<b>FUND BALANCE, end of year</b>	\$ 100	\$ 100	\$ 416,713	\$ 416,613

**CITY OF MILLERSBURG, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**(MODIFIED CASH BASIS) - BUDGET AND ACTUAL – WATER UTILITY FUND**  
**YEAR ENDED JUNE 30, 2018**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Charges for services	\$ 900,000	\$ 900,000	\$ 876,366	\$ (23,634)
Licenses and permits	160,000	160,000	299,071	139,071
<i>Total Revenues</i>	1,060,000	1,060,000	1,175,437	115,437
<b>EXPENDITURES</b>				
Materials and services	550,000	550,000	462,835	87,165
Debt service				
Principal	295,000	295,000	294,601	399
Interest	159,000	159,000	158,863	137
Capital outlay	130,000	130,000	40,882	89,118
Contingency	300,000	300,000	-	300,000
<i>Total Expenditures</i>	1,434,000	1,434,000	957,181	476,819
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(374,000)	(374,000)	218,256	592,256
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,000	1,000	-	(1,000)
<b>NET CHANGE IN FUND BALANCE</b>	(373,000)	(373,000)	218,256	591,256
<b>FUND BALANCE, beginning of year</b>	1,757,556	1,757,556	1,759,284	1,728
<b>FUND BALANCE, end of year</b>	\$ 1,384,556	\$ 1,384,556	\$ 1,977,540	\$ 592,984



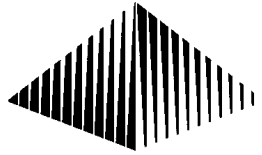
**CITY OF MILLERSBURG, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - SEWER UTILITY FUND**  
**YEAR ENDED JUNE 30, 2018**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Charges for services	\$ 700,000	\$ 700,000	\$ 933,697	\$ 233,697
Intergovernmental	38,000	38,000	37,538	(462)
Licenses and permits	-	-	2,435	2,435
<i>Total Revenues</i>	738,000	738,000	973,670	235,670
<b>EXPENDITURES</b>				
Materials and services	460,000	460,000	252,403	207,597
Debt service				
Principal	323,000	323,000	333,330	(10,330)
Interest	145,700	145,700	124,804	20,896
Capital outlay	960,000	960,000	1,023,297	(63,297)
Contingency	500,000	500,000	-	500,000
<i>Total Expenditures</i>	2,388,700	2,388,700	1,733,834	654,866
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(1,650,700)	(1,650,700)	(760,164)	890,536
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	50,000	50,000	-	(50,000)
<b>NET CHANGE IN FUND BALANCE</b>	(1,600,700)	(1,600,700)	(760,164)	840,536
<b>FUND BALANCE, beginning of year</b>	2,737,000	2,737,000	3,164,407	427,407
<b>FUND BALANCE, end of year</b>	\$ 1,136,300	\$ 1,136,300	\$ 2,404,243	\$ 1,267,943

**CITY OF MILLERSBURG, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**(MODIFIED CASH BASIS) - BUDGET AND ACTUAL – SEWER CONSTRUCTION FUND**  
**YEAR ENDED JUNE 30, 2018**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Licenses and permits	\$ 180,000	\$ 180,000	\$ 318,034	\$ 138,034
<b>EXPENDITURES</b>				
Capital outlay	13,783	13,783	-	13,783
<b>NET CHANGE IN FUND BALANCE</b>	166,217	166,217	318,034	151,817
<b>FUND BALANCE, beginning of year</b>	13,783	13,783	13,783	-
<b>FUND BALANCE, end of year</b>	\$ 180,000	\$ 180,000	\$ 331,817	\$ 151,817

***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***

Honorable Mayor and Members of the City Council  
City of Millersburg  
4222 Old Salem Rd NE  
Albany, OR 97321

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Millersburg, Oregon (the City) as of and for the year ended June 30, 2018, and have issued our report thereon dated January 24, 2019.

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

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

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

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

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


***Internal Control Over Financial Reporting***

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

***Restriction on Use***

This report is intended solely for the information and use of the City Council and management of the City of Millersburg, Oregon 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  
January 24, 2019



TO: Millersburg City Council  
FROM: Kevin Kreitman, City Manager  
DATE: January 24, 2019 for the February 12, 2019 City Council Meeting  
SUBJECT: Linn County Enterprise Zone Expansion

Action Requested:

Adoption of the attached Resolution requesting the expansion of the Linn County Enterprise Zone.

Discussion:

In June 2018, the City of Millersburg and Linn County became co-sponsors of a new Linn County Enterprise Zone due to the expiration of the previous South Santiam Enterprise Zone. Albany-Millersburg Economic Development Corporation (AMEDEC) President and Enterprise Zone Manager John Pascone has requested that the City and Linn County expand the boundary to accommodate two new projects in Linn County. As a co-sponsor with Linn County, we are required to pass the attached Resolution for the proposed expansion.

Attached is a letter and Resolution from John Pascone outlining the proposed Enterprise Zone changes. John Pascone will be in attendance to review this item should there be any questions.

Budget Impact:

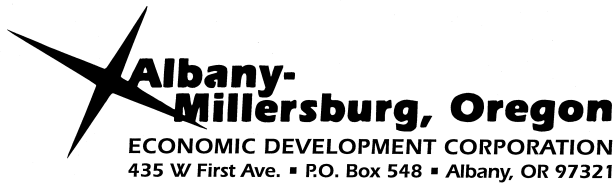
No impact for the City of Millersburg.

Recommendation:

Approval and adoption of the attached Resolution.

Attachment(s):

- Memo: Enterprise Zone Expansion
- Resolution 2019-3



Linn County Enterprise Zone  
Co-Sponsors

January 17, 2019

Linn County Board of Commissioners  
City of Millersburg, Kevin Kreitman

By Consent: City of Halsey

Re: Expansion of the Linn County Enterprise Zone

I am requesting that you approve the expansion of the enterprise zone as described below.

Recent opportunities have developed which have prompted me to ask for this action;

We have been working with a business that wants to expand their operation and another that wants to locate near the UP rail line; neither of the project sites are in the zone. The first business is in the nursery industry. Their business is growing, and they anticipate future expansion as well as their current project. Also, an industrial user is interested in the rail served site. This property was recommended by UP rail staff and would be a perfect site for them. They are an East Coast company looking for a West Coast location.

The above two pending projects initiated the boundary change process.

By including the potential project sites, we might encourage new investment which has the potential to grow the economy and add good paying jobs. Tentative projects might be encouraged to proceed by being able to take advantage of enterprise zone benefits.

In addition, by being able to include more industrial property we can respond sooner to potential projects without having to go through the process of amending the enterprise zone again.

As co-sponsors, I request that you pass a resolution approving the amendment. This could be at a regular meeting which also serves as a public hearing, which is required to amend the enterprise zone.

I will be happy to attend a work session to discuss this process if you feel it is necessary, prior to your public hearing and will certainly be present at the public hearing to answer any questions.

The taxing districts were notified by letters mailed on December 27<sup>th</sup>, 2018 which means the required 21day notice to them has passed. Therefore, your public hearing can be held any time after receiving this request.

A draft resolution is also enclosed. Exhibit A, the property map referred to in the resolution is attached.

Thank you for your cooperation. By working together on economic development efforts such as this we can help build better communities for all of us.

Sincerely,

John Pascone  
President  
Manager of the Linn County Enterprise Zone

Copy, Melissa Murphy, Business Oregon



**RESOLUTION NO. 2019-3**

**Resolution by Co-Sponsors of the Linn County Enterprise Zone to  
Change an Enterprise Zone Boundary  
[Pursuant to chapter 648, Oregon Laws 2015  
(B-Engrossed House Bill 2643)]**

**WHEREAS**, Linn County and the City of Millersburg are co-sponsors of the Linn County Enterprise Zone. The Cities of Tangent, Scio, Lyons, Mill City and Brownsville have previously passed Consent Resolutions allowing some of their property to be included in the zone.

**WHEREAS**, the City of Halsey will be an additional consenting city.

**WHEREAS**, the enterprise zone has a total area of 11.9 square miles, as amended, it meets other statutory limitations on size and configuration, and it is depicted here on a drawn-to-scale map (Exhibit A),

**WHEREAS**, the municipal corporations, school districts, special service districts, etc., other than the sponsoring governments, that receive operating revenue through the levying of ad valorem taxes on real and personal property in any area of the enterprise zone, as amended, were each sent a notice regarding this boundary change.

**WHEREAS**, the Co-Sponsors shall fulfill their duties and implement provisions under ORS 285C.105 or elsewhere in ORS Chapter 285C and related parts of Oregon Law.

**WHEREAS**, the enterprise zone does not grant or imply permission to develop land within the Zone without complying with prevailing zoning, regulatory and permitting processes and restrictions for applicable jurisdictions; nor does it indicate any intent to modify those processes or restrictions, except as otherwise in accordance with Comprehensive Plans as acknowledged by the State of Oregon Land Conservation and Development Commission.

**WHEREAS**, the Co-Sponsors agree that adding new properties to the zone would expand the economic opportunities and prosperity to the communities in the area.

**WHEREAS**, the Co-Sponsors are interested in encouraging new business investment, job creation and higher incomes for local residents and greater diversity of economic activity.

