

PRELIMINARY AGENDA
JESSIE MAYS COMMUNITY HALL
30975 NW Hillcrest Street

JOINT WORK SESSION
CITY OF NORTH PLAINS, CITY COUNCIL AND
NORTH PLAINS PLANNING COMMISSION

Monday, March 3, 2014 –6:00 P.M.

A. Discussion of Council priorities regarding:

- Comprehensive Plan update
- Citizen Participation Committee
- Application review process

REGULAR SESSION
CITY OF NORTH PLAINS, CITY COUNCIL MEETING

Monday, March 3, 2014 – 7:00 P.M.

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. CONSENT AGENDA: *(The items on the Consent Agenda are normally considered in a single motion. Any item may be removed for separate consideration upon request by any member of the Council.)*

A. Approval of regular session agenda

B. Approval of minutes of 02/18/2014 Council meeting

5. PUBLIC COMMENT: *(Persons wishing to speak on matters not on the agenda may be recognized at this time. Speakers must complete a "Public Comment Registration form" on the information table and return it to the City Recorder. You are not required to give your address when speaking to the City Council, only your name. Presentations are limited to five minutes.)*

6. PRESENTATION:

None Scheduled

7. PUBLIC HEARING:

None Scheduled

8. NEW BUSINESS:

A. Discussion FY 2012-13 Financial Statements from auditors Pauly Rodgers and Co, PC.

B. Adoption of Resolution No. 1817 approving the North Plains Garden Club requests for use of Jessie Mays tennis courts and related equipment

- C. Adoption of Resolution No. 1818 approving adjustments in the Master Fee Schedule
- D. Adoption of Resolution No. 1819 approving the 2013-14 Supplemental Budget
- E. Adoption of Resolution No. 1820 closing the internal service fund.
- F. Adoption of Resolution No. 1821 committing Water Fund System Development Charges
- G. Reminder that the Statement of Economic Interest forms will be distributed in the next few weeks.

9. UNFINISHED BUSINESS:

- A. Discussion and approval of specific draft city policies from number 604-613. (Copies of policies were distributed at the 9/16/13 Council meeting)
- B. Discussion of Smokehouse Summit event

10. ORDINANCES:

FIRST READING:

None Scheduled

SECOND READING:

- A. Approval and adoption of Ordinance No. 419 amending Chapter 6.25 peddlers, solicitors, street vendor and temporary merchant ordinance. First reading by title only took place on 2/18/14.
- B. Approval and adoption of Ordinance No. 420 establishing Chapter 4.50 prohibiting sale and use of tobacco and vapor products by minors. First reading by title only took place on 2/18/14.
- C. Approval and adoption of Ordinance No. 421 establishing Chapter 4.53 disallowing the use of smoking and tobacco products on city property. First reading by title only took place on 2/18/14.

11. STAFF REPORTS

Staff reports will be provided by the Public Works Director, Police Chief, and Library Director

12. COUNCIL REPORTS

- A. Council reports will be provided by the Mayor and City Councilors on meetings attended and other items.
- B. March 2014 Council Calendar

13. ADVICE/INFORMATION ITEMS:

- Saturday, March 22: Benefit Dance at Jessie Mays @ 7:30 p.m. (proceeds to North Plains Elementary School for Art Supplies)
- Sunday, March 23: Playdate at Jessie Mays @ 1:30 p.m.

14. ADJOURNMENT:

North Plains City Council meetings are accessible for disabled individuals. The City will also endeavor to provide services for persons with impaired hearing or vision and other services, if requested, at least 48 hours prior to the meeting. To obtain services, please call City Hall at (503) 647-5555

The following City Council Meetings are scheduled to be held at Jessie Mays Community Hall at 30975 NW Hillcrest Street, North Plains, Oregon.

The meetings will be held on the following dates at 7:00 p.m.:

Monday, March 17, 2014

Monday, April 7, 2014

Monday, April 21, 2014

CITY OF NORTH PLAINS, CITY COUNCIL MEETING
MINUTES REGULAR SESSION
NORTH PLAINS SENIOR CENTER
31450 NW Commercial
Tuesday, February 18, 2014

1. **CALL TO ORDER:** Mayor David Hatcher called the meeting to order at 7:02 p.m.
2. **PLEDGE OF ALLEGIANCE:** Mayor Hatcher conducted the flag salute
3. **ROLL CALL:** Mayor David Hatcher; Council President Teri Lenahan; Councilors: Michael Demagalski, Robert Kindel, Jr., Charlynn Newton, and Glen Warren

Excused Absence: Michael Broome

Staff present: City Manager Martha DeBry, Chris Crean, City Attorney, Public Works Director Blake Boyles, Chief of Police Bill Snyder, Management Analyst Jennifer Knowles, Deputy City Recorder Margaret Reh

4. **CONSENT AGENDA:**

- A. Approval of regular session agenda
- B. Approval of minutes of 02/03/2014 Council meeting

Motion by Warren and seconded by Demagalski to approve the Consent Agenda. The motion was approved unanimously.

5. **PUBLIC COMMENT:**

None forthcoming

6. **PRESENTATION:**

None Scheduled

7. **PUBLIC HEARING:**

- A. Appeal of Planning Commission decision regarding a subdivision at 31790 NW North Avenue

Mayor Hatcher opened the public hearing at 7:05 by reading the beginning of the quasi-judicial public hearing script. This public hearing is for the appeal of permit file #13-044 submitted by Emerio Design on behalf of Biggi Construction. The application is for a five-lot subdivision at 31790 NW North Avenue in North Plains. This appeal was filed by the applicant following denial of the application by the Planning Commission.

Mayor Hatcher disclosed he had some bias considering the application and recused himself from participating in the discussion and decision. He handed the public hearing over to Council President Lenahan.

Lenahan disclosed she was contacted via e-mail on January 6, 2014 by a realtor, Rob Bass who wanted to meet with her to discuss the application. They never did meet.

Lenahan continued to read the quasi-judicial public hearing script into record.

Lenahan asked for the staff report. DeBry stated this is an appeal of the decision of the Planning Commission on the Emerio Design application of a five-lot subdivision. There were a number of variances requested—one for each lot. The details of the variances are stated in the staff report on file. The requests were bundled together and submitted to the Planning Commission. The Planning Commission denied the application stating the variances were not in harmony with the 7.5 zone. The applicant has made some modifications to the application regarding set-backs and lot widths, but since the Planning Commission denied the application outright, instead of continuing the public hearing so the applicant was not able to return to the Commission. Therefore, they have appealed the application to the City Council for a hearing.

DeBry stated that Chris Crean, from Beery, Elsner and Hammond, was present to assist with any legal questions Council may have.

Lenahan invited the applicant to come forward. Ryan O'Brien, 1862 NE Estate Drive, Hillsboro, Oregon and Vince Biggi, 11605 NW Normandy Drive, Portland, Oregon, addressed the Council. O'Brien reiterated the changes to the application that DeBry had stated were in the staff report. This is an in-fill property and one of the last pieces of land left on this section of the city. Because of the existing house on this parcel of land, and the configuration of the parcel, the variances are being requested in order to build four additional homes in this subdivision. He commented that variances are a tool to be used for unusual circumstances. He stated the homeowner wanted to keep the existing home. Council asked some clarifying questions regarding the set-backs, access to the back lots, and standards for the water line. Vince Biggi worked hard to meet the concerns of the Planning Commission to get more of what they wanted.

Lenahan asked for public testimony from proponents to the application to step forward.

Roger Newton, 10260 NW 313th, North Plains, Oregon, stated that his concern regarding the Planning Commission having a 2-1 vote denying this application. He felt they could have suggested some changes and continued the meeting for the applicant to bring it back. Newton also thought the hearing should have been continued until more Commissioners were present. He didn't think they should have made it a final decision of denial.

R.Newton also applauded the city for the incentives available that encourage in-fill development. Additionally, he stated variances are necessary for development to happen with in-fill properties. However, when someone brings an application to the City and it gets denied people this is not encouraging it—that is like you are just throwing the incentives away. Also take into consideration the density requirement, increasing the tax base. Newton encouraged Council to approve this application especially with these changes.

Dick Vandehey, 31880 NW North Avenue, North Plains, Oregon, stated he had submitted a statement against the application when it was before the Planning Commission. He also stated that Michael Basile, the property owner, had spoken with him at the beginning of the process. He doesn't have any problem with the property being developed. He knows the property quite well. Vandehey was offered the property by the previous owner and looked at developing it. He ran into some issues and did not purchase the property at the time. He understands that Biggi wants to develop it and make money on it. Vandehey did develop the VanRodison Estates that adjoins this property. When Vandehey put in his development his intent was to raise the grade of the city. He developed homes that were not entry level homes. They cost more and the lots were more expensive.

From a developer standpoint Vandehey stated if you have less lots there is less lot improvements that need to be put in. Water, sewer, street, curbs and sidewalks all need to be installed, but you can get more money back with larger lots to cover those costs.

Vandehey feels that if the property is divided into bigger lots, larger homes can be built and the city will get more tax dollars with more expensive homes built on those lots. He said that with the smaller lots they will build \$190,000-\$240,000 homes on those lots. These smaller houses will devalue the homes in the area. When cheap houses are built they will begin to deteriorate within five years. Because the owners would be low income they would not be able to afford to keep them up the way they should.

Vandehey stated he isn't against the property being developed it just should be four lots, not five. They should be able to do the in-fill.

Vandehey feels the Planning Commission had valid reasons for denying the application.

Michael Basile, 18212 NW Pumpkin Ridge Road, North Plains, Oregon, is the property owner. Basile stated that when the VanRodison Estates went in the application required variances to make all the properties work. This application isn't any different. Basile stated that Vince Biggi has built homes in the surrounding area and they are beautiful homes, well-constructed, and add value to the area. They will be consistent with the surrounding area. They will not be low income homes. They will be adding value to North Plains. Basile is also pleased they will be able to retain some of the very old trees. He stated he is very much in favor of this development.

Vicki Vandehey, 31840 NW North Avenue, North Plains, OR, an owner of the property just west of the proposed development. Vicki and her husband Tim had not been a part of the discussion prior to this public hearing due to mix-ups in the paperwork and notifications, but that had all been resolved. Most of her concerns are similar to those that had already been voiced. She would like to see the subdivision be kept to four lots, not five. There is all this focus on numbers but ultimately they are the ones left living next to this subdivision. They have lived in the community for 19 years and when they needed to upsize the elected to stay in North Plains. She is fine with the land being developed but wants it to be held to the 7.5 zoning requirements. She asked the Council to consider those who are living next to the development.

Stacy Mills, 31806 NW Belgium Court, stated she is more comfortable with the development after hearing the proposed changes to the plan. She is not a big fan of neighbors. She doesn't want more neighbors than she has to have. She has a neighbor who has a yippy dog and feels that if three more houses are built behind her house she will get more yippy dogs. Her husband was concerned that they were going to be low income housing and they both are concerned about the increase in congestion. Mills largest complaint is that the city is adding houses to community but she isn't seeing more money going into the school. She stated it is great that we have a better tax base but it isn't helping our schools.

Lenahan asked for anyone who is neutral on the subject to come forward. There was no response.

Lenahan asked DeBry for clarification on the density issue of 5.8 dwelling units per acre whether it is net or gross. DeBry stated this comes from the Comprehensive Plan as a goal for density. Chapter 16 states it is 5.8 per net acre.

Chris Crean shared driveway shared access and shared easement. Proposed easement and part of the conditions of approval. Proposed Comprehensive Plan.

Lenahan called the applicant forward for rebuttal. Biggi stated these homes will not be subgrade and fall apart in 5-6 years. He built three of the homes on 317th in a crummy market and they sold for \$360,000. He is proposing to build the same type of homes in this development and they will probably sell for closer to \$400,000. They are not planning on cramming a bunch of track homes into the area. They will be very similar to Vandehey's development, if not even for a higher value. Biggi stated if they were to tear down the existing house they would still be forced to build five units according to the North Plains code. He also stated that there are already chickens and dogs in the back yard. He feels that he will be bringing an improvement to the neighborhood.

Lenahan closed the public hearing at 8:12 p.m.

Council deliberated. They discussed: the adjustments in the plans since the denial by the Planning Commission; the narrow lot widths and set backs of the lots and standards allowed by the code; the number of variances; the variances that could have been approved administratively; in-fill incentives and purpose of allowing variances; the size and quality of the homes that could be built on this property; livability; lack of sidewalks on back lots; issues with private driveways and easements and how to establish and address those issues in the conditions of approval; the tax base of the homes;

Crean clarified the options the Council has. Deny the application and uphold the decision of the Planning Commission. If they do this they will need to cite the criteria for the denial. He stated at this point there is not enough time or authority to remand this decision back to the Planning Commission. The 120 day deadline is fast approaching. They can uphold the appeal and approve the appeal based on findings. The Council could continue the public hearing but would have same timing issues of the 120 day deadline.

Council discussed the process of applications coming to the Planning Commission. Council suggested that more education take place on options available to the Commission than outright denying an application. If there is still some workability with an applicant, the Commission could explore other possibilities before coming to a final decision to outright deny an application.

Motion by Newton and seconded by Warren to approve the appeal of this application. The motion passed with a 3-2 vote with Demagalski and Kindel voting against.

Mayor Hatcher asked for the Council's approval to move item 9C up to 8A. Motion by Newton and seconded by Kindel to move 9C up to 8A. Motion was approved unanimously.

8. NEW BUSINESS:

A. Presentation on PORAC benefits for Police Officers and Reserve Officers

At a past Council meeting Chief Snyder had requested approval of providing legal defense insurance to his staff. Council needed more information before agreeing to the coverage. Snyder invited an attorney with PORAC to provide that information. Mark Makler, 1225 NW Murray Blvd, Portland, Oregon, is an attorney who works with the Peace Officer Research Association of California (PORAC) legal defense fund. Makler explained the benefits of using PORAC and cited cases showing this coverage would be a substantial risk benefit. The coverage is \$4.50/month for the paid officers and \$3.00/month for the Reserve Officers.

Motion by Kindle and seconded by Demagalski to add PORAC benefits to paid police staff and the reserve officers to the budget. Motion carried unanimously.

B. Discussion of City matching funds raised at the benefit dance at Jessie Mays in March

Councilor Broome had requested the Council consider matching funds raised at the benefit dance scheduled in March. These funds are slated for art supplies at the North Plains Elementary School.

Motion by Demagalski and seconded by Lenahan for Council to match the money raised at the benefit dance in March for art supplies for the North Plains Elementary School. Motion carried unanimously.

C. Resolution No. 1816 waiving fees and approving use of Commercial Street for North Plains Farmers' Market

Cindy Hirst and Vanessa VanDomelen of the North Plains Farmers' Market Board presented a proposal to the Council. There have been a number of changes with the Farmers' Market made in the past months. The Board is now partnering with the North Plains Chamber of Commerce instead of the Senior Center and the structure has been revamped. It is proposed to move the market on to Commercial Street and change the hours from 8:00-1:00 on Saturdays to 4:00 p.m. to 9:00 p.m. on Thursday evenings. The Farmers' Market is requesting assistance from the City with the closure of

Commercial Street; providing portable toilets, tables, chairs, trash pickup, use of electrical drops, barricades and assisting with hanging signs; and waiving fees associated with these items.

The Market will run for 13 weeks from June 5 through August 28, 2014.

Motion by Demagalski and seconded by Warren to approve Resolution No. 1816 with the correction of allowing amplified music from 5:00-8:00 not 5:00-9:00. Motion was unanimously approved.

D. January 2014 Check Register

Council reviewed the January Check Register. They asked a few clarifying questions that were answered satisfactorily.

9. **UNFINISHED BUSINESS:**

A. Discussion and approval of specific draft city policies from number 604-613

The draft policy manual was distributed at the 9/16/13 council meeting to give the Councilors time to review and present any changes or concerns. Council directed staff on 10/21/13 that batches of policies be reviewed at each meeting until they are all approved.

Council went through policies 604-613. Discussion ensued. Clarifying questions were asked but there were no changes made to this group of policies. An edited copy of the whole manual will be delivered to Council at the end of the process.

B. Update on Smokehouse Summit event

Jennifer Knowles updated the Council on the status of the Smokehouse Summit BBQ event scheduled to take place on June 7 & 8. She has heard from the sanctioning committee that the Smokehouse Summit is a World Foods Championship qualifier and with 15 teams registered will be a qualifying event for the Jack Daniels National Competition. Jennifer introduced Jason Specht who is working with her on the event.

10. **ORDINANCES:**

FIRST READING:

A. Introduction of Ordinance No. 419 amending Chapter 6.25 peddlers, solicitors, street vendor and temporary merchant ordinance

Motion by Kindel. Second by Lenahan to read Ordinance No. 419 by title only for the first time.

Hatcher read Ordinance No. 419 an Ordinance of the City Council of the City of North Plains, Oregon, Amending Municipal Code 6.25 Peddlers, Solicitors, Street Vendor and Temporary Merchant Ordinance by title only for the first time.

B. Introduction of Ordinance No. 420 establishing Chapter 4.50 prohibiting sale and use of tobacco and vapor products by minors

DeBry presented the staff report for Ordinance No. 420 and 421. These are the ordinances recommended by Carla Bennett, the Tobacco Prevention and Education Coordinator of Washington County. Council asked question regarding enforcement and fines that will be imposed. DeBry explained that is set by the state Justice Courts. It was suggested that the City inform the businesses in town who sell the vapor products of the Ordinance. It was suggest to change the wording in the title and Section 1 of the Ordinance from “by” minors to “to” minors.

Motion by Demagalski. Second by Warren to read Ordinance No. 420 by title only for the first time with the suggested changes.

Hatcher read Ordinance No. 420 an Ordinance of the City Council of the City of North Plains, Oregon, Establishing Municipal Code 4.50 Prohibiting the Sale and use of Tobacco and Vapor Products to Minors by title only for the first time.

C. Introduction of Ordinance No. 421 establishing Chapter 4.53 disallowing the use of smoking and tobacco products on city property.

Motion by Kindel. Second by Demagalski to read Ordinance No. 421 by title only for the first time.

Hatcher read Ordinance No. 421 an Ordinance of the City Council of the City of North Plains, Oregon, Establishing Municipal Code 4.53 Prohibiting the Use of Smoking and Tobacco Products at City Facilities by title only for the first time.

SECOND READING:

None Scheduled

11. STAFF REPORTS

DeBry stated McKay Fields has 3.69 acres of open space that the City could have an easement to for the use of a walking trail. Discussion will need to take place at a later date regarding the direction Council may want to take in acquiring the land. Council is willing to listen to options.

The Supplemental Budget draft will be sent our within the next two weeks for the Council to begin to review.

The City will need to contract the sheet metal company on Hillcrest to address the equipment he has out in the right-of-way.

DeBry stated the Budget Committee is short a couple of positions and asked Council to keep their ear out for someone who may be interested in serving on that committee.

Planning Commission is still looking to fill one more position.

DeBry commended Public Works on the great job they did of clearing the snow during the storm. They worked long hours to keep things clear. Warren asked Boyles if it is possible to purchase a snow plow blade to use with the truck. Public Works is looking into that.

Heidi Fuiten was also commended for coming in to open the library. North Plains was one of the few libraries that stayed open.

Boyles stated they are working with Washington County in putting down signs for the high water areas.

12. COUNCIL REPORTS

Hatcher asked Boyles if he would look into upgrading the electrical power for use during the Elephant Garlic Festival. A generator needs to usually be used and it is known for giving out on them.

Kindel distributed a list of funds North Plains has received from the Community Development Block Grant. He wanted to emphasize that the donation made to the senior center for the Clean Water Services bill was justified. North Plains has truly benefited from the CDBG program.

13. ADVICE/INFORMATION ITEMS:

- 2/21/14: One Book One Community-Movie Night Double Feature: God Sleeps in Rwanda and Hotel Rwanda
- 2/23/14: Playdate at Jessie Mays @1:30 p.m.
- 2/27/14: One Book One Community-Book Discussion

14. ADJOURNMENT: Mayor Hatcher adjourned the meeting at 10:35 p.m.

David Hatcher, Mayor

Margaret L. Reh, Deputy City Recorder

Date approved _____



CITY OF NORTH PLAINS

31360 NW Commercial Street, North Plains, Oregon 97133

Date: March 3, 2014
 To: City Council
 From: Finance Manager Rachael Lembo
 Subject: FY2012-13 Audited Financial Statements

Request: Informational only.

Background: The audited financial statements for FY2012-13 have been received from Pauly Rodgers and Co, PC, who serve as the city’s auditors. This year the report was drafted by Rachael Lembo, Finance Manager, and changed from the cash basis to the accrual basis. The report received an unqualified opinion.

The amounts were not changed from the preliminary results presented to Council on August 14, 2013 with the exception of:

- Accrual of property taxes received in August: \$1,968 in the General Fund and \$436 in the Urban Renewal Fund.
- Recording of the full amount of the capital lease for police vehicle in the General Fund: \$41,066 as capital outlay and \$41,066 as proceeds of debt.
- Recording of the full amount of the loan for the purchase of the Yellow House: \$130,006 as capital outlay (preliminary results included only the cash portion of \$40,006) and \$90,000 as proceeds of debt.

The report includes a section called Management’s Discussion and Analysis, which gives an overview of the City’s financial activities in FY2012-13. This notes that the City’s original budget was \$6.2 million (including beginning fund balance), which was revised up to \$7.0 million during the year. Of the final budget, 114% of revenues were received and 93% of expenses were incurred.

The Auditor’s Report Required by Oregon State Regulations (end of the report) notes that some expenditures exceeded appropriations:

- General Fund, Police – Capital Outlay \$41,066
 - o Recording of the full amount of the capital lease
- Urban Renewal – Capital Outlay \$78,006
 - o Recording of the full cost of the Yellow House
- ISF, City Attorney – Materials and Services \$1,202
 - o Additional fees near year end
- ISF, City Manager – Personal Services \$480
 - o Accrual of June days paid in July
- ISF, City Manager – Materials and Services

- Additional fees near year end
- ISF, City Manager – Personal Services \$5,786
 - Accrual of June days paid in July
- Water Fund – Special Payments \$22,724
 - Additional pass through to Joint Water Commission
- Water Fund – Transfers Out \$8,954
 - Increased allocation to ISF
- Water Systems Improvement Fund – Transfers Out \$115,689
 - Closure of fund and transfer to Water Fund

That report also references significant deficiencies in internal control which are described in the management letter:

- Bank reconciliations for the first six months of the year were not prepared until February when the new finance director was hired. Also, prior to June 2013 the bank reconciliations were not reviewed in a timely manner.
 - Bank reconciliations are now prepared monthly by Rachael Lembo, Finance Manager, and reviewed monthly by Martha DeBry, City Manager
- During the current fiscal year the City had no process for reviewing and approving journal entries posted by the finance director.
 - Martha now reviews the journal entries quarterly.
- There were two instances where the monthly payroll change reports were not reviewed by the finance director in a timely manner.
 - Rachael now reviews all payroll reports monthly.

Lastly, the auditors have prepared a document specifically for the Council, City of North Plains Council Letter, which is a summary of the audit.

Fiscal Impact: Overall the City's Net Position increased \$698k in FY2012-13. Please see the attached Financial Statements for additional details.

Sample Motion: None.

Attachment – FY2012-13 City of North Plains Financial Statements

Attachment – City of North Plains Management Letter

Attachment – City of North Plains Council Letter

CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2013



12700 SW 72nd Ave.
Tigard, OR 97223

CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON

2012-2013
FINANCIAL REPORT

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**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

CITY OFFICIALS

2012-2013

<u>CITY COUNCIL</u>	<u>TERM EXPIRES</u>
David Hatcher – Mayor	December 31, 2016
Teri K. Lenahan – President	December 31, 2016
Robert Kindel, Jr.	December 31, 2016
Charlynn Newton	December 31, 2016
Michael Broome	December 31, 2014
Michael Demagalski	December 31, 2014
Glen Warren	December 31, 2014

All Council members receive mail at the City address below

CITY MANAGER & PLANNER

Martha DeBry

FINANCE MANAGER

Rachael Lembo, CPA

REGISTERED OFFICE

31360 NW Commercial Street
North Plains, Oregon 97133

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**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

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CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON

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

October 15, 2013

INDEPENDENT AUDITORS' REPORT

Mayor and City Council
City of North Plains
Washington County, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the blended component unit, North Plains Urban Renewal Agency, each major fund, and the aggregate remaining fund information of the City of North Plains, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the blended component unit, North Plains Urban Renewal Agency, each major fund, and the aggregate remaining fund information of the City of North Plains, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The City changed its reporting method from the modified cash basis of accounting to the modified accrual basis of accounting for the year ended June 30, 2013. Our opinion is not modified with respect to this matter.

The City adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, for the year ended June 30, 2013. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have 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 records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

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

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

Other Information

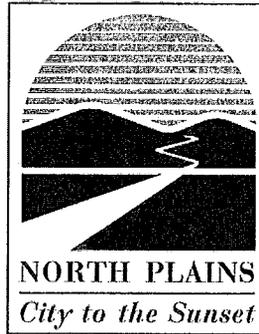
The listing of board members containing their term expiration dates, located before the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated October 15, 2013, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.



CITY OF NORTH PLAINS, OREGON

Management's Discussion and Analysis

June 30, 2013

The City manages and oversees operation of the water distribution system, streets, parks, land use planning activities, police, library services, community events and general administrative operations needed to provide these services to the citizens.

The City saw an increase in development in FY2012-13. Permits for new housing starts increased with the introduction of an incentive program for infill and renewed interest in subdivisions by developers. Highland Court subdivision broke ground, and Cottage Pointe subdivision has largely sold out this year. There has been little activity in commercial or industrial sectors.

This was the first fiscal year the City utilized an internal service fund (ISF). The ISF captures shared expenses, including City Council, City Attorney, City Manager, City Recorder, Finance, City Engineer, General Government and Public Works, and allocates them to other funds according to percentages determined in the annual budget. This allocation is shown as a transfer out on the Fund Statements.

Also in FY2012-13 the City switched from a cash basis to a modified accrual basis. There is a restatement to beginning fund balance for some funds as a result.

FY2012-13 Budget

In FY2012-13 the City adopted a budget of \$6.2 million, comprised of \$2.9 million in beginning fund balance, \$2.3 million in revenues, and \$1 million in interfund transfers. During the year the budget was revised up to \$7.0 million, comprised of \$3.3 million in beginning fund balance, \$2.5 million in revenues, and \$1.2 million in interfund transfers. Of the final budget, 114% of revenues were received, and 93% of expenses were incurred.

Government Wide Financial Analysis

The following table is a comparative summary of the Statement of Net Position for the current and prior years. Certain prior year amounts have been adjusted to conform to the current year’s presentation.

COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2013 AND 2012
in thousands

	Governmental Activities		Business Type Activities		Total City		
	FY13	FY12	FY13	FY12	FY13	FY12	Var
Cash and investments	\$ 2,811	\$ 2,542	\$ 937	\$ 801	\$ 3,748	\$ 3,343	\$ 405
Other assets	423	3	85	82	508	85	423
Capital assets	5,974	5,593	3,049	3,106	9,023	8,699	324
Total Assets	9,208	8,138	4,071	3,989	13,279	12,127	1,152
Other liabilities	543	22	195	142	738	164	574
Non current liabilities	347	382	1,185	1,270	1,532	1,652	(120)
Total Liabilities	890	404	1,380	1,412	2,270	1,816	454
Invested in capital assets net of related debt	5,480	5,189	1,779	1,754	7,259	6,943	316
Restricted	1,726	1,478	-	116	1,726	1,594	132
Unrestricted	1,112	1,067	912	707	2,024	1,774	250
Total Net Position	\$ 8,318	\$ 7,734	\$ 2,691	\$ 2,577	\$ 11,009	\$ 10,311	\$ 698

Assets – Cash increased for both governmental and business type activities, due to revenues exceeding expenses. Governmental activities other assets increased primarily due to a \$354 thousand capital projects grant receivable at year end. Governmental activities capital assets increased due to \$370 thousand in CIP on the Claxtar Street project and purchase of real property by the Urban Renewal District of \$120 thousand. Business type activities capital assets decreased due to \$94 thousand of depreciation expense.

Liabilities – Governmental activities other liabilities increased due to accounts payable of \$310 thousand related to the Claxtar Street project and \$115 thousand of long term debt that is due within the next year (thus no longer non current). In addition, the prior year was reported on the cash basis and thus reported no outstanding accounts payable. Governmental activities non current liabilities increased \$90 thousand due to a new loan for the Urban Renewal District property purchase, offset by the move of \$115 thousand to current liabilities.

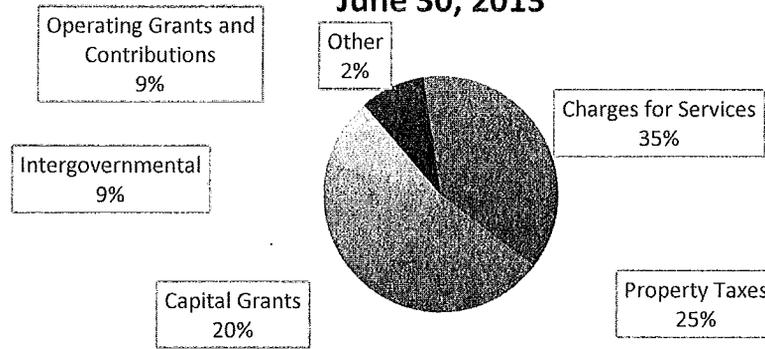
Net Position – At June 30, 2013, total City assets exceeded liabilities by \$11 million. The largest portion of the City’s net position is invested in capital assets net of related debt, \$7.2 million, which includes land, buildings, equipment, street infrastructure and water improvements. These capital assets are used to provide services to the citizens, and do not represent resources available for future spending. Restricted net position, \$1.7 million, represents the amount legally restricted for capital projects and streets. The unrestricted net position, \$2.0 million, is available to meet the City’s ongoing obligations.

