

**PRELIMINARY AGENDA**  
**REGULAR SESSION**  
**CITY OF NORTH PLAINS, CITY COUNCIL MEETING**  
**NORTH PLAINS SENIOR CENTER**  
**31450 NW Commercial**  
**Monday, March 18, 2013**  
**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 3/04/2013 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:**
  - A. None scheduled
7. **PUBLIC HEARING:**
  - A. None Scheduled
8. **NEW BUSINESS:**
  - A. Approval of letter to Sunset Park Association
  - B. Financial statements presentation and discussion with Finance Director, Rachael Lembo
  - C. Council to discuss possible water rate increases
9. **UNFINISHED BUSINESS:**

None Scheduled

**10. ORDINANCES:**

**FIRST READING:**

- A. Ordinance No. 415 Municipal Chapter 1.40— Parks Board; An Ordinance of the City Council of the City of North Plains, Oregon, amending Municipal Code by adding Chapter 1.40 Parks Board. First Reading by title only.

**SECOND READING:**

- B. Ordinance No. 414 Municipal Chapter 3.01 Sanitary Sewer System; An Ordinance of the City Council of the City of North Plains, Oregon, Amending Chapter 3.01 of Municipal Code Regarding Sanitary Sewer System for second reading and adoption. First reading was at March 4, 2013 Council meeting.

**11. STAFF REPORTS**

Staff reports will be provided by the City Manager, 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. April 2013 Council Calendar

**13. ADJOURNMENT**

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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

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**City Council Meetings are scheduled to be held at the North Plains Senior Center, 31450 NW Commercial Street, North Plains, Oregon, on the following dates at 7:00 p.m.:**

**Monday, April 1, 2013**

**Monday, April 15, 2013**

**Monday, May 6, 2013**

**CITY OF NORTH PLAINS**  
**City Council Meeting—Regular Session**  
Monday, March 4, 2013 – 7:00 P.M.  
**MINUTES**

1. **CALL TO ORDER:** Mayor David Hatcher called the meeting to order at 7:00 p.m.
2. **PLEDGE OF ALLEGIANCE:** Mayor Hatcher conducted the flag salute.
3. **ROLL CALL:** Mayor David Hatcher; Councilors: Michael Broome, Michael Demagalski, Charlynn Newton, Glen Warren, Robert Kindel, Jr.

Excused: Council President Teri Lenahan

**Staff present:** Public Works Director Blake Boyles, Chief of Police Bill Snyder, Library Director Debbie Brodie, Recording Clerk Gail Waibel, Account Clerk Margaret Reh

City Manager Martha DeBry was excused

4. **CONSENT AGENDA:**
  - A. Approval of regular session agenda
  - B. Approval of minutes of 2/19/2013 Council meeting

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

5. **PUBLIC COMMENT:**

There was no public comment forthcoming.

6. **PRESENTATION:**

- A. Proclamation: April 1-6, 2013 National Community Development Week by the National Community Development Association

Public Works Director Boyles informed the Council of the details surrounding this proclamation. Councilor Kindel serves as the North Plains representative to the Office of Community Development with Washington County. The City of North Plains has been a recipient of nearly three million dollars since the program's inception. Kindel stated his strong support of both the Community Development Block Grant (CDBG) Program and the HOME Investment Partnerships (HOME) Program. This proclamation resolves that the community of North Plains is a supporter of these programs and urges Congress and the Administration to recognize the outstanding work being done locally and nationally by these two programs by supporting increased funding for both programs in FY 2014.

Motion made by Kindel, seconded by Demagalski to acknowledge this proclamation. Motion was approved unanimously.

7. **PUBLIC HEARING:**

A. None Scheduled

8. **NEW BUSINESS:**

A. Eagle Scout Project Request: Wascoe right-of-way at Main Street

Eagle Scout Logan Miller and Scout master Mitchell Couch presented a proposal to the Council to organize a project that creates a small pedestrian park/garden within the right-of-way at Wascoe Street and Main Street in North Plains. Boyles presented the staff report. This proposal was also presented to the Parks Advisory Committee (PAC) at their February 27, 2013 meeting. Discussion ensued in regard to legal issues and citizens input into the project. Boyles informed Council staff had discussed the request with the City Attorney. The City Attorney indicated the proposal cannot be something permanent or the street would have to be vacated. There was discussion in regard to whether a survey of the property owners in the area had been conducted. No neighborhood survey was conducted to date. There was discussion regarding the materials and design of the walkway. Miller said most of the materials have been donated, however, he requested \$200 from the City to go toward some materials not being donated.