**NOW, THEREFORE, THE PEOPLE OF THE CITY OF MILLERSBURG DO ORDAIN AS FOLLOWS:** Under ORS 285C.115, the Co-Sponsors do hereby change the boundary of the Oregon enterprise zone; and,

**FURTHERMORE,** the name of the zone shall remain The Linn County Enterprise Zone; and,

**FURTHERMORE,** John Pascone, zone manager, is authorized to submit documentation of this enterprise zone boundary to the Oregon Business Development Department (OBDD) for purposes of a positive determination under section 18, chapter 648, Oregon Laws 2015 (Enrolled House Bill 2643) on behalf of the zone sponsors; and,

**FURTHERMORE,** this change of the Linn County Enterprise Zone boundary takes effect on the date that [this resolution/the latest resolution of a sponsoring government] is adopted (or later, as so stipulated by OBDD in its determination following any revision or resubmission of documentation).

This Ordinance becomes effective 30 days from date of passage.

**PASSED by the Council and approved by the Mayor this 12th day of February, 2019.**

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Jim Lepin,  
Mayor

ATTEST:

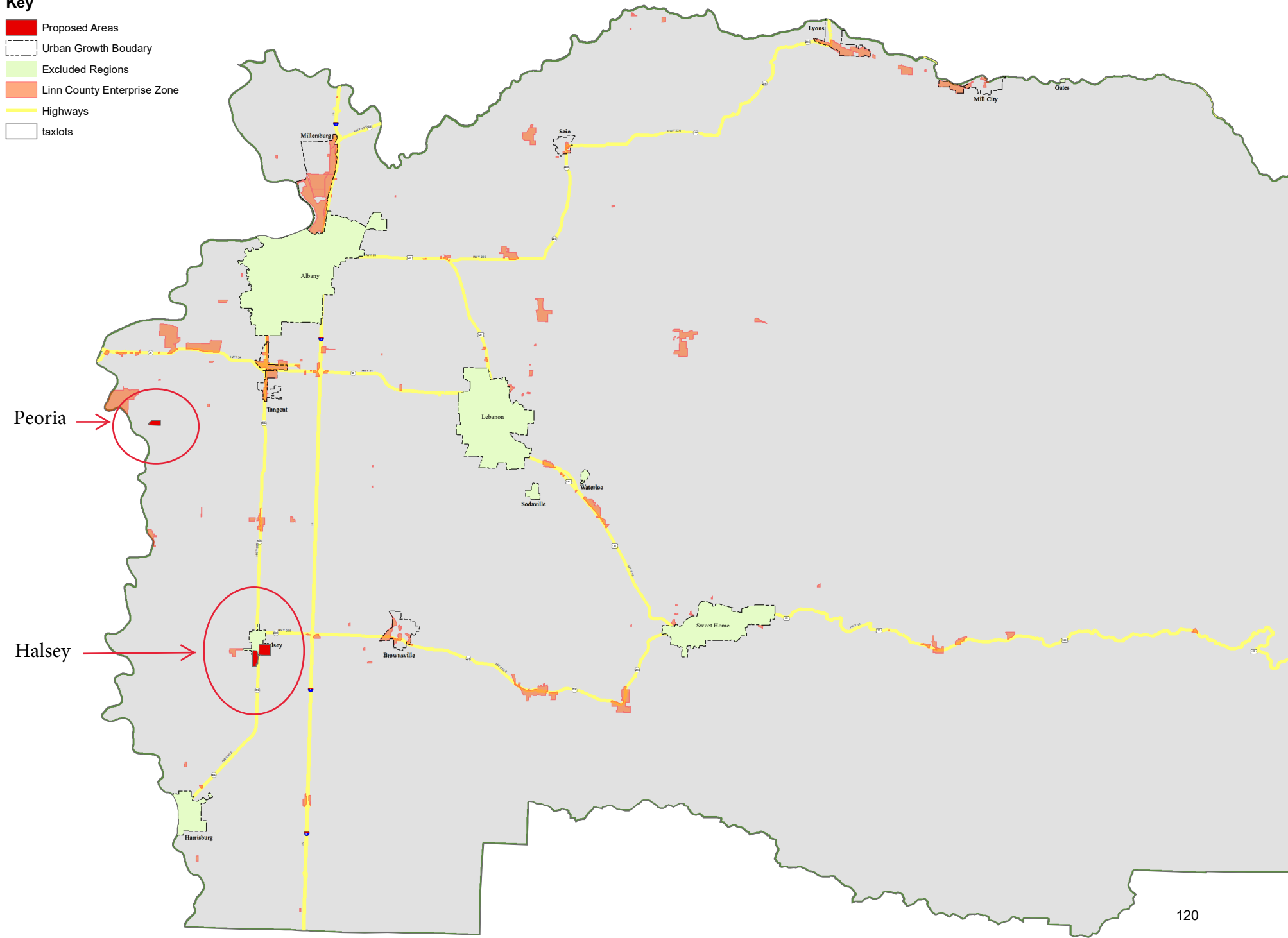
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Kimberly Wollenburg,  
City Recorder



**Key**

- Proposed Areas
- Urban Growth Boudary
- Excluded Regions
- Linn County Enterprise Zone
- Highways
- taxlots



Linn County Enterprise Zone  
2019 Boundary Change

Jurisdiction		Acres
Linn County:		
Peoria Gardens	12S04W20 00500	62.4
Halsey:		
“Pole Vault”	14S04W12 00900	96.99
	14S03E06 00400	154.56
Total		313.95 acres



TO: Millersburg City Council  
VIA: Kevin Kreitman, City Manager  
FROM: Janelle Booth, Assistant City Manager/City Engineer  
DATE: February 7, for the February 12, 2019 City Council Meeting  
SUBJECT: City of Millersburg Water System Master Plan Adoption

Action Requested: Adoption of the City of Millersburg Water System Master Plan Final Report, which was completed in December 2017.

Discussion: In early 2017, the Millersburg City Council authorized CH2M Hill to conduct a Water System Master Plan. The master plan was completed in late 2017, and a presentation of the draft master plan was made at the November 14, 2017 City Council meeting. No comments on the draft plan were received from councilors, staff, or the public. In accordance with requirements of the State of Oregon Public Health Division, the final plan was submitted to the Oregon Health Authority, Drinking Water Services in December 2017. In January, 2018, the City of Millersburg received conditional approval of the master plan, contingent on submission of the finance component, which is to be submitted following updates to the water rate structure and system development charges.

Staff are now proposing formal adoption of the City of Millersburg Water System Master Plan Final Report.

Budget Impact: None.

Recommendation: Approval of Resolution 2019-4 Adopting the Final Report of the City of Millersburg Water System Master Plan dated December 2017.

Attachment(s):

- Resolution 2019-4

**RESOLUTION NO. 2019-4**

**A RESOLUTION ADOPTING THE FINAL REPORT OF THE CITY OF MILLERSBURG WATER MASTER PLAN DATED DECEMBER 2017 AND INCORPORATING ITS ANALYSIS INTO FUTURE GROWTH AND PLANNING DECISIONS FOR THE CITY OF MILLERSBURG**

**WHEREAS**, the City of Millersburg needs a clear understanding of existing water infrastructure in order to provide an outline of projects to address both existing and future system capacity needs; and,

**WHEREAS**, a Water Master Plan includes the development of water system mapping, modeling of the system to develop an understanding of the existing system and the potential impacts of future development, a list of Capital Improvement Projects (CIPs), and a strategy for expanding the system to safely accommodate future development; and,

**WHEREAS**, in 2017 the Millersburg City Council authorized the hiring of CH2M Hill, Inc. to prepare a Water System Master Plan for the City of Millersburg; and,

**WHEREAS**, CH2M Hill, Inc. delivered to the City of Millersburg the Final Report of the City of Millersburg Water System Master Plan dated December 2017 which is specific to the City of Millersburg's development of water system mapping, modeling of the system to develop an understanding of the existing system and the potential impacts of future development, a list of Capital Improvement Projects (CIPs), and a strategy for expanding the system to safely accommodate future development; and,

**WHEREAS**, the Final Report of the City of Millersburg Water System Master Plan dated December 2017 provides essential analysis into future growth and planning decisions of the City of Millersburg;

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MILLERSBURG AS FOLLOWS:**

The City of Millersburg hereby adopts the City of Millersburg Final Report of the City of Millersburg Water System Master Plan prepared by CH2M Hill, Inc. and dated December 2017;

**FURTHERMORE**, the City of Millersburg will use the Final Report of the City of Millersburg Water System Master Plan dated December 2017 in future growth and planning decisions for the City of Millersburg.

**Effective Date.** This Resolution shall be effective upon its approval and adoption.

**Duly passed** by the City Council this 12<sup>nd</sup> day of February, 2019.

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Jim Lepin, Mayor  
City of Millersburg, Oregon

ATTEST:

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Kimberly Wollenburg  
City Recorder



TO: Millersburg City Council  
VIA: Kevin Kreitman, City Manager  
FROM: Janelle Booth, Assistant City Manager/City Engineer  
DATE: February 7, for the February 12, 2019 City Council Meeting  
SUBJECT: CH2M Hill Professional Services for Morningstar and ATI Lift Station Improvements Contract Amendment 3

Action Requested: Approval of Amendment 3 to the CH2M Hill Professional Services for Morningstar and ATI Lift Station Improvements contract to increase the not-to-exceed amount by \$8,000 to cover increased costs associated with support during construction.