COMPARATIVE STATEMENT OF ACTIVITIES
 JUNE 30, 2013 AND 2012
 in thousands

	Governmental Activities		Business Type Activities		Total City		
	<u>FY13</u>	<u>FY12</u>	<u>FY13</u>	<u>FY12</u>	<u>FY13</u>	<u>FY12</u>	<u>Var</u>
Charges for Services	639	624	1,013	851	1,652	1,475	177
Operating Grants and Contributions	164	171	-	6	164	177	(13)
Capital Grants	354	41	-	-	354	41	313
Total Program Revenues	1,157	836	1,013	857	2,170	1,693	477
Property Taxes	441	404	-	-	441	404	37
Intergovernmental	167	177	-	-	167	177	(10)
Other	43	42	7	16	50	58	(8)
Total General Revenues	651	623	7	16	658	639	19
Building and Parks	167	71	-	-	167	71	96
Street	308	383	-	-	308	383	(75)
Police	392	427	-	-	392	427	(35)
Library Department	228	173	-	-	228	173	55
City Planning	87	124	-	-	87	124	(37)
Urban Renewal District	21	6	-	-	21	6	15
General Government	-	189	-	-	-	189	(189)
Municipal Court	-	105	-	-	-	105	(105)
Interest	21	15	-	-	21	15	6
Water	-	-	906	678	906	678	228
Total Expense	1,224	1,493	906	678	2,130	2,171	(41)
Changes in Net Position	584	(34)	114	195	698	161	537

Governmental Activities - Revenue by Source

June 30, 2013

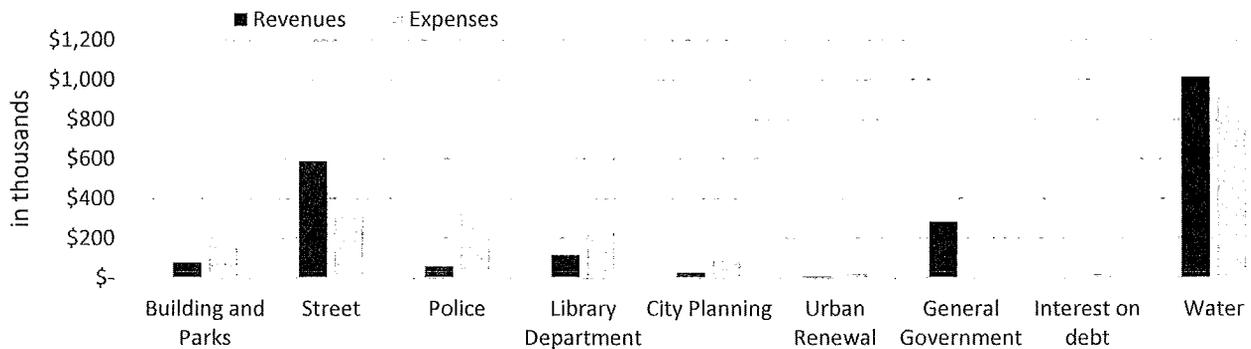


Program Revenues – Governmental activities charges for services revenue increased from the prior year due to development fees in various funds, offset by the elimination of the municipal court and related revenue. Business type activities charges for services revenue increased from the prior year due to water charges, an increase of \$61 thousand or 8%, and SDCs, an increase of \$101 thousand or 180%.

Capital Grants – Governmental activities capital grant revenue reflects the portion of the CDBG Claxtar Street project grant earned in FY2012-13.

Property Taxes – Governmental activities property tax revenue increased from the prior year; General Fund revenue increased \$11 thousand, or 4%, and Urban Renewal District revenue increased \$7 thousand, or 8%. In addition, in the accrual accounting method taxes receivable is recorded as revenue on the Statement of Activities, which resulted in an additional \$19 thousand in revenue.

**Statement of Activities
Expense and Program Revenues by Function
FY2012-13**



Expenses – The implementation of the ISF resulted in new departments and changes in how shared expenses are allocated, which makes comparison between years difficult. The departments displayed include the following activities:

- Building and Parks – Parks department, Parks Capital Improvement Fund and building depreciation

City of North Plains – Management’s Discussion and Analysis

- Street – Street Tax, Transportation and Storm Drainage Fund and street depreciation
- Police – Police department, police depreciation
- Library – Library department
- City Planning – Planning department
- Urban Renewal District – Urban Renewal District Fund
- General Government – All general government activities are now allocated to other departments through the Internal Service Fund
- Municipal Court – Department closed and activity outsourced to Washington County
- Interest – Interest on long term debt

Overall, governmental activities expenses decreased \$269 thousand, as a result of the elimination of the municipal court, increased allocation of shared costs to the Water Fund, and streamlining of expenses. Business type activities expenses increased \$228 thousand due to increases in pass through SDCs to the Joint Water Commission (directly related to increased SDC revenue), water purchase expense, and ISF allocation.

Changes in net position – Governmental activities ended FY2012-13 with a \$584 thousand increase in net position, a significant increase from the prior year decrease of \$34 thousand. Business type activities ended the year with a \$114 thousand increase in net position, below the prior year increase of \$195 thousand.

Significant Activity

Capital assets –The City continued work on a large capital project on Claxtar Street, partially funded by a CDBG grant. A new building was purchased by the Urban Renewal District for use in future development.

Long term debt – The City entered into a new capital lease for a police car and a new loan for the Urban Renewal District building purchase. All required debt service payments on outstanding obligations were made.

Information requests

This report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City’s activities and finances to demonstrate the City’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact Rachael Lembo, CPA, Finance Manager, at 503-647-555 in North Plains, Oregon.

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CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

**STATEMENT OF NET POSITION
June 30, 2013**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Cash and Investments	\$ 2,810,690	\$ 936,743	\$ 3,747,433
Receivables	382,607	85,134	467,741
Prepaid Expenses	40,460	-	40,460
Capital Assets, Net of Depreciation	5,973,588	3,048,983	9,022,571
Total Assets	9,207,345	4,070,860	13,278,205
LIABILITIES			
Accounts Payable	343,437	49,641	393,078
Payroll Liabilities	47,153	-	47,153
Refundable Deposits	5,258	60,126	65,384
Debt Payable			
Due in One Year	147,224	85,172	232,396
Due in More Than One Year	346,833	1,185,103	1,531,936
Total Liabilities	889,905	1,380,042	2,269,947
NET POSITION			
Invested in Capital Assets Net of Related Debt	5,479,531	1,778,708	7,258,239
Restricted for:			
Capital Projects	1,155,792	-	1,155,792
Highways and Streets	570,236	-	570,236
Unrestricted	1,111,881	912,110	2,023,991
Total Net Position	\$ 8,317,440	\$ 2,690,818	\$ 11,008,258

See accompanying notes to basic financial statements

CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013

FUNCTIONS	EXPENSES	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Primary Government							
<u>Governmental Activities:</u>							
Building and Parks	\$ 167,254	\$ 79,178	\$ -	\$ -	\$ (88,076)		\$ (88,076)
Street	307,497	233,749	-	354,269	280,521		280,521
Police	392,296	48,497	9,295	-	(334,504)		(334,504)
Library	228,132	11,431	104,607	-	(112,094)		(112,094)
City Planning	86,835	24,915	-	-	(61,920)		(61,920)
Urban Renewal District	21,175	6,800	-	-	(14,375)		(14,375)
General Government	-	233,955	49,839	-	283,794		283,794
Interest	21,078	-	-	-	(21,078)		(21,078)
Total Governmental Activities	1,224,267	638,525	163,741	354,269	(67,732)		(67,732)
<u>Business-Type Activities:</u>							
Water	905,764	1,012,900	-	-		\$ 107,136	107,136
Total Business-Type Activities	905,764	1,012,900	-	-		107,136	107,136
Total Primary Government	\$ 2,130,031	\$ 1,651,425	\$ 163,741	\$ 354,269	(67,732)	107,136	39,404
General Revenues:							
Property Taxes					441,256	-	441,256
Intergovernmental					167,138	-	167,138
Interest and Investment Earnings					14,561	4,438	18,999
Miscellaneous					25,315	2,533	27,848
Gain/Loss on Disposal of Asset					3,100	-	3,100
Total General Revenues					651,370	6,971	658,341
Changes in Net Position					583,638	114,107	697,745
Net Position - Beginning, As Restated					7,733,802	2,576,711	10,310,513
Net Position - Ending					\$ 8,317,440	\$ 2,690,818	\$ 11,008,258

See accompanying notes to basic financial statements

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013**

	GENERAL FUND	STREET TAX, TRANSPORTATION AND STORM DRAINAGE FUND	PARKS CAPITAL IMPROVEMENT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL
ASSETS:					
Cash and Investments	\$ 1,082,222	\$ 516,059	\$ 458,181	\$ 722,478	\$ 2,778,940
Taxes Receivable	15,435	-	-	3,528	18,963
Accounts Receivable	3,937	356,707	-	-	360,644
Prepaid Expenses	6,173	9,347	-	-	15,520
Total Assets	<u>1,107,767</u>	<u>882,113</u>	<u>458,181</u>	<u>726,006</u>	<u>3,174,067</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	6,298	311,877	-	-	318,175
Payroll Liabilities	12,725	-	-	-	12,725
Unearned Revenue	12,462	-	-	2,815	15,277
Refundable Deposits	5,258	-	-	-	5,258
Total Liabilities	<u>36,743</u>	<u>311,877</u>	<u>-</u>	<u>2,815</u>	<u>351,435</u>
Fund Balances:					
Nonspendable	6,173	-	-	-	6,173
Restricted	-	570,236	458,181	697,611	1,726,028
Committed	-	-	-	25,580	25,580
Unassigned	1,064,851	-	-	-	1,064,851
Total Fund Balances	<u>1,071,024</u>	<u>570,236</u>	<u>458,181</u>	<u>723,191</u>	<u>2,822,632</u>
Total Liabilities and Fund Balances	<u>\$ 1,107,767</u>	<u>\$ 882,113</u>	<u>\$ 458,181</u>	<u>\$ 726,006</u>	<u>\$ 3,174,067</u>

See accompanying notes to basic financial statements

CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON

RECONCILIATION OF GOVERNMENTAL BALANCE SHEET TO
STATEMENT OF NET POSITION
June 30, 2013

Total Fund Balances - Governmental Funds	\$ 2,822,632
Capital assets are not financial resources and therefore are not reported in the governmental funds.	5,973,588
Internal Service Fund - Change in Net Position	-
Property taxes earned but not available are shown as deferred revenue in the governmental funds	15,277
Long term liabilities do not require current financial resources and therefore are not reported in the governmental funds	<u>(494,057)</u>
Net Position	<u>\$ 8,317,440</u>

See accompanying notes to basic financial statements

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2013**

	GENERAL FUND	STREET TAX, TRANSPORTATION AND STORM DRAINAGE FUND	PARKS CAPITAL IMPROVEMENT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL
REVENUES:					
Property Taxes	\$ 334,445	\$ -	\$ -	\$ 91,534	\$ 425,979
Charges for Services	9,161	-	79,178	-	88,339
Licenses, Permits, Fees	261,140	59,423	-	181,126	501,689
Intergovernmental	148,091	116,027	-	-	264,118
Fines and Forfeitures	48,497	-	-	-	48,497
Interest on Investments	5,974	3,220	2,192	3,175	14,561
Grants	66,761	354,269	-	-	421,030
Miscellaneous	9,653	15,497	-	165	25,315
Total Revenues	883,722	548,436	81,370	276,000	1,789,528
EXPENDITURES:					
Personal Services	383,819	-	-	-	383,819
Materials & Services	162,961	24,469	-	2,109	189,539
Capital Outlay	41,066	370,135	6,635	130,006	547,842
Debt Services	-	-	-	38,449	38,449
Special Payments	3,441	-	-	-	3,441
Total Expenditures	591,287	394,604	6,635	170,564	1,163,090
Excess of Revenues Over (Under) Expenditures	292,435	153,832	74,735	105,436	626,438
Other Financing Sources (Uses):					
Proceeds of Debt	41,066	-	-	90,000	131,066
Sale of Asset	3,100	-	-	-	3,100
Transfers In	28,000	-	-	7,000	35,000
Transfer Out	(314,018)	(167,161)	(491)	(35,913)	(517,583)
Total Other Financing Sources (Uses)	(241,852)	(167,161)	(491)	61,087	(348,417)
Net Change in Fund Balance	50,583	(13,329)	74,244	166,523	278,021
Beginning Fund Balance, As Restated	1,020,441	583,565	383,937	556,668	2,544,611
Ending Fund Balance	<u>\$ 1,071,024</u>	<u>\$ 570,236</u>	<u>\$ 458,181</u>	<u>\$ 723,191</u>	<u>\$ 2,822,632</u>

See accompanying notes to basic financial statements

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013**

Net Change in Fund Balances - Governmental Funds	\$ 278,021
<p>Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:</p>	
Capitalized Expenditures	536,336
Depreciation Expense	(155,706)
<p>Property taxes earned but not available are shown as deferred revenue in the governmental funds, and as revenue in the Statement of Activities.</p>	15,277
<p>Repayment of long-term obligations principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position.</p>	40,776
<p>Proceeds from the addition of long-term obligations are an other financing source in the governmental funds, but increase long-term debt in the Statement of Net Position.</p>	<u>(131,066)</u>
Change in Net Position	<u>\$ 583,638</u>

See accompanying notes to basic financial statements

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2013**

	Business-Type Activities Enterprise Fund	Governmental-Type Activities Internal Service Fund
	WATER FUND	INTERNAL SERVICE FUND
ASSETS:		
Cash and Investments	\$ 936,743	\$ 31,750
Accounts Receivable	85,134	3,000
Prepaid Expenses	-	24,940
Capital Assets, Net of Depreciation	3,048,983	-
Total Assets	<u>\$ 4,070,860</u>	<u>\$ 59,690</u>
LIABILITIES:		
Accounts Payable	\$ 49,641	\$ 25,262
Payroll Liabilities	-	34,428
Refundable Deposits	60,126	-
Bonds Payable		
Due in One Year	85,172	-
Due in More Than One Year	1,185,103	-
Total Liabilities	<u>1,380,042</u>	<u>59,690</u>
NET POSITION:		
Invested in Capital Assets Net of Related Debt	1,778,708	-
Unrestricted	912,110	-
Total Net Position	<u>\$ 2,690,818</u>	<u>\$ -</u>

See accompanying notes to basic financial statements

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2013**

	Business-Type Activities Enterprise Funds		Governmental-Type Activities Internal Service Fund	
	WATER FUND	WATER SYSTEMS IMPROVEMENT FUND	INTERNAL SERVICE FUND	
OPERATING REVENUES:				
Charges for Services	\$ 856,073	\$ -	\$ -	
Licenses, Permits, Fees	156,827	-	-	
Miscellaneous	2,533	-	-	
Total Operating Revenues	1,015,433	-	-	
OPERATING EXPENSES:				
Water Expenses Paid	304,035	-	-	
Personal Services	-	-	631,602	
Materials and Services	-	-	329,301	
Depreciation Expense	71,076	-	-	
Total Operating Expenses	375,111	-	960,903	
Operating Income	640,322	-	(960,903)	
OTHER FINANCING SOURCES (USES):				
Interest and Investment Earnings	4,438	-	-	
Interest Paid on Capital Debt	(52,333)	-	-	
Transfers In	115,689	-	967,903	
Transfers Out	(478,320)	(115,689)	(7,000)	
Total Other Financing Sources (Uses)	(410,526)	(115,689)	960,903	
Change in Net Position	229,796	(115,689)	-	
Net Position, July 1, 2012, As Restated	2,461,022	115,689	-	
Net Position, June 30, 2013	\$ 2,690,818	\$ -	\$ -	

See accompanying notes to basic financial statements.

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2013**

	Business-Type Activities Enterprise Funds		Governmental-Type Activities Internal Service Fund
	WATER FUND	WATER SYSTEMS IMPROVEMENT FUND	INTERNAL SERVICE FUND
Cash Flows From Operating Activities:			
Cash Received for Services	\$ 1,013,000	\$ -	\$ -
Cash Paid to Employees	-	-	(597,174)
Cash Paid to Suppliers	(254,394)	-	(328,979)
Net cash provided (used) by operating activities	<u>758,606</u>	<u>-</u>	<u>(926,153)</u>
Cash Flows From Non Capital Financing Activities:			
Transfers from Other Funds	115,689	-	967,903
Transfers to Other Funds	(478,320)	(115,689)	(7,000)
Net cash provided (used) by financing activities	<u>(362,631)</u>	<u>(115,689)</u>	<u>960,903</u>
Cash Flows From Capital and Related Financing Activities:			
Principal Paid on Debt	(81,999)	-	-
Interest Paid on Debt	(52,333)	-	-
Net cash provided (used) by capital and related financing activities	<u>(134,332)</u>	<u>-</u>	<u>-</u>
Cash Flows From Investing Activities:			
Purchase and Sale of Capital Assets	(14,150)	-	-
Earnings on Investments	4,438	-	-
Loans Made to Others	-	-	(3,000)
Net cash provided (used) by investing activities	<u>(9,712)</u>	<u>-</u>	<u>(3,000)</u>
Net increase (decrease) in cash and investments	251,931	(115,689)	31,750
Cash and investments, beginning of year	<u>684,812</u>	<u>115,689</u>	<u>-</u>
Cash and investments, end of year	<u>\$ 936,743</u>	<u>\$ -</u>	<u>\$ 31,750</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income	\$ 640,322	\$ -	\$ (960,903)
Depreciation Expense	71,076	-	-
Change in current assets and liabilities			
Receivables	(2,806)	-	-
Prepaid expenses	-	-	(24,940)
Accounts payable	49,641	-	59,690
Refundable deposits	373	-	-
Net Cash Provided by Operating Activities	<u>\$ 758,606</u>	<u>\$ -</u>	<u>\$ (926,153)</u>

See accompanying notes to basic financial statements

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CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. THE FINANCIAL REPORTING ENTITY

The City is a municipal corporation. As required by generally accepted accounting principles, these financial statements present the City. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 61, are separate organizations that are included in the financial statements because of the significance of their operational or financial relationships with the City. There is one blended component unit – North Plains Urban Renewal Agency.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

In the *government-wide financial statements*, the Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund financial statements are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues and expenditures. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories.

Government-wide financial statements and proprietary fund financial statements are presented using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Capital assets are capitalized and depreciated and debt is reported as a liability.

Governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period, generally within 60 days. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Expenditures generally are recorded when a liability is incurred, as under full accrual accounting. However, debt service, compensated absences, and claims and judgments are recorded only when payment is due.

The following fund types are reported:

Governmental Funds

The *General Fund* is the primary operating fund and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds are used to account for the proceeds of the specific revenue sources that are either legally restricted to expenditures for specified purposes or designated to finance particular functions or activities.

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of capital assets.

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

Fund	Brief Description
Street Tax, Transportation and Storm Drainage	Accounts for Oregon gasoline tax apportionments and expenditures for those street improvements specified by Oregon Revised Statutes.
Parks Capital Project Improvement	Accounts for revenues designated for capital improvements of the parks, excluding improvements of the water system.
Other Governmental Funds	The City reports the aggregated activity for its other non-major special revenue and capital projects funds.

Proprietary Funds

Proprietary Funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector. Included within the proprietary fund type is the Internal Service Fund. There are the following enterprise funds, all of which are considered major funds.

Fund	Brief Description
Water	Accounts for the activities of providing water services to the public, including capital improvements and major acquisitions.
Water Systems Capital Improvement	Accounts for transfers from the Water Fund for the purpose of Capital improvements and major acquisitions.
Internal Service	Accounts for shared administrative and occupancy costs. These costs are allocated to other funds through transfers. This fund is reported in the Statement of Net Position in the governmental activities.

C. ASSETS, LIABILITIES, AND EQUITY

CASH AND INVESTMENTS

Cash on hand, demand deposits and short-term, highly liquid investments with a maturity of three months or less when purchased are considered to be cash and cash equivalents. Investments maintained in the Oregon Local Government Investment Pool are carried at cost, which approximates fair value, and are classified as cash equivalents.

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. ASSETS, LIABILITIES, AND EQUITY (CONTINUED)

RECEIVABLES

Property taxes are assessed as of January 1 and become a lien as of July 1 on all taxable property. Property taxes are due on November 15. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due or two-thirds of the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

In the government-wide financial statements, property taxes are recognized as revenue in the year for which they are levied. In the fund financial statements, property taxes receivable which have been collected within 60 days subsequent to year-end are considered "measurable" and "available" and are recognized as revenues. All other property taxes receivable are offset by unearned revenue as they are deemed unavailable to finance operations of the current period.

Receivables of the Water Fund are recorded as revenue when earned. An allowance for uncollectible accounts has been recorded based on management's consideration of collectability and historical trends.

CAPITAL ASSETS

In the *government-wide financial statements*, capital assets are accounted for as assets in the Statement of Net Position. A capitalization policy was adopted that established a dollar threshold of \$5,000 for assets and a useful life greater than one year. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable. Estimated historical cost was used to value the majority of the assets acquired prior to July 1, 1979. Prior to July 1, 1979, governmental funds' infrastructure assets were not capitalized. Infrastructure assets acquired since July 1, 2003 are recorded at cost.

In the *fund financial statements*, capital assets acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets acquired for use in proprietary fund operations are accounted for the same as in government-wide statements.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The capitalization threshold and range of estimated useful lives by type of asset are as follows:

	<u>Life</u>	<u>Capitalization Threshold</u>
Buildings	20-50 years	\$ 100,000
Infrastructure	20-50 years	\$ 100,000
Water System Improvements	10-50 years	\$ 100,000
Equipment	5-15 years	\$ 5,000

EQUITY CLASSIFICATION

In the *government-wide financial statements*, equity is classified as net position and displayed in three components:

a. Invested in capital assets, net of related debt - consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. ASSETS, LIABILITIES, AND EQUITY (CONTINUED)

EQUITY CLASSIFICATION (CONTINUED)

b. Restricted - consists of assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted - all other asset amounts that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

It is the policy to first use restricted net position prior to the use of unrestricted net position when an expenditure is incurred for purposes for which both restricted and unrestricted net positions are available.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. There are no deferred outflows.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. There are no deferred inflows.

FUND BALANCE

Fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to observe constraints imposed on the use of the resources are reported in governmental funds. The fund balance categories are as follows:

- Non-spendable fund balance represents amounts that are not in a spendable form.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution of the council.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the council or by an official to whom that authority has been given by the council.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any deficit fund balance as unassigned.

There are no assigned balances at June 30, 2013.

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. ASSETS, LIABILITIES, AND EQUITY (CONTINUED)

FUND BALANCE (CONTINUED)

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

D. REVENUES AND EXPENDITURES

PROGRAM REVENUES

In the Statement of Activities, revenues that are derived directly from each activity from parties outside the City's taxpayers are reported as program revenues. These revenues include charges for services and program specific grants and contributions. All other governmental revenues are reported as general. All property taxes are classified as general revenues even if restricted for a specific purpose.

OPERATING REVENUES AND EXPENSES

Operating revenues and expenses for proprietary funds result from providing services and producing and delivering goods and/or services. There are the following revenues:

Water – Charges to water customers for usage of City water.

Internal Service – Revenues from other funds for shared costs.

E. ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. BUDGET

A budget is prepared and legally adopted for each fund on a budgetary basis of accounting, which is similar to the modified accrual basis of accounting with certain difference, in the main program categories required by the Oregon Local Budget Law.

The budget process begins early in each fiscal year with the establishment of the budget committee. Recommendations are developed through late winter with the budget committee approving the budget in early spring. Public notices of the budget hearing are published generally in early spring with a public hearing being held approximately three weeks later. The Council may amend the budget prior to adoption; however, budgeted expenditures for each fund may not be increased by more than ten percent. The budget is then adopted, appropriations are made and the tax levy declared no later than June 30th.

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

2. BUDGET (CONTINUED)

Expenditures cannot legally exceed the above appropriation levels except in the case of restricted revenues which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year end. Management may amend line items in the budget without Council approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Council approves them due to a need which exists which was not determined at the time the budget was adopted.

The City budgets the General Fund and Internal Services Fund by department and other funds by the following categories:

- Personal Services
- Material and Supplies
- Capital Outlay
- Debt Service
- Special Payments
- Interfund Transfers

All transfers of appropriations between departments and supplemental appropriations require City Council approval.

Excess of Expenditures over Appropriations

Expenditures of the various funds were within authorized appropriations, except as noted below:

General Fund:			
Police Department	Capital Outlay	\$	41,066
Urban Renewal District	Capital Outlay		78,006
Internal Service Fund:			
City Attorney	Materials and Services		1,202
City Manager	Personal Services		480
City Manager	Materials and Services		1
Public Works	Personal Services		5,786
Water Fund	Special Payments		22,724
Water Fund	Transfers Out		8,954
Water Systems Improvement Fund	Transfers Out		115,689

3. CASH AND CASH EQUIVALENTS

Cash and investments were recorded at cost, which approximates fair market value, at June 30, 2013. Cash and investments at June 30, 2013 were:

	<u>2013</u>	Reported In:	<u>2013</u>
Petty Cash	\$ 700	Governmental Funds	\$ 2,778,940
Deposits with Financial Institutions	328,774	Internal Service Fund	31,750
Certificate of Deposit	200,993	Proprietary Funds	936,743
LGIP	3,216,966		
	<u>\$ 3,747,433</u>		<u>\$ 3,747,433</u>

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

3. CASH AND CASH EQUIVALENTS (CONTINUED)

CREDIT RISK – DEPOSITS

In the case of deposits, this is the risk that in the event of a bank failure, deposits may not be returned. As of June 30, 2013, \$250,000 of the \$335,252 bank balance was insured by FDIC. The remainder was covered by the collateral held in multiple financial institutions' collateral pool administered by the Oregon State Treasurer. The certificate of deposit was fully insured by FDIC.

The State Treasurer's Local Government Investment Pool is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the State's investment policies. The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. These funds must be invested, and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the Fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board (OSTFB), which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund was in compliance with all portfolio guidelines at June 30, 2013.

Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. There is no material difference between fair value of the City's position in the Pool and the value of the pool shares at June 30, 2013. There were no known violations of legal or contractual provisions for deposits and investments during the fiscal year.

Investment Type	Fair Value	Investment Maturities (in months)	
		Less than 3	More than 3
State Treasurer's Investment Pool	\$ 3,216,966	\$ 3,216,966	\$ -
Total	\$ 3,216,966	\$ 3,216,966	\$ -

4. ACCOUNTS RECEIVABLE

Governmental accounts receivable at June 20, 2013 were:

	General Fund	Street Fund	Non Major Governmental Funds	Total Governmental Funds	Internal Service Fund	Total Governmental Activities
Accounts	\$ 3,937	\$ 2,438	\$ -	\$ 6,375	\$ 3,000	\$ 9,375
Property Taxes	15,435	-	3,528	18,963	-	18,963
Grants	-	354,269	-	354,269	-	354,269
Total	\$ 19,372	\$ 356,707	\$ 3,528	\$ 379,607	\$ 3,000	\$ 382,607

In the fund financial statements, governmental funds report deferred revenues in connection with receivables for revenues that are not considered measurable and available. The portion of property tax receivable that is not received within 60 days of year end is reported as deferred revenue.

Business type activities accounts receivable at June 20, 2013 were:

	Water Fund
Accounts	\$ 85,134

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

5. CAPITAL ASSETS

The changes in capital assets for 2012-13 are as follows:

	Balance on 07/01/2012	Additions	Disposals	Balance on 6/30/2013
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 132,855	\$ -	\$ -	\$ 132,855
URA land	157,820	74,123	-	231,943
CIP	41,100	370,135	-	411,235
Total capital assets not being depreciated	<u>331,775</u>	<u>444,258</u>	<u>-</u>	<u>776,033</u>
Capital assets being depreciated:				
Infrastructure	5,793,355	-	-	5,793,355
Buildings	175,957	-	-	175,957
URA buildings	-	45,877	-	45,877
Equipment and vehicles	277,369	46,201	(9,614)	313,956
Total capital assets being depreciated	<u>6,246,681</u>	<u>92,078</u>	<u>(9,614)</u>	<u>6,329,145</u>
Less accumulated depreciation for:				
Infrastructure	(728,689)	(115,867)	-	(844,556)
Buildings	(88,308)	(4,249)	-	(92,557)
URA buildings	-	(1,147)	-	(1,147)
Equipment and vehicles	(168,500)	(34,443)	9,614	(193,329)
Total accumulated depreciation	<u>(985,497)</u>	<u>(155,706)</u>	<u>9,614</u>	<u>(1,131,590)</u>
Total capital assets net of depreciation	<u>\$ 5,592,959</u>	<u>\$ 380,630</u>	<u>\$ -</u>	<u>\$ 5,973,588</u>
Business Type Activities:				
Capital assets not being depreciated:				
Land	\$ 730	\$ -	\$ -	\$ 730
Total capital assets not being depreciated	<u>730</u>	<u>-</u>	<u>-</u>	<u>730</u>
Capital assets being depreciated:				
Buildings	19,174	-	-	19,174
Machinery and equipment	99,751	-	-	99,751
Utility property and improvements	4,336,230	14,150	-	4,350,380
Total capital assets being depreciated	<u>4,455,155</u>	<u>14,150</u>	<u>-</u>	<u>4,469,305</u>
Less accumulated depreciation for:				
Buildings	(19,174)	-	-	(19,174)
Machinery and equipment	(82,288)	(3,397)	-	(85,685)
Utility property and improvements	(1,248,514)	(67,679)	-	(1,316,193)
Total accumulated depreciation	<u>(1,349,976)</u>	<u>(71,076)</u>	<u>-</u>	<u>(1,421,052)</u>
Total capital assets net of depreciation	<u>\$ 3,105,909</u>	<u>\$ (56,926)</u>	<u>\$ -</u>	<u>\$ 3,048,983</u>
Total all capital assets net of depreciation	<u>\$ 8,698,868</u>	<u>\$ 323,704</u>	<u>\$ -</u>	<u>\$ 9,022,571</u>

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

5. CAPITAL ASSETS (CONTINUED)

Depreciation was charged to the following programs:

Building and Parks Expense	\$	14,111
Street Expense		115,867
Police Expense		24,581
Urban Renewal Agency Expense		1,147
Total Depreciation Expense	<u>\$</u>	<u>155,706</u>

6. INTERFUND TRANSFERS AND BALANCES

Transfers are used to allocate shared costs from the Internal Service Fund to other funds, and to move resources collected by one fund to another fund authorized to spend those resources.