Mayor Hatcher polled the Council and it was the consensus that the Eagle Scout Project to create a small pedestrian park/garden within the right-of-way at Wascoe Street and Main Street should be approved. Mayor Hatcher advised Miller to stay in contact with City Manager DeBry for assistance.

It was noted that after completion of the pedestrian walkway, some minor ongoing maintenance would be required. Mayor Hatcher thanked Miller and said he was excited about the Eagle Scout project. He reiterated that Miller should remain in contact with City Manager DeBry.

B. Council to adopt Resolution No. 1780: A Resolution of the City Council of the City of North Plains, Oregon, Authorizing Specific Requests for the 2013 Farmers Market.

Doug Nunnenkamp, President of the Farmers' Market Board presented a list of requests regarding specific needs for the operation of the 2013 Farmer's Market. This includes authorization for street closure of NW 314<sup>th</sup> Avenue from NW Commercial Street to NW Kaybern Street for the Farmer's Market activities. Boyles presented the staff report. Also included in the list was a request for the City to purchase 3-4 banners that may be installed on light poles along Glencoe for the duration of the Farmer's Market. No decision was made regarding the purchase of the banners.

Motion by Demagalski seconded by Kindel to adopt Resolution No. 1780, a resolution of the City Council of the City of North Plains, Oregon, authorizing specific requests for the 2013 Farmers Market. The motion was approved unanimously.

**9. UNFINISHED BUSINESS:**

None scheduled

**10. ORDINANCES**

**A. DISCUSSION:**

Municipal Chapter 1.40 Parks Advisory Committee-Discussion. Participation of City Council Members on Parks Advisory Committee

Boyles presented the staff report. Council is revisiting the purpose and structure of the Parks Advisory Committee (PAC). The PAC has been an ad hoc committee of the City. Its appointment has been temporary in nature and the PAC can only make recommendations to the Council. Council discussed making the PAC a standing committee of the Council. There was also discussion in regard to City Councilors and staff serving as members of the Committee. The staff report included the City Attorney's opinion in regard City Councilors serving on the PAC. It was generally agreed City staff should not be members of the PAC, however, a staff member would attend the meetings. This item was for discussion only. Staff will bring the ordinance to the City Council for consideration of first reading at a future Council meeting.

**B. INTRODUCTION:**

Ordinance No. 414 Municipal Chapter 3.01 Sanitary Sewer System; An Ordinance of the City Council of the City of North Plains, Oregon, Amending Chapter 3.01 of Municipal Code Regarding Sanitary Sewer System. Reading for the first time by title only

Boyles explained that this ordinance is to clean up the language of Municipal Chapter 3.01. United Sewerage Agency has been reconstituted at Clean Water Services and most buildings in North Plains were connected to the sanitary sewer system making some of the language in the ordinance appear outdated.

Motion by Demagalski, seconded by Warren to read Ordinance No. 414, an Ordinance of the City Council of the City of North Plains, Oregon amending Chapter 3.01 of Municipal Code regarding Sanitary Sewer System by title only for the first time. The motion was approved unanimously.

Mayor Hatcher read Ordinance No. 414 the first time by title only.

**11. STAFF REPORTS**

The City Manager's written report was included in the packet.

Boyle reported the Claxter Street project opens for bids on March 14, 2013. He will be sending out notices of the status to residents who will be impacted by the project.

The ODOT interchange is staying on target. There will be a closure near the end of March. ODOT will give the City notice of when the closure will begin. Boyles is continuing to work with ODOT on the construction coordination of the interchange and pedestrian trail.

The necessary repairs at the yellow house have been completed. Each department of the City has now moved materials into the building for storage. The Food Bank has also moved their supplies into the building. They will be operational next week.

Chief Snyder reported the Police Department is continuing their training. They have completed the emergency vehicle training and will now begin their firearms training.