Discussion: In early May, 2016, the City of Millersburg entered into a professional services agreement with CH2M Hill, Inc. for engineering and design services for Morningstar and ATI Lift Station Improvements. The contract covers design, bid services, support during construction, and record drawings. It was anticipated that both lift stations would be constructed during the summer and fall of 2017 and that the contract would terminate at the end of October 2017.

Due to unforeseen site conditions and materials procurement challenges, the Morningstar Lift Station was constructed in 2017, but the ATI Lift Station construction was postponed until 2018. When this delay was agreed upon, Amendment 1 to the engineering and design services contract was approved to extend CH2M Hill's support during construction through December, 2018. At that time, adequate funding remained in the contract to support the delay, and no additional funds were requested or approved.

When construction resumed in June of 2018, the 3<sup>rd</sup> party landowner (ATI) had implemented new security procedures which required increased coordination from that previously anticipated. In addition, ATI informed the City of Millersburg of groundwater treatment requirements that were not previously known. This delayed the project by months and required additional design and coordination efforts by CH2M Hill. The combined effect of these requirements meant that CH2M Hill staff spent more time on the Support During Construction task than was originally anticipated. This support and additional coordination effort has been critical to the success of the project.

In December of 2018, it became apparent that construction would not be complete by the end of 2018. Therefore, Amendment 2 was signed, extending the engineering and design services contract to an end date of May 31, 2019. In order to cover costs associated with the increased level of effort over the original contract amount, as described above, a contract amendment in the amount of \$8,000 is requested. This is 2% of the original contract amount of \$367,080.

Budget Impact: Approval of the attached contract amendment authorizes up to an additional \$8,000 for engineering services related to sewer lift station improvements.

Recommendation: Approval of Amendment 3 to the CH2M Hill Professional Services for Morningstar and ATI Lift Station Improvements contract.

Attachment(s):

- Contract for Professional Services dated May 2016
- Professional Services Contract Amendment 1
- Professional Services Contract Amendment 2
- Proposed Professional Services Contract Amendment 3



**CONTRACT FOR PROFESSIONAL SERVICES**

THIS AGREEMENT is made and entered into by and between the following parties:

**CITY OF MILLERSBURG**, (City), 4222 NE Old Salem Road, Albany, Oregon, 97321; and,

**CH2M HILL Engineers, Inc. (Contractor)**, 1000 NE Circle Blvd., Corvallis, Oregon 97330, a Delaware corporation, whose Federal Employer Identification Number is 32-0100027.

<b>PROGRAM ABSTRACT:</b>	Professional Services for Morningstar and ATI Lift Stations Improvements engineering and design services to the City of Millersburg, Oregon.
<b>TOTAL CONTRACT SUM:</b>	An amount not to exceed \$367,080.

**WHEREAS**, The City requires the work and services described herein, and the Contractor is willing, skilled and agrees to perform all the work and services described herein; now, therefore, **IT IS AGREED**:

1. **Term of contract:** This Agreement shall be effective, and Contractor shall commence performing services, on or about May 10, 2016. The contract shall terminate on October 31, 2017, except as provided by the termination and non-funding provisions set out below.
2. **Compensation:** As consideration for the performance of all terms and conditions set forth in the Contract, City shall pay Contractor a total amount not to exceed \$367,080 as set forth in "Statement of Work," attached hereto, upon receipt of a statement to be submitted by Contractor. Contractor shall provide such reasonable substantiation regarding time devoted to providing services as the City may require.
3. **Contractor services:** Contractor agrees to perform the following services to the satisfaction of the City:
  - a. Perform services as set forth in attached "Statement of Work," attached hereto.
4. **Declaration of the nature of the contractual relationship:** Contractor is an independent Contractor and not an employee of or agent of the City. City shall not be responsible for any claims, demands or causes of action of any kind or character arising in favor of any person, on account of personal injuries, or death, or damage to property occurring, growing out of, incident to, or resulting directly or indirectly from the operations or activities of the Contractor.

**5. Workers compensation provisions:**

- a. Contractor may employ workers, and if Contractor employs workers, Contractor shall obtain and at all times keep in effect Workers' Compensation insurance.
- b. The parties hereto specifically agree that this Contract will render Contractor and Contractor's employees, if any, ineligible for benefits under ORS 656.029 and that the City shall not be liable for, responsible for, or in any way or manner be required to provide Workers' Compensation benefits for Contractor or Contractor's employees.
- c. Contractor knowingly waives any rights, as against City, under the Workers' Compensation Law.
- d. Contractor agrees that all employers, working under this contract, including but not limited to Contractor, are "subject employers" as defined in ORS 656.005 that will comply with ORS 656.017.
- e. Contractors who are not subject workers under ORS 656.027 who will provide services under this Contract agree to either elect workers' compensation coverage under ORS 656.128 or specifically release City of any and all claims that would be covered by the workers' compensation laws of the state of Oregon if contractor was a subject worker under ORS 656.027.

**6. Other insurance provisions:**

- a. **Indemnification:** To the fullest extent permitted by law, and in accordance with Article XI, Section 10, of the Oregon Constitution and the Oregon Tort Claims Act, each party to this Contract shall indemnify, defend, save, and hold harmless the other party and its officers, employees and agents from and against all claims, actions, liabilities, damages, losses, or expenses, arising from:
  - i. Injury to any person or damage to property caused by the negligence or other wrongful acts or omissions of the party, its officers, employees or agents; or
  - ii. Failure or refusal of one party to perform or fulfill its responsibilities under this Contract or any law, through no fault of the other party. The obligations or rights under this section may not be delegated or assigned without the express consent of the City. Neither Contractor nor any attorney engaged by Contractor shall defend the claim in the name of City or any department or office of City, nor purport to act as legal representative of City or any of its departments or offices without first receiving from the City's legal counsel authority to act as legal counsel for City, nor shall Contractor settle any claim on behalf of City without the approval of the City's legal counsel. City may, at its election and expense, assume its own defense and settlement.
- b. **Insurance.**
  - i. **General Liability.** Contractor shall obtain and at all times keep in effect commercial general liability insurance covering activities and operations of the Contractor. Commercial general liability shall cover bodily injury, death, and property damage, and shall include personal injury liability, products and completed operation insurance. Such liability insurance, whatever the form, shall carry at least liability coverage sufficient to meet the requirements set forth in the Oregon Tort Claims Act as codified in ORS 30.260 to 30.300

- ii. **Automobile Insurance.** Contractor shall maintain Automobile Liability Insurance Covering all owned, non-owned and hired vehicles used in the performance of services under this Contract. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits for “Commercial General Liability” and “Automobile Liability”). Automobile Liability Insurance shall include the following minimum limits: \$2,000,000 (for all claimants for claims arising out of a single accident or occurrence) for all Bodily Injury, Death, and Property Damage.
  - iii. **Professional Liability.** Contractor shall obtain and at all times keep in effect, any professional liability insurance required by law, or, if not required by law, any professional liability insurance Contractor holds at the time of execution of this Contract.
  - iv. All insurance policies shall be written on an occurrence basis and be in effect for the term of this Contract. Written authorization from City is required for any insurance policy written on a claims made basis.
  - v. Insurance coverage shall apply on a primary and non-contributory basis.
  - vi. Prior to commencing services, Contractor shall furnish current Certificate(s) of Insurance for all required insurance to City. The insurance must be provided by an insurance company or entity that is authorized to transact the business of insurance and issue coverage in the State of Oregon. The Certificate shall provide, by policy endorsement, if necessary, that City, it’s officers, employees, agents, and volunteers are additional insured’s with respect to Contractor’s services provided under this Contract and that there shall be no cancellation, termination, non-renewal, material change to, potential exhaustion of aggregate limits, or reduction of limits of the required insurance without at least thirty (30) days written notice from the Contractor or its insurer to City. If requested, Contractor shall provide proof of insurance policies to City.
- c. **Policy Changes.** In the event of unilateral cancellation by the insurance company of an insurance policy referred to in this paragraph, the Contractor shall immediately notify City orally and in writing within three (3) business days.
7. **Other contractor duties:** Contractor further agrees to:
- a. Comply with all applicable Federal and State statutes, rules and regulations, specifically including the following provisions of the Oregon Revised Statutes (“Public Contracts and Purchasing”) which are incorporated by this reference in the Contract: ORS 279B.220, 279B.230, and 279B.235;
  - b. Not delegate the responsibility for providing services hereunder to any other individual or agency except as may be provided for above; and
  - c. Provide City with periodic reports to City at the frequency and with the information prescribed to be reported by City.