Transfers for internal service allocations for the year ended June 30, 2013, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental:		
General Fund	\$ -	\$ 314,018
Street Tax, Transportation and Storm Drainage	-	167,161
Parks Capital Improvement	-	491
Non-major funds	-	7,913
Business-Type:		
Water Fund	-	478,320
Internal Service Fund	<u>967,903</u>	<u>-</u>
Total	<u>\$ 967,903</u>	<u>\$ 967,903</u>

The Internal Service Fund is combined with Governmental Activities in the government-wide Statement of Activities, and the above transfers are eliminated.

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. INTERFUND TRANSFERS AND BALANCES (CONTINUED)

Transfers to move resources for the year ended June 30, 2013, were as follows:

	Transfers In	Transfers Out
Governmental:		
General Fund	\$ 28,000	\$ -
Non-major Funds	7,000	28,000
Business-Type:		
Water Fund	115,689	-
Water Systems Capital Improvement	-	115,689
Internal Service Fund	-	7,000
Total	\$ 150,689	\$ 150,689

The above transfers are eliminated in the government-wide Statement of Activities.

7. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2013:

	LOAN ACTIVITY				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
URA	\$ 109,123	\$ 90,000	\$ 7,371	\$ 191,752	\$ 115,394
LOCAP Series 2011A	270,000	-	10,000	260,000	10,000
Capital Lease	24,644	41,066	23,405	42,305	21,830
Total Loan Activity	\$ 403,767	\$ 131,066	\$ 40,776	\$ 494,057	\$ 147,224
Business-Type Activities:					
Safe Drinking Water	\$ 1,352,274	\$ -	\$ 81,999	\$ 1,270,275	\$ 85,172
Total Loan Activity	\$ 1,352,274	\$ -	\$ 81,999	\$ 1,270,275	\$ 85,172
Total All Loan Activity	\$ 1,756,041	\$ 131,066	\$ 122,775	\$ 1,764,332	\$ 232,396

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. LONG-TERM OBLIGATIONS (CONTINUED)

LOCAP Series 2011A

In March 2011, a Series 2011A bond was entered into with the Local Oregon Capital Assets Program (LOCAP) which was used for the Capital Improvement Projects on Glencoe Road and the Gateway to the City. The principal amount of the bond was for \$275,000 at an increasing coupon rate of 3%-5.7%, and set to mature in 2031. The amortization schedule for this bond is shown below.

Local Oregon Capital Assets Program (LOCAP), Series 2011A			
Year Ending June 30,	Annual Debt Service		Total
	Principal	Interest	
2014	\$ 10,000	\$ 12,794	\$ 22,794
2015	10,000	12,494	22,494
2016	10,000	12,194	22,194
2017	10,000	11,825	21,825
2018	10,000	11,388	21,388
2019-23	65,000	49,129	114,129
2024-28	85,000	29,764	114,764
2029-31	60,000	5,130	65,130
Balance	\$ 260,000	\$ 144,717	\$ 404,717

CAPITAL LEASE PAYABLE

Two police vehicles were purchased with capital leases with no stated interest rates. The intent is to purchase the vehicles after they have been paid for. The amounts capitalized were \$48,258 in 2012 and \$41,066 in 2013. The vehicles have estimated useful lives of five years, and \$24,404 has been depreciated to date.

Capital Leases			
Year Ending June 30,	Annual Debt Service		Total
	Principal	Interest	
2014	\$ 21,830	\$ 3,120	\$ 24,950
2015	9,851	1,607	11,458
2016	10,624	834	11,458
Balance	\$ 42,305	\$ 5,561	\$ 47,866

Urban Renewal District Loans

In February 2009, the Urban Renewal Agency entered into a loan agreement with Columbia Community Bank for the purchase of property. The initial amount of the loan was \$131,750 at an interest rate of 4.25%. In August 2012, the Urban Renewal Agency entered into a second loan agreement with Columbia Community Bank for the purchase of another property. The initial amount of the loan was \$90,000 at an interest rate of 4.5% for five years and then variable. The amortization schedule and loan summary are shown below.

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. LONG-TERM OBLIGATIONS (CONTINUED)

Urban Renewal District Loans (Continued)

URA Loan #1			
Year Ending June 30,	Annual Debt Service		Total
	Principal	Interest	
2014	\$ 107,825	\$ 3,750	\$ 111,575
Balance	\$ 107,825	\$ 3,750	\$ 111,575

URA Loan #2			
Year Ending June 30,	Annual Debt Service		Total
	Principal	Interest	
2014	\$ 7,569	\$ 3,651	\$ 11,220
2015	7,900	3,321	11,221
2016	8,259	2,961	11,220
2017	8,650	2,568	11,218
2018	9,003	2,288	11,291
2019-22	42,546	4,560	47,106
Balance	\$ 83,927	\$ 19,349	\$ 103,276

During the fiscal year 2004-05, work was begun on the Glencoe Road Water Transmission Main project. Funding for this project was provided by an Environmental Protection Agency Grant and a Safe Drinking Water Revolving Loan issued by the Oregon Economic & Community Development Department. As of June 30, 2007, the available maximum of \$1,846,808 was drawn. The first payment on the loan was made on December 1, 2005. The loan has an annual interest rate of 3.87% and a term of 20 years. The amortization schedule for this debt follows:

SAFE DRINKING WATER REVOLVING LOAN			
Year Ending June 30,	Annual Debt Service		Total
	Principal	Interest	
2014	\$ 85,172	\$ 49,160	\$ 134,332
2015	88,468	45,864	134,332
2016	91,892	42,440	134,332
2017	95,448	38,884	134,332
2018	99,142	35,190	134,332
2019-23	556,318	115,339	671,657
2024-25	253,835	14,828	268,663
Balance	\$ 1,270,275	\$ 341,705	\$ 1,611,980

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

8. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

A. PLAN DESCRIPTION

The Oregon Public Employees Retirement System (“PERS”), an agent multiple-employer public employee retirement system established under Oregon Revised Statutes 238.600 that acts as a common investment and administrative agent for public employers in the State of Oregon is participated in. PERS is a defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Benefits are established by state statute.

The Oregon Legislative Assembly created a second level or “Tier” of PERS benefits that modified service and disability retirement allowances payable to persons who established PERS membership on or after January 1, 1996 (“Tier Two” members). Future interest credits are assumed at 8.0% for Tier One and there is no guaranty of future interest credits for Tier Two members.

The Oregon Public Employees Retirement Fund (OPERF) applies to contributions made for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF. There are two programs, the Pension Program and the PERS program.

The Pension Program, the defined benefit portion of the plan, applies to qualifying employees hired after August 29, 2003, and to inactive employees who return to employment following a six-month or greater break in service. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service.

The PERS program requires that beginning January 1, 2004, all PERS member contributions go into the IAP portion of OPSRP. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member’s IAP, not the member’s PERS account. Those employees who had established a PERS membership prior to creation of OPSRP will be members of both the PERS and OPSRP system as long as they remain in covered employment.

Both PERS and OPSRP are administered by the Oregon Public Employees Retirement Board (“OPERB”). The comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377 or by accessing the PERS web site at www.oregon.gov/PERS/section/financial.

Members of PERS are required to contribute 6.0% of their salary covered under the plan, which is invested in the OPSRP individual Account Program. Currently, the City pays the member required contribution. The contribution rate was determined as part of a December 31, 2001 actuarial evaluation, and subsequent revisions. The contribution rates for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature. The rate effective for the two year period beginning July 1, 2011 is 11.86% of salary covered under the plan for Tier 1 and Tier 2 employees (PERS), 8.94% for employees covered under the Oregon Public Services Retirement Plan (OPSRP) – General, and 11.65% for OPSRP – Police and Fire. The contributions to the plan for the years ending June 30, 2013, 2012 and 2011 were \$109,911, \$95,287 and \$88,988 respectively, and were equal to the required contributions for each year.

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

8. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

The most current Schedule of Funding Progress:

<u>Dec. 31</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Value of</u> <u>Assets</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability</u>	<u>Unfunded</u> <u>Actuarial Accrued</u> <u>Liability</u>	<u>Funded</u> <u>Percent</u>	<u>Covered</u> <u>Payroll</u>	<u>Unfunded</u> <u>Actuarial Accrued</u> <u>Liability/Payroll</u>
2011	\$ 23,241	\$ 31,109	\$ (606,938)	75%	\$ 555,373	-109%
2010	\$ 23,879	\$ 30,285	\$ (539,834)	79%	\$ 654,269	-83%

An actuary has determined that no material implicit rate subsidy exists and therefore there is no OPEB obligation for implicit post-employment benefits.

9. PROPERTY TAX LIMITATIONS

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

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

10. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance is purchased to minimize exposure to these risks. Settled claims have not exceeded this commercial coverage for the last three years.

11. CONTINGENCIES

A. GRANT PROGRAM INVOLVEMENT

In the normal course of operations, various federal or state grant loan programs are participated in from year to year. The grant loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability of reimbursement that may arise as a result of these audits cannot be reasonably determined at this time, although management believes the amount, if any, would not be material.

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

11. CONTINGENCIES (CONTINUED)

B. LITIGATION

The City is a party to various legal proceedings that normally occur in the course of governmental operations. As a result of the modified cash basis of accounting, the financial statements do not include accrual or provisions for loss contingencies that may result from these proceedings. While the outcome of the above noted proceedings cannot be predicted, due to the insurance coverage maintained by the City and the State statute relating to judgments, management feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition.

C. COMMITMENTS

At June 30, 2013, the City had one contract commitment for the Claxtar Street Project, for approximately \$250,000. An intergovernmental agreement with the North Plains Urban Renewal Agency was entered into whereby the City will provide administrative service for the Agency and the Agency will reimburse the City for those expenditures.

12. PRIOR PERIOD RESTATEMENT

The City changed its reporting method from a cash basis to an accrual basis in 2012-13. As a result of this the City made a restatement to its June 30, 2012 fund balance in the Street and Water funds.

	<u>Beginning Fund Balance</u>	<u>Result of Change in Accounting Principle</u>	<u>Restated Beginning Fund Balance</u>
Governmental:			
Street Tax, Transportation and Storm Drainage Fund	\$ 580,964	\$ 2,601	\$ 583,565
Business-Type:			
Water Fund	\$ 684,812	\$ 22,575	\$ 707,387

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**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2013**

	<u>GENERAL FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Property Taxes - Current and Delinquent	\$ 333,930	\$ 342,643	\$ 334,445	\$ (8,198)
Charges for Services	7,000	7,000	9,161	2,161
Licenses, Permits, Fees	213,700	224,093	261,140	37,047
Intergovernmental	135,970	140,826	148,091	7,265
Fines and Forfeitures	9,800	30,000	48,497	18,497
Interest on Investments	3,600	3,600	5,974	2,374
Grants and Donations	4,000	70,418	66,761	(3,657)
Miscellaneous	12,572	6,000	9,653	3,653
Total Revenues	\$ 720,572	\$ 824,580	\$ 883,722	\$ 59,142

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**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2013**

	<u>GENERAL FUND</u>			VARIANCE TO FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES:				
Police Department				
Personal Services	\$ 221,399	\$ 227,097 (1)	\$ 226,995	\$ 102
Materials and Services	94,595	108,837 (1)	104,993	3,844
Capital Outlay	-	- (1)	41,066	(41,066)
Special Payments	-	5,000 (1)	3,441	1,559
Total Police Department	<u>315,994</u>	<u>340,934</u>	<u>376,495</u>	<u>(35,561)</u>
Library Department				
Personal Services	119,257	139,644 (1)	137,681	1,963
Materials and Services	35,400	40,382 (1)	37,165	3,217
Capital Outlay	7,700	- (1)	-	-
Total Library Department	<u>162,357</u>	<u>180,026</u>	<u>174,846</u>	<u>5,180</u>
Parks Department				
Materials and Services	32,300	19,500 (1)	17,796	1,704
Total Parks Department	<u>32,300</u>	<u>19,500</u>	<u>17,796</u>	<u>1,704</u>
City Planning Department				
Personal Services	18,827	20,327 (1)	19,143	1,184
Materials and Services	9,000	4,600 (1)	3,007	1,593
Total City Planning Department	<u>27,827</u>	<u>24,927</u>	<u>22,150</u>	<u>2,777</u>
Contingency	100,000	100,000 (1)	-	100,000
Total Expenditures	<u>638,478</u>	<u>665,387</u>	<u>591,287</u>	<u>74,100</u>
Excess of Revenues Over (Under)				
Expenditures	82,094	159,193	292,435	133,242
Other Financing Sources (Uses):				
Proceeds of Debt	-	-	41,066	41,066
Sale of Asset	-	-	3,100	3,100
Transfers In	28,000	28,000	28,000	-
Transfers Out	(264,161)	(332,898) (1)	(314,018)	18,880
Total Other Financing Sources (Uses)	<u>(236,161)</u>	<u>(304,898)</u>	<u>(241,852)</u>	<u>63,046</u>
Net Change in Fund Balance	(154,067)	(145,705)	50,583	196,288
Beginning Fund Balance	868,613	1,020,441	1,020,441	-
Ending Fund Balance	<u>\$ 714,546</u>	<u>\$ 874,736</u>	<u>\$ 1,071,024</u>	<u>\$ 196,288</u>

(1) Appropriation Level

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2013**

STREET TAX, TRANSPORTATION AND STORM DRAINAGE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
Licenses, Permits, Fees	\$ 62,744	\$ 68,712	\$ 59,423	\$ (9,289)
Intergovernmental	112,500	112,500	116,027	3,527
Interest on Investments	2,000	2,000	3,220	1,220
Grants	388,116	388,116	354,269	(33,847)
Miscellaneous	1,000	1,000	15,497	14,497
Total Revenues	566,360	572,328	548,436	(23,892)
EXPENDITURES:				
Materials and Services	41,400	28,300 (1)	24,469	3,831
Capital Outlay	450,116	447,501 (1)	370,135	77,366
Contingency	50,000	50,000 (1)	-	50,000
Total Expenditures	541,516	525,801	394,604	131,197
Excess of Revenues Over (Under) Expenditures	24,844	46,527	153,832	107,305
Other Financing Sources (Uses):				
Transfers Out	(147,628)	(173,772) (1)	(167,161)	6,611
Total Other Financing Sources (Uses)	(147,628)	(173,772)	(167,161)	6,611
Net Change In Fund Balance	(122,784)	(127,245)	(13,329)	113,916
Beginning Fund Balance, As Restated	650,707	580,964	583,565	2,601
Ending Fund Balance	<u>\$ 527,923</u>	<u>\$ 453,719</u>	<u>\$ 570,236</u>	<u>\$ 116,517</u>

(1) Appropriation Level

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2013**

PARKS CAPITAL IMPROVEMENT FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Charges for Services	\$ 31,280	\$ 32,280	\$ 79,178	\$ 46,898
Interest	1,300	1,300	2,192	892
Total Revenues	<u>32,580</u>	<u>33,580</u>	<u>81,370</u>	<u>47,790</u>
EXPENDITURES:				
Capital Outlay	25,000	25,000 (1)	6,635	18,365
Contingency	100,000	100,000 (1)	-	100,000
Total Expenditures	<u>125,000</u>	<u>125,000</u>	<u>6,635</u>	<u>118,365</u>
Excess of Revenues Over (Under) Expenditures	(92,420)	(91,420)	74,735	166,155
Other Financing Sources (Uses):				
Transfers Out	-	(1,000) (1)	(491)	509
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,000)</u>	<u>(491)</u>	<u>509</u>
Net Change in Fund Balance	(92,420)	(92,420)	74,244	166,664
Beginning Fund Balance	<u>389,130</u>	<u>383,937</u>	<u>383,937</u>	<u>-</u>
Ending Fund Balance	<u>\$ 296,710</u>	<u>\$ 291,517</u>	<u>\$ 458,181</u>	<u>\$ 166,664</u>

(1) Appropriation Level

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**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

OTHER SUPPLEMENTARY INFORMATION

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**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2013**

	TRANSPORTATION DEVELOPMENT TAX	TRAFFICE IMPACT FEE	VEHICLE AND EQUIPMENT RESERVE	URBAN RENEWAL AGENCY	TOTAL
ASSETS:					
Cash and Cash Equivalents	\$ 263,325	\$ 287,669	\$ 25,580	\$ 145,904	\$ 722,478
Taxes Receivable	-	-	-	3,528	3,528
Total Assets	<u>\$ 263,325</u>	<u>\$ 287,669</u>	<u>\$ 25,580</u>	<u>\$ 149,432</u>	<u>\$ 726,006</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Deferred Revenue	\$ -	\$ -	\$ -	\$ 2,815	\$ 2,815
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,815</u>	<u>2,815</u>
Fund Balances:					
Restricted	263,325	287,669	-	146,617	697,611
Committed	-	-	25,580	-	25,580
Total Fund Balances	<u>263,325</u>	<u>287,669</u>	<u>25,580</u>	<u>146,617</u>	<u>723,191</u>
Total Liabilities and Fund Balances	<u>\$ 263,325</u>	<u>\$ 287,669</u>	<u>\$ 25,580</u>	<u>\$ 149,432</u>	<u>\$ 726,006</u>

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2013**

	TRANSPORTATION DEVELOPMENT TAX	TRAFFIC IMPACT FEE	VEHICLE AND EQUIPMENT RESERVE	URBAN RENEWAL AGENCY	TOTAL
REVENUES:					
Property Taxes	\$ -	\$ -	\$ -	\$ 91,534	\$ 91,534
Licenses, Permits, Fees	174,326	-	-	6,800	181,126
Interest	597	1,635	232	711	3,175
Miscellaneous	-	-	-	165	165
Total Revenues	174,923	1,635	232	99,210	276,000
EXPENDITURES:					
Materials and Services	-	-	-	2,109	2,109
Capital Outlay	-	-	-	130,006	130,006
Debt Services	-	-	-	38,449	38,449
Total Expenditures	-	-	-	170,564	170,564
Excess of Revenues Over (Under) Expenditures	174,923	1,635	232	(71,354)	105,436
Other Financing Sources (Uses):					
Proceeds of Debt	-	-	-	90,000	90,000
Transfers In	-	-	7,000	-	7,000
Transfers Out	-	-	(28,000)	(7,913)	(35,913)
Total Other Sources (Uses)	-	-	(21,000)	82,087	61,087
Net Change in Fund Balance	174,923	1,635	(20,768)	10,733	166,523
Beginning Fund Balances	88,402	286,034	46,348	135,884	556,668
Ending Fund Balances	\$ 263,325	\$ 287,669	\$ 25,580	\$ 146,617	\$ 723,191

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2013**

TRANSPORTATION DEVELOPMENT TAX FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
Licenses, Permits, Fees	\$ 31,200	\$ 62,000	\$ 174,326	\$ 112,326
Interest	200	-	597	597
Total Revenues	<u>31,400</u>	<u>62,000</u>	<u>174,923</u>	<u>112,923</u>
EXPENDITURES:				
Contingency	<u>50,000</u>	<u>50,000 (1)</u>	<u>-</u>	<u>50,000</u>
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Net Change in Fund Balance	(18,600)	12,000	174,923	162,923
Beginning Fund Balance	<u>80,200</u>	<u>88,402</u>	<u>88,402</u>	<u>-</u>
Ending Fund Balance	<u>\$ 61,600</u>	<u>\$ 100,402</u>	<u>\$ 263,325</u>	<u>\$ 162,923</u>

(1) Appropriation Level

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2013**

TRAFFIC IMPACT FEES FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
Interest	\$ 1,000	\$ 1,000	\$ 1,635	\$ 635
Total Revenues	1,000	1,000	1,635	635
EXPENDITURES:				
Contingency	50,000	50,000 (1)	-	50,000
Total Expenditures	50,000	50,000	-	50,000
Net Change in Fund Balance	(49,000)	(49,000)	1,635	50,635
Beginning Fund Balance	283,560	286,033	286,034	1
Ending Fund Balance	<u>\$ 234,560</u>	<u>\$ 237,033</u>	<u>\$ 287,669</u>	<u>\$ 50,636</u>

(1) Appropriation Level

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2013**

VEHICLE AND EQUIPMENT RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
Interest	\$ 140	\$ 140	\$ 232	\$ 92
Total Revenues	140	140	232	92
EXPENDITURES:				
Contingency	10,000	10,000 (1)	-	10,000
Total Expenditures	10,000	10,000	-	10,000
Excess of Revenues Over (Under) Expenditures	(9,860)	(9,860)	232	10,092
Other Financing Sources (Uses):				
Transfers In	7,000	7,000	7,000	-
Transfers Out	(28,000)	(28,000) (1)	(28,000)	-
Total Other Sources (Uses)	(21,000)	(21,000)	(21,000)	-
Net Change in Fund Balance	(30,860)	(30,860)	(20,768)	10,092
Beginning Fund Balance	43,664	46,348	46,348	-
Ending Fund Balance	<u>\$ 12,804</u>	<u>\$ 15,488</u>	<u>\$ 25,580</u>	<u>\$ 10,092</u>

(1) Appropriation Level

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2013**

URBAN RENEWAL DISTRICT

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Taxes	\$ 70,000	\$ 81,329	\$ 91,534	\$ 10,205
Property Rental Fees	6,000	6,750	6,800	50
Interest	300	-	711	711
Miscellaneous	-	-	165	165
Total Revenues	<u>76,300</u>	<u>88,079</u>	<u>99,210</u>	<u>11,131</u>
EXPENDITURES:				
Materials and Services	-	3,000 (1)	2,109	891
Capital Outlay	10,000	52,000 (1)	130,006	(78,006)
Debt Service	32,793	44,093 (1)	38,449	5,644
Contingency	45,000	75,000 (1)	-	75,000
Total Expenditures	<u>87,793</u>	<u>174,093</u>	<u>170,564</u>	<u>3,529</u>
Excess of Revenues Over (Under) Expenditures	<u>(11,493)</u>	<u>(86,014)</u>	<u>(71,354)</u>	<u>14,660</u>
Other Financing Sources (Uses):				
Proceeds of Debt	-	-	90,000	90,000
Transfers Out	(6,546)	(8,125) (1)	(7,913)	212
Total Other Sources (Uses)	<u>(6,546)</u>	<u>(8,125)</u>	<u>82,087</u>	<u>90,212</u>
Net Change in Fund Balance	<u>(18,039)</u>	<u>(94,139)</u>	<u>10,733</u>	<u>104,872</u>
Beginning Fund Balance	<u>23,380</u>	<u>135,884</u>	<u>135,884</u>	<u>-</u>
Ending Fund Balance	<u>\$ 5,341</u>	<u>\$ 41,745</u>	<u>\$ 146,617</u>	<u>\$ 104,872</u>

(1) Appropriation Level

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2013**

	<u>INTERNAL SERVICES FUND</u>			VARIANCE TO FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES:				
City Council				
Materials and Services	\$ 6,350	\$ 30,950 (1)	\$ 28,322	\$ 2,628
City Attorney				
Materials and Services	20,000	20,000 (1)	21,202	(1,202)
City Manager				
Personal Services	102,143	110,951 (1)	111,431	(480)
Materials and Services	1,000	1,500 (1)	1,501	(1)
Total City Manager	<u>103,143</u>	<u>112,451</u>	<u>112,932</u>	<u>(481)</u>
City Recorder				
Personal Services	5,383	5,383 (1)	4,319	1,064
Materials and Services	16,000	9,500 (1)	5,511	3,989
Total City Recorder	<u>21,383</u>	<u>14,883</u>	<u>9,830</u>	<u>5,053</u>
Finance Department				
Personal Services	108,600	173,730 (1)	169,794	3,936
Materials and Services	38,670	64,400 (1)	63,526	874
Total Finance Department	<u>147,270</u>	<u>238,130</u>	<u>233,320</u>	<u>4,810</u>
City Engineer				
Materials and Services	8,500	10,000 (1)	4,907	5,093
General Government				
Materials and Services	130,574	192,366 (1)	168,228	24,138
Public Works Department				
Personal Services	335,051	340,272 (1)	346,058	(5,786)
Materials and Services	26,900	42,296 (1)	36,104	6,192
Capital Outlay	7,000	- (1)	-	-
Total Public Works Department	<u>368,951</u>	<u>382,568</u>	<u>382,162</u>	<u>406</u>
Total Expenditures	<u>806,171</u>	<u>1,001,348</u>	<u>960,903</u>	<u>40,445</u>
Excess of Revenues Over (Under) Expenditures	(806,171)	(1,001,348)	(960,903)	40,445
Other Financing Sources (Uses):				
Transfers In	834,171	1,036,348	967,903	(68,445)
Transfers Out	(28,000)	(35,000) (1)	(7,000)	28,000
Total Other Sources (Uses)	<u>806,171</u>	<u>1,001,348</u>	<u>960,903</u>	<u>(40,445)</u>
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Appropriation Level

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2013**

<u>WATER FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Charges for Services	\$ 761,100	\$ 814,400	\$ 856,073	\$ 41,673
Licenses, Permits, Fees	69,384	69,384	156,827	87,443
Interest	1,500	1,500	4,438	2,938
Miscellaneous	6,000	1,000	2,533	1,533
Total Revenues	837,984	886,284	1,019,871	133,587
EXPENDITURES:				
Materials and Services	214,670	219,950 (1)	217,011	2,939
Capital Outlay	51,000	51,000 (1)	14,150	36,850
Debt Services	134,333	134,332 (1)	134,332	-
Special Payments	34,300	64,300 (1)	87,024	(22,724)
Contingency	50,000	50,000 (1)	-	50,000
Total Expenditures	484,303	519,582	452,517	67,065
Excess of Revenues Over (Under) Expenditures	353,681	366,702	567,354	200,652
Other Financing Sources (Uses):				
Transfers In	116,258	115,689	115,689	-
Transfers Out	(388,626)	(469,366) (1)	(478,320)	(8,954)
Total Other Sources (Uses)	(272,368)	(353,677)	(362,631)	(8,954)
Net Change in Fund Balance	81,313	13,025	204,723	191,698
Beginning Fund Balance, As Restated	563,358	684,812	707,387	22,575
Ending Fund Balance	\$ 644,671	\$ 697,837	\$ 912,110	\$ 214,273

(1) Appropriation Level

Reconciliation of Budgetary Basis to Full Accrual Basis on page - 43 -

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

**RECONCILIATION OF BUDGETARY BASIS TO FULL ACCRUAL BASIS
For the Year Ended June 30, 2013**

WATER FUND

Net Change in Fund Balance - Budgetary Basis	\$ 204,723
Depreciation Expense	(71,076)
Expenditures Capitalized	14,150
Principal Payments on Long Term Debt	<u>81,999</u>
Change in Net Position - GAAP Basis	<u><u>\$ 229,796</u></u>

Ending Fund Balance - Budgetary Basis	\$ 912,110
Capital Assets, Net	3,048,983
Bonds Payable	<u>(1,270,275)</u>
Ending Net Position - GAAP Basis	<u><u>\$ 2,690,818</u></u>

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2013**

WATER SYSTEMS IMPROVEMENT FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
Other Financing Sources (Uses):				
Transfers Out	\$ -	\$ -	(1) \$ (115,689)	\$ (115,689)
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>(115,689)</u>	<u>(115,689)</u>
Net Change in Fund Balance	-	-	(115,689)	(115,689)
Beginning Fund Balance	<u>116,258</u>	<u>115,689</u>	<u>115,689</u>	<u>-</u>
Ending Fund Balance	<u>\$ 116,258</u>	<u>\$ 115,689</u>	<u>\$ -</u>	<u>\$ (115,689)</u>

(1) Appropriation Level

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2013**

<u>GENERAL FUND</u>						
<u>TAX YEAR</u>	<u>ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/01/12</u>	<u>DEDUCT DISCOUNTS</u>	<u>ADJUSTMENTS TO ROLLS</u>	<u>ADD INTEREST</u>	<u>CASH COLLECTIONS BY COUNTY TREASURER</u>	<u>BALANCE UNCOLLECTED OR UNSEGREGATED 6/30/13</u>
<u>General Fund:</u>						
CURRENT:						
2012-13	\$ 341,681	\$ 8,880	\$ 478	\$ 105	\$ 326,245	\$ 7,140
PRIOR YEARS:						
2011-12	8,220	(19)	(2,635)	273	2,286	3,592
2010-11	4,652	(15)	(1,210)	250	1,034	2,673
2009-10	2,637	(1)	(35)	315	1,318	1,599
2008-09	454	-	(14)	109	388	161
2007-08 & Prior	399	-	(47)	57	140	269
Total Prior	<u>16,362</u>	<u>(35)</u>	<u>(3,941)</u>	<u>1,003</u>	<u>5,165</u>	<u>8,294</u>
Total All Funds	<u>\$ 358,043</u>	<u>\$ 8,844</u>	<u>\$ (3,463)</u>	<u>\$ 1,109</u>	<u>\$ 331,410</u>	<u>\$ 15,435</u>

RECONCILIATION OF REVENUE:

	<u>Revenue</u>
Per County Treasurer Above	\$ 331,410
Adjustment to Modified Accrual Basis	<u>3,035</u>
Total Revenue per Fund Statements	<u>\$ 334,445</u>

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2013**

URBAN RENEWAL AGENCY

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/01/12	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED 6/30/13
<u>Urban Renewal Agency:</u>						
CURRENT:						
2012-13	\$ 94,196	\$ 2,448	\$ 132	\$ 29	\$ 89,941	\$ 1,968
PRIOR YEARS:						
2011-12	2,178	(5)	(698)	72	605	952
2010-11	1,014	(3)	(264)	54	225	583
2009-10	-	-	-	-	-	-
2008-09	69	-	(2)	17	59	24
2007-08 & Prior	-	-	-	-	-	-
Total Prior	3,261	(8)	(964)	143	890	1,559
Total All Funds	\$ 97,457	\$ 2,439	\$ (832)	\$ 172	\$ 90,830	\$ 3,528

RECONCILIATION OF REVENUE:

	Revenue
Per County Treasurer Above	\$ 90,830
Adjustment to Modified Accrual Basis	704
Total Revenue per Fund Statements	\$ 91,534

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

INDEPENDENT AUDITORS' REPORT
REQUIRED BY OREGON STATE REGULATIONS

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

October 15, 2013

Independent Auditors' Report Required by Oregon State Regulations

We have audited the financial statements of the governmental activities, the business-type activities, the blended component unit, North Plains Urban Renewal Agency, each major fund and the aggregate remaining fund information of the City of North Plains as of and for the year ended June 30, 2013, and have issued our report thereon dated October 15, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of 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, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Highway revenues used for public highways, roads, and streets.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

In connection with our testing nothing came to our attention that caused us to believe the City of North Plains 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 as follows:

1. Expenditures of the various funds were within authorized appropriations except as noted on page 22.

OAR 162-10-0230 Internal Control

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

We noted matters involving the internal control structure and its operation that we consider to be significant deficiencies under standards established by the American Institute of Certified Public Accountants, which are noted in our management letter dated October 15, 2013.