8. **Termination; for cause, non-funding:** It is further agreed that the City may immediately terminate this Agreement without liability or penalty for either of the following causes by the mailing of written notice to the Contractor at Contractor's address given above, specifying the cause:
  - a. Unsatisfactory performance or nonperformance. The City Council is the sole judge of Contractor's unsatisfactory performance or nonperformance; or
  - b. Loss of available funding.
9. **Waiver.** The failure of either party to enforce any provision of this Agreement shall not constitute a waiver by that party of that or any other provision of this Agreement, or the waiver by that party of the ability to enforce that or any other provision in the event of any subsequent breach.
10. **Records Maintenance; Access.** Contractor shall maintain all fiscal records relating to this Contract in accordance with generally accepted accounting principles. In addition, Contractor shall maintain any other records pertinent to this Contract in such a manner as to clearly document Contractor's performance hereunder. Contractor acknowledges and agrees that City, the Oregon Secretary of State's Office, the Federal Government and their duly authorized representatives shall have access to such fiscal records and all other documents that are pertinent to this Contract for the purpose of performing audits and examinations and making transcripts and excerpts. All such fiscal records and documents shall be retained by Contractor for a minimum of three (3) years (except as required longer by law) following final payment and termination of this Contract, or until the conclusion of any audit, controversy or litigation arising out of our related to this Contract, whichever date is later.
11. **Assignment:** The Contractor shall not assign this Agreement in whole or in part for any purpose without the express written consent from the City.
12. **Severability:** If any provision of this Agreement shall be held invalid or unenforceable by any court or tribunal of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held to be invalid.
13. **Entire Agreement:** This Agreement constitutes the entire Agreement between the parties on the subject matter hereof. No waiver, consent, modification or change of terms or provisions of this Agreement shall bind either party unless in writing and signed by both parties. Such waiver, consent, modification, or change, if made, shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement.
14. **Governing law:** This Agreement shall be governed and construed in accordance with the laws of the State of Oregon. Any claim, action, suit, or proceeding that arises from or relates to this Agreement shall be brought in and conducted solely and exclusively within the Circuit Court of Linn City for the State of Oregon. Provided, however, if a claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively with the United States District Court for the State of Oregon.

15. **Notices:** Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be mailed by certified mail, return receipt requested, postage prepaid, addressed to the parties at the addresses first set forth above. Any notice or other communication shall be deemed to be given at the expiration of forty-eight (48) hours after the deposit in the United States mail. The addresses to which notices or other communications shall be mailed may be changed from time to time by giving written notice to the other party as provided in this section.


16. **Supplemental Design Terms:** As listed in Attachment "A."

**IN WITNESS WHEREOF**, the parties hereto have caused this instrument to be executed in duplicate by the duly authorized persons whose signatures appear below. Each party, by the signature below of its authorized representative, hereby acknowledges that it has read this agreement, understands it, and agrees to be bound by its terms and conditions. Each person signing this agreement represents and warrants to have the authority to execute this agreement.


CH2M HILL Engineers, Inc.

CITY OF MILLERSBURG


  
\_\_\_\_\_  
CH2M HILL authorized signer

  
\_\_\_\_\_  
Honorable Clayton Wood,  
Mayor

  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Barbara Castillo, City Administrator

  
\_\_\_\_\_  
Date

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## ATTACHMENT A

### SUPPLEMENTAL DESIGN TERMS to the Contract for Professional Services between the City of Millersburg ("City") and CH2M HILL Engineers, Inc. ("Contractor/Engineer")

#### OBLIGATIONS OF CONTRACTOR

##### 1. Opinions of Cost, Financial Considerations, and Schedules

In providing opinions of cost, financial analyses, economic feasibility projections, and schedules for the PROJECT, ENGINEER has no control over cost or price of labor and materials; unknown or latent conditions of existing equipment or structures that may affect operation or maintenance costs; competitive bidding procedures and market conditions; time or quality of performance by operating personnel or third parties; and other economic and operational factors that may materially affect the ultimate PROJECT cost or schedule. Therefore, ENGINEER makes no warranty that CITY's actual PROJECT costs, financial aspects, economic feasibility, or schedules will not vary from ENGINEER's opinions, analyses, projections, or estimates.

If CITY wishes greater assurance as to any element of PROJECT cost, feasibility, or schedule, CITY will employ an independent cost estimator, contractor, or other appropriate advisor.

##### 2. Record Drawings

Record drawings, if required, will be prepared, in part, on the basis of information compiled and furnished by others, and may not always represent the exact location, type of various components, or exact manner in which the PROJECT was finally constructed. ENGINEER is not responsible for any errors or omissions in the information from others that is incorporated into the record drawings.

##### 3. Subsurface Investigations

In soils, foundation, groundwater, and other subsurface investigations, the actual characteristics may vary significantly between successive test points and sample intervals and at locations other than where observations, exploration, and investigations have been made. Because of the inherent uncertainties in subsurface evaluations, changed or unanticipated underground conditions may occur that could affect total PROJECT cost and/or execution. These conditions and cost/execution effects are not the responsibility of ENGINEER.

##### 4. ENGINEER's Personnel at Construction Site

The presence or duties of ENGINEER's personnel at a construction site, whether as onsite representatives or otherwise, do not make ENGINEER or ENGINEER's personnel in any way responsible for those duties that belong to the CITY and/or the construction contractors or entities, and do not relieve the construction contractors or any other entity of their obligations, duties, and responsibilities, including, but not limited to, all construction methods, means, techniques, sequences, and procedures necessary for coordinating and completing all portions of the construction work in accordance with the construction Contracts Documents and any health and safety precautions required by such construction work.

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## GENERAL LEGAL PROVISIONS

### 1. Reuse of Project Documents

All reports, drawings, specifications, documents, and other deliverables of CONTRACTOR, whether in hard copy or in electronic form, are instruments of service for this Project, whether the Project is completed or not. CITY agrees to indemnify CONTRACTOR from all claims, damages, losses, and costs, including attorney's fees arising out of or related to the unauthorized reuse, change or alteration of these Project documents.

### 2. Indemnification

CONTRACTOR agrees to indemnify CITY for any claims, damages, losses, and costs, including, but not limited to, attorney's fees and litigation costs, arising out of claims by third parties for property damage or bodily injury, including death, to the proportionate extent caused by the negligence or willful misconduct of CONTRACTOR, CONTRACTOR'S employees, affiliated corporations, and CONTRACTOR's subcontractors in connection with the work.

CITY agrees to indemnify CONTRACTOR from any claims, damages, losses, and costs, including, but not limited to, attorney's fees and litigation costs, arising out of claims by third parties for property damage or bodily injury, including death, to the proportionate extent caused by the negligence or willful misconduct of the CITY, or its employees in connection with the work.

### 3. Consequential Damages

To the maximum extent permitted by law, CONTRACTOR and CONTRACTOR's affiliated corporations, officers, employees, and CONTRACTOR's subcontractors shall not be liable for CITY's special, indirect, or consequential damages, whether such damages arise out of breach of contract or warranty, tort including negligence, strict or statutory liability, or any other cause of action. In order to protect CONTRACTOR against indirect liability or third party proceedings, CITY will indemnify CONTRACTOR for any such damages.

### 4. Suspension, Delay, or Interruption of Work

CITY may suspend, delay, or interrupt the Services of CONTRACTOR for the convenience of CITY. In the event of force majeure or said suspension, delay, or interruption, an equitable adjustment in the work's schedule, commitment, and cost of CONTRACTOR's personnel and CONTRACTOR's subcontractors, and CONTRACTOR's compensation will be made.

### 5. Ownership of Designs, Drawings and Work Product

The following terms have the meanings set forth below:

*CONTRACTOR Intellectual Property* means any intellectual property (IP) owned by CONTRACTOR that is applicable to Work Product, and in particular, that IP necessary for CITY's use of the Work Product, on the date the Work Product is received and accepted by CITY pursuant to Task Order

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other cause of action, and shall include CONTRACTOR's officers, affiliated corporations, employees, and subcontractors.

**7. Force Majeure**

CONTRACTOR is not responsible for damages or delay in performance caused by acts of God, strikes, lockouts, accidents, or other events beyond the control of CONTRACTOR. In any such event, CONTRACTOR'S contract price and schedule shall be equitably adjusted.

**8. No Third-Party Beneficiaries**

This AGREEMENT gives no rights or benefits to anyone other than CITY and CONTRACTOR and has no third-party beneficiaries.

**9. Dispute Resolution**

The parties will use their best efforts to resolve amicably any dispute, including use of alternative dispute resolution options.

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**AMENDMENT 1  
CONTRACT FOR PROFESSIONAL SERVICES**

THIS AGREEMENT is made and entered into by and between the following parties:

**CITY OF MILLERSBURG**, (City), 4222 NE Old Salem Road, Albany, Oregon, 97321; and,

**CH2M HILL Engineers, Inc.** (Contractor), 1000 NE Circle Blvd., Corvallis, Oregon 97330, a Delaware corporation, whose Federal Employer Identification Number is 32-0100027.

<b>PROGRAM ABSTRACT:</b> Professional Services for Morningstar and ATI Lift Stations Improvements engineering and design services to the City of Millersburg, Oregon.
---

<b>TOTAL CONTRACT SUM:</b> An amount not to exceed \$367,080.
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1. **Contract Extension:** This amendment extends the Contract for Professional Services signed May 18, 2016 to an end date of December 31, 2018.
2. All other terms and conditions of the original contract apply.

**IN WITNESS WHEREOF**, the parties hereto have caused this instrument to be executed in duplicate by the duly authorized persons whose signatures appear below. Each party, by the signature below of its authorized representative, hereby acknowledges that it has read this agreement, understands it, and agrees to be bound by its terms and conditions. Each person signing this agreement represents and warrants to have the authority to execute this agreement.

CH2M HILL Engineers, Inc.

CITY OF MILLERSBURG

  
\_\_\_\_\_

CH2M HILL authorized signer

  
\_\_\_\_\_

Honorable Jim Lepin,  
Mayor

12/15/2017

\_\_\_\_\_

Date

12/13/2017

\_\_\_\_\_

Date

  
\_\_\_\_\_

Kevin Kreitman, Interim City Manager

12/14/2017

\_\_\_\_\_

Date



**AMENDMENT 2  
CONTRACT FOR PROFESSIONAL SERVICES**

THIS AGREEMENT is made and entered into by and between the following parties:

**CITY OF MILLERSBURG**, (City), 4222 NE Old Salem Road, Albany, Oregon, 97321; and,

**CH2M HILL Engineers, Inc.** (Contractor), 1000 NE Circle Blvd., Corvallis, Oregon 97330, a Delaware corporation, whose Federal Employer Identification Number is 32-0100027.

<b>PROGRAM ABSTRACT:</b>	Professional Services for Morningstar and ATI Lift Stations Improvements engineering and design services to the City of Millersburg.
<b>TOTAL CONTRACT SUM:</b>	An amount not to exceed \$367,080.

- Contract Extension:** This amendment extends the Contract for Professional Services signed May 18, 2016 to an end date of May 31, 2019.
- All other terms and conditions of the original contract apply.

**IN WITNESS WHEREOF**, the parties hereto have caused this instrument to be executed in duplicate by the duly authorized persons whose signatures appear below. Each party, by the signature below of its authorized representative, hereby acknowledges that it has read this agreement, understands it, and agrees to be bound by its terms and conditions. Each person signing this agreement represents and warrants to have the authority to execute this agreement.

CH2M HILL Engineers, Inc.

CITY OF MILLERSBURG

CH2M HILL authorized signer

City authorized signer

December 21, 2018

12/27/18

Date

Date

**AMENDMENT 3  
CONTRACT FOR PROFESSIONAL SERVICES**

THIS AGREEMENT is made and entered into by and between the following parties:

**CITY OF MILLERSBURG**, (City), 4222 NE Old Salem Road, Albany, Oregon, 97321; and,

**CH2M HILL Engineers, Inc.** (Contractor), 1000 NE Circle Blvd., Corvallis, Oregon 97330, a Delaware corporation, whose Federal Employer Identification Number is 32-0100027.

PROGRAM ABSTRACT:	Professional Services for Morningstar and ATI Lift Stations Improvements engineering and design services to the City of Millersburg.
ORIGINAL CONTRACT SUM:	An amount not to exceed \$367,080.
AMENDMENT 3 CONTRACT SUM:	An amount not to exceed \$375,080

1. **Contract Sum Increase:** This amendment raises the Not-To-Exceed amount for the Contract for Professional Services signed May 18, 2016 by \$8,000 for Task 4. Services During Construction as described in the Scope of Work.
  - a. **Justification:** Increased level of effort over the original contract amount is due to: groundwater issues related to the ATI Lift Station site; overall length of contract beyond original schedule; and a higher level of effort for coordination with 3<sup>rd</sup> party landowner and contractor to minimize the overall risks.
2. All other terms and conditions of the original contract apply.

**IN WITNESS WHEREOF**, the parties hereto have caused this instrument to be executed in duplicate by the duly authorized persons whose signatures appear below. Each party, by the signature below of its authorized representative, hereby acknowledges that it has read this agreement, understands it, and agrees to be bound by its terms and conditions. Each person signing this agreement represents and warrants to have the authority to execute this agreement.

CH2M HILL Engineers, Inc.

CITY OF MILLERSBURG

\_\_\_\_\_  
CH2M HILL authorized signer

\_\_\_\_\_  
City authorized signer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date



TO: Millersburg City Council  
VIA: Kevin Kreitman, City Manager  
FROM: Forrest Reid, City Attorney  
DATE: February 7, for the February 12, 2019 City Council Meeting  
SUBJECT: Amending Ordinance 133

Action Requested: Adoption of Ordinance amending Ordinance No. 133 providing for fines established by the State of Oregon.

Discussion: Ordinance 133 passed by the Council in October 2017 simplified and clarified fines imposed on certain activities by Ordinance 55 passed in June, 1987. To allow the City to establish fine amounts related to violations of the City's Code of Ordinances, Ordinance 133 needs an amendment. The proposed amendment adds the provisions of ORS 153.025 that gives the authority to the City to determine specific fines or specific maximums on an ordinance violation.

Budget Impact: None.

Recommendation: Adoption of Ordinance 145 Amending Ordinance 133 by Adding ORS 1534.025.

Attachment(s):

- Ordinance 145

**ORDINANCE NO. 145**

**AN ORDINANCE AMENDING  
ORDINANCE 133 BY ADDING ORS 153.025**

**WHEREAS**, the City of Millersburg has adopted Ordinance 133; and,

**WHEREAS**, Ordinance 133 provides for fine amounts established by the State of Oregon; and,

**WHEREAS**, the City of Millersburg desires to have the ability to establish fine amounts for certain offenses; and,

**WHEREAS**, ORS 153.025 allows the City to establish fines for offenses if so desired by the City of Millersburg;

**NOW, THEREFORE, THE PEOPLE OF THE CITY OF MILLERSBURG DO ORDAIN AS FOLLOWS:** Ordinance 133 is amended by adding the provisions of ORS 153.025.

This Ordinance becomes effective thirty (30) days from date of passage.

**PASSED by the Council and approved by the Mayor this 12nd day of February, 2019.**

---

Jim Lepin,  
Mayor

ATTEST:

---

Kimberly Wollenburg,  
City Recorder



TO: Millersburg City Council  
VIA: Kevin Kreitman, City Manager  
FROM: Janelle Booth, Assistant City Manager/City Engineer  
DATE: February 7, for the February 12, 2019 City Council Meeting  
SUBJECT: Events Planning Committee

Action Requested: Council adoption of Resolution 2019-5, "Creating an Events Planning Committee" and appointment of members and liaisons.

Discussion: In August 2017, the City Council passed Resolution 2017-15 establishing a Parks Committee and in September 2017 its members were appointed by the Mayor and approved by City Council. In early 2018, planning began for the Inaugural Millersburg Celebration, a City-wide event which took place in September, 2018. Many of the original Parks Committee members planned and organized this first annual event.

Because the Millersburg Celebration is anticipated to continue into the future as a City-sponsored annual event, the group organizing and planning the event should be formalized as a committee for the City of Millersburg. Because the Events Planning Committee performs a separate function from the Parks Committee, it is proposed that the Events Planning Committee be established as a separate committee reporting to City Council.

The purpose of the Events Planning Committee would be to plan and organize the annual Millersburg Celebration event. However, to provide flexibility, it is proposed that the committee be titled "Events Planning Committee" to allow it to plan and organize other events, if there is a need in the future. The Events Planning Committee would have administrative and spending authority within the approved budget of the City of Millersburg and City staff would provide oversight of Events Planning Committee financials.

It is proposed that the Events Planning Committee consist of a minimum of eight (8) and a maximum of fourteen (14) members, made up of primarily Millersburg citizens. Business and non-profit owners/representatives which operate within the City of Millersburg may also be considered for appointment to the Events Planning Committee.

On order to promote continuity with the 2018 Millersburg Celebration, it is recommended that Council appoint the following as Events Planning Committee members:

Jenny Wolfenbarger  
Kyle Mitchell  
Carlye Schraeder

Kelly Cole  
Wendy Major  
Michael Ann McIlvenny  
Michael Wertz  
Heidi Swirbul  
Mike Swirbul  
Connie Lepin  
Eric Park

It is also recommended that two Council members be appointed as liaisons to the Events Planning Committee.

Budget Impact: None.

Recommendation: Adoption of attached Resolution 2019-5 and appointment of Events Planning Committee members and liaisons.

Attachment(s):

- Resolution 2019-5



## **RESOLUTION 2019-5**

### **APPROVING CREATION OF CITY OF MILLERSBURG EVENTS PLANNING COMMITTEE**

**WHEREAS**, certain members of the 2017-18 Parks Committee planned and organized the first annual city-wide Millersburg Celebration in 2018; and,

**WHEREAS**, Millersburg City Council desires the annual city-wide Millersburg Celebration to continue into the future; and,

**WHEREAS**, members of the 2017-18 Parks Committee were appointed by the Mayor and approved by the Council; and,

**WHEREAS**, the Parks Committee is not responsible to plan and organize the city-wide Millersburg Celebration; and,

**WHEREAS**, the Millersburg City Council desires to create a committee to plan and organize events such as the city-wide Millersburg Celebration;

#### **NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MILLERSBURG AS FOLLOWS:**

An Events Planning Committee shall be established to plan and organize events such as the city-wide Millersburg Celebration;

**FURTHERMORE**, the Committee shall consist of a minimum of eight (8) and a maximum of fourteen (14) members, made up of primarily Millersburg citizens. Business and non-profit owners/representatives which operate within the City of Millersburg may also be considered for appointment to the Events Planning Committee;

**FURTHERMORE**, members of the Committee shall be appointed by the City Council;

**FURTHERMORE**, two members of the City Council shall be appointed by the City Council as liaisons to the Committee;

**FURTHERMORE**, the Committee shall select a Chair and Vice-Chair from among their members;

**FURTHERMORE**, the purpose and expectations of the Committee is to plan and organize the annual city-wide Millersburg Celebration and other similar events as assigned to the Committee by the City Council;

**FURTHERMORE**, the Committee shall have administrative and spending authority within the scope of its purpose to plan and organize the annual city-wide Millersburg Celebration and within the approved budget of the City of Millersburg;

**FURTHERMORE**, City staff shall provide oversight of Committee financials.

Effective Date. This Resolution shall be effective upon its approval and adoption.