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



Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.

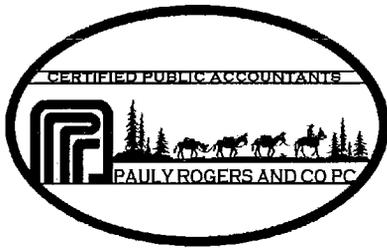
CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON

MANAGEMENT LETTER

FOR THE YEAR ENDED JUNE 30, 2013



**12700 SW 72nd Ave.
Tigard, OR 97223**



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

October 15, 2013

City of North Plains
North Plains, Oregon

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the blended component unit, North Plains Urban Renewal Agency, each major fund and the aggregate remaining fund information of the City of North Plains as of and for the year ended June 30, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we do not express an opinion on the effectiveness of the internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in internal control to be significant deficiencies:

1. The bank reconciliations for the first six months of the fiscal year were not prepared until February when the new finance director was hired. Also, prior to June 2013 the bank reconciliations were not reviewed in a timely manner. We recommend bank reconciliations be prepared within a month of receiving the bank statement and reviewed in a timely manner by a person independent of the reconciliation process, as required by your internal control policies and procedures.
2. During the current fiscal year, the City had no process for reviewing and approving journal entries posted by the finance director. During our fieldwork, we recommended that a review process be implemented. This review process began in June 2013, requiring the city manager to perform a quarterly review of journal entries posted by the finance director.
3. There were two instances where the monthly payroll change reports were not reviewed by the finance manager in a timely manner. We recommend payroll reports be reviewed, and this review be documented by a signature and dated on the report, at the end of each month in accordance with the City's policy.

Best Practices – Not Significant Deficiencies

1. Governing Board Monitoring

An integral part of internal controls is the monitoring of financial activities by those charged with the governance (elected officials). This can be accomplished by asking specifically designed questions to senior staff, by reviewing financial statements and projections and by comparing financial results to pre-established benchmarks. While elected officials participate in the budget adoption process and receive staff prepared financial statements, these only partially fulfill the monitoring function.

We recommend that the City Council articulate their monitoring practices and record in the minutes when those activities occur.

Since monitoring activities, including benchmarking, are unique to each entity we are available to assist the City Council in establishing checklists, questions and benchmarks that are customized for your use.

2. Fidelity Insurance Coverage

In reviewing fidelity insurance coverage we noticed that the City often carries cash and investment balances in excess of the insurance coverage amount. We recommend that the City Council examine this exposure risk and make a determination as to the amount of insurance coverage they feel is prudent in regard to their oversight.

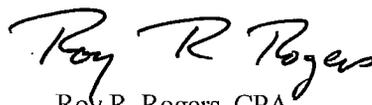
3. Segregation of Duties

Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records or to all phases of a transaction. Consequently, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected. We recommend that the City Council continually monitor the financial activities to mitigate this risk and consider obtaining additional fidelity insurance coverage to compensate for this risk.

4. Form I-9 Compliance

The U.S. Citizenship and Immigration Services (USCIS) agency requires all employers to fill out section two of the form I-9. In this section of the form, employers document their examination of employee-provided identification papers. In our testing of salaries, we noted that the City is not in compliance with this federal requirement. We recommend that the City ensure that section two of form I-9 is complete for all employees.

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

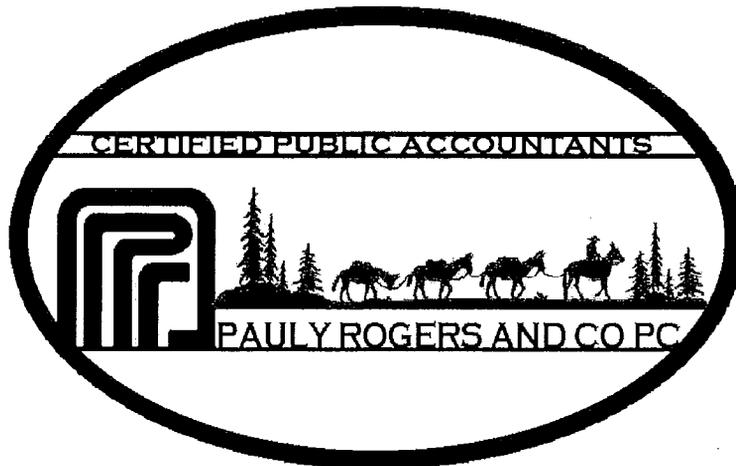


Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.

**CITY OF NORTH PLAINS
WASHINGTON COUNTY, OREGON**

COMMUNICATION TO THE GOVERNING BODY

FOR THE YEAR ENDED JUNE 30, 2013



12700 SW 72nd Ave.
Tigard, OR 97223



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12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632 ♦ (503) 684-7523 FAX
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October 15, 2013

To the City Council
City of North Plains
Washington County, Oregon

We have audited the financial statements of the governmental activities, the business-type activities, the blended component unit, North Plains Urban Renewal Agency, each major fund, and the aggregate remaining fund information of City of North Plains for the year ended June 30, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Purpose of the Audit

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

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

Our Responsibility under U.S. Generally Accepted Auditing Standards

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

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

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

Planned Scope and Timing of the Audit

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

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

Results of Audit

1. Audit opinion letter - an unmodified opinion on the financial statements has been issued. This means we have given a “clean” opinion with no reservations.
2. State minimum standards – We found no exceptions or issues requiring comment, except as noted on page 47.
3. Management letter – We issued a separate management letter dated October 15, 2013 detailing significant deficiencies in internal control.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2013, except for the implementation of GASB 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

Difficulties Encountered in Performing the Audit

We encountered no difficulties in performing and completing our audit.

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Pauly, Rogers and Co., P.C.

Management Representations

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

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Supplementary Information

With respect to the supplementary information accompanying the financial statements, 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.

Other Information

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

Other Matters – Future Accounting and Auditing Issues

In order to keep you aware of new auditing standards issued by the American Institute of Certified Public Accounts and accounting statements issued by the Governmental Accounting Standards Board (GASB), we have prepared the following summary of the more significant upcoming issues:

GASB 65

GASB Statement No. 65 – *Items Previously Reported as Assets and Liabilities*, reclassifies certain items previously reported as assets and liabilities to deferred outflows of resources or deferred inflows of resources. Certain items previously reported as assets and liabilities will be reported as outflows of resources or inflows of resources. The term “deferred” will only be used when referring to deferred inflows and outflows of resources. As a result, “deferred revenue” will become “unearned revenue” and “deferred costs” will become “prepaid costs”. The implementation date for this statement is fiscal periods beginning after December 15, 2012.

GASB 66

GASB Statement No. 66, *Technical Corrections*, resolves conflicting guidance that resulted from the issuance of GASB Statement No. 54 and GASB Statement 62. It amends GASB Statement No. 10 by removing the provision that limits fund-based reporting of a government's risk financing activities to the general fund and the internal services fund type. It also amends GASB 62 by modifying the specific guidance on accounting for operating lease payments that vary from a straight-line basis, the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and servicing fees relating to the mortgage loans that are sold when the stated service fee rate differs significantly from a current servicing fee rate. The implementation date for this statement is fiscal periods beginning after December 15, 2012.

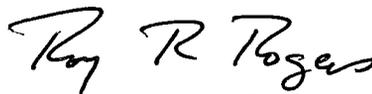
GASB 67

GASB Statement No. 67, *Financial Reporting for Pension Plans*, amends the requirements of GASB Statement No. 25 as they relate to pension plans administered through trusts that meet certain criteria, establishes standards for financial reporting by defined benefit pension plans administered through qualified trusts, and amends note disclosure and required supplemental information requirements for defined benefit and defined contribution pension plans administered through qualified trusts. The implementation date for this statement is fiscal periods beginning after June 15, 2013.

GASB 68

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts that have certain characteristics. This statement will impact the government-wide financial statements for most entities with net position being reduced by an actuarially determined amount. The implementation date for this statement is fiscal periods beginning after June 15, 2014.

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



Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.



CITY OF NORTH PLAINS

31360 NW Commercial Street, North Plains, Oregon 97133

Date: February 24, 2014
To: Mayor and City Council
From: City Manager Martha DeBry
Subject: Resolution No. 1817 approving the North Plains Garden Club Requests for Use of Jessie Mays tennis courts and related equipment

Request: Council consider the requests of the Garden Club to conduct the annual plant sale.

Background: The City has received a request from the North Plains Garden Club for the following:

1. The use of Jessie Mays Community Hall and Tennis Courts for May 2-3, 2014.
2. Tents to be set-up in the tennis courts.
3. Police surveillance the night of May 2nd.

In recent years the City has provided use of the tennis courts and hall at no cost, set up a 20 x 20 tent that is owned by the City, and assisted with the monitoring of the sale items the evening prior.

Fiscal Impact: The City has no rental rate for the tennis courts. The rental rate for the hall is \$35/hour which would equal \$210. Setting up the tent requires approximately two hours by two utility workers and another two hours to dismantle the tent which is valued at \$214. The Police Department increases its patrols around Jessie Mays the night prior using on-duty staff, which is no additional cost to the community.

Environmental Issues: There are no environmental issues associated with this request.

Recommendation: Council to adopt Resolution No. 1817 approving the North Plains Garden Club Requests for Use of Jessie Mays tennis courts and related equipment

Sample Motion: I move to adopt Resolution No. 1817.

Attachments: Request email and Resolution No. 1817.

RESOLUTION NO. 1817

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORTH PLAINS,
OREGON, APPROVING THE NORTH PLAINS GARDEN CLUB REQUESTS FOR
USE OF JESSIE MAYS TENNIS COURTS AND RELATED EQUIPMENT**

WHEREAS, the City Council has the authority to set and waive fees for the use of Jessie Mays Community Hall; and,

WHEREAS, tents will be set up by the Public Works department; and,

WHEREAS, police surveillance will be provided the night prior to the sale; and

WHEREAS, the North Plains Garden Club is a non-profit organization that gathers to support gardening in private and public places; and,

WHEREAS, the North Plains Garden Club has requested the use of the Jessie Mays tennis courts for their annual plant sale which has been granted in the past by City Council; and

WHEREAS, the City Council wishes to continue to support a local non-profit organization.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF NORTH PLAINS, OREGON, AS FOLLOWS:**

Section 1: The Jessie Mays Community hall rental and security deposit fees are waived for the North Plains Garden Club in 2014.

Section 2: The city will provide services requested above.

Section 2: This Resolution shall become effective immediately upon adoption by the City Council.

INTRODUCED AND ADOPTED this 3rd day of March, 2014.

CITY OF NORTH PLAINS, OREGON

By: _____
David Hatcher, Mayor

ATTEST:

By: _____
Margaret L. Reh, City Recorder

RE: NP Garden Club Plant Sale May 3, 2014

Martha DeBry

Sent: Monday, February 24, 2014 8:26 AM

To: Bunny Leuthold [mrsiron@live.com]; Blake Boyles; Bill Snyder; Margaret Reh

Cc: Suzanne Dailey [schiad66@yahoo.com]; Vickie D [vickie@broadoakdesign.com]; Crystal Vanderzanden [vandz_@msn.com]

We can schedule it for the next Council meeting.

Kindest Regards,

Martha DeBry
City Manager
City of North Plains
31360 NW Commercial Street, North Plains, OR 97133
503.647.5555

From: Bunny Leuthold [mrsiron@live.com]
Sent: Monday, February 24, 2014 7:32 AM
To: Martha DeBry; Blake Boyles; Bill Snyder
Cc: Suzanne Dailey; Vickie D; Crystal Vanderzanden
Subject: NP Garden Club Plant Sale May 3, 2014

Martha,

It's already that time of year again for Garden Club to start getting organized for the annual plant sale.

Does Garden Club need to go to the NP City Council and ask for:

1. The use of Jessie Mays Community Center and Tennis Courts for May 2-3, 2014.
2. Tents to be set-up in the tennis courts.
3. Police surveillance the night of May 2nd.

If you could let me know how we should proceed with these items, I would appreciate it.

Thank you,

Bunny Leuthold
Plant Sale Committee



CITY OF NORTH PLAINS

31360 NW Commercial Street, North Plains, Oregon 97133

Date: March 3, 2014
 To: City Council
 From: Finance Director Rachael Lembo
 Subject: Resolution No. 1818 Approving revising the City's Master Fee Schedule

Request: Approval of Resolution No. 1818, a Resolution of City Council of the City of North Plains, Oregon, Revising the Master Fee Schedule

Background: The Council approves a fee schedule annually as part of the budget package. Staff has identified two additional fee changes that we would like to make for the FY13-14 year. The first change is to simplify the deposit required for a business water account. The third change is to combine the water shut off and water turn on fees to one fee. This fee is charged when a bill is past due and the water is shut off and subsequently turned on when payment is made.

WATER

Deposit for Utility Account

5104 C.	Business	Meter Size 3/4" – 1"	\$75
		Meter Size 1.5" – 2"	\$150
		Meter Size 3" – 4"	\$300
5150	Notice of shut off / turn on		\$46
5170/5171	Turn on fee		\$0

Fiscal Impact: These changes will have minimal impact on the City's finances. The water deposit is held while the account is open and refunded when the account is closed. The water shut off / turn on fee combines two fees already in the schedule.

Environmental Impact: None

Sample Motion: I move to adopt Resolution No. 1818, A Resolution of City Council of the City of North Plains, Oregon, Revising the Master Fee Schedule.

Attachment – Resolution No. 1818

RESOLUTION NO. 1818

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORTH PLAINS,
OREGON, REVISING THE MASTER FEE SCHEDULE**

WHEREAS, the City's Municipal Code allows for the establishment of fees and charges for certain applications and services; and

WHEREAS, fees have been established to recover the cost of providing services to the public, businesses and other agencies; and

WHEREAS, certain changes are necessary to clarify the current fee schedule.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH PLAINS, OREGON, that the following changes are made to the City of North Plains Master Fee Schedule:

WATER

Deposit for Utility Account

5104 C.	Business	Meter Size 3/4" – 1"	\$75
		Meter Size 1.5" – 2"	\$150
		Meter Size 3" – 4"	\$300
5150	Notice of shut off / turn on		\$46
5170/5171	Turn on fee		\$0

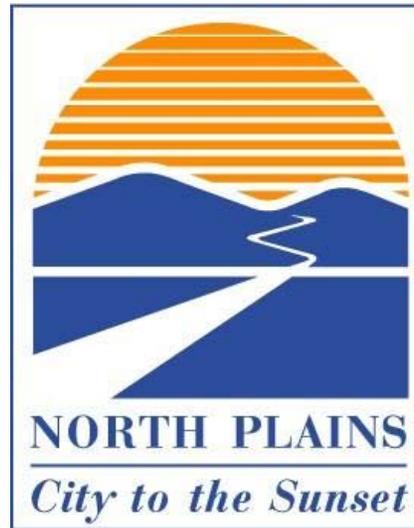
INTRODUCED AND ADOPTED this 3rd day of March, 2014.

CITY OF NORTH PLAINS, OREGON

BY: _____
David Hatcher, Mayor

ATTEST:

BY: _____
Margaret L. Reh, City Recorder



City of North Plains, Oregon

Proposed Supplemental Budget 2013-14

City of North Plains

FY2013-14 Supplemental Budget

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Budget Message

Honorable Mayor and Council,

The original FY2013-14 budget was adopted on June 3, 2013. This supplemental budget proposes updates to various revenue and expenditure line items based on the most current financial information. A list of changes is included within each fund.

The largest revenue change is in System Development Charges, which are based on new builds. The original budget was for 25 new builds, and as of January 31 there have already been 24. The revised number of new builds is 40.

Some funds are budgeted to have a decrease in fund balance in FY2013-14. This is not abnormal, but does require explanation:

In the Street, Park Capital and Traffic Impact Fee Funds the decrease is due to budgeted capital expenditures. These are one-time projects that are funded by beginning fund balance, or revenues collected in prior years. Thus in the current year the fund balance is decreasing, however it was sufficiently built up by those prior year revenues.

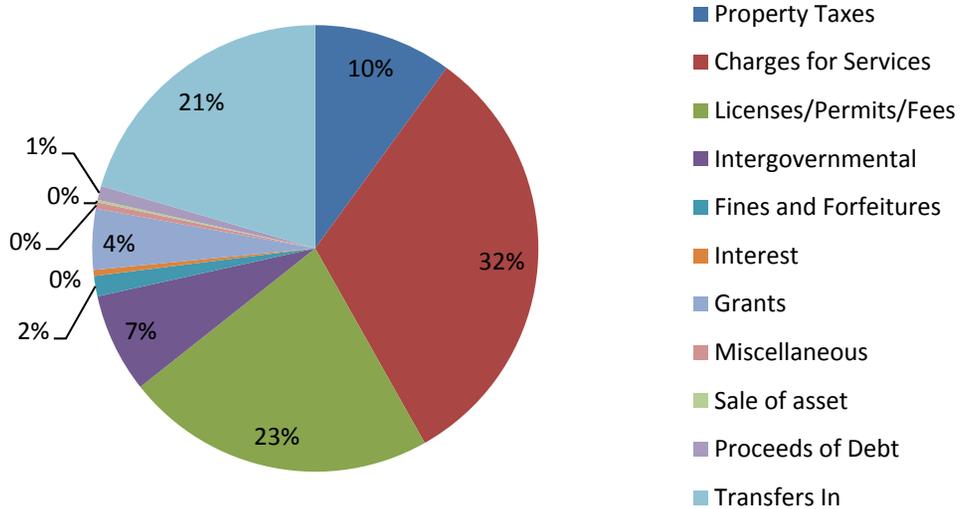
In the General Fund proposed supplemental budget the fund balance is decreasing by \$101k, which includes \$65k of contingency; assuming the contingency is not used the decrease at year-end will be \$35k. The original budget for the General Fund was a decrease of \$87k, including a \$100k contingency. This is due to investments that will support the City as it continues to grow. This includes equipment (Springbrook accounting software upgrade, new police vehicle), staff (City Recorder, part time Police Officer, Management Analyst) and increased community events. Higher property tax revenues are expected as the new houses fill with new families, but the expenditures are occurring now. The General Fund beginning fund balance, over \$1M at the start of this year, is sufficient to cover these expenditures until property tax revenues increase.

The Urban Renewal Agency (URA) budget has been extracted from the City's budget as it is a separate entity. The URA board will review the URA supplemental budget separately.

Respectfully submitted,

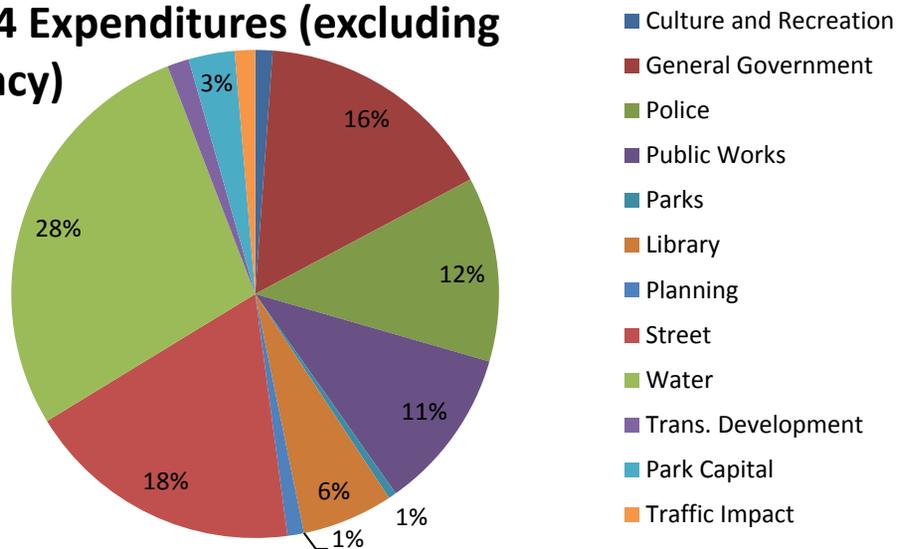
Rachael Lembo, Finance Manager

City of North Plains FY2013-14 Revenue



The primary sources of revenue are Property Taxes (General Fund), Charges for Services (Water Fund), and Licenses/Permits/Fees (General Fund franchise fees, Street Fund SDCs, Trans. Devel. Tax Fund SDCs and Parks Capital Fund SDCs).

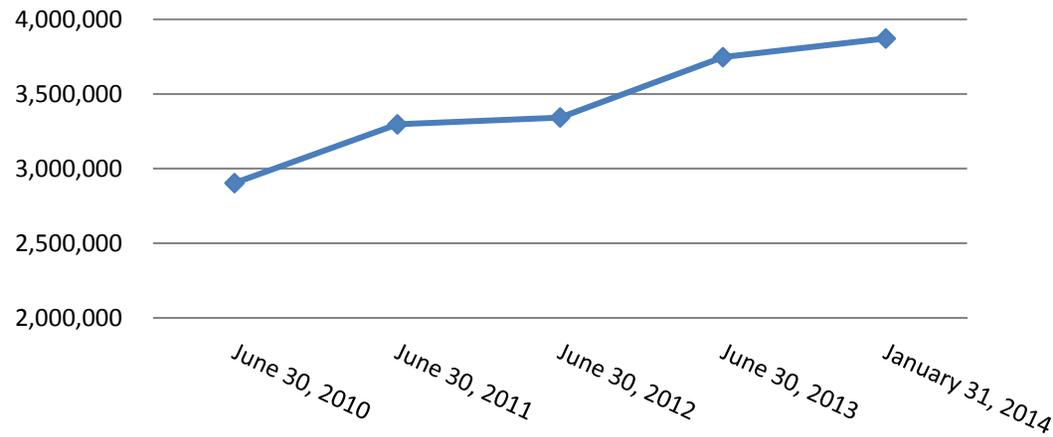
City of North Plains FY2013-14 Expenditures (excluding contingency)



The largest departments are General Government (City Manager, Finance, City Hall shared expenses), Street and Water.

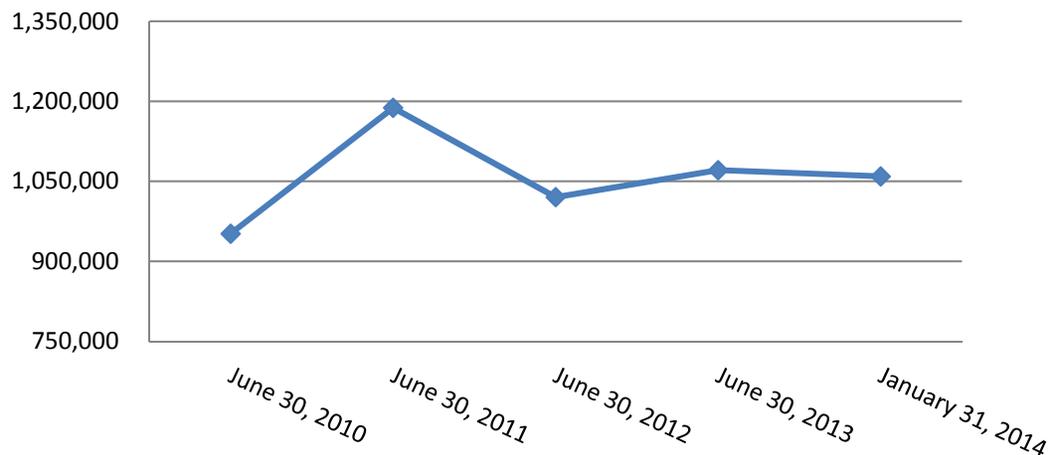
The General Fund departments, Culture and Recreation - Planning, make up nearly half of the City budget.

City of North Plains Historical Cash Balances



The City's cash balance has been climbing over the past four years, from \$2.9M in June 2010 to \$3.9M in January 2014.

City of North Plains General Fund Historical Fund Balance



The fund balance of the General Fund has been steadily increasing over the past four years. The spike in FY2010-11 was the result of LOCAP bond proceeds, which were transferred to the Street Fund in FY2011-12 to pay for capital expenditures.

INTERNAL SERVICE FUND 610

In FY13 the City added an Internal Service Fund (ISF) to account for shared expenses, including City Manager, Finance, Public Works, General Government, City Council, City Recorder, Attorney and Engineer. Prior to FY13, these costs had been allocated at the time of data entry, which made it hard to determine the full cost. The ISF was helpful in identifying the true cost of these items, as well as understanding which aspects of these costs should be shared, how much, and to which funds. After review of the ISF for the past year and a half, management has determined it would be more efficient and transparent to combine these departments into the General Fund, and calculate transfers based on specific costs within these departments. That change is proposed with this supplemental budget. The new transfers are discussed below.

Management proposes City Council approve a resolution to close the ISF.

GENERAL FUND 110

This fund is the primary operating fund and is accounts for all activities except those legally or administratively required to be accounted for in other funds.

General Fund departments include:

- Culture and Recreation: all community events and personnel supporting those events.
- General Government: City Manager, Finance and administrative staff, and shared costs such as attorney, IT and insurance.
- Police: all costs related to the Police Dept.
- Public Works: personnel and general public works expenditures (excluding direct costs to Streets, Water and Parks).
- Parks: maintenance of Parks and Jessie Mays Community Center
- Library: all costs related to the Library Dept.
- Planning: primarily the City's engineering firm.

Supplemental budget changes:

General Fund Revenue:

- Adjustment of Beginning Fund Balance to match FY13 Ending Fund Balance.
- Increase of building fees based on YTD actuals. Engineering fees have been increased in relation to this.
- Increase of various grants and donations, primarily due to ODOT and Cover Oregon grants. Related expenditures have also increased.
- Transfers have been added to the General Fund as a result of the ISF elimination. Total transfers are less than the original ISF budget due to a reduced allocation amount for the Water Fund.
- Debt proceeds are related to the capital lease for the 2014 Dodge Charger. The lease payment was budgeted but accounting rules require the full amount of the capital lease to be reported as debt proceeds and capital outlay.