Duly passed by the City Council this 12<sup>nd</sup> day of February, 2019.

---

Jim Lepin, Mayor  
City of Millersburg, Oregon

ATTEST:

---

Kimberly Wollenburg  
City Recorder



TO: Millersburg City Council  
VIA: Kevin Kreitman, City Manager  
FROM: Janelle Booth, Assistant City Manager/City Engineer  
DATE: February 7, for the February 12, 2019 City Council Meeting  
SUBJECT: City of Lebanon Emergency Biosolids Hauling Intergovernmental Agreement

Action Requested:

Staff recommends Council enter into an Intergovernmental Agreement (IGA) with the City of Lebanon and the City of Albany to haul excess solids from the Lebanon Wastewater Treatment Plant (WWTP) to the Albany-Millersburg Water Reclamation Facility (WRF) by adopting the attached resolution.

Discussion:

The previous Emergency Biosolids Hauling IGA with the City of Lebanon has expired. City of Lebanon staff contacted City of Albany staff to request another agreement to haul excess biosolids from the Lebanon WWTP to the WRF. During the previous agreement, no biosolids were received. The attached memo from City of Albany staff to Albany City Council provides additional information on this subject.

The City of Albany considered this issue at their January 23, 2019 Council meeting and adopted the attached resolution. City of Albany staff then contacted City of Millersburg staff and requested this issue be brought before the Millersburg City Council for consideration as a joint owner in the WRF.

Budget Impact: None anticipated.

Recommendation: Adoption of Resolution 2019-6 Authorizing Execution of an Intergovernmental Agreement with the City of Lebanon for Emergency Biosolids.

Attachment(s):

- City of Albany Biosolids Memo and Action
- Resolution 2019-6
- Attachment 1 Emergency Biosolids Hauling Agreement



# MEMO

TO: Albany City Council

VIA: Peter Troedsson, City Manager  
Chris Bailey, Public Works Operations Director *CB*

FROM: Kristin Preston, P.E., Wastewater Superintendent *KP*

DATE: January 14, 2019, for the January 23, 2019, City Council Meeting

**SUBJECT:** City of Lebanon Emergency Biosolids Hauling Intergovernmental Agreement  
Relates to Strategic Plan theme: An Effective Government

## Action Requested:

Staff recommends Council enter into an Intergovernmental Agreement (IGA) with the City of Lebanon to haul excess solids from the Lebanon Wastewater Treatment Plant (WWTP) to the Albany-Millersburg Water Reclamation Facility (WRF) by adopting the attached resolution.

## Discussion:

The previous Emergency Biosolids Hauling IGA with the City of Lebanon has expired. City of Lebanon staff contacted City of Albany staff to request another agreement to haul excess biosolids from the Lebanon WWTP to the WRF. During the previous agreement no biosolids were received. The Lebanon WWTP produces liquid Class B biosolids, which can be land applied but only during the summer months. In past years, Lebanon WWTP has had to dispose of excess biosolids due to lack of storage capacity within the facility. Liquid biosolids are not accepted at local landfills.

While Lebanon searches for a long-term solution, the Albany-Millersburg WRF could aid in the short term. The WRF currently disposes of its dewatered solids at Coffin Butte Landfill. Liquid biosolids from the Lebanon WWTP could be mixed with liquid Albany WRF solids within the plant and then dewatered and disposed of in the same fashion. Lebanon WWTP liquid biosolids vary in thickness, which will vary the amount of dewatered solids to dispose of. Staff has calculated costs based on dry tons as a way to normalize this variation.

The total cost for Albany to haul and dispose of wastewater solids at the landfill has risen slightly since the last IGA with Lebanon was developed. Currently, it costs the City of Albany approximately \$555/dry ton of solids that are hauled to Coffin Butte. This cost includes hauling fees, dumpster liners, polymer usage, power, and labor. In the proposed IGA, staff recommends charging the City of Lebanon \$630/dry ton delivered to the WRF, an increase of \$30 per dry ton over the previous IGA. This allows for \$75/dry ton for other costs that are more difficult to itemize such as additional wear on our dewatering equipment.

The amount of solids Lebanon may need to dispose of is unknown, which is why the proposed IGA contains a maximum for total gallons and dry tons. The IGA requires that Lebanon pay for laboratory analysis necessary for hauling the mixed dewatered solids to Coffin Butte Landfill. The agreement also gives Albany WRF staff



the option to refuse acceptance of Lebanon’s solids for odor issues, excessive solids backup (liquid or dewatered), equipment breakdown, or if the landfill refuses to accept the solids.

Lebanon’s Class B biosolids should be less odorous than the unclassified sludge produced at the WRF. Due to this, WRF staff does not anticipate any odor issues associated with the Lebanon biosolids. Additionally, a weekly maximum of 75,000 gallons was set to keep the solids delivered from Lebanon well within the available capacity at the WRF and to help maintain steady dewatering and hauling activities.

During the previous IGA, City of Albany staff acquired a three-year agreement with Republic Services, Inc., to haul the mixture of Lebanon WWTP and WRF biosolids to the Coffin Butte Landfill. The three-year term is Republic Services’ standard for this type of material. Initial testing fees to setup the agreement with Republic Services were paid by the City of Lebanon in accordance with that IGA. At this time no further testing is necessary to maintain the Republic Services agreement for the next two years. Staff requests this Emergency Biosolids Hauling IGA with the City of Lebanon be for a one-year term with the option to extend another year, if both parties agree to do so.

This IGA was not planned in the Fiscal Year 2018-2019 Budget and thus could have a budget impact. The following is based on a total of 300,000 gallons of biosolids from the Lebanon WWTP.

**Budget Impact:**

Fund 601-50-2404

FY 2018-2019

Revenues:

Lebanon hauling fees                      \$23,640

Expenditures:

Solids Process Improvements            \$19,000

Power and Light                              \$350

KP:CB:kc

Attachment (1)



RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF LEBANON FOR EMERGENCY BIOSOLIDS

WHEREAS, Albany, Millersburg, and Lebanon are Municipal Corporations of the State of Oregon; and

WHEREAS, Albany and Millersburg own and Albany operates the Albany-Millersburg Water Reclamation Facility (WRF); and

WHEREAS, Lebanon owns the Lebanon Wastewater Treatment Plant (WWTP); and

WHEREAS, The Lebanon WWTP is operated and maintained by a contractor; and

WHEREAS, Lebanon may have a need to transport excess WWTP solids during the 2018-2019 fiscal year; and

WHEREAS, Albany has available capacity at the WRF to accept a limited quantity of Lebanon's excess WWTP solids; and

WHEREAS, Albany, Millersburg, and Lebanon are units of local government, authorized under ORS 190.010 to enter into written intergovernmental agreements for the performance of specified activities; and

WHEREAS, the newly negotiated intergovernmental agreements call for adoption of the agreements by Resolution of each respective City Council.

NOW, THEREFORE, BE IT RESOLVED that Albany City Council hereby authorizes the Mayor and City Manager to execute the attached intergovernmental agreement with the City of Lebanon, provided as Attachment 1.

DATED AND EFFECTIVE THIS 23RD DAY OF JANUARY 2019.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

## EMERGENCY BIOSOLIDS HAULING AGREEMENT

THIS AGREEMENT is made and entered into on this \_\_\_\_ day of \_\_\_\_\_ 2019, by and between the CITY of ALBANY, a Municipal Corporation, hereinafter referred to as “Albany,” the CITY of MILLERSBURG, a Municipal Corporation, hereinafter referred to as “Millersburg,” and the CITY of LEBANON, a Municipal Corporation, hereinafter referred to as “Lebanon.”

### RECITALS

WHEREAS, Albany, Millersburg, and Lebanon are Municipal Corporations of the State of Oregon; and

WHEREAS, Albany and Millersburg own and Albany operates the Albany-Millersburg Water Reclamation Facility (WRF); and

WHEREAS, Lebanon owns the Lebanon Wastewater Treatment Plant (WWTP); and

WHEREAS, The Lebanon WWTP is operated and maintained by a contractor; and

WHEREAS, Lebanon may have a need to transport excess WWTP solids during the 2018-2019 fiscal year; and

WHEREAS, Albany has available capacity at the WRF to accept a limited quantity of Lebanon’s excess WWTP solids; and

WHEREAS, Albany, Millersburg, and Lebanon are units of local government, authorized under ORS 190.010 to enter into written intergovernmental agreements for the performance of specified activities.