GENERAL FUND 110		Adopted Budget 2013-2014	ISF Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg) \$ %	
Account	Description							
OPENING FUND BALANCE		1,017,900	-	1,079,207	61,307	1,079,207	-	
REVENUES								
411000	Property Taxes	352,922	-	352,922	-	318,958	(33,964)	90%
462000	Rentals	7,000	-	7,000	-	3,422	(3,579)	49%
	Licenses, Permits, Fees							
418101	Water Franchise	39,000	-	39,000	-	39,000	-	100%
418102	CWS Franchise	20,000	-	20,000	-	16,631	(3,369)	83%
418103	Qwest Franchise	6,000	-	6,000	-	81	(5,919)	1%
418104	Comcast Franchise	5,400	-	5,400	-	3,500	(1,900)	65%
418105	Garbage Franchise	10,000	-	10,000	-	5,314	(4,686)	53%
418107	PGE Franchise	91,000	-	91,000	-	12,681	(78,319)	14%
418108	NW Natural Gas Franchise	24,000	-	24,000	-	11,345	(12,655)	47%
418109	Misc Franchise	750	-	750	-	599	(151)	80%
418110	MACC Franchise	13,200	-	13,200	-	6,929	(6,271)	52%
421000	Business License	6,400	-	6,400	-	5,116	(1,284)	80%
422000	Recology Fund	35,000	-	35,000	-	29,024	(5,976)	83%
441419	Building Permit	16,500	-	62,500	46,000	62,210	(290)	100%
450000	Misc Fees	1,000	-	1,000	-	-	(1,000)	0%
450455	Library Fines and Fees	10,400	-	10,400	-	5,855	(4,545)	56%
		278,650	-	324,650	46,000	198,285	(126,365)	61%
	Intergovernmental							
436000	Liquor Tax	23,000	-	23,000	-	13,724	(9,276)	60%
437000	Cigarette Tax	2,800	-	2,800	-	1,459	(1,341)	52%
438000	State Revenue Sharing	13,000	-	13,000	-	8,434	(4,566)	65%
439000	WCCLS	99,405	-	99,405	-	66,273	(33,132)	67%
		138,205	-	138,205	-	89,891	(48,314)	65%
	Fines and Forfeitures							
450421	Police Citations	52,229	-	52,229	-	32,354	(19,875)	62%
		52,229	-	52,229	-	32,354	(19,875)	62%

GENERAL FUND 110		Adopted Budget 2013-2014	ISF Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg) \$ %	
Account	Description							
	Grants and Donations							
431000	Grants - General	-	-	5,500	5,500	6,250	750	114%
431001	Grants - Police	9,000	-	38,500	29,500	13,270	(25,230)	34%
431002	Grants - Library	1,000	-	29,891	28,891	8,350	(21,541)	28%
431003	Grants - Planning	-	-	1,000	1,000	1,000	-	100%
464000	Donations - General	-	-	-	-	200	200	100%
464101	4th of July don/spon	14,000	-	14,000	-	1,730	(12,270)	12%
464102	Comm Events Don/spon	-	-	5,141	5,141	5,920	779	115%
464421	Donations - Police	-	-	1,700	1,700	200	(1,500)	12%
464455	Donations - Library	6,500	-	7,000	500	6,613	(387)	94%
		30,500	-	102,732	72,232	43,532	(59,200)	42%
461000	Interest	4,410	-	4,410	-	3,127	(1,283)	71%
440000	Miscellaneous	10,000	-	10,000	-	7,737	(2,263)	77%
445000	Sale of asset	6,000	-	6,000	-	5,000	(1,000)	83%
	Transfers							
820111	Transfers In - Rec. Street	62,000	-	62,000	-	62,000	-	100%
820111x	Transfers In - Street	-	169,966	175,449	5,483	-	(175,449)	0%
820210	Transfers In - Water	-	502,724	458,428	(44,295)	-	(458,428)	0%
820130	Transfers In - TDT	-	-	4,000	4,000	-	(4,000)	0%
820131	Transfers In - Parks Cap	-	-	8,400	8,400	-	(8,400)	0%
820113	Transfers In - URA	-	8,086	-	(8,086)	-	-	0%
		62,000	680,775	708,277	(34,498)	62,000	(646,277)	9%
840000	Debt Proceeds	-	-	35,803	35,803	35,803	-	100%
TOTAL REVENUES		941,916	680,775	1,742,228	119,537	800,107	(942,121)	46%

GENERAL FUND 110		Adopted Budget 2013-2014	ISF Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg) \$ %	
Account	Description							
EXPENDITURES - BY DEPT								
110-411	Culture and Recreation	-	25,850	42,461	16,611	32,337	10,124	76%
110-419	General Government	-	545,670	597,094	51,424	358,367	238,726	60%
110-421	Police	433,170	-	454,844	21,674	287,500	167,345	63%
110-433	Public Works	-	415,861	399,470	(16,391)	230,937	168,533	58%
110-452	Parks	169,650	-	19,760	(149,890)	5,834	13,926	30%
110-455	Library	247,368	-	224,210	(23,158)	109,672	114,538	49%
110-465	Planning	78,724	5,000	40,850	(42,874)	7,433	33,417	18%
Trans	Transfers Out	-	(311,606)	-	311,606	-	-	0%
	CONTINGENCY	100,000	-	65,000	(35,000)	-	65,000	0%
TOTAL EXPENDITURES		1,028,912	680,775	1,843,689	134,002	1,032,080	811,609	56%
CHANGE IN FUND BALANCE		(86,996)	0	(101,461)	(14,465)	(231,973)	811,609	
UNAPPROPRIATED ENDING FUND BALANCE		930,904	0	977,746	46,842	847,234	1,623,218	

GENERAL FUND 110-411

Culture and Recreation:

- Increase in personnel for 4th of July event planning and volunteer coordination.
- Increase in 4th of July event for expenses related to 2014 event.
- Increase in Music Shows for donation expense. This is offset by the revenue collected by the City which funds the donation. So far this year Music Shows have raised \$705 for the North Plains Senior Center/Food Bank and \$415 for the Friends of the North Plains Public Library.
- Addition of the BBQ event. This is offset with additional donation revenue.

CULTURE AND RECREATION 110-411

Account Description	Adopted Budget 2013-2014	ISF Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg)	
						\$	%
EXPENDITURES							
110000 Salaries	-	-	6,000	6,000	2,313	3,687	39%
220000 Payroll Taxes	-	-	1,327	1,327	189	1,138	14%
230000 Retirement	-	-	865	865	214	650	25%
PERSONAL SERVICES	-	-	8,191	8,191	2,716	5,475	33%
300100 Community Events	-	-	1,000	1,000	967	33	97%
300101 4th of July	-	19,000	24,000	5,000	21,137	2,863	88%
300102 Concerts in the Park	-	900	2,100	1,200	2,054	46	98%
300103 Music Shows	-	1,200	2,320	1,120	1,401	919	60%
300106 Fall Festival (Pumpkin Run)	-	3,000	3,100	100	3,063	37	99%
300107 Chili Cookoff	-	300	500	200	492	8	98%
300108 National Night Out	-	600	400	(200)	384	16	96%
300109 Playdates	-	150	150	-	38	112	25%
300111 Ice Cream Social	-	300	300	-	-	300	0%
300112 Farmers' Market	-	300	300	-	-	300	0%
300113 Holiday Bazaar	-	100	100	-	85	15	85%
300114 BBQ	-	-	10,000	10,000	-	10,000	0%
MATERIALS AND SERVICES	-	25,850	44,270	18,420	29,621	14,649	67%
TOTAL EXPENDITURES	-	25,850	52,461	26,611	32,337	20,124	62%

GENERAL FUND 110-419

General Government:

- Increase in salaries includes new Management Analyst position, step increases for Account Clerk II and Clerical, and hours increase for Finance Manager. Employee benefits increased due to changes in benefits elections. Payroll taxes decreased due to lower SUI rate. PERS increased due to salary increases, but also decreased due to a lower PERS rate.
- Increase for City Recorder training (previously none was budgeted).
- Increase for donation to the Senior Center for CWS fees.
- Increase for annual BUG connection fee.
- Decrease in attorney based on current year usage.
- Decrease in audit fees due to Finance Manager drafting the reports.
- Increase for Springbrook upgrade.
- Decrease in contracted Recorder expenses due to reclassification of Account Clerk II to City Recorder.
- Decrease in workers' compensation insurance premium.
- Various other small changes to reflect cost changes and expected usage.

GENERAL GOVERNMENT 110-419

Account Description	Adopted Budget 2013-2014	ISF Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg) \$ %	
EXPENDITURES							
110000 Salaries	-	249,354	285,301	35,947	155,428	129,873	54%
210000 Employee Benefits	-	33,835	39,731	5,896	28,032	11,699	71%
220000 Payroll Taxes	-	30,196	26,498	(3,698)	14,297	12,201	54%
230000 Retirement	-	39,756	41,112	1,356	18,570	22,542	45%
PERSONAL SERVICES	-	353,141	392,642	39,501	216,327	176,314	55%
300000 Education and Training	-	7,500	8,500	1,000	5,754	2,746	68%
300105 Donations							
Senior Center Donation		1,000	8,900	7,900	8,855	45	99%
Community Action Don.		500	500	-	-	500	0%
	-	1,500	9,400	7,900	8,855	545	94%
300010 BUG Connection	-	2,000	9,000	7,000	7,668	1,332	85%
310000 Utilities	-	16,602	16,602	-	7,612	8,990	46%
330000 Professional Services							
Attorney	-	25,000	20,000	(5,000)	9,023	10,977	45%
Audit	-	13,000	9,000	(4,000)	8,250	750	92%
Springbrook	-		15,000	15,000	6,749	8,251	45%
IT Services	-	11,900	11,900	-	5,936	5,964	50%
IT Services - hardware	-		-	-	380	(380)	100%
Moonlight	-	10,500	10,500	-	7,152	3,348	68%
Recorder	-	6,000	-	(6,000)	-	-	0%
Payroll Processing	-	3,600	3,600	-	2,800	800	78%
Janitorial - City Hall	-	2,400	2,400	-	1,540	860	64%
Security - City Hall	-	1,200	2,520	1,320	1,470	1,050	58%
Other	-	3,500	3,500	-	2,458	1,042	70%
	-	77,100	78,420	1,320	45,758	32,662	58%

GENERAL GOVERNMENT 110-419

Account Description	Adopted Budget 2013-2014	ISF Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg)	
						\$	%
340000 Repairs and Maintenance							
Copier Usage/Main.	-	11,880	9,000	(2,880)	3,836	5,164	43%
HVAC	-	3,720	3,720	-	2,163	1,557	58%
Other	-	5,000	5,000	-	2,042	2,958	41%
	-	20,600	17,720	(2,880)	8,041	9,679	45%
350000 Agency Memberships	-	3,660	3,660	-	3,499	161	96%
380000 Miscellaneous	-	-	500	500	390	110	78%
500000 Employee/ Vol Recognition	-	1,100	1,500	400	1,471	29	98%
540000 Advertising	-	1,000	800	(200)	567	233	71%
610000 Supplies	-	13,350	13,350	-	9,456	3,894	71%
621000 Insurance	-	26,711	27,500	789	27,444	56	100%
621002 Workers' Compensation	-	21,406	17,500	(3,906)	15,525	1,975	89%
MATERIALS AND SERVICES	-	192,529	204,452	11,923	142,040	62,412	69%
TOTAL EXPENDITURES	-	545,670	597,094	51,424	358,367	238,726	60%

GENERAL FUND 110-421

Police:

- Increase in salaries includes a step increase for the Police Chief and hours increase for Reserves based on an increased ODOT grant. Employee benefits increased due to changes in benefits elections. Payroll taxes and PERS decreased due to lower SUI and PERS rates.
- Increase in training offset by a decrease in firearms.
- Increase in professional services based on cost and usage. The original budget for this line item was reduced \$2.5k from the prior year but expected cost savings were not achieved.
- Increase in repairs and maintenance based on expected costs. This line item was reduced \$5k from the prior year, based on expected savings because the vehicles are new. While the costs are down significantly, actual expenses indicate the budget needed to increase slightly.
- Increase in supplies for the Hood to Coast run, offset by donations.
- Decrease in uniforms based on cost and usage.
- Increase in equipment for the security camera, offset by a CIS grant.
- Increase in capital outlay for the capital lease on the 2014 Dodge Charger. The lease payment was originally budgeted but accounting rules require the full amount of the capital lease to be reported as debt proceeds and capital outlay.
- Decrease in transfers out due to the elimination of the ISF.

POLICE 110-421		Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg) \$ %	
Account	Description						
EXPENDITURES							
110000	Salaries	138,553	142,350	3,797	72,178	70,172	51%
120000	Hourly	36,799	36,799	(0)	18,512	18,286	50%
125000	Reserves	10,000	32,000	22,000	23,181	8,819	72%
210000	Employee Benefits	13,970	21,514	7,544	10,997	10,517	51%
220000	Payroll Taxes	22,446	20,484	(1,962)	10,492	9,992	51%
230000	Retirement	42,565	38,927	(3,637)	21,431	17,496	55%
PERSONAL SERVICES		264,333	292,074	27,741	156,792	135,282	54%
300000	Education and Training	3,000	5,200	2,200	5,524	(324)	106%
330000	Professional Services						
	Wireless Access	4,200	4,200	-	1,639	2,561	39%
	Webleds	1,575	1,575	-	1,575	-	100%
	HPD Evidence Storage	1,500	2,600	1,100	2,547	53	98%
	Law Enforcement Manual	-	2,000	2,000	1,950	50	98%
	E-ticket	3,750	2,000	(1,750)	1,970	30	99%
	Other	3,000	4,500	1,500	3,964	536	88%
		14,025	16,875	2,850	13,645	3,230	81%
330912	WA County Dispatch	12,060	12,060	-	9,045	3,015	75%
340000	Repairs and Maintenance	5,000	6,000	1,000	5,130	870	85%
350000	Agency Memberships	1,500	1,500	-	664	836	44%
370000	Rentals and Leases						
	Chevy Tahoe	11,458	11,458	-	11,458	-	100%
	Dodge Charger	13,493	13,493	-	-	13,493	0%
	Dodge V8 Charger	9,181	9,181	-	9,181	-	100%
	Other	1,000	1,000	-	402	598	40%
		35,132	35,132	-	21,041	14,091	60%
610000	Supplies	10,000	13,200	3,200	10,883	2,317	82%
610100	Uniforms	4,500	3,500	(1,000)	2,856	644	82%

POLICE 110-421

Account Description	Adopted Budget	Supplemental Budget	Budget Changes	Actuals	Supp Budget to Actuals	
	2013-2014	2013-2014	Inc / (Dec)	Through 1/31/2014	Variance \$	Pos / (Neg) %
610224 Fuel	12,500	12,500	-	8,044	4,456	64%
630000 Equipment (non-capital)						
Firearms	7,000	4,800	(2,200)	5,384	(584)	112%
Radio	3,000	3,000	-	2,475	525	83%
Camera	-	5,000	5,000	3,985	1,015	80%
Other	-	-	-	0	(0)	100%
	10,000	12,800	2,800	11,844	956	93%
207000 Court Pass Through	3,000	3,000	-	1,029	1,971	34%
MATERIALS AND SERVICES	110,717	121,767	11,050	89,705	32,063	74%
770000 Equipment/Vehicles	-	35,803	35,803	35,803	-	100%
CAPITAL OUTLAY	-	35,803	35,803	35,803	-	100%
810009 Transfers Out - Equip Res.	5,200	5,200	-	5,200	-	100%
810610 Transfers Out - ISF Alloc.	52,920	-	(52,920)	-	-	0%
TRANSFERS	58,120	5,200	(52,920)	5,200	-	100%
TOTAL EXPENDITURES	433,170	454,844	21,674	287,500	167,345	63%

GENERAL FUND 110-433

Public Works:

- Increase in salaries includes step increases for the Public Works Director, Utility Worker III and Utility Worker II. Employee benefits decreased due to changes in benefits elections. Payroll taxes and PERS decreased due to lower SUI and PERS rates.

PUBLIC WORKS 110-433

Account Description		Adopted Budget 2013-2014	ISF Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg) \$ %	
EXPENDITURES								
110000	Salaries	-	248,816	251,463	2,647	142,717	108,746	57%
210000	Employee Benefits	-	39,728	38,284	(1,444)	27,185	11,098	71%
220000	Payroll Taxes	-	30,132	22,914	(7,218)	12,715	10,199	55%
230000	Retirement	-	56,165	45,789	(10,376)	26,774	19,015	58%
PERSONAL SERVICES		-	374,841	358,450	(16,391)	209,391	149,059	58%
300000	Education and Training	-	2,300	2,300	-	296	2,004	13%
310000	Utilities	-	1,320	1,320	-	499	821	38%
330000	Professional Services	-	1,600	1,600	-	161	1,439	10%
340000	Repairs and Maintenance	-	15,000	15,000	-	6,152	8,848	41%
610000	Supplies	-	2,000	2,000	-	2,027	(27)	101%
610090	Uniforms	-	1,000	1,000	-	150	850	15%
610224	Fuel	-	10,800	10,800	-	5,262	5,538	49%
MATERIALS AND SERVICES		-	34,020	34,020	-	14,546	19,474	43%
810009	Transfers - Veh Reserve	-	7,000	7,000	-	7,000	-	100%
TRANSFERS		-	7,000	7,000	-	7,000	-	100%
TOTAL EXPENDITURES		-	415,861	399,470	(16,391)	230,937	168,533	58%

GENERAL FUND 110-452

Parks:

- Decrease in repairs and maintenance based on amount incurred to date.
- Decrease in transfers out due to the elimination of the ISF.

PARKS 110-452		Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg) \$ %	
Account	Description						
EXPENDITURES							
310000	Utilities	5,160	5,160	-	2,828	2,332	55%
330000	Professional Services	600	600	-	-	600	0%
340000	Repairs and Maintenance	15,000	8,000	(7,000)	1,455	6,545	18%
610000	Supplies	6,000	6,000	-	1,551	4,449	26%
	MATERIALS AND SERVICES	26,760	19,760	(7,000)	5,834	13,926	30%
810000	Transfers Out - ISF Alloc.	142,890	-	(142,890)	-	-	0%
	TRANSFERS	142,890	-	(142,890)	-	-	0%
TOTAL EXPENDITURES		169,650	19,760	(149,890)	5,834	13,926	30%

GENERAL FUND 110-455

Library:

- Increase in salaries includes step increase for the Volunteer Coordinator, new Cataloger position (replacing Margaret Reh) and salary expense related to Cover Oregon, which is covered by the grant. Employee benefits decreased due to a policy change, which disallows benefits for employees working under 30 hours/week. Payroll taxes and PERS increased in relation to salary changes, offset by lower SUI and PERS rates.
- Increase in education and training and supplies is part of the Cover Oregon education program and offset by grant revenue.
- Increase in library supplies is offset by a donation.
- Decrease in transfers out due to the elimination of the ISF.

LIBRARY 110-455

Account Description		Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg) \$ %	
EXPENDITURES							
110000	Salaries	116,055	140,623	24,567	71,331	69,291	51%
210000	Employee Benefits	395	255	(140)	255	(0)	100%
220000	Payroll Taxes	14,054	15,184	1,130	7,018	8,166	46%
230000	Retirement	16,594	16,198	(396)	7,240	8,957	45%
PERSONAL SERVICES		147,099	172,260	25,161	85,845	86,414	50%
300000	Education and Training	500	1,970	1,470	401	1,569	20%
310000	Utilities	8,160	8,160	-	3,918	4,242	48%
330000	Professional Services						
	Computer Software	2,000	2,000	-	1,449	551	72%
	Janitorial	2,100	2,100	-	1,050	1,050	50%
	Security	770	770	-	473	298	61%
	Other	450	450	-	102	348	23%
		5,320	5,320	-	3,074	2,246	58%
340000	Repairs and Maintenance						
	Building Maintenance	3,000	3,000	-	63	2,937	2%
	HVAC Maintenance	2,000	2,000	-	-	2,000	0%
	Copier Maintenance	2,600	2,600	-	1,350	1,250	52%
		7,600	7,600	-	1,413	6,187	19%
610000	Supplies	11,250	13,700	2,450	5,865	7,835	43%
640000	Library Supplies	13,100	13,600	500	7,556	6,044	56%
MATERIALS AND SERVICES		45,930	50,350	4,420	22,227	28,123	44%
810009	Transfers Out - Equip Res.	1,600	1,600	-	1,600	-	100%
810610	Transfers Out - ISF Alloc.	52,739	-	(52,739)	-	-	0%
TRANSFERS		54,339	1,600	(52,739)	1,600	-	100%
TOTAL EXPENDITURES		247,368	224,210	(23,158)	109,672	114,538	49%

GENERAL FUND 110-465

Planning:

- Decrease in salaries due to elimination of Assistant Planner position.
- Increase in engineering fees due to new planning and building work, covered by increased building permits.
- Decrease in transfers out due to the elimination of the ISF.

PLANNING 110-465		Adopted Budget 2013-2014	ISF Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg) \$ %	
EXPENDITURES								
110000	Salaries	7,498		-	(7,498)	-	-	0%
220000	Payroll Taxes	908		-	(908)	-	-	0%
230000	Retirement	1,410		-	(1,410)	-	-	0%
PERSONAL SERVICES		9,816		-	(9,816)	-	-	0%
300000	Education and Training	100		100	-	500	(400)	500%
330000	Professional Services	3,750	5,000	38,750	30,000	6,828	31,922	182%
360000	Advertising	2,000		2,000	-	105	1,895	5%
MATERIALS AND SERVICES		5,850	5,000	40,850	30,000	7,433	33,417	18%
810000	Transfers Out - ISF Alloc.	63,057		-	(63,057)	-	-	0%
TRANSFERS		63,057		-	(63,057)	-	-	0%
TOTAL EXPENDITURES		78,724	5,000	40,850	(42,874)	7,433	33,417	18%

STREET FUND 111

This fund accounts for Oregon gasoline tax apportionments, Street System Development Charges, grants and expenditures for street maintenance and improvements.

Supplemental budget changes:

- Adjustment of Beginning Fund Balance to match FY13 Ending Fund Balance.
- Increase of SDC revenue based on increased number of new builds.
- Decrease in grant revenue, which was budgeted to be received equally in both years but was mostly received in FY13.
- Increase in miscellaneous revenue for a credit for LED street lights.
- Decrease in supplies based on current year usage.
- Increase in capital outlay for the Claxtar Street project. Unexpected changes resulted in increased costs with the contractor and the engineering firm. Total project budget (over three years) was approx \$645k and estimated final costs are approx \$810k, for an increase of approx. \$165k. Total grant revenue was approx \$445k, therefore net costs to the City were approx \$365k. The budget for other street projects was reduced to offset some of this increase, however some budget was retained for reimbursement to DR Horton for street work on the Highland Court development.
- Increase of Transfers Out. The elimination of the ISF was replaced with a transfer to the General Fund for General Government and Public Works staff, staff time related to capital outlay and shared supplies. See Transfer page for more detail.
- The contingency was reduced to zero to offset the decrease in grant revenue.

STREET FUND 111		Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg)	
Account	Description					\$	%
OPENING FUND BALANCE		513,369	570,236	56,867	570,236	-	
REVENUES							
	Licenses, Permits, Fees						
435003	TUF	25,200	25,200	-	14,872	(10,328)	59%
445000	SDCs	12,950	20,720	7,770	12,044	(8,677)	58%
		38,150	45,920	7,770	26,915	(19,005)	59%
	Intergovernmental						
435001	Gas Tax - State	108,000	108,000	-	69,018	(38,982)	64%
435002	Gas Tax - County	7,500	7,500	-	4,433	(3,067)	59%
		115,500	115,500	-	73,451	(42,049)	64%
431110	Grants - Claxtar	268,000	52,000	(216,000)	52,132	132	100%
461000	Interest	2,900	2,900	-	749	(2,151)	26%
440000	Miscellaneous	1,000	6,500	5,500	6,506	6	100%
TOTAL REVENUES		425,550	222,820	(202,730)	159,754	(63,066)	72%
EXPENDITURES							
360000	Advertising	400	400	-	-	400	0%
610000	Supplies	6,000	2,000	(4,000)	-	2,000	0%
640000	Street Lights	27,552	27,552	-	14,017	13,535	51%
MATERIALS AND SERVICES		33,952	29,952	(4,000)	14,017	15,935	47%
770101	Claxtar Project	268,000	401,000	133,000	360,982	40,018	90%
770103	Street Projects	100,000	15,000	(85,000)	13,468	1,532	90%
CAPITAL OUTLAY		368,000	416,000	48,000	374,450	41,550	90%

STREET FUND 111		Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg)	
Account	Description					\$	%
810110	Transfers Out -Rec. to GF	62,000	62,000	-	62,000	-	100%
810110x	Transfers Out - Gen Fund	-	175,449	175,449	-	175,449	0%
810610	Transfers Out - ISF Alloc.	169,966	-	(169,966)	-	-	0%
	TRANSFERS	231,966	237,449	5,483	62,000	175,449	26%
	CONTINGENCY	50,000	-	(50,000)	-	-	0%
	TOTAL EXPENDITURES	683,918	683,401	(517)	450,467	232,933	66%
	CHANGE IN FUND BALANCE	(258,368)	(460,581)	(202,213)	(290,713)	169,867	
	UNAPPROPRIATED ENDING FUND BALANCE	255,001	109,655	(145,346)	279,523	169,867	

WATER FUND 210

This fund accounts for the activities of providing water service to the public, including capital improvements and major acquisitions.

As part of this supplemental budget management is proposing that Council approve a resolution committing System Development Charges to capital projects. This will formally establish a Committed fund balance line to track SDC revenue less capital expenditures, in both internal documents and the annual financial statements. This is the highest level of constraint that can be placed by Council, and will remain in place until Council formally removes it. The Committed fund balance will consist of the fund balance transferred from the Water Capital Fund into the Water Fund in FY13, plus SDC revenue less capital expenditures incurred in FY13 and FY14.

Supplemental budget changes:

- Adjustment of Beginning Fund Balance to match FY13 Ending Fund Balance.
- Increase of SDC revenue based on increased number of new builds.
- Increase in Materials and Services to reflect costs for new water service and JWC SDCs pass through to WA County, both funded by additional revenue. Transfer from Repairs and Maintenance to Supplies.
- Increase of PW Projects by \$64k for reimbursement to DR Horton for water construction. The reimbursement was based on SDCs paid by DR Horton in FY13 and FY14 for the Highland Court development.
- Decrease of Transfers Out. The elimination of the ISF was replaced with a transfer to the General Fund for General Government and Public Works staff, staff time related to capital outlay and shared supplies. See Transfer page for more detail.

WATER FUND 210		Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg)	
Account Description						\$	%
Committed to Capital Projects	99,073	188,574	89,501	188,574	-		
Unassigned	648,764	723,536	74,772	723,536	-		
OPENING FUND BALANCE	747,837	912,110	164,273	912,110	-		
REVENUES							
Charges for Services							
444000 Charges, Fees, Fines	805,977	805,977	-	519,772	(286,205)	64%	
445000 SDCs (Capital)	107,450	181,920	74,470	110,673	(71,248)	61%	
207000 SDCs - Pass thru JWC	72,700	126,320	53,620	77,045	(49,275)	61%	
	986,127	1,114,217	128,090	707,490	(406,727)	63%	
461000 Interest	3,845	3,845	-	2,359	(1,486)	61%	
440000 Miscellaneous	200	200	-	7	(193)	4%	
TOTAL REVENUES	990,172	1,118,262	128,090	709,857	(408,406)	63%	
EXPENDITURES							
208150 Franchise Fee -Water	39,000	39,000	-	39,000	-	100%	
310000 Utilities	5,130	5,130	-	3,425	1,705	67%	
330000 Professional Services							
Meter Reader	1,000	1,000	-	989	11	99%	
Alexin Laboratory	2,250	2,250	-	764	1,486	34%	
Other	6,000	6,000	-	-	6,000	0%	
	9,250	9,250	-	1,753	7,497	19%	
340000 Repairs and Maintenance	20,000	15,000	(5,000)	2,275	12,725	15%	
610000 Supplies	2,500	7,500	5,000	5,603	1,897	75%	
610600 Water Purchase	120,000	120,000	-	70,429	49,571	59%	
630000 New Water Service Materials	-	5,000	5,000	2,748	2,252	55%	
207000 SDC Pass Thru JWC	72,700	126,320	53,620	75,608	50,712	60%	
MATERIALS AND SERVICES	268,580	327,200	58,620	200,840	126,360	61%	

WATER FUND 210		Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg)	
Account	Description					\$	%
770000	PW Projects	51,000	115,000	64,000	110,200	4,800	96%
	CAPITAL OUTLAY	51,000	115,000	64,000	110,200	4,800	96%
500500	Debt Service - 2005 Bond	134,332	134,332	-	134,332	0	100%
	DEBT SERVICE	134,332	134,332	-	134,332	0	100%
810110	Transfers Out - Gen Fund	-	458,428	458,428	-	458,428	0%
810610	Transfers Out - ISF Alloc.	502,724	-	(502,724)	-	-	0%
	TRANSFERS	502,724	458,428	(44,296)	-	458,428	0%
	CONTINGENCY	50,000	50,000	-	-	50,000	0%
	TOTAL EXPENDITURES	1,006,636	1,084,960	78,324	445,372	639,589	41%
	CHANGE IN FUND BALANCE	(16,464)	33,302	49,766	264,485	231,183	
	UNAPPROPRIATED						
	ENDING FUND BALANCE	731,373	945,412	214,039	1,176,595	231,183	
	Committed to Capital Projects	155,523	255,494	99,971	189,047	(66,447)	
	Unassigned	575,850	689,918	114,068	987,548	297,630	

TRANSPORTATION DEVELOPMENT TAX FUND 130

This fund collects TDT tax on building activity for the construction of new streets. TDT rates are set by Washington County.

Supplemental budget changes:

- Adjustment of Beginning Fund Balance to match FY13 Ending Fund Balance.
- Increase of SDC revenue based on increased number of new builds. In addition, the original budget was based on a lower townhouse fee, but new houses this year have been single family detached.
- Increase of Transfers Out to the General Fund for allocation of General Government overhead costs. This allocation is based on capital expenditures in this fund which resulted in City Manager, Public Works Director and Finance staff time.

TRANSPORTATION DEVELOPMENT TAX FUND 130

Account Description	Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg)	
					\$	%
OPENING FUND BALANCE	173,836	263,325	89,489	263,325	-	
REVENUES						
415100 TDT	99,400	266,600	167,200	146,532	(120,068)	55%
461000 Interest	420	420	-	739	319	176%
TOTAL REVENUES	99,820	267,020	167,200	147,271	(119,749)	55%
EXPENDITURES						
770000 PW Projects	50,000	50,000	-	32,677	17,323	65%
CAPITAL OUTLAY	50,000	50,000	-	32,677	17,323	65%
810110 Transfers Out - Gen Fund	-	4,000	4,000	-	4,000	0%
TRANSFERS	-	4,000	4,000	-	4,000	0%
CONTINGENCY	50,000	50,000	-	-	50,000	0%
TOTAL EXPENDITURES	100,000	104,000	4,000	32,677	71,323	31%
CHANGE IN FUND BALANCE	(180)	163,020	163,200	114,594	(48,426)	
UNAPPROPRIATED ENDING FUND BALANCE	173,656	426,345	252,689	377,919	(48,426)	

PARKS CAPITAL FUND 131

This fund collects System Development Charges on building activity for the construction and upgrade of parks.

Supplemental budget changes:

- Adjustment of Beginning Fund Balance to match FY13 Ending Fund Balance.
- Increase of SDC revenue based on increased number of new builds.
- Increase of PW Projects by \$30k for reimbursement to DR Horton for construction of new park. The reimbursement was based on SDCs paid by DR Horton in FY13 and FY14 for the Highland Court development.
- Increase of Transfers Out to the General Fund for allocation of General Government overhead costs. This allocation is based on capital expenditures in this fund which resulted in City Manager, Public Works Director and Finance staff time.

PARKS CAPITAL FUND 131	Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg)	
Account Description					\$	%
OPENING FUND BALANCE	391,517	458,181	66,664	458,181	-	
REVENUES						
445000 SDCs	97,750	156,400	58,650	90,908	(65,493)	58%
461000 Interest	1,925	1,925	-	1,228	(697)	64%
TOTAL REVENUES	99,675	158,325	58,650	92,135	(66,190)	58%
EXPENDITURES						
770000 PW Projects	75,000	105,000	30,000	94,660	10,340	90%
CAPITAL OUTLAY	75,000	105,000	30,000	94,660	10,340	90%
810000 Transfers Out - ISF Alloc.	-	-	-	-	-	0%
810110 Transfers Out - Gen Fund	-	8,400	8,400	-	8,400	0%
TRANSFERS	-	8,400	8,400	-	8,400	0%
CONTINGENCY	100,000	100,000	-	-	100,000	0%
TOTAL EXPENDITURES	175,000	213,400	38,400	94,660	118,740	44%
CHANGE IN FUND BALANCE	(75,325)	(55,075)	20,250	(2,525)	52,550	
UNAPPROPRIATED						
ENDING FUND BALANCE	316,192	403,106	86,914	455,656	52,550	

TRAFFIC IMPACT FEE FUND 132

This fund was the predecessor to the Transportation Development Tax Fund. Funds can only be used for projects that expand transportation capacity.

Supplemental budget changes:

- Adjustment of Beginning Fund Balance to match FY13 Ending Fund Balance.

TRAFFIC IMPACT FEE FUND 132	Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg)	
Account Description					\$	%
OPENING FUND BALANCE	287,033	287,669	636	287,669	-	
REVENUES						
461000 Interest	1,435	1,435	-	767	(668)	53%
TOTAL REVENUES	1,435	1,435	-	767	(668)	53%
EXPENDITURES						
770000 PW Projects	50,000	50,000	-	-	50,000	0%
CAPITAL OUTLAY	50,000	50,000	-	-	50,000	0%
CONTINGENCY	50,000	50,000	-	-	50,000	0%
TOTAL EXPENDITURES	100,000	100,000	-	-	100,000	0%
CHANGE IN FUND BALANCE	(98,565)	(98,565)	-	767	99,332	
UNAPPROPRIATED ENDING FUND BALANCE	188,468	189,104	636	288,436	99,332	

VEHICLE AND EQUIPMENT RESERVE FUND 009

This fund is used to build reserves for future vehicle and equipment purchases. Current year transfers include \$1,600 from Library, \$5,200 from Police and \$7,000 from Public Works.

Supplemental budget changes:

- Adjustment of Beginning Fund Balance to match FY13 Ending Fund Balance.

VEHICLE AND EQUIPMENT RESERVE FUND 009

Account Description	Adopted	Supplemental	Budget	Actuals	Supp Budget to Actuals	
	Budget	Budget	Changes		Through	Variance Pos / (Neg)
	2013-2014	2013-2014	Inc / (Dec)	1/31/2014	\$	%
OPENING FUND BALANCE	25,488	25,580	92	25,580	-	
REVENUES						
461000 Interest	225	225	-	74	(151)	33%
820110 Transfers In	13,800	13,800	-	13,800	-	100%
TOTAL REVENUES	14,025	14,025	-	13,874	(151)	99%
EXPENDITURES						
CONTINGENCY	10,000	10,000	-	-	10,000	0%
TOTAL EXPENDITURES	10,000	10,000	-	-	10,000	0%
CHANGE IN FUND BALANCE	4,025	4,025	-	13,874	9,849	
UNAPPROPRIATED						
ENDING FUND BALANCE	29,513	29,605	92	39,454	9,849	

TRANSFERS

Transfers are used to allocate shared costs from the General Fund to other funds. The allocation amount is determined in one of two ways:

- As a percentage of the total cost of an item in the General Fund. For example, 10% of General Government Personal Services (including City Manager, Deputy City Recorder and Finance) is allocated to the Street Fund. This represents the cost of regular staff and supplies charged to the General Fund that is in support of another fund. These percentages will be reviewed annually.
- As a percentage of capital expenditures incurred in another fund. For example, 8% of Street Capital Outlay is recorded as a transfer from the Street Fund to the General Fund. This represents that capital expenditures in another fund require additional General Fund staff resources for management, review and reconciliation of the capital project.

TRANSFERS

Street Fund to General Fund

for staff and supplies charged to the General Fund

General Government:

Personal Services	392,642	10%	39,264
Professional Services	82,100	10%	8,210
Insurance	26,711	10%	2,671

Public Works:

Personal Services	358,450	25%	89,612
Fuel	10,800	25%	2,700

for staff time related to capital outlay

Street Capital Outlay	386,000	8%	30,880
			173,338

previous ISF allocation was \$169,966

Water Fund to General Fund

for staff and supplies charged to the General Fund

General Government:

Personal Services	392,642	30%	117,792
Professional Services	82,100	30%	24,630
Professional Services - Moonlight			7,500
Insurance	26,711	30%	8,013

Public Works:

Personal Services	358,450	80%	286,760
Fuel	10,800	50%	5,400

for staff time related to capital outlay

Water Capital Outlay	115,000	8%	9,200
			459,296

previous ISF allocation was \$502,724

TDT Fund to General Fund

for staff time related to capital outlay

TDT Capital Outlay	50,000	8%	4,000
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Parks Capital Fund to General Fund

for staff time related to capital outlay

Parks Capital Outlay	105,000	8%	8,400
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RESOLUTION NO. 1819

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORTH PLAINS,
OREGON, ADOPTING THE 2013-14 SUPPLEMENTAL BUDGET**

WHEREAS, the City Council adopted a budget, made appropriations and levied taxes for fiscal year 2013-2014 through Resolution No. 1789 on June 4, 2013; and,

WHEREAS, the City Manager has determined that a supplemental budget is necessary to adjust the current approved budget.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF NORTH PLAINS, OREGON, AS FOLLOWS:**

Section 1. Adopts a supplemental budget for the remainder of fiscal year 2013-14 now on file in the Office of the City Manager.

Section 2. The amounts as shown below are hereby appropriated for fiscal year 2013-14 for the following purposes:

General Fund

Culture and Recreation	\$ 52,461
General Government	597,094
Police	454,844
Public Works	399,470
Parks	19,760
Library	224,210
Planning	40,850
Contingency	65,000
Total	\$ 1,853,689

Street Fund

Materials and Services	\$ 29,952
Capital Outlay	416,000
Transfers	237,449
Total	\$ 683,401

Water Fund

Materials and Services	\$ 327,200
Capital Outlay	115,000
Debt Service	134,332
Transfers	458,428
Contingency	50,000
Total	\$ 1,084,960

Transportation Dev. Tax Fund

Capital Outlay	\$ 50,000
Transfers	4,000
Contingency	50,000
Total	\$ 104,000

Parks Capital Fund

Capital Outlay	\$ 105,000
Transfers	8,400
Contingency	100,000
Total	\$ 213,400

Internal Service Fund

City Council	\$ 0
City Attorney	0
City Manager	0
City Recorder	0
Finance	0
City Engineer	0
General Government	0
Public Works	0
Total	\$ 0

Section 3. This Resolution shall become effective immediately upon adoption by the City Council.

INTRODUCED AND ADOPTED this 3rd day of March, 2014.

CITY OF NORTH PLAINS, OREGON

David Hatcher, Mayor

ATTEST:

Margaret L. Reh, Deputy City Recorder

City of North Plains FY2013-14 Supplemental Budget

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Budget Message

Honorable Mayor and Council,

The original FY2013-14 budget was adopted on June 3, 2013. This supplemental budget proposes updates to various revenue and expenditure line items based on the most current financial information. A list of changes is included within each fund.

The largest revenue change is in System Development Charges, which are based on new builds. The original budget was for 25 new builds, and as of January 31 there have already been 24. The revised number of new builds is 40.

Some funds are budgeted to have a decrease in fund balance in FY2013-14. This is not abnormal, but does require explanation:

In the Street, Park Capital and Traffic Impact Fee Funds the decrease is due to budgeted capital expenditures. These are one-time projects that are funded by beginning fund balance, or revenues collected in prior years. Thus in the current year the fund balance is decreasing, however it was sufficiently built up by those prior year revenues.

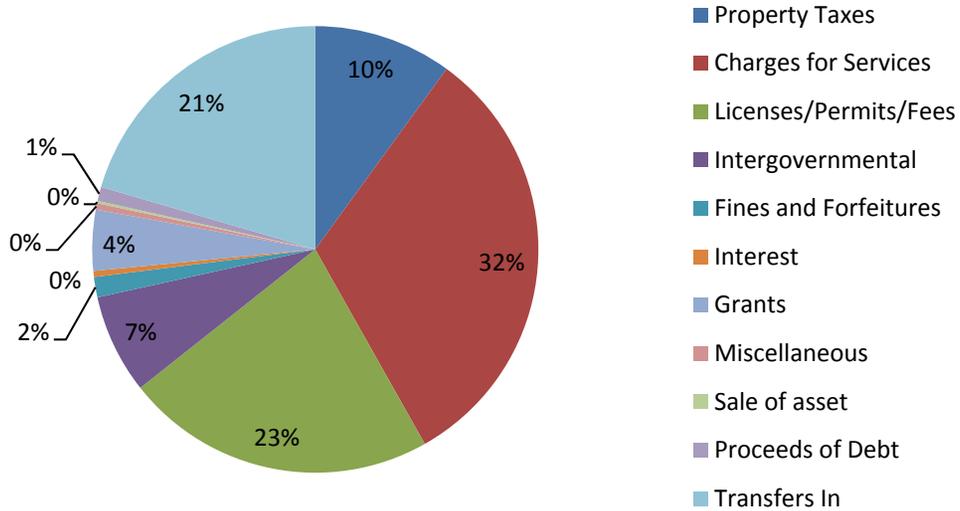
In the General Fund proposed supplemental budget the fund balance is decreasing by \$101k, which includes \$65k of contingency; assuming the contingency is not used the decrease at year-end will be \$35k. The original budget for the General Fund was a decrease of \$87k, including a \$100k contingency. This is due to investments that will support the City as it continues to grow. This includes equipment (Springbrook accounting software upgrade, new police vehicle), staff (City Recorder, part time Police Officer, Management Analyst) and increased community events. Higher property tax revenues are expected as the new houses fill with new families, but the expenditures are occurring now. The General Fund beginning fund balance, over \$1M at the start of this year, is sufficient to cover these expenditures until property tax revenues increase.

The Urban Renewal Agency (URA) budget has been extracted from the City's budget as it is a separate entity. The URA board will review the URA supplemental budget separately.

Respectfully submitted,

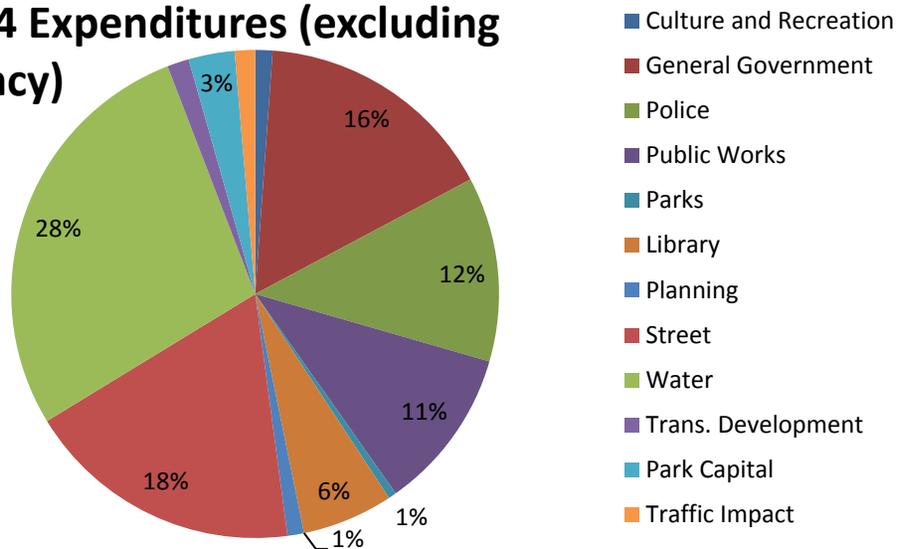
Rachael Lembo, Finance Manager

City of North Plains FY2013-14 Revenue



The primary sources of revenue are Property Taxes (General Fund), Charges for Services (Water Fund), and Licenses/Permits/Fees (General Fund franchise fees, Street Fund SDCs, Trans. Devel. Tax Fund SDCs and Parks Capital Fund SDCs).

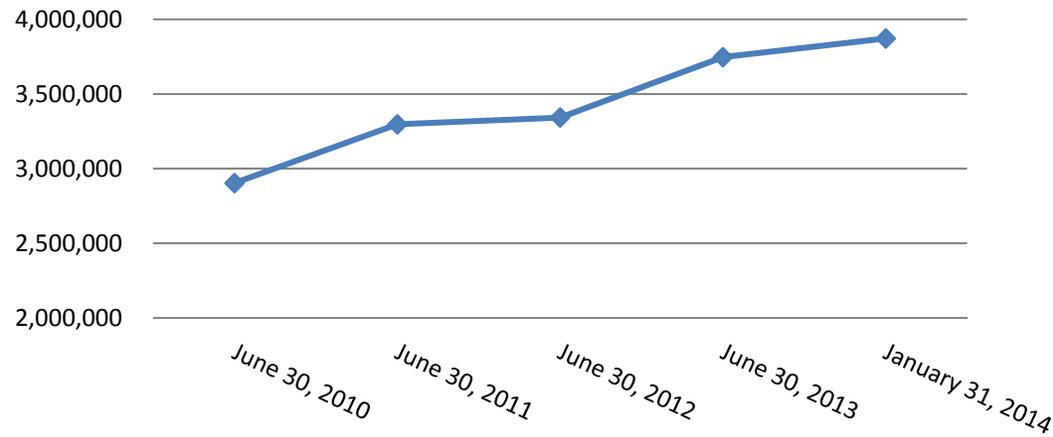
City of North Plains FY2013-14 Expenditures (excluding contingency)



The largest departments are General Government (City Manager, Finance, City Hall shared expenses), Street and Water.

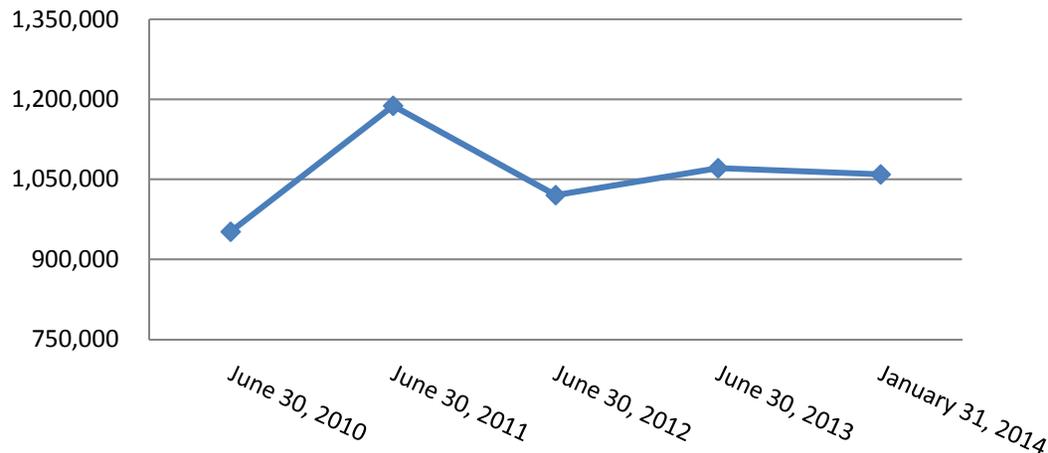
The General Fund departments, Culture and Recreation - Planning, make up nearly half of the City budget.

City of North Plains Historical Cash Balances



The City's cash balance has been climbing over the past four years, from \$2.9M in June 2010 to \$3.9M in January 2014.

City of North Plains General Fund Historical Fund Balance



The fund balance of the General Fund has been steadily increasing over the past four years. The spike in FY2010-11 was the result of LOCAP bond proceeds, which were transferred to the Street Fund in FY2011-12 to pay for capital expenditures.

INTERNAL SERVICE FUND 610

In FY13 the City added an Internal Service Fund (ISF) to account for shared expenses, including City Manager, Finance, Public Works, General Government, City Council, City Recorder, Attorney and Engineer. Prior to FY13, these costs had been allocated at the time of data entry, which made it hard to determine the full cost. The ISF was helpful in identifying the true cost of these items, as well as understanding which aspects of these costs should be shared, how much, and to which funds. After review of the ISF for the past year and a half, management has determined it would be more efficient and transparent to combine these departments into the General Fund, and calculate transfers based on specific costs within these departments. That change is proposed with this supplemental budget. The new transfers are discussed below.

Management proposes City Council approve a resolution to close the ISF.

GENERAL FUND 110

This fund is the primary operating fund and is accounts for all activities except those legally or administratively required to be accounted for in other funds.

General Fund departments include:

- Culture and Recreation: all community events and personnel supporting those events.
- General Government: City Manager, Finance and administrative staff, and shared costs such as attorney, IT and insurance.
- Police: all costs related to the Police Dept.
- Public Works: personnel and general public works expenditures (excluding direct costs to Streets, Water and Parks).
- Parks: maintenance of Parks and Jessie Mays Community Center
- Library: all costs related to the Library Dept.
- Planning: primarily the City's engineering firm.

Supplemental budget changes:

General Fund Revenue:

- Adjustment of Beginning Fund Balance to match FY13 Ending Fund Balance.
- Increase of building fees based on YTD actuals. Engineering fees have been increased in relation to this.
- Increase of various grants and donations, primarily due to ODOT and Cover Oregon grants. Related expenditures have also increased.
- Transfers have been added to the General Fund as a result of the ISF elimination. Total transfers are less than the original ISF budget due to a reduced allocation amount for the Water Fund.
- Debt proceeds are related to the capital lease for the 2014 Dodge Charger. The lease payment was budgeted but accounting rules require the full amount of the capital lease to be reported as debt proceeds and capital outlay.

GENERAL FUND 110		Adopted Budget 2013-2014	ISF Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg) \$ %	
Account	Description							
OPENING FUND BALANCE		1,017,900	-	1,079,207	61,307	1,079,207	-	
REVENUES								
411000	Property Taxes	352,922	-	352,922	-	318,958	(33,964)	90%
462000	Rentals	7,000	-	7,000	-	3,422	(3,579)	49%
	Licenses, Permits, Fees							
418101	Water Franchise	39,000	-	39,000	-	39,000	-	100%
418102	CWS Franchise	20,000	-	20,000	-	16,631	(3,369)	83%
418103	Qwest Franchise	6,000	-	6,000	-	81	(5,919)	1%
418104	Comcast Franchise	5,400	-	5,400	-	3,500	(1,900)	65%
418105	Garbage Franchise	10,000	-	10,000	-	5,314	(4,686)	53%
418107	PGE Franchise	91,000	-	91,000	-	12,681	(78,319)	14%
418108	NW Natural Gas Franchise	24,000	-	24,000	-	11,345	(12,655)	47%
418109	Misc Franchise	750	-	750	-	599	(151)	80%
418110	MACC Franchise	13,200	-	13,200	-	6,929	(6,271)	52%
421000	Business License	6,400	-	6,400	-	5,116	(1,284)	80%
422000	Recology Fund	35,000	-	35,000	-	29,024	(5,976)	83%
441419	Building Permit	16,500	-	62,500	46,000	62,210	(290)	100%
450000	Misc Fees	1,000	-	1,000	-	-	(1,000)	0%
450455	Library Fines and Fees	10,400	-	10,400	-	5,855	(4,545)	56%
		278,650	-	324,650	46,000	198,285	(126,365)	61%
	Intergovernmental							
436000	Liquor Tax	23,000	-	23,000	-	13,724	(9,276)	60%
437000	Cigarette Tax	2,800	-	2,800	-	1,459	(1,341)	52%
438000	State Revenue Sharing	13,000	-	13,000	-	8,434	(4,566)	65%
439000	WCCLS	99,405	-	99,405	-	66,273	(33,132)	67%
		138,205	-	138,205	-	89,891	(48,314)	65%
	Fines and Forfeitures							
450421	Police Citations	52,229	-	52,229	-	32,354	(19,875)	62%
		52,229	-	52,229	-	32,354	(19,875)	62%

GENERAL FUND 110		Adopted Budget 2013-2014	ISF Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg) \$ %	
Account	Description							
	Grants and Donations							
431000	Grants - General	-	-	5,500	5,500	6,250	750	114%
431001	Grants - Police	9,000	-	38,500	29,500	13,270	(25,230)	34%
431002	Grants - Library	1,000	-	29,891	28,891	8,350	(21,541)	28%
431003	Grants - Planning	-	-	1,000	1,000	1,000	-	100%
464000	Donations - General	-	-	-	-	200	200	100%
464101	4th of July don/spon	14,000	-	14,000	-	1,730	(12,270)	12%
464102	Comm Events Don/spon	-	-	5,141	5,141	5,920	779	115%
464421	Donations - Police	-	-	1,700	1,700	200	(1,500)	12%
464455	Donations - Library	6,500	-	7,000	500	6,613	(387)	94%
		30,500	-	102,732	72,232	43,532	(59,200)	42%
461000	Interest	4,410	-	4,410	-	3,127	(1,283)	71%
440000	Miscellaneous	10,000	-	10,000	-	7,737	(2,263)	77%
445000	Sale of asset	6,000	-	6,000	-	5,000	(1,000)	83%
	Transfers							
820111	Transfers In - Rec. Street	62,000	-	62,000	-	62,000	-	100%
820111x	Transfers In - Street	-	169,966	175,449	5,483	-	(175,449)	0%
820210	Transfers In - Water	-	502,724	458,428	(44,295)	-	(458,428)	0%
820130	Transfers In - TDT	-	-	4,000	4,000	-	(4,000)	0%
820131	Transfers In - Parks Cap	-	-	8,400	8,400	-	(8,400)	0%
820113	Transfers In - URA	-	8,086	-	(8,086)	-	-	0%
		62,000	680,775	708,277	(34,498)	62,000	(646,277)	9%
840000	Debt Proceeds	-	-	35,803	35,803	35,803	-	100%
TOTAL REVENUES		941,916	680,775	1,742,228	119,537	800,107	(942,121)	46%

GENERAL FUND 110		Adopted Budget 2013-2014	ISF Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg) \$ %	
Account	Description							
EXPENDITURES - BY DEPT								
110-411	Culture and Recreation	-	25,850	42,461	16,611	32,337	10,124	76%
110-419	General Government	-	545,670	597,094	51,424	358,367	238,726	60%
110-421	Police	433,170	-	454,844	21,674	287,500	167,345	63%
110-433	Public Works	-	415,861	399,470	(16,391)	230,937	168,533	58%
110-452	Parks	169,650	-	19,760	(149,890)	5,834	13,926	30%
110-455	Library	247,368	-	224,210	(23,158)	109,672	114,538	49%
110-465	Planning	78,724	5,000	40,850	(42,874)	7,433	33,417	18%
Trans	Transfers Out	-	(311,606)	-	311,606	-	-	0%
	CONTINGENCY	100,000	-	65,000	(35,000)	-	65,000	0%
TOTAL EXPENDITURES		1,028,912	680,775	1,843,689	134,002	1,032,080	811,609	56%
CHANGE IN FUND BALANCE		(86,996)	0	(101,461)	(14,465)	(231,973)	811,609	
UNAPPROPRIATED ENDING FUND BALANCE		930,904	0	977,746	46,842	847,234	1,623,218	

GENERAL FUND 110-411

Culture and Recreation:

- Increase in personnel for 4th of July event planning and volunteer coordination.
- Increase in 4th of July event for expenses related to 2014 event.
- Increase in Music Shows for donation expense. This is offset by the revenue collected by the City which funds the donation. So far this year Music Shows have raised \$705 for the North Plains Senior Center/Food Bank and \$415 for the Friends of the North Plains Public Library.

CULTURE AND RECREATION 110-411

Account Description	Adopted Budget 2013-2014	ISF Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg)		
						\$	%	
EXPENDITURES								
110000 Salaries	-	-	6,000	6,000	2,313	3,687	39%	
220000 Payroll Taxes	-	-	1,327	1,327	189	1,138	14%	
230000 Retirement	-	-	865	865	214	650	25%	
PERSONAL SERVICES	-	-	8,191	8,191	2,716	5,475	33%	
300100 Community Events	-	-	1,000	1,000	967	33	97%	
300101 4th of July	-	19,000	24,000	5,000	21,137	2,863	88%	
300102 Concerts in the Park	-	900	2,100	1,200	2,054	46	98%	
300103 Music Shows	-	1,200	2,320	1,120	1,401	919	60%	
300106 Fall Festival (Pumpkin Run)	-	3,000	3,100	100	3,063	37	99%	
300107 Chili Cookoff	-	300	500	200	492	8	98%	
300108 National Night Out	-	600	400	(200)	384	16	96%	
300109 Playdates	-	150	150	-	38	112	25%	
300111 Ice Cream Social	-	300	300	-	-	300	0%	
300112 Farmers' Market	-	300	300	-	-	300	0%	
300113 Holiday Bazaar	-	100	100	-	85	15	85%	
MATERIALS AND SERVICES	-	25,850	34,270	8,420	29,621	4,649	86%	
TOTAL EXPENDITURES	-	25,850	42,461	16,611	32,337	10,124	76%	

GENERAL FUND 110-419

General Government:

- Increase in salaries includes new Management Analyst position, step increases for Account Clerk II and Clerical, and hours increase for Finance Manager. Employee benefits increased due to changes in benefits elections. Payroll taxes decreased due to lower SUI rate. PERS increased due to salary increases, but also decreased due to a lower PERS rate.
- Increase for City Recorder training (previously none was budgeted).
- Increase for donation to the Senior Center for CWS fees.
- Increase for annual BUG connection fee.
- Decrease in attorney based on current year usage.
- Decrease in audit fees due to Finance Manager drafting the reports.
- Increase for Springbrook upgrade.
- Decrease in contracted Recorder expenses due to reclassification of Account Clerk II to City Recorder.
- Decrease in workers' compensation insurance premium.
- Various other small changes to reflect cost changes and expected usage.

GENERAL GOVERNMENT 110-419

Account Description	Adopted Budget 2013-2014	ISF Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg) \$ %	
EXPENDITURES							
110000 Salaries	-	249,354	285,301	35,947	155,428	129,873	54%
210000 Employee Benefits	-	33,835	39,731	5,896	28,032	11,699	71%
220000 Payroll Taxes	-	30,196	26,498	(3,698)	14,297	12,201	54%
230000 Retirement	-	39,756	41,112	1,356	18,570	22,542	45%
PERSONAL SERVICES	-	353,141	392,642	39,501	216,327	176,314	55%
300000 Education and Training	-	7,500	8,500	1,000	5,754	2,746	68%
300105 Donations							
Senior Center Donation		1,000	8,900	7,900	8,855	45	99%
Community Action Don.		500	500	-	-	500	0%
	-	1,500	9,400	7,900	8,855	545	94%
300010 BUG Connection	-	2,000	9,000	7,000	7,668	1,332	85%
310000 Utilities	-	16,602	16,602	-	7,612	8,990	46%
330000 Professional Services							
Attorney	-	25,000	20,000	(5,000)	9,023	10,977	45%
Audit	-	13,000	9,000	(4,000)	8,250	750	92%
Springbrook	-		15,000	15,000	6,749	8,251	45%
IT Services	-	11,900	11,900	-	5,936	5,964	50%
IT Services - hardware	-		-	-	380	(380)	100%
Moonlight	-	10,500	10,500	-	7,152	3,348	68%
Recorder	-	6,000	-	(6,000)	-	-	0%
Payroll Processing	-	3,600	3,600	-	2,800	800	78%
Janitorial - City Hall	-	2,400	2,400	-	1,540	860	64%
Security - City Hall	-	1,200	2,520	1,320	1,470	1,050	58%
Other	-	3,500	3,500	-	2,458	1,042	70%
	-	77,100	78,420	1,320	45,758	32,662	58%

GENERAL GOVERNMENT 110-419		Adopted Budget 2013-2014	ISF Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg) \$ %	
Account	Description							
340000	Repairs and Maintenance							
	Copier Usage/Main.	-	11,880	9,000	(2,880)	3,836	5,164	43%
	HVAC	-	3,720	3,720	-	2,163	1,557	58%
	Other	-	5,000	5,000	-	2,042	2,958	41%
		-	20,600	17,720	(2,880)	8,041	9,679	45%
350000	Agency Memberships	-	3,660	3,660	-	3,499	161	96%
380000	Miscellaneous	-	-	500	500	390	110	78%
500000	Employee/ Vol Recognition	-	1,100	1,500	400	1,471	29	98%
540000	Advertising	-	1,000	800	(200)	567	233	71%
610000	Supplies	-	13,350	13,350	-	9,456	3,894	71%
621000	Insurance	-	26,711	27,500	789	27,444	56	100%
621002	Workers' Compensation	-	21,406	17,500	(3,906)	15,525	1,975	89%
	MATERIALS AND SERVICES	-	192,529	204,452	11,923	142,040	62,412	69%
	TOTAL EXPENDITURES	-	545,670	597,094	51,424	358,367	238,726	60%

GENERAL FUND 110-421

Police:

- Increase in salaries includes a step increase for the Police Chief and hours increase for Reserves based on an increased ODOT grant. Employee benefits increased due to changes in benefits elections. Payroll taxes and PERS decreased due to lower SUI and PERS rates.
- Increase in training offset by a decrease in firearms.
- Increase in professional services based on cost and usage. The original budget for this line item was reduced \$2.5k from the prior year but expected cost savings were not achieved.
- Increase in repairs and maintenance based on expected costs. This line item was reduced \$5k from the prior year, based on expected savings because the vehicles are new. While the costs are down significantly, actual expenses indicate the budget needed to increase slightly.
- Increase in supplies for the Hood to Coast run, offset by donations.
- Decrease in uniforms based on cost and usage.
- Increase in equipment for the security camera, offset by a CIS grant.
- Increase in capital outlay for the capital lease on the 2014 Dodge Charger. The lease payment was originally budgeted but accounting rules require the full amount of the capital lease to be reported as debt proceeds and capital outlay.
- Decrease in transfers out due to the elimination of the ISF.