NOW, THEREFORE, the Parties agree as follows:

#### 1. Background

- 1.1 Lebanon’s WWTP produces a Class B biosolids with an average solids content of between two and four percent.
- 1.2 In the winters of 2015-2016 and 2016-2017 Lebanon had to make unplanned emergency arrangements to remove solids from their WWTP due to solids overloading within the plant. Making arrangements to dispose of large quantities of biosolids during the winter months is complicated and expensive if prior planning has not been done.
- 1.3 Albany’s WRF has a well established procedure whereby wastewater treatment plant solids from the WRF are dewatered and hauled to the Coffin Butte landfill.
- 1.4 Capacity exists within the Albany WRF to accept a limited quantity of wastewater treatment plant solids from the Lebanon WWTP without negatively impacting WRF performance or landfill disposal of Albany’s treatment plant solids.

#### 2. Covenants of Lebanon

- 2.1 Lebanon shall pay for testing and other requirements necessary to gain approval from the Coffin Butte landfill for disposal of their WWTP solids prior to delivering any WWTP solids to the WRF.
- 2.2 Lebanon, or its contract operator, shall notify Albany at least seven days prior to delivering WWTP solids to the WRF.
- 2.3 Lebanon shall deliver WWTP solids in quantities not to exceed 75,000 gallons per calendar week. Total solids delivered to the WRF shall not exceed 500,000 gallons or 65 dry tons, whichever is met first, annually, for each year of this agreement.
- 2.4 Lebanon, or its contract operator, shall test the total solids percentage in each load to be delivered to the WRF. Test results will be sent to Albany WRF staff weekly and be accurate to at least one-tenth of a percentage.
- 2.5 Lebanon, or its contract operator, shall provide all staff and equipment necessary to deliver the WWTP solids to the designated WRF receiving tank.



- 2.6 Lebanon may allow Albany staff to coordinate directly with the contract operator of the Lebanon WWTP for scheduling, testing, and delivery of solids to the Albany WRF.
- 2.7 Lebanon shall pay Albany for handling and disposal of the delivered WWTP solids according to the terms of Section 4 of this Agreement.
- 2.8 Lebanon may request up to a one-year extension on this agreement prior to its expiration.

### 3. Covenants of Albany

- 3.1 Albany shall arrange for testing of the Albany/Lebanon sludge cake mix and submit results to Republic Services for final landfill approval.
- 3.2 Albany shall reasonably maintain capacity within the WRF for the acceptance of Lebanon WWTP solids delivered according to the terms of this Agreement; however, Albany may refuse to accept solids due to any of the following: odor issues, excessive solids backup (cake or liquid), equipment breakdown, or the Coffin Butte landfill refuses to accept solids.
- 3.3 Albany shall not unreasonably delay the delivery of solids from the Lebanon WWTP.
- 3.4 Albany shall process and dispose of the Lebanon WWTP solids in accordance with the permits and requirements of Republic Services and the Coffin Butte landfill.
- 3.5 Albany shall maintain records of the volume and percent of solids delivered to the WRF and shall prepare a quarterly invoice to Lebanon according to the terms of Section 4 of this Agreement.
- 3.6 Albany may grant up to one-year extension on this agreement with price adjustments from section 4.1.

### 4. Charge for Service

- 4.1 Lebanon agrees to pay \$630 per dry ton of solids delivered to the Albany WRF. The dry tonnage will be calculated per load based on total gallons and the percent of total solids for each load delivered. If term is extended for one additional year, cost per dry ton of solids delivered will increase to \$650.
- 4.2 Albany will invoice Lebanon for payments required per this Agreement monthly. Lebanon agrees to pay all amounts owed by the dates shown, unless otherwise agreed to in writing by both parties. Any late payment shall bear interest at three (3) percent per annum if not paid within 30 days of invoice. Interest shall accrue automatically without written notice from Albany. Unless otherwise requested by the City of Albany, payments shall be submitted to:

City of Albany Public Works Department  
 Attention: Jeff Babbitt  
 333 Broadalbin Street SW  
 PO Box 490  
 Albany, OR 97321-0144

- 5. **Indemnification:** Each Party agrees to indemnify and hold the other Party and its agents harmless from any governmental or third party claims or damages, including costs of defense and mitigation, resulting, or claimed to result, in any manner from the indemnifying Party's acts or omissions in violation of the terms of this Agreement.
- 6. **Modification:** All modifications to the Agreement must be approved in writing by both cities' governing bodies.
- 7. **Term and Termination:** The term of this Agreement is one (1) year, with the option to extend one year at City of Albany staff discretion.
- 8. **Good Faith:** With regard to their respective obligations and commitments under this Agreement, each party covenants that it shall act in good faith and deal fairly with the other party.



9. **Dispute Resolution:** It is the intent of the Parties to limit the issues available for dispute resolution. The issues raised must be related to interpretation of the express terms of this Agreement and the enforcement thereof and/or damages for breach. Disputes shall first be subject to mediation followed by binding arbitration. Either party may initiate the mediation/arbitration process by providing written notice to the other suggesting the persons proposed to mediate or arbitrate and the procedures and timelines, therefore. Should the parties be unable to agree upon these matters, within 30 days of the written demand for mediation/arbitration set forth above, either party may apply to the presiding judge of Linn County for the selection of the mediator and/or arbitrator(s) and the presiding judge's selection thereof shall be binding. In such event, the mediator or arbitrator(s) thus selected shall determine the procedures and timelines to be employed and the Parties shall share equally in all dispute resolution costs.
10. **Costs and Attorney Fees:** If suit, action, arbitration, or mediation is instituted to interpret or enforce the terms of this Agreement or with respect to any dispute under this Agreement, the prevailing party is entitled to recover from the other party the sum that the court, arbitrator, or mediator may adjudge reasonable as costs and expert witness and attorney fees in any such proceeding, at trial, on any appeal or petition for review, and in any bankruptcy proceeding (including the adjudication of any issues peculiar to bankruptcy law), in addition to all other sums provided by law.
11. **Compliance with Applicable Law:** The Parties shall comply with all federal, state, and local laws and ordinances applicable to the Agreement, including, without limitation, applicable requirements of federal and state civil rights and rehabilitation statutes, rules, and regulations.
12. **Severability:** The parties agree that if any term or provision of this Agreement is declared by a court of competent jurisdiction or authorized regulatory agency to be illegal or in conflict with any law or applicable government regulation, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held to be invalid or in conflict with regulations. In the event that the invalidation of the term or provision results in the Agreement thereby failing in its essential purpose, the parties may proceed pursuant to law subject to the dispute resolution procedures contained here.
13. **Construction of Contract:** This Agreement shall not be construed against either Party regardless of which Party drafted it. Other than as modified by this Agreement, the applicable rules of contract construction and evidence shall apply.
14. **Waiver:** No provision of this Agreement may be waived except in writing by the Party waiving compliance. No waiver of any provision of this agreement shall constitute waiver of any other provision, whether similar or not, nor shall any one waiver constitute a continuing waiver. Failure to enforce any provision of this Agreement shall not operate as a waiver of such provision or any other provision.
15. **Resolution:** Both Parties agree to adopt this Agreement by Resolution of its respective City Council.

**FOR CITY OF LEBANON:**

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Paul Aziz, Mayor

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Gary B. Marks, City Manager

**Approved as to Content:**

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Ron Whitlatch, Engineering Services Director

**Approved as to Form:**

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John Tre<sup>3</sup> Kennedy, City Attorney

**FOR CITY OF ALBANY:**

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Sharon Konopa, Mayor

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Peter Trocdsson, City Manager

**Approved as to Content:**

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Chris Bailey, Public Works Operations Director

**Approved as to Form:**

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Sean Kidd, City Attorney

**FOR CITY OF MILLERSBURG:**

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Jim Lepin, Mayor

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Kevin Kreitman, City Manager

**Approved as to Form:**

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Forrest Reid, City Attorney

## **RESOLUTION 2019-6**

### **A RESOLUTION AUTHORIZING EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF LEBANON FOR EMERGENCY BIOSOLIDS**

**WHEREAS**, Albany, Millersburg, and Lebanon are Municipal Corporations of the State of Oregon; and,

**WHEREAS**, Albany and Millersburg own and Albany operates the Albany-Millersburg Water Reclamation Facility (WRF); and,

**WHEREAS**, Lebanon owns the Lebanon Wastewater Treatment Plant (WWTP); and,

**WHEREAS**, the Lebanon WWTP is operated and maintained by a contractor; and,

**WHEREAS**, Lebanon may have a need to transport excess WWTP solids during the 2018-2019 fiscal year; and,

**WHEREAS**, Albany has available capacity at the WRF to accept a limited quantity of Lebanon's excess WWTP solids; and,

**WHEREAS**, Albany, Millersburg, and Lebanon are units of local government, authorized under ORS 190.010 to enter into written intergovernmental agreements for the performance of specified activities; and,

**WHEREAS**, the newly negotiated intergovernmental agreements call for adoption of the agreements by Resolution of each respective City Council.

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MILLERSBURG AS FOLLOWS:**

The Millersburg City Council hereby authorizes the Mayor and City Manager to execute the attached Intergovernmental Agreement with the City of Lebanon, provided as Attachment 1.