POLICE 110-421		Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg) \$ %	
Account	Description						
EXPENDITURES							
110000	Salaries	138,553	142,350	3,797	72,178	70,172	51%
120000	Hourly	36,799	36,799	(0)	18,512	18,286	50%
125000	Reserves	10,000	32,000	22,000	23,181	8,819	72%
210000	Employee Benefits	13,970	21,514	7,544	10,997	10,517	51%
220000	Payroll Taxes	22,446	20,484	(1,962)	10,492	9,992	51%
230000	Retirement	42,565	38,927	(3,637)	21,431	17,496	55%
PERSONAL SERVICES		264,333	292,074	27,741	156,792	135,282	54%
300000	Education and Training	3,000	5,200	2,200	5,524	(324)	106%
330000	Professional Services						
	Wireless Access	4,200	4,200	-	1,639	2,561	39%
	Webleds	1,575	1,575	-	1,575	-	100%
	HPD Evidence Storage	1,500	2,600	1,100	2,547	53	98%
	Law Enforcement Manual	-	2,000	2,000	1,950	50	98%
	E-ticket	3,750	2,000	(1,750)	1,970	30	99%
	Other	3,000	4,500	1,500	3,964	536	88%
		14,025	16,875	2,850	13,645	3,230	81%
330912	WA County Dispatch	12,060	12,060	-	9,045	3,015	75%
340000	Repairs and Maintenance	5,000	6,000	1,000	5,130	870	85%
350000	Agency Memberships	1,500	1,500	-	664	836	44%
370000	Rentals and Leases						
	Chevy Tahoe	11,458	11,458	-	11,458	-	100%
	Dodge Charger	13,493	13,493	-	-	13,493	0%
	Dodge V8 Charger	9,181	9,181	-	9,181	-	100%
	Other	1,000	1,000	-	402	598	40%
		35,132	35,132	-	21,041	14,091	60%
610000	Supplies	10,000	13,200	3,200	10,883	2,317	82%
610100	Uniforms	4,500	3,500	(1,000)	2,856	644	82%

POLICE 110-421

Account Description	Adopted Budget	Supplemental Budget	Budget Changes	Actuals	Supp Budget to Actuals	
	2013-2014	2013-2014	Inc / (Dec)	Through 1/31/2014	Variance \$	Pos / (Neg) %
610224 Fuel	12,500	12,500	-	8,044	4,456	64%
630000 Equipment (non-capital)						
Firearms	7,000	4,800	(2,200)	5,384	(584)	112%
Radio	3,000	3,000	-	2,475	525	83%
Camera	-	5,000	5,000	3,985	1,015	80%
Other	-	-	-	0	(0)	100%
	10,000	12,800	2,800	11,844	956	93%
207000 Court Pass Through	3,000	3,000	-	1,029	1,971	34%
MATERIALS AND SERVICES	110,717	121,767	11,050	89,705	32,063	74%
770000 Equipment/Vehicles	-	35,803	35,803	35,803	-	100%
CAPITAL OUTLAY	-	35,803	35,803	35,803	-	100%
810009 Transfers Out - Equip Res.	5,200	5,200	-	5,200	-	100%
810610 Transfers Out - ISF Alloc.	52,920	-	(52,920)	-	-	0%
TRANSFERS	58,120	5,200	(52,920)	5,200	-	100%
TOTAL EXPENDITURES	433,170	454,844	21,674	287,500	167,345	63%

GENERAL FUND 110-433

Public Works:

- Increase in salaries includes step increases for the Public Works Director, Utility Worker III and Utility Worker II. Employee benefits decreased due to changes in benefits elections. Payroll taxes and PERS decreased due to lower SUI and PERS rates.

PUBLIC WORKS 110-433

Account Description		Adopted Budget 2013-2014	ISF Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg) \$ %	
EXPENDITURES								
110000	Salaries	-	248,816	251,463	2,647	142,717	108,746	57%
210000	Employee Benefits	-	39,728	38,284	(1,444)	27,185	11,098	71%
220000	Payroll Taxes	-	30,132	22,914	(7,218)	12,715	10,199	55%
230000	Retirement	-	56,165	45,789	(10,376)	26,774	19,015	58%
PERSONAL SERVICES		-	374,841	358,450	(16,391)	209,391	149,059	58%
300000	Education and Training	-	2,300	2,300	-	296	2,004	13%
310000	Utilities	-	1,320	1,320	-	499	821	38%
330000	Professional Services	-	1,600	1,600	-	161	1,439	10%
340000	Repairs and Maintenance	-	15,000	15,000	-	6,152	8,848	41%
610000	Supplies	-	2,000	2,000	-	2,027	(27)	101%
610090	Uniforms	-	1,000	1,000	-	150	850	15%
610224	Fuel	-	10,800	10,800	-	5,262	5,538	49%
MATERIALS AND SERVICES		-	34,020	34,020	-	14,546	19,474	43%
810009	Transfers - Veh Reserve	-	7,000	7,000	-	7,000	-	100%
TRANSFERS		-	7,000	7,000	-	7,000	-	100%
TOTAL EXPENDITURES		-	415,861	399,470	(16,391)	230,937	168,533	58%

GENERAL FUND 110-452

Parks:

- Decrease in repairs and maintenance based on amount incurred to date.
- Decrease in transfers out due to the elimination of the ISF.

PARKS 110-452		Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg)	
Account Description						\$	%
EXPENDITURES							
310000	Utilities	5,160	5,160	-	2,828	2,332	55%
330000	Professional Services	600	600	-	-	600	0%
340000	Repairs and Maintenance	15,000	8,000	(7,000)	1,455	6,545	18%
610000	Supplies	6,000	6,000	-	1,551	4,449	26%
MATERIALS AND SERVICES		26,760	19,760	(7,000)	5,834	13,926	30%
810000	Transfers Out - ISF Alloc.	142,890	-	(142,890)	-	-	0%
TRANSFERS		142,890	-	(142,890)	-	-	0%
TOTAL EXPENDITURES		169,650	19,760	(149,890)	5,834	13,926	30%

GENERAL FUND 110-455

Library:

- Increase in salaries includes step increase for the Volunteer Coordinator, new Cataloger position (replacing Margaret Reh) and salary expense related to Cover Oregon, which is covered by the grant. Employee benefits decreased due to a policy change, which disallows benefits for employees working under 30 hours/week. Payroll taxes and PERS increased in relation to salary changes, offset by lower SUI and PERS rates.
- Increase in education and training and supplies is part of the Cover Oregon education program and offset by grant revenue.
- Increase in library supplies is offset by a donation.
- Decrease in transfers out due to the elimination of the ISF.

LIBRARY 110-455

Account Description		Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg) \$ %	
EXPENDITURES							
110000	Salaries	116,055	140,623	24,567	71,331	69,291	51%
210000	Employee Benefits	395	255	(140)	255	(0)	100%
220000	Payroll Taxes	14,054	15,184	1,130	7,018	8,166	46%
230000	Retirement	16,594	16,198	(396)	7,240	8,957	45%
PERSONAL SERVICES		147,099	172,260	25,161	85,845	86,414	50%
300000	Education and Training	500	1,970	1,470	401	1,569	20%
310000	Utilities	8,160	8,160	-	3,918	4,242	48%
330000	Professional Services						
	Computer Software	2,000	2,000	-	1,449	551	72%
	Janitorial	2,100	2,100	-	1,050	1,050	50%
	Security	770	770	-	473	298	61%
	Other	450	450	-	102	348	23%
		5,320	5,320	-	3,074	2,246	58%
340000	Repairs and Maintenance						
	Building Maintenance	3,000	3,000	-	63	2,937	2%
	HVAC Maintenance	2,000	2,000	-	-	2,000	0%
	Copier Maintenance	2,600	2,600	-	1,350	1,250	52%
		7,600	7,600	-	1,413	6,187	19%
610000	Supplies	11,250	13,700	2,450	5,865	7,835	43%
640000	Library Supplies	13,100	13,600	500	7,556	6,044	56%
MATERIALS AND SERVICES		45,930	50,350	4,420	22,227	28,123	44%
810009	Transfers Out - Equip Res.	1,600	1,600	-	1,600	-	100%
810610	Transfers Out - ISF Alloc.	52,739	-	(52,739)	-	-	0%
TRANSFERS		54,339	1,600	(52,739)	1,600	-	100%
TOTAL EXPENDITURES		247,368	224,210	(23,158)	109,672	114,538	49%

GENERAL FUND 110-465

Planning:

- Decrease in salaries due to elimination of Assistant Planner position.
- Increase in engineering fees due to new planning and building work, covered by increased building permits.
- Decrease in transfers out due to the elimination of the ISF.

PLANNING 110-465		Adopted Budget 2013-2014	ISF Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg) \$ %	
Account	Description							
EXPENDITURES								
110000	Salaries	7,498		-	(7,498)	-	-	0%
220000	Payroll Taxes	908		-	(908)	-	-	0%
230000	Retirement	1,410		-	(1,410)	-	-	0%
PERSONAL SERVICES		9,816		-	(9,816)	-	-	0%
300000	Education and Training	100		100	-	500	(400)	500%
330000	Professional Services	3,750	5,000	38,750	30,000	6,828	31,922	182%
360000	Advertising	2,000		2,000	-	105	1,895	5%
MATERIALS AND SERVICES		5,850	5,000	40,850	30,000	7,433	33,417	18%
810000	Transfers Out - ISF Alloc.	63,057		-	(63,057)	-	-	0%
TRANSFERS		63,057		-	(63,057)	-	-	0%
TOTAL EXPENDITURES		78,724	5,000	40,850	(42,874)	7,433	33,417	18%

STREET FUND 111

This fund accounts for Oregon gasoline tax apportionments, Street System Development Charges, grants and expenditures for street maintenance and improvements.

Supplemental budget changes:

- Adjustment of Beginning Fund Balance to match FY13 Ending Fund Balance.
- Increase of SDC revenue based on increased number of new builds.
- Decrease in grant revenue, which was budgeted to be received equally in both years but was mostly received in FY13.
- Increase in miscellaneous revenue for a credit for LED street lights.
- Decrease in supplies based on current year usage.
- Increase in capital outlay for the Claxtar Street project. Unexpected changes resulted in increased costs with the contractor and the engineering firm. Total project budget (over three years) was approx \$645k and estimated final costs are approx \$810k, for an increase of approx. \$165k. Total grant revenue was approx \$445k, therefore net costs to the City were approx \$365k. The budget for other street projects was reduced to offset some of this increase, however some budget was retained for reimbursement to DR Horton for street work on the Highland Court development.
- Increase of Transfers Out. The elimination of the ISF was replaced with a transfer to the General Fund for General Government and Public Works staff, staff time related to capital outlay and shared supplies. See Transfer page for more detail.
- The contingency was reduced to zero to offset the decrease in grant revenue.

STREET FUND 111		Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg) \$ %	
Account	Description						
OPENING FUND BALANCE		513,369	570,236	56,867	570,236	-	
REVENUES							
	Licenses, Permits, Fees						
435003	TUF	25,200	25,200	-	14,872	(10,328)	59%
445000	SDCs	12,950	20,720	7,770	12,044	(8,677)	58%
		38,150	45,920	7,770	26,915	(19,005)	59%
	Intergovernmental						
435001	Gas Tax - State	108,000	108,000	-	69,018	(38,982)	64%
435002	Gas Tax - County	7,500	7,500	-	4,433	(3,067)	59%
		115,500	115,500	-	73,451	(42,049)	64%
431110	Grants - Claxtar	268,000	52,000	(216,000)	52,132	132	100%
461000	Interest	2,900	2,900	-	749	(2,151)	26%
440000	Miscellaneous	1,000	6,500	5,500	6,506	6	100%
TOTAL REVENUES		425,550	222,820	(202,730)	159,754	(63,066)	72%
EXPENDITURES							
360000	Advertising	400	400	-	-	400	0%
610000	Supplies	6,000	2,000	(4,000)	-	2,000	0%
640000	Street Lights	27,552	27,552	-	14,017	13,535	51%
	MATERIALS AND SERVICES	33,952	29,952	(4,000)	14,017	15,935	47%
770101	Claxtar Project	268,000	401,000	133,000	360,982	40,018	90%
770103	Street Projects	100,000	15,000	(85,000)	13,468	1,532	90%
CAPITAL OUTLAY		368,000	416,000	48,000	374,450	41,550	90%

STREET FUND 111		Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg)	
Account	Description					\$	%
810110	Transfers Out -Rec. to GF	62,000	62,000	-	62,000	-	100%
810110x	Transfers Out - Gen Fund	-	175,449	175,449	-	175,449	0%
810610	Transfers Out - ISF Alloc.	169,966	-	(169,966)	-	-	0%
	TRANSFERS	231,966	237,449	5,483	62,000	175,449	26%
	CONTINGENCY	50,000	-	(50,000)	-	-	0%
	TOTAL EXPENDITURES	683,918	683,401	(517)	450,467	232,933	66%
	CHANGE IN FUND BALANCE	(258,368)	(460,581)	(202,213)	(290,713)	169,867	
	UNAPPROPRIATED ENDING FUND BALANCE	255,001	109,655	(145,346)	279,523	169,867	

WATER FUND 210

This fund accounts for the activities of providing water service to the public, including capital improvements and major acquisitions.

As part of this supplemental budget management is proposing that Council approve a resolution committing System Development Charges to capital projects. This will formally establish a Committed fund balance line to track SDC revenue less capital expenditures, in both internal documents and the annual financial statements. This is the highest level of constraint that can be placed by Council, and will remain in place until Council formally removes it. The Committed fund balance will consist of the fund balance transferred from the Water Capital Fund into the Water Fund in FY13, plus SDC revenue less capital expenditures incurred in FY13 and FY14.

Supplemental budget changes:

- Adjustment of Beginning Fund Balance to match FY13 Ending Fund Balance.
- Increase of SDC revenue based on increased number of new builds.
- Increase in Materials and Services to reflect costs for new water service and JWC SDCs pass through to WA County, both funded by additional revenue. Transfer from Repairs and Maintenance to Supplies.
- Increase of PW Projects by \$64k for reimbursement to DR Horton for water construction. The reimbursement was based on SDCs paid by DR Horton in FY13 and FY14 for the Highland Court development.
- Decrease of Transfers Out. The elimination of the ISF was replaced with a transfer to the General Fund for General Government and Public Works staff, staff time related to capital outlay and shared supplies. See Transfer page for more detail.

WATER FUND 210		Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg) \$ %	
Account	Description						
	Committed to Capital Projects	99,073	188,574	89,501	188,574	-	
	Unassigned	648,764	723,536	74,772	723,536	-	
OPENING FUND BALANCE		747,837	912,110	164,273	912,110	-	
REVENUES							
	Charges for Services						
444000	Charges, Fees, Fines	805,977	805,977	-	519,772	(286,205)	64%
445000	SDCs (Capital)	107,450	181,920	74,470	110,673	(71,248)	61%
207000	SDCs - Pass thru JWC	72,700	126,320	53,620	77,045	(49,275)	61%
		986,127	1,114,217	128,090	707,490	(406,727)	63%
461000	Interest	3,845	3,845	-	2,359	(1,486)	61%
440000	Miscellaneous	200	200	-	7	(193)	4%
TOTAL REVENUES		990,172	1,118,262	128,090	709,857	(408,406)	63%
EXPENDITURES							
208150	Franchise Fee -Water	39,000	39,000	-	39,000	-	100%
310000	Utilities	5,130	5,130	-	3,425	1,705	67%
330000	Professional Services						
	Meter Reader	1,000	1,000	-	989	11	99%
	Alexin Laboratory	2,250	2,250	-	764	1,486	34%
	Other	6,000	6,000	-	-	6,000	0%
		9,250	9,250	-	1,753	7,497	19%
340000	Repairs and Maintenance	20,000	15,000	(5,000)	2,275	12,725	15%
610000	Supplies	2,500	7,500	5,000	5,603	1,897	75%
610600	Water Purchase	120,000	120,000	-	70,429	49,571	59%
630000	New Water Service Materials	-	5,000	5,000	2,748	2,252	55%
207000	SDC Pass Thru JWC	72,700	126,320	53,620	75,608	50,712	60%
MATERIALS AND SERVICES		268,580	327,200	58,620	200,840	126,360	61%

WATER FUND 210		Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg)	
Account	Description					\$	%
770000	PW Projects	51,000	115,000	64,000	110,200	4,800	96%
	CAPITAL OUTLAY	51,000	115,000	64,000	110,200	4,800	96%
500500	Debt Service - 2005 Bond	134,332	134,332	-	134,332	0	100%
	DEBT SERVICE	134,332	134,332	-	134,332	0	100%
810110	Transfers Out - Gen Fund	-	458,428	458,428	-	458,428	0%
810610	Transfers Out - ISF Alloc.	502,724	-	(502,724)	-	-	0%
	TRANSFERS	502,724	458,428	(44,296)	-	458,428	0%
	CONTINGENCY	50,000	50,000	-	-	50,000	0%
	TOTAL EXPENDITURES	1,006,636	1,084,960	78,324	445,372	639,589	41%
	CHANGE IN FUND BALANCE	(16,464)	33,302	49,766	264,485	231,183	
	UNAPPROPRIATED						
	ENDING FUND BALANCE	731,373	945,412	214,039	1,176,595	231,183	
	Committed to Capital Projects	155,523	255,494	99,971	189,047	(66,447)	
	Unassigned	575,850	689,918	114,068	987,548	297,630	

TRANSPORTATION DEVELOPMENT TAX FUND 130

This fund collects TDT tax on building activity for the construction of new streets. TDT rates are set by Washington County.

Supplemental budget changes:

- Adjustment of Beginning Fund Balance to match FY13 Ending Fund Balance.
- Increase of SDC revenue based on increased number of new builds. In addition, the original budget was based on a lower townhouse fee, but new houses this year have been single family detached.
- Increase of Transfers Out to the General Fund for allocation of General Government overhead costs. This allocation is based on capital expenditures in this fund which resulted in City Manager, Public Works Director and Finance staff time.

TRANSPORTATION DEVELOPMENT TAX FUND 130

Account Description	Adopted	Supplemental	Budget	Actuals Through 1/31/2014	Supp Budget to Actuals	
	Budget 2013-2014	Budget 2013-2014	Changes Inc / (Dec)		Variance Pos / (Neg) \$	%
OPENING FUND BALANCE	173,836	263,325	89,489	263,325	-	
REVENUES						
415100 TDT	99,400	266,600	167,200	146,532	(120,068)	55%
461000 Interest	420	420	-	739	319	176%
TOTAL REVENUES	99,820	267,020	167,200	147,271	(119,749)	55%
EXPENDITURES						
770000 PW Projects	50,000	50,000	-	32,677	17,323	65%
CAPITAL OUTLAY	50,000	50,000	-	32,677	17,323	65%
810110 Transfers Out - Gen Fund	-	4,000	4,000	-	4,000	0%
TRANSFERS	-	4,000	4,000	-	4,000	0%
CONTINGENCY	50,000	50,000	-	-	50,000	0%
TOTAL EXPENDITURES	100,000	104,000	4,000	32,677	71,323	31%
CHANGE IN FUND BALANCE	(180)	163,020	163,200	114,594	(48,426)	
UNAPPROPRIATED ENDING FUND BALANCE	173,656	426,345	252,689	377,919	(48,426)	

PARKS CAPITAL FUND 131

This fund collects System Development Charges on building activity for the construction and upgrade of parks.

Supplemental budget changes:

- Adjustment of Beginning Fund Balance to match FY13 Ending Fund Balance.
- Increase of SDC revenue based on increased number of new builds.
- Increase of PW Projects by \$30k for reimbursement to DR Horton for construction of new park. The reimbursement was based on SDCs paid by DR Horton in FY13 and FY14 for the Highland Court development.
- Increase of Transfers Out to the General Fund for allocation of General Government overhead costs. This allocation is based on capital expenditures in this fund which resulted in City Manager, Public Works Director and Finance staff time.

PARKS CAPITAL FUND 131	Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg)	
Account Description					\$	%
OPENING FUND BALANCE	391,517	458,181	66,664	458,181	-	
REVENUES						
445000 SDCs	97,750	156,400	58,650	90,908	(65,493)	58%
461000 Interest	1,925	1,925	-	1,228	(697)	64%
TOTAL REVENUES	99,675	158,325	58,650	92,135	(66,190)	58%
EXPENDITURES						
770000 PW Projects	75,000	105,000	30,000	94,660	10,340	90%
CAPITAL OUTLAY	75,000	105,000	30,000	94,660	10,340	90%
810000 Transfers Out - ISF Alloc.	-	-	-	-	-	0%
810110 Transfers Out - Gen Fund	-	8,400	8,400	-	8,400	0%
TRANSFERS	-	8,400	8,400	-	8,400	0%
CONTINGENCY	100,000	100,000	-	-	100,000	0%
TOTAL EXPENDITURES	175,000	213,400	38,400	94,660	118,740	44%
CHANGE IN FUND BALANCE	(75,325)	(55,075)	20,250	(2,525)	52,550	
UNAPPROPRIATED						
ENDING FUND BALANCE	316,192	403,106	86,914	455,656	52,550	

TRAFFIC IMPACT FEE FUND 132

This fund was the predecessor to the Transportation Development Tax Fund. Funds can only be used for projects that expand transportation capacity.

Supplemental budget changes:

- Adjustment of Beginning Fund Balance to match FY13 Ending Fund Balance.

TRAFFIC IMPACT FEE FUND 132	Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals Variance Pos / (Neg)	
Account Description					\$	%
OPENING FUND BALANCE	287,033	287,669	636	287,669	-	
REVENUES						
461000 Interest	1,435	1,435	-	767	(668)	53%
TOTAL REVENUES	1,435	1,435	-	767	(668)	53%
EXPENDITURES						
770000 PW Projects	50,000	50,000	-	-	50,000	0%
CAPITAL OUTLAY	50,000	50,000	-	-	50,000	0%
CONTINGENCY	50,000	50,000	-	-	50,000	0%
TOTAL EXPENDITURES	100,000	100,000	-	-	100,000	0%
CHANGE IN FUND BALANCE	(98,565)	(98,565)	-	767	99,332	
UNAPPROPRIATED ENDING FUND BALANCE	188,468	189,104	636	288,436	99,332	

VEHICLE AND EQUIPMENT RESERVE FUND 009

This fund is used to build reserves for future vehicle and equipment purchases. Current year transfers include \$1,600 from Library, \$5,200 from Police and \$7,000 from Public Works.

Supplemental budget changes:

- Adjustment of Beginning Fund Balance to match FY13 Ending Fund Balance.

VEHICLE AND EQUIPMENT RESERVE FUND 009

Account Description	Adopted Budget 2013-2014	Supplemental Budget 2013-2014	Budget Changes Inc / (Dec)	Actuals Through 1/31/2014	Supp Budget to Actuals	
					Variance \$	Pos / (Neg) %
OPENING FUND BALANCE	25,488	25,580	92	25,580	-	
REVENUES						
461000 Interest	225	225	-	74	(151)	33%
820110 Transfers In	13,800	13,800	-	13,800	-	100%
TOTAL REVENUES	14,025	14,025	-	13,874	(151)	99%
EXPENDITURES						
CONTINGENCY	10,000	10,000	-	-	10,000	0%
TOTAL EXPENDITURES	10,000	10,000	-	-	10,000	0%
CHANGE IN FUND BALANCE	4,025	4,025	-	13,874	9,849	
UNAPPROPRIATED ENDING FUND BALANCE	29,513	29,605	92	39,454	9,849	

TRANSFERS

Transfers are used to allocate shared costs from the General Fund to other funds. The allocation amount is determined in one of two ways:

- As a percentage of the total cost of an item in the General Fund. For example, 10% of General Government Personal Services (including City Manager, Deputy City Recorder and Finance) is allocated to the Street Fund. This represents the cost of regular staff and supplies charged to the General Fund that is in support of another fund. These percentages will be reviewed annually.
- As a percentage of capital expenditures incurred in another fund. For example, 8% of Street Capital Outlay is recorded as a transfer from the Street Fund to the General Fund. This represents that capital expenditures in another fund require additional General Fund staff resources for management, review and reconciliation of the capital project.

TRANSFERS

Street Fund to General Fund

for staff and supplies charged to the General Fund

General Government:

Personal Services	392,642	10%	39,264
Professional Services	82,100	10%	8,210
Insurance	26,711	10%	2,671

Public Works:

Personal Services	358,450	25%	89,612
Fuel	10,800	25%	2,700

for staff time related to capital outlay

Street Capital Outlay	386,000	8%	30,880
			173,338

previous ISF allocation was \$169,966

Water Fund to General Fund

for staff and supplies charged to the General Fund

General Government:

Personal Services	392,642	30%	117,792
Professional Services	82,100	30%	24,630
Professional Services - Moonlight			7,500
Insurance	26,711	30%	8,013

Public Works:

Personal Services	358,450	80%	286,760
Fuel	10,800	50%	5,400

for staff time related to capital outlay

Water Capital Outlay	115,000	8%	9,200
			459,296

previous ISF allocation was \$502,724

TDT Fund to General Fund

for staff time related to capital outlay

TDT Capital Outlay	50,000	8%	4,000
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Parks Capital Fund to General Fund

for staff time related to capital outlay

Parks Capital Outlay	105,000	8%	8,400
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CITY OF NORTH PLAINS

31360 NW Commercial Street, North Plains, Oregon 97133

Date: March 3, 2014
To: City Council
From: Finance Manager Rachael Lembo
Subject: Resolution No. 1820 Closure of Internal Service Fund

Request: Approval of Resolution No. 1820, a Resolution of City Council of the City of North Plains, Oregon, to Close the Internal Service Fund

Background: In FY13 the City added an Internal Service Fund (ISF) to account for shared expenses, including City Manager, Finance, Public Works, General Government, City Council, City Recorder, Attorney and Engineer. Prior to FY13, these costs had been allocated at the time of data entry, which made it hard to determine the full cost. The ISF was helpful in identifying the true cost of these items, as well as understanding which aspects of these costs should be shared, how much, and to which funds. After review of the ISF for the past year and a half, management has determined it would be more efficient and transparent to combine these departments into the General Fund, and calculate transfers based on specific costs within these departments. As a result the Internal Service Fund can be closed.

Fiscal Impact: Costs and Transfers In from other funds formerly in the Internal Service Fund will move to the General Fund. See the FY2013-14 Supplemental Budget for a full discussion of the changes.

Sample Motion: I move to adopt Resolution No. 1820, a Resolution of City Council of the City of North Plains, Oregon, to Close the Internal Service Fund.

Attachment – Resolution No. 1820

RESOLUTION NO. 1820

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORTH PLAINS,
OREGON, TO CLOSE THE INTERNAL SERVICE FUND**

WHEREAS, in FY13 the City created an Internal Service Fund to account for shared expenses and allocate them to other funds; and

WHEREAS, after review by management the allocation would be more efficient if handled in the General Fund; and

WHEREAS, expenditures incurred to date in FY14 will be reclassified to current and new departments within the General Fund.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of North Plains, Oregon that the City shall close the Internal Service Fund and reclassify FY14 expenditures to appropriate departments in the General Fund.

INTRODUCED AND ADOPTED this 3rd day of March, 2014.

CITY OF NORTH PLAINS, OREGON

BY: _____
David Hatcher, Mayor

ATTEST:

BY: _____
Margaret L. Reh, Deputy City Recorder



CITY OF NORTH PLAINS

31360 NW Commercial Street, North Plains, Oregon 97133

Date: March 3, 2014
To: City Council
From: Finance Manager Rachael Lembo
Subject: Commit Water Fund System Development Charges

Request: Approval of Resolution No. 1821 a Resolution of City Council of the City of North Plains, Oregon, Committing Water Fund System Development Charges to Water Fund Capital Projects.

Background: In FY13 the City closed the Water Capital Fund and moved System Development Charge (SDC) revenue and capital projects expense to the Water Fund. To ensure proper tracking management is proposing that Council approve a resolution committing System Development Charges to capital projects. This will formally establish a Committed fund balance line to track SDC revenue less capital projects expense, in both internal documents and the annual financial statements. This is the highest level of constraint that can be placed by Council, and will remain in place until Council formally removes it. The Committed fund balance will consist of the fund balance transferred from the Water Capital Fund into the Water Fund in FY13, plus SDC revenue less capital expenditures incurred in FY13 and FY14.

Fiscal Impact: This impacts financial presentation only.

Sample Motion: I move to adopt Resolution No. 1821, a Resolution of City Council of the City of North Plains, Oregon, Committing Water Fund System Development Charges to Water Fund Capital Projects.

Attachment – Resolution No. 1821

RESOLUTION NO. 1821

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORTH PLAINS,
OREGON, COMMITTING WATER FUND SYSTEM DEVELOPMENT CHARGES TO
WATER FUND CAPITAL PROJECTS**

WHEREAS, in FY13 the City closed the Water Capital Fund and moved the ending fund balance into the Water Fund; and

WHEREAS, the Water Fund now receives System Development Charges (SDCs) for capital improvements; and

WHEREAS, the Water Fund fund balance has reflected the portion related to SDCs in internal documents, but no formal designation has been made; and

WHEREAS, under GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City Council may place a constraint on how specific resources can be spent and how the resulting fund balance displayed; and

WHEREAS, that constraint will remain in place until formally removed by City Council; and

WHEREAS, the City Council wishes to formally place a constraint on the SDC revenue to commit it Water Fund capital projects.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of North Plains, Oregon that the City shall commit Water Fund System Development Charges for Water Fund Capital Projects.

INTRODUCED AND ADOPTED this 3rd day of March, 2014.

CITY OF NORTH PLAINS, OREGON

BY: _____
David Hatcher, Mayor

ATTEST:

BY: _____
Margaret L. Reh, Deputy City Recorder



CITY OF NORTH PLAINS

31360 NW Commercial Street, North Plains, Oregon 97133

Date: March 3, 2014
To: Mayor and City Council
From: City Recorder Margaret Reh
Subject: 2014 Statement of Economic Interest

Request: The annual Verified Statement of Economic Interest forms from the State of Oregon will be distributed in the next few weeks. Each City Councilor and Planning Commissioner will need to be complete an SEI. The forms will be mailed to the address at City Hall and will be distributed to each of you.