**Effective Date.** This Resolution shall be effective upon its approval and adoption.

**Duly passed by the City Council this 12<sup>nd</sup> day of February, 2019.**

---

Jim Lepin, Mayor  
City of Millersburg, Oregon

ATTEST:

---

Kimberly Wollenburg  
City Recorder

## EMERGENCY BIOSOLIDS HAULING AGREEMENT

THIS AGREEMENT is made and entered into on this \_\_\_\_ day of \_\_\_\_\_ 2019, by and between the CITY of ALBANY, a Municipal Corporation, hereinafter referred to as “Albany,” the CITY of MILLERSBURG, a Municipal Corporation, hereinafter referred to “Millersburg,” and the CITY of LEBANON, a Municipal Corporation, hereinafter referred to as “Lebanon.”

### RECITALS

WHEREAS, Albany, Millersburg, and Lebanon are Municipal Corporations of the State of Oregon; and  
 WHEREAS, Albany and Millersburg own and Albany operates the Albany-Millersburg Water Reclamation Facility (WRF); and  
 WHEREAS, Lebanon owns the Lebanon Wastewater Treatment Plant (WWTP); and  
 WHEREAS, The Lebanon WWTP is operated and maintained by a contractor; and  
 WHEREAS, Lebanon may have a need to transport excess WWTP solids during the 2018-2019 fiscal year; and  
 WHEREAS, Albany has available capacity at the WRF to accept a limited quantity of Lebanon’s excess WWTP solids; and  
 WHEREAS, Albany, Millersburg, and Lebanon are units of local government, authorized under ORS 190.010 to enter into written intergovernmental agreements for the performance of specified activities.  
 NOW, THEREFORE, the Parties agree as follows:

#### 1. Background

- 1.1 Lebanon’s WWTP produces a Class B biosolids with an average solids content of between two and four percent.
- 1.2 In the winters of 2015-2016 and 2016-2017 Lebanon had to make unplanned emergency arrangements to remove solids from their WWTP due to solids overloading within the plant. Making arrangements to dispose of large quantities of biosolids during the winter months is complicated and expensive if prior planning has not been done.
- 1.3 Albany’s WRF has a well established procedure whereby wastewater treatment plant solids from the WRF are dewatered and hauled to the Coffin Butte landfill.
- 1.4 Capacity exists within the Albany WRF to accept a limited quantity of wastewater treatment plant solids from the Lebanon WWTP without negatively impacting WRF performance or landfill disposal of Albany’s treatment plant solids.

#### 2. Covenants of Lebanon

- 2.1 Lebanon shall pay for testing and other requirements necessary to gain approval from the Coffin Butte landfill for disposal of their WWTP solids prior to delivering any WWTP solids to the WRF.
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- 2.3 Lebanon shall deliver WWTP solids in quantities not to exceed 75,000 gallons per calendar week. Total solids delivered to the WRF shall not exceed 500,000 gallons or 65 dry tons, whichever is met first, annually, for each year of this agreement.
- 2.4 Lebanon, or its contract operator, shall test the total solids percentage in each load to be delivered to the WRF. Test results will be sent to Albany WRF staff weekly and be accurate to at least one-tenth of a percentage.
- 2.5 Lebanon, or its contract operator, shall provide all staff and equipment necessary to deliver the WWTP solids to the designated WRF receiving tank.

- 2.6 Lebanon may allow Albany staff to coordinate directly with the contract operator of the Lebanon WWTP for scheduling, testing, and delivery of solids to the Albany WRF.
- 2.7 Lebanon shall pay Albany for handling and disposal of the delivered WWTP solids according to the terms of Section 4 of this Agreement.
- 2.8 Lebanon may request up to a one-year extension on this agreement prior to its expiration.

**3. Covenants of Albany**

- 3.1 Albany shall arrange for testing of the Albany/Lebanon sludge cake mix and submit results to Republic Services for final landfill approval.
- 3.2 Albany shall reasonably maintain capacity within the WRF for the acceptance of Lebanon WWTP solids delivered according to the terms of this Agreement; however, Albany may refuse to accept solids due to any of the following: odor issues, excessive solids backup (cake or liquid), equipment breakdown, or the Coffin Butte landfill refuses to accept solids.
- 3.3 Albany shall not unreasonably delay the delivery of solids from the Lebanon WWTP.
- 3.4 Albany shall process and dispose of the Lebanon WWTP solids in accordance with the permits and requirements of Republic Services and the Coffin Butte landfill.
- 3.5 Albany shall maintain records of the volume and percent of solids delivered to the WRF and shall prepare a quarterly invoice to Lebanon according to the terms of Section 4 of this Agreement.
- 3.6 Albany may grant up to one-year extension on this agreement with price adjustments from section 4.1.

**4. Charge for Service**

- 4.1 Lebanon agrees to pay \$630 per dry ton of solids delivered to the Albany WRF. The dry tonnage will be calculated per load based on total gallons and the percent of total solids for each load delivered. If term is extended for one additional year, cost per dry ton of solids delivered will increase to \$650.
- 4.2 Albany will invoice Lebanon for payments required per this Agreement monthly. Lebanon agrees to pay all amounts owed by the dates shown, unless otherwise agreed to in writing by both parties. Any late payment shall bear interest at three (3) percent per annum if not paid within 30 days of invoice. Interest shall accrue automatically without written notice from Albany. Unless otherwise requested by the City of Albany, payments shall be submitted to:

City of Albany Public Works Department  
Attention: Jeff Babbitt  
333 Broadalbin Street SW  
PO Box 490  
Albany, OR 97321-0144

5. **Indemnification:** Each Party agrees to indemnify and hold the other Party and its agents harmless from any governmental or third party claims or damages, including costs of defense and mitigation, resulting, or claimed to result, in any manner from the indemnifying Party's acts or omissions in violation of the terms of this Agreement.
6. **Modification:** All modifications to the Agreement must be approved in writing by both cities' governing bodies.
7. **Term and Termination:** The term of this Agreement is one (1) year, with the option to extend one year at City of Albany staff discretion.
8. **Good Faith:** With regard to their respective obligations and commitments under this Agreement, each party covenants that it shall act in good faith and deal fairly with the other party.

9. **Dispute Resolution:** It is the intent of the Parties to limit the issues available for dispute resolution. The issues raised must be related to interpretation of the express terms of this Agreement and the enforcement thereof and/or damages for breach. Disputes shall first be subject to mediation followed by binding arbitration. Either party may initiate the mediation/arbitration process by providing written notice to the other suggesting the persons proposed to mediate or arbitrate and the procedures and timelines, therefore. Should the parties be unable to agree upon these matters, within 30 days of the written demand for mediation/arbitration set forth above, either party may apply to the presiding judge of Linn County for the selection of the mediator and/or arbitrator(s) and the presiding judge's selection thereof shall be binding. In such event, the mediator or arbitrator(s) thus selected shall determine the procedures and timelines to be employed and the Parties shall share equally in all dispute resolution costs.
10. **Costs and Attorney Fees:** If suit, action, arbitration, or mediation is instituted to interpret or enforce the terms of this Agreement or with respect to any dispute under this Agreement, the prevailing party is entitled to recover from the other party the sum that the court, arbitrator, or mediator may adjudge reasonable as costs and expert witness and attorney fees in any such proceeding, at trial, on any appeal or petition for review, and in any bankruptcy proceeding (including the adjudication of any issues peculiar to bankruptcy law), in addition to all other sums provided by law.
11. **Compliance with Applicable Law:** The Parties shall comply with all federal, state, and local laws and ordinances applicable to the Agreement, including, without limitation, applicable requirements of federal and state civil rights and rehabilitation statutes, rules, and regulations.
12. **Severability:** The parties agree that if any term or provision of this Agreement is declared by a court of competent jurisdiction or authorized regulatory agency to be illegal or in conflict with any law or applicable government regulation, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held to be invalid or in conflict with regulations. In the event that the invalidation of the term or provision results in the Agreement thereby failing in its essential purpose, the parties may proceed pursuant to law subject to the dispute resolution procedures contained here.
13. **Construction of Contract:** This Agreement shall not be construed against either Party regardless of which Party drafted it. Other than as modified by this Agreement, the applicable rules of contract construction and evidence shall apply.
14. **Waiver:** No provision of this Agreement may be waived except in writing by the Party waiving compliance. No waiver of any provision of this agreement shall constitute waiver of any other provision, whether similar or not, nor shall any one waiver constitute a continuing waiver. Failure to enforce any provision of this Agreement shall not operate as a waiver of such provision or any other provision.
15. **Resolution:** Both Parties agree to adopt this Agreement by Resolution of its respective City Council.

**FOR CITY OF LEBANON:**

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Paul Aziz, Mayor

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Gary B. Marks, City Manager

**Approved as to Content:**

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Ron Whitlatch, Engineering Services Director

**Approved as to Form:**

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John Tre<sup>3</sup> Kennedy, City Attorney

**FOR CITY OF ALBANY:**

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Sharon Konopa, Mayor

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Peter Trocdsson, City Manager

**Approved as to Content:**

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Chris Bailey, Public Works Operations Director

**Approved as to Form:**

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Sean Kidd, City Attorney

**FOR CITY OF MILLERSBURG:**

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Jim Lepin, Mayor

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Kevin Kreitman, City Manager

**Approved as to Form:**

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Forrest Reid, City Attorney