Deadline for return of the forms to the State is April 15, 2014. You may send it in yourself or return the completed form to City Hall by April 9, 2014 and staff will mail the forms to the State.

Fiscal Impact: There is no fiscal impact with this item, but there are fines associated with each day that it is late. For those of you who are new to the Council or Commission, the State is serious about the deadline and will fine those who do not return the form on time.

Environmental Issues: None

Recommendation: This item is informational only.



CITY OF NORTH PLAINS

31360 NW Commercial Street, North Plains, Oregon 97133

Date: February 26, 2014
To: Mayor and City Council
From: City Manager Martha DeBry
Subject: Approval and Adoption of Ordinance No. 419 Amending Municipal Code Section 6.25 Peddlers, Solicitors, Street Vendor and Temporary Merchant Ordinance

Request: Council consider the approval and adoption of Ordinance No. 419 amending Municipal Code Section 6.25 Peddlers and Solicitors. This ordinance was introduced and read by title only for the first time at the 2/18/14 Council meeting.

Background: Municipal Code Section 6.25 provides general rules for the management of businesses that are temporary and mobile. While the ordinance contemplates door-to-door sales of things like magazines (solicitors) or candy (peddlers), temporary merchants (which work less than 45 days a year) and some street vendors, it does not easily accommodate newer trends in small business such as self-contained food trucks or outdoor artisan markets. A table of the kinds of vendors covered by the ordinance and the differences between the designations is included in Council's packet.

The proposed revisions streamline the application process to one type of application for all kinds of businesses, provides hours of operations, and allows applications by umbrella groups. It also preserves the exemption for merchants that participate in City events and the Farmers Market. Tighter restrictions are proposed for door-to-door sales within the community and a consistent set of operating hours is proposed for mobile and vendors, solicitors and peddlers.

Fiscal Impact: The proposed change may provide the opportunity for some additional businesses to operate within the City. Street vendors would become subject to business licenses which may provide some additional revenue. Staff will be recommending adjustments to the fees associated with the permits, maintaining higher fees for permits requiring background checks, and lowering vendor fees for businesses which do not require the higher level of scrutiny. Renewal fees should also be established for solicitors and peddlers.

Environmental Issues: This regulation relies on Washington County to monitor food processing related activities. It provides a more streamline process to allow outdoor markets or food pods to be developed.

Recommendation: Council to approve and adopt Ordinance No. 419 and read by title only for the second time.

Sample Motion: I move to approve Ordinance No. 419.
I move to adopt Ordinance No. 419.

To be read by title only for the second time:

Ordinance No. 419: An Ordinance of the City Council of the City of North Plains, Oregon, Amending Municipal Code 6.25 Peddlers, Solicitors, Street Vendor and Temporary Merchant Ordinance

Attachments: Copy of Ordinance No. 419

Table of Vendors

<i>Type</i>	<i>Solicitor</i>	<i>Peddler</i>	<i>Stationary Street Vendor</i>	<i>Stationary Food Cart</i>	<i>Mobile Street Vendor</i>	<i>Mobile Food Cart</i>	<i>Temporary Merchant</i>
Conditions:							
Zone	All zones	All zones	Commercial Industrial	Commercial Industrial	Commercial Industrial	Commercial Industrial	Events in public and private locations
Locations	Private property	Private property	Private property	Private property	Public right-of-way	Public right-of-way	Private property or public right-of-way
Current Hours of Operations	9 am – 9 pm	9 am – 9 pm	Half hour before dawn and half hour after dusk	Half hour before dawn and half hour after dusk	Half hour before dawn and half hour after dusk	Half hour before dawn and half hour after dusk	No restriction
Proposed Hours of Operation	9 am-5 pm	9 am-5 pm	5 am – 11 pm	No restriction	9 am-5 pm	5 am- 11 pm	5 am – 11 pm
Current Registration Term	6 months	6 months	6 months	6 months	6 months	6 months	45 days
Proposed registration term	30 days	30 days	12 months	12 months	12 months	12 months	30 days
Business License Required	No	No	Yes	Yes	Yes	Yes	No
Merchandise Applicant	Ordered	On-site	On-site	On-site	On-site	On-site	On-site
Applicant	Individual	Individual	Individual or Group	Individual or Group	Individual	Individual	Individual or Group
Example Businesses	Magazines, Landscaping services	Candy	Produce stand, coffee cart	Food truck pod	Ice cream truck	Food truck	Seasonal strawberry sales, outdoor market

ORDINANCE NO. 419

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NORTH PLAINS,
OREGON, AMENDING MUNICIPAL CODE 6.25 PEDDLERS, SOLICITORS, STREET
VENDOR AND TEMPORARY MERCHANT ORDINANCE**

WHEREAS, the City Council has reviewed the peddlers and solicitors ordinance and the permitting process.

**THE CITY COUNCIL OF THE CITY OF NORTH PLAINS, OREGON,
ORDAINS AS FOLLOWS:**

Section 1. The Municipal Code Chapter 6.25 is amended as stated on Exhibit A.

Section 2. Severability. If any provision of this Ordinance or its application to any person or circumstances is held to be unconstitutional or invalid for any reason, the remainder of this Ordinance or the application of the provisions to other persons or circumstances shall not be affected.

INTRODUCED on the 18th day of February, 2014, **AND
ADOPTED** this 3rd day of March, 2014.

CITY OF NORTH PLAINS, OREGON

By: _____
David Hatcher, Mayor

ATTEST:

By: _____
Margaret L. Reh, Deputy City Recorder

Exhibit A
Ordinance No. 419

CHAPTER 6.25
PEDDLERS AND SOLICITORS

Sections:

6.25.010	<u>Purpose</u>
6.25.020	<u>Definitions</u>
6.25.030	<u>Registration Requirements for Peddlers, Solicitors and Street Vendors</u>
6.25.040	<u>Special Standards for Peddlers, Solicitors and Street Vendors</u>
6.25.050	<u>Appeals by Peddlers and Solicitors</u>
6.25.060	<u>Requirements for Temporary Merchants; Term</u>
6.25.070	<u>Exemptions for Temporary Merchants</u>
6.25.080	<u>Special Standards, Application and Fees for Temporary Merchants</u>
6.25.090	<u>Licensing Approval, Authority and Appeals of Temporary Merchants</u>
6.25.100	<u>Penalty</u>

6.25.010 Purpose

This ordinance is enacted to regulate peddlers and solicitors and to authorize the imposition of a fee to help defray the costs to the City for investigating applications, monitoring peddlers and solicitors, street vendors and other temporary merchants, and administering this ordinance. This ordinance applies to business activities that are conducted in areas outside of traditional business locations, such as private lots or public rights-of-way.

6.25.020 Definitions

The following words and phrases, except where the context clearly indicates a different meaning, shall mean:

- A. "Peddler" means a person, or persons traveling from place to place selling and delivering merchandise or services at the same time. The term "peddler" does not include a person who has been specifically invited to a customer's residence or business location, or a non-profit organization as organized under the Internal Revenue Service Code.
- B. "Person or persons" means any natural person and any firm, proprietorship, partnership or corporation.
- C. "Solicitor" means a person, or persons who travel from place to place not carrying goods, but taking orders for future delivery, or soliciting for money or other things of value. The term "solicitor" does not include a person who has been specifically invited to a customer's residence or business location, or a non-profit organization as organized under the Internal Revenue Service Code.

- D. "Street vendor" means a person, or persons traveling on public streets, public sidewalks, public property, or private streets, and carrying, conveying or transporting such items as food, beverages, flowers, and balloons, offering and exposing the same for sale by hand or from a mobile type device such as a push cart or van. There are four categories of street vendors:
1. "Stationary street vendor" refers to any street vendor who occupies a specifically permitted area on private property.
 2. "Mobile street vendor" refers to any street vendor who does not occupy a specifically permitted area on private property, but instead travels consistently or intermittently throughout the city while offering goods or services for sale, including prepackaged foods.
 3. "Stationary Food Cart" refers to any self-contained food vendor who occupies a specifically permitted area on private property and is subject to Washington County, OR regulations regarding temporary restaurants.
 4. "Mobile Food Cart" to any street vendor that is parked in the public right-of-way and specialized in selling food items and is subject to Washington County, OR regulations regarding temporary restaurants.
 5. "Temporary merchant" means a person, or persons occupying a temporary, fixed location, not within a permanent building, and selling or delivering from stock on hand, doing business in much the same manner as a permanent business.

6.25.030 Registration Requirements for Peddlers, Solicitors, Street Vendors and Temporary Merchants

- A. Registration. All peddlers, solicitors, street vendors and temporary merchants shall register individually with the city prior to engaging in any vending activities. The registration shall be filed with the City Recorder on a form supplied by the city. Registrations will be accepted only during normal city business hours. Failure to provide complete and accurate information may result in a violation of this section and immediate revocation and/or denial of registration. Registrants must provide the following information:
1. Personal identification including date of birth, driver's license number and/or other appropriate identification.
 2. Copies of any state or county licenses which are required to operate or conduct activities proposed by the registrant.
 3. A statement which confirms the registrant has no previous criminal history, including conviction or incarceration for a crime such as theft, burglary, robbery, fraud, deceit, or any other crime of violence, within the ten year period prior to the date of registration.

4. A description of the goods or services offered for sale.
5. If located on private property, the applicant shall obtain a signed, written consent from the owner of the property which authorizes the merchant to conduct business from the property.
6. If located on public property, the temporary merchant shall obtain a signed, written consent authorized by the City Council or other public agency with authority to allow the merchant to conduct business from the publicly owned property. The City is under no obligation to approve any request for such use.

B. Term of Registration.

1. A peddler, solicitor or temporary merchant registration is valid for 30 days, and must be renewed thereafter.
2. The street vendor and food cart registration is valid for a period of twelve months, and must be renewed thereafter.

6.25.040 Special Standards

A. Peddlers and Solicitors. All peddlers and solicitors shall:

1. Limit hours of operation to 9:00 a.m. and 5:00 p.m.
2. Not enter uninvited into a private building, structure or room.
3. Not enter uninvited upon private property that is posted “No Soliciting” or with a similar sign.
4. Within 30 seconds after beginning the conversation with a potential customer:
 - a. Provide identification of both the person and whom the person represents;
 - b. Explain the purpose of the person’s call;
 - c. Provide a description in commonly understood terms of the goods or services offered for sale; and
 - d. Inquire whether the person being solicited is interested in listening to a sales presentation and immediately discontinue the solicitation if the person being solicited gives a negative response.
5. During the course of the solicitation, state the total cost of the goods or services offered for sale and the number, timing and amount of installment payments if payment on an installment basis is available to the person being solicited.

B. Street Vendors, Food Carts. All street vendors and food carts shall:

1. Limit operations to the following hours:
 - a. Stationary Street Vendors may operate between 5 a.m. to 11 p.m.
 - b. Stationary Food Carts may operate at any hour of the day.
 - c. Mobile Street Vendors may operate between 9 a.m. and 5 p.m.
 - d. Mobile Food Cart may operate between 5 a.m. and 11 p.m.
2. Street vendors can only operate in commercial and industrial zones.
3. All street vendors must display a city-issued identification card to operate within North Plains.
4. Street vendors cannot advertise through the placement of signs (temporary or permanent) or employ a barker. (Signs on the side of vehicles or carts are allowed.)
5. Street vendors shall not be located in the right-of-way directly in front of the entrance of any open business.
6. Food Carts are subject to all health and safety rules of Washington County and the State of Oregon.
7. Food Carts shall not park in a public right of way within 40 feet of the entrance of a building containing a restaurant, delicatessen or bakery business, unless they have received the written permission of the business to operate in closer proximity to the business.

6.25.060 Requirements for Temporary Merchants

- A. Requirements. One temporary merchant license may serve as an umbrella license for several related organizations on one lot or public facility during the same license period.

Term. A temporary merchant license is valid for up to 30 consecutive days for each location, after which it may be renewed, subject to a fee set by City Council resolution.

6.25.070 Exemptions for Temporary Merchants

The following temporary merchants do not require a license and are exempt from the application requirements contained within Section 6.25.080 but must meet the standards under Section 6.25.080.

- A. Any temporary merchant who is in operation for three or fewer consecutive days at the same location.
- B. A non-profit organization selling goods, wares or merchandise, whose business is in operation on private property during one period not exceeding 30 consecutive days in any three month period.
- C. Sales associated with events sponsored by City of North Plains or specifically exempted by the City Council.
- D. Temporary construction offices in conjunction with the initial development of residential, commercial or industrial property.

6.25.080 Special Standards, Application and Fees for Temporary Merchants

A. Standards.

- 1. Temporary Merchants shall limit operations to the hours of 5 a.m. – 11 p.m.
- 2. The activities of the temporary merchant shall not unduly restrict parking spaces on public.
- 3. Licenses for a temporary merchant shall be displayed by the temporary merchant in a visible location and shown to any customer or city official upon request.
- 4. The proposal shall comply with the North Plains Zoning and Development Code as far as signage, height restrictions, public access, setbacks, coverage, vision clearance and yard requirements.
- 5. A temporary merchant shall comply with all applicable sanitation codes, including waste disposal. If self-contained facilities such as porta-potties are proposed, they must also meet all applicable city and state sanitation requirements.

B. Fees. All fees shall be charged as set by City Council resolution. Fees are non-refundable.

6.25.090 Licensing Approval, Authority and Appeals

- A. The city shall have the authority to approve or deny any application for a license to be issued.
- B. A license shall not be issued if the applicant has provided false information on the application form.

- C. Any applicant for a license which is denied approval may appeal the decision to the City Manager. The City Manager may accept or reject the decision of city staff, or waive any requirements imposed.

6.25.100 Penalty

Any person who engages in activities within the corporate city limits without having first registered, as provided by this Chapter, or without having first applied for and obtaining the license herein provided for, or who violates any other of the provisions of this Chapter, shall have committed an infraction and shall be processed in accordance with Chapter 1.01 of the Municipal Code. Every day of a continuing violation shall be deemed a separate offense for the purposes of these penalties.



CITY OF NORTH PLAINS

31360 NW Commercial Street, North Plains, Oregon 97133

Date: March 3, 2014
To: Mayor and City Council
From: City Manager Martha DeBry
Subject: Ordinances No. 420 and 421 prohibiting use and sale of tobacco and vapor products to minors and prohibiting smoking at City properties

Request: Council consider approving and adopting two ordinances a) prohibiting use and sale of tobacco and vapor products to minors and b) prohibiting smoking at City properties. Both of these ordinances were introduced and read by title only for the first time at the 2/18/14 Council meeting.

Background: Mrs. Carla Bennett made a presentation on Tobacco prevention and education in Washington County at the Council meeting on February 3, 2014. At that time Ms. Bennett advocated for the Council's consideration of ordinance to address nicotine product sale and use.

In recent years, the use of electronic cigarettes has grown greatly, and state laws do not address this trend. E-cigarettes are battery-powered devices that allow users to inhale a vapor mix consisting of nicotine, flavor additives and other chemicals. These may contain 0-24 mg of nicotine. The products are marketed with candy flavors like gummy bear, chocolate and bubble gum. Use of the e-cigarettes is called "vaping" as a cloud of vapor is generated by their use. The vapor is not as toxic as traditional cigarettes which are known to contain carcinogens and other toxic elements; however it can emit a noticeable odor.

Since e-cigarettes do not contain tobacco, in Oregon these devices are not subject to age restrictions that apply to traditional cigarettes. Technically any child can enter a market and purchase an e-cigarette. Nicotine delivery systems like e-cigarettes can be as addictive as traditional cigarettes. A 2013 survey of Oregon teens suggests that 5.2% of 11th graders now use e-cigarettes. Nationally, almost 10% of middle and high school students are using e-cigarettes according to the Centers for Disease Control. Washington County is encouraging local agencies to consider local bans on the sale of nicotine products to minors until the State of Oregon adopts more consistent rules regarding e-cigarette sales. This ordinance also prohibits the use of vapor products by minors.

Additionally, Council can limit the use of nicotine products at City facilities. Generally, the City has experienced no issues with people using e-cigarettes indoors. At this time

there is nothing preventing a person from entering the Library or Jessie Mays and using e-cigarettes. Ordinance No. 421 would define smoking and tobacco use to include the use of e-cigarettes and smokeless tobacco products at city facilities. The ordinance prohibits the use of these products at City Hall, the Library, and parks. It would apply to the indoors as well as the outdoor spaces.

Fiscal Impact: The proposed change would not have a direct fiscal impact on the City. Four retailers in North Plains offer e-cigarettes. Three of them also sell tobacco products.

Environmental Issues: Nicotine is a stimulant drug that is naturally occurring in tobacco and other plants. When consumed by humans it is known to increase blood pressure and heart rate; and may cause microvascular injury. Health educators generally discourage tobacco and nicotine use to promote a healthy addiction-free lifestyle.

Recommendation: Council approve and adopt Ordinances No. 420 and 421 and read by title only for the second time.

Sample Motion: I move to approve Ordinances No. 420 and 421.
I move to adopt Ordinance No. 420 and 421.

To be read by title only for the second time:

Ordinance No. 420: An Ordinance of the City Council of the City of North Plains, Oregon, Establishing Municipal Code 4.50 Prohibiting the Sale and Use of Tobacco and Vapor Products to Minors

Ordinance No. 421: An Ordinance Of The City Council Of The City Of North Plains, Oregon, Establishing Municipal Code 4.53 Prohibiting The Use Of Smoking And Tobacco Products At City Facilities.

Attachments: Ordinances

ORDINANCE NO. 420

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NORTH PLAINS,
OREGON, ESTABLISHING MUNICIPAL CODE 4.50 PROHIBITING THE SALE AND
USE OF TOBACCO AND VAPOR PRODUCTS TO MINORS**

WHEREAS, the City of North Plains Municipal Code Chapter 4 addresses general health and welfare issues within the community, and

WHEREAS, the City Council has received information from Washington County Tobacco Education and Prevention program.

**THE CITY COUNCIL OF THE CITY OF NORTH PLAINS, OREGON,
ORDAINS AS FOLLOWS:**

Section 1. The Municipal Code Chapter 4.50 is established, prohibiting the sale and use of tobacco and vapor products to minors as stated on Exhibit A.

Section 2. Severability. If any provision of this Ordinance or its application to any person or circumstances is held to be unconstitutional or invalid for any reason, the remainder of this Ordinance or the application of the provisions to other persons or circumstances shall not be affected.

INTRODUCED on the 18th day of February, 2014, **AND
ADOPTED** this 3rd day of March, 2014.

CITY OF NORTH PLAINS, OREGON

By: _____
David Hatcher, Mayor

ATTEST:

By: _____
Margaret Reh, Deputy City Recorder

Exhibit A
Ordinance No. 420

Chapter 4.50. **PROHIBITS THE SALE AND USE OF TOBACCO AND VAPOR PRODUCTS BY MINORS**

Sections:

- 4.50.001 Definitions.
- 4.50.002 Sale and use of tobacco and vapor products by minors prohibited.
- 4.50.003 Penalties.

4.50.001 Definitions.

The following definitions apply to this chapter:

"Tobacco" means any tobacco product, cigarette, cigar, pipe tobacco, smokeless tobacco, chewing tobacco, electronic cigarettes and any other form of tobacco or nicotine product (not approved by the FDA) which may be utilized for smoking, chewing, vaping, inhaling, or any other means of ingestion or consumption.

"Vapor product" means a noncombustible product that employs a mechanical heating element, battery or circuit and that can be used to heat a nicotine solution; or a cartridge or other unit containing a nicotine solution to be placed in an electronic cigarette, device or product.

4.50.002 Sale and use of tobacco and vapor products by minors prohibited.

The sale, possession, distribution and use of tobacco, nicotine or vapor product in any form to persons under 18 years of age are prohibited. A person under the age of 18 may not purchase, attempt to purchase, use or obtain any tobacco or vapor product. Tobacco or vapor products in a retail store may not be located in an area accessible to customers without assistance by a store employee.

4.50.003 Penalties.

The sale of tobacco or vapor product in any form to persons under 18 years of age is prohibited. Any person who knowingly sells, or causes to be sold, tobacco to a person under 18 years of age commits the crime of endangering the welfare of a minor, pursuant to ORS 163.575.

ORDINANCE NO. 421

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NORTH PLAINS,
OREGON, ESTABLISHING MUNICIPAL CODE 4.53 PROHIBITING THE USE OF
SMOKING AND TOBACCO PRODUCTS AT CITY FACILITIES.**

WHEREAS, the City of North Plains Municipal Code Chapter 4 addresses general health and welfare issues within the community, and

WHEREAS, the City Council has received information from Washington County Tobacco Education and Prevention program.

**THE CITY COUNCIL OF THE CITY OF NORTH PLAINS, OREGON,
ORDAINS AS FOLLOWS:**

Section 1. The Municipal Code Chapter 4.53 is established, prohibiting the use of smoking and tobacco products at City facilities as stated on Exhibit A.

Section 2. Severability. If any provision of this Ordinance or its application to any person or circumstances is held to be unconstitutional or invalid for any reason, the remainder of this Ordinance or the application of the provisions to other persons or circumstances shall not be affected.

INTRODUCED on the 18th day of February, 2014, **AND
ADOPTED** this 3rd day of March, 2014.

CITY OF NORTH PLAINS, OREGON

By: _____
David Hatcher, Mayor

ATTEST:

By: _____
Margaret Reh City Recorder

Exhibit A
Ordinance No. 421

Chapter 4.53 PROHIBITS SMOKING AND USE OF TOBACCO ON CITY PROPERTY

Sections:

- 4.53.001 Definitions.
- 4.53.002 Smoking and tobacco use prohibited.

- 4.53.001 Definitions.

The following definitions apply to this chapter:

"Smoking" means inhaling, exhaling, burning, or carrying any lighted cigar, cigarette, electronic cigarette, pipe, hookah, plant or any other smoking, tobacco, nicotine or tobacco-like product or substance in any manner or any form.

"Tobacco use" means smoking, chewing, vaping, inhaling or any other means of ingestion or consumption of any tobacco product.

"Tobacco" means any tobacco product, cigarette, cigar, pipe tobacco, smokeless tobacco, chewing tobacco, electronic cigarettes and any other form of tobacco or nicotine product which may be utilized for smoking, chewing, vaping, inhaling, or any other means of ingestion or consumption.

Note: this policy does not prohibit use of FDA-approved nicotine replacement therapy products, such as nicotine patches, gum and lozenges, which are intended to help quit tobacco use and minimize symptoms of nicotine addiction.

- 4.53.002 Smoking and tobacco use prohibited.

Smoking and tobacco use is prohibited on all city-owned, leased and maintained properties, as well as all city-sponsored events and markets. This includes, but is not limited to, buildings, parking lots, park and recreation areas, vehicles and other real and personal property.

**City of North Plains
Police Department
2/26/14**

**TO: Martha DeBry, City
Manager
City Council
Department Heads**

FROM: Bill Snyder, Police Chief

SUBJ.: DEPARTMENT REPORT

No event updates at this time.

The following are the numbers regarding criminal reports/activity for February:

Activity	2014 Feb
Death Investigation	0
Reckless Driving arrest	2
Vehicle crash	2
Vehicle tow	1
Assist agency	3
Welfare check	0
Drug arrest	1
Child abuse	0
DUII	1
Theft	2
Warrant arrest	1
Found Property	1
Rape II	1
Trespass II	1

City of North Plains

Public Works Department

2/26/2014

TO: Martha DeBry, City Manager
City Council
Department Heads

FROM: Blake Boyles, Public Works Director

SUBJECT: DEPARTMENT REPORT

- CDBG Project Management –NW Claxtar St –Storm, curb and sidewalk coordination. Punch list
- Construction coordination with ODOT on interchange/ pedestrian trail working designs
- East side reservoir cost evaluation, possible real estate property locations
- Highland Ct Subdivision coordination
- Street light installation
- Emergency Management planning
- New subdivision plan review (Sunset Ridge, Sunset Terrace, Pacific Estates, North Ave)

Public Works Crews are working on the following projects/tasks:

- Monthly meter reading
- Equipment Maintenance
- Cross Connection
- Locates
- Leak repair
- Snow removal
- Water samples

Future reports will include tasks accomplished and those pending. If there is any other information you may want to see in the report, please let me know.-

City of North Plains - Library Department - March 3 – April 7, 2014

TO: Martha DeBry, City Manager, and to City Council Members
FROM: Debbie Brodie, Library Director
SUBJECT: DEPARTMENT REPORT

Storytimes. Children ages 0-6 are invited to participate every Wednesday at 11:30 a.m. in the children's section of the Library.

- **March 5** Storytime with Miss Marion: Lions and Lambs
- **March 12** Storytime with Children's Librarian Kay: Multicultural
- **March 19** Special Guest Storytime: Becky's 4H Bunnies
- **March 26** Storytime with Youth Librarian Jackie: Spring

Haiku Contest for All Ages. Get ready for the release of the movies *Divergent* and the *Muppets Most Wanted* with our Haiku Contest! Enter a Haiku about one of these two movies and bring it to the Library between March 1-17. Enter as many times as you want! Winners will receive two movie tickets to see a movie of their choice! There will be one winner chosen from each of the following categories: children, teen and adult.

Cover Oregon. There are just two more chances to hear Cover Oregon Educator (and North Plains Library staff member), Donna Medica, speak about affordable health care insurance and how to access financial help to pay for coverage before the March 31 open enrollment signup deadline. These presentations are free and open to the public:

- **Sunday, March 2**, at 11:30 a.m. at St. Gabriel Episcopal Church, 17435 NW West Union Road, Portland.
- **Saturday, March 8**, at 11 a.m. at West Slope Community Library, 3678 SW 78th Avenue, Portland.

Writers' Group. There will be no meeting on Thursday, March 6. The next meeting of the Writers' Group will be held on Thursday, April 3.

First Friday Flick. Join us at the Library on **March 7** at 6 p.m. to watch *Cloudy With a Chance of Meatballs 2*, a PG-rated, animated family comedy sequel about an island of menacing food-animals. Seating is limited. Refreshments will be served. (This movie was previously scheduled to be shown on Friday, February 7, but the showing was cancelled due to inclement weather.)

Super Saturday Painting/Pizza Party. Join us on **Saturday, March 8** at 1 p.m. at the Jessie Mays Community Hall for this special Super Saturday painting event with free pizza! Participants will paint the backdrop created by local artist Timothy Radtke for the upcoming Art of the Story Festival in North Plains which will take place on Wednesday, April 9 with professional storyteller, Olga Loya.

Friends of the Library Meeting. There will be a regular meeting of the Friends on **Monday, March 10** at the Library from 7:30-9 p.m. New members are welcome to attend.

Artwork on Exhibit. Local high school student, Dylan King, will show his original drawings, cartoons, and caricatures in **March and April**. Meet the artist at a special reception on **Friday, March 14** from 6-7:30 p.m. at the Library. Refreshments will be served.

Quilt Display. The **March quilt** to be displayed will feature an Irish Chain pattern in celebration of St. Patrick's Day.

Save the Date – April 9 – Art of the Story with Olga Loya. Join us at Jessie Mays Community Hall at 7 p.m. to listen to folk tales, myths, legends, and magical stories from around the globe. With an emphasis on Latin American Stories, Olga Loya is a national recognized bilingual storyteller from San Jose, California. She performs a large repertoire of family and personal stories. Loya has been a featured teller at the Latin-American Storytelling Festival in Guadalajara, Mexico, and twice has been featured at the National Storytelling Festival in Jonesborough, Tennessee. Loya is a National Storytelling Network recipient of the 2013 Oracle Award for the Circle of Excellence.

March 2014 Council Calendar

<i>Meeting</i>	<i>Primary</i>	<i>Alternate</i>	<i>Note</i>	<i>Date</i>
City Council			7:00 p.m. Jessie Mays Community Hall	03/03
<i>Washington County Coordinating Committee (WCCC)</i>	<i>Hatcher</i>	<i>DeBry</i>	<i>2nd Monday @ 12 noon</i>	03/10
<i>Planning Commission</i>	<i>Hatcher</i>		<i>2nd Wednesday @ 7 p.m.</i>	03/12
<i>Washington County Office of Community Development Policy Advisory Board</i>	<i>Kindel</i>	<i>Demagalski</i>	<i>2nd Thursday @ 7 p.m.</i>	03/13
City Council			7:00 p.m. at Jessie Mays Community Hall	03/17
<i>Library Board</i>	<i>Lenahan</i>		<i>3^d Wednesday @ 7 p.m.</i>	03/19
<i>Benefit Dance (proceeds to North Plains Elementary School for Art Supplies)</i>			<i>Jessie Mays @ 7:30</i>	03/22
<i>Playdate</i>			<i>Jessie Mays Community Hall @ 1:30 p.m.</i>	03/23
<i>Metro Policy Advisory Committee (MPAC)</i>	<i>Hatcher</i>		<i>4th Wednesday @ 5 p.m.</i>	03/26
<i>Parks Board</i>			<i>4th Wednesday @ 7 p.m.</i>	03/26
<i>Metropolitan Area Communications Commission (MACC)</i>	<i>Warren</i>	<i>Demagalski</i>		



CITY OF NORTH PLAINS

31360 NW Commercial Street, North Plains, Oregon 97133

Date: March 3, 2014
To: Mayor and City Council
From: City Manager Martha DeBry
Subject: Approval of city policies Number 614-631

Request: Council approve policies Number 614-631

Background: The draft policy manual was distributed at the 9/16/13 council meeting.

To manage the workload of the reviewing ordinance Council directed that batches of policies be presented at a series of meetings.

Policies to be approved on January 21, 2014 are:

- 614 Inclement Weather
- 619 Bulletin Boards
- 620 Outside Employment
- 621 Criminal Acts
- 622 Political Activity
- 625 Meeting participation
- 626 Religious Accommodation
- 627 Communications
- 630 Whistleblower
- 631 Use of Electronic Media

All policies are as previously distributed to Council.

Fiscal Impact: Review and adoption of the policies has no direct fiscal impact.

Environmental Issues: No environmental issues are associated with this item.

Recommendation: All the policies will be approved by one motion after all have been reviewed and discussed.