Debbie Brodie directed the Council to her written report. She highlighted the Genealogy Classes being offered. There are only two spots left. If the interest continues to be high, they may consider offering the class again in April or May.

**12. COUNCIL REPORTS**

Council reviewed the March 2013 Council Calendar confirming Councilors' attendance at assigned meetings. Kindel will be attending the Library Board and Mayor Hatcher will be attending Planning Commission.

Mayor Hatcher asked Council if they want to continue meeting at the North Plains Senior Center. The consensus was to meet at the Senior Center for the March 18<sup>th</sup> meeting, with some rearrangement of the Council seats.

Hatcher will be meeting with Senator Starr and others in Salem to research Oregon Zoning laws to site composting facilities out in farming communities and away from municipalities.

**13. ADJOURNMENT:** Mayor Hatcher adjourned the meeting at 7:46 p.m.

\_\_\_\_\_  
David Hatcher, Mayor

\_\_\_\_\_  
Martha DeBry, City Manager/Recorder

Date approved \_\_\_\_\_

March 15, 2013

Dear President Duyck and Boardmembers,

For many years, we have enjoyed building a relationship with the City of Banks through our collaborative efforts to bring a greater awareness to western Washington County. Creating a network of communication and support among the residents of Banks and North Plains which ultimately improves the quality of life within both communities. The importance of community spirit in a rural setting such as the one we enjoy here in western Washington County cannot be underestimated.

We hope the 2013 Banks BBQ, Truck and Tractor Pull has a very successful year, as your association supports many wonderful community programs and organizations. We believe the North Plains Chamber of Commerce participation in the event will be an asset in building the Banks BBQ brand by offering new entertainment and vending options.

I am writing on behalf of the North Plains City Council to share a concern about the promotion of the "Oregon garlic festival" during the Banks BBQ. For many years, North Plains has been synonymous with an annual garlic festival during the second weekend in August. The Council continues to support this tradition in 2013 under the sponsorship of the North Plains Events Association which has named its event "Summer Fest and Garlic Out West" ([www.garlicoutwest.org](http://www.garlicoutwest.org)). There will be a three-day festival, organized by the same core group of volunteers that have presented the garlic festival for many-years. It will include a parade, car show, fun run, musical entertainment, food, arts and crafts vendors. The Council allowed a new community group to sponsor a garlic-themed festival, because the Council wanted to ensure our community's best known event will continue for many years. We look forward to having a longevity equal to the Banks BBQ.

As you may know our community festival grew from a small family celebration called the North Plains Days into the "Elephant Garlic Festival" over the past 15 years. The garlic festival is the only event that reliably attracts regional visitors into our small city each year. Local non-profit organizations such as the North Plains Senior Center, our volunteer fire department and the Boy

Scouts and Cub Scout (Troops 175 and 275) rely on this event as one of their largest annual fund raisers. Our local grocery market, restaurants and bars enjoy substantially higher patronage during the festival. Most importantly our residents have access to a unique free entertainment venue where family and friends can gather.

A competing event with the same theme within one week could potentially have a negative impact on our community, while providing limited value to the Banks BBQ.

The City Council would welcome Sunset Park Association's support of our community by not promoting a competing garlic festival in conjunction with the Banks BBQ

Respectfully,

David Hatcher,  
Mayor  
City of North Plains

cc. Banks City Council, Banks City Manager



## CITY OF NORTH PLAINS

31360 NW Commercial Street, North Plains, Oregon 97133

Date: March 15, 2013  
To: City Council  
From: City Manager Martha DeBry  
Subject: Discussion of financial Statements dated June 31, 2012

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**Request:** Council hear a presentation by Finance Director Rachael Lembo.

**Background:** The City has received the Financial Report for the year ended June 30, 2012 from Pauly Rodgers and Co, PC, who serve as the City's auditors.

The City has received an unqualified opinion, which is highly desirable.

Page 44 reflects 4 exceptions found

- 1) Notice for budget hearing was not advertised 5-30 days prior to budget hearing. (Frankly, we are not sure what went wrong with notices that should have been prepared in June 2011.)
- 2) The notice for the supplemental budget was not advertised 5 days prior to the supplemental budget. (While notice was prepared, it does not appear to have been published properly in January 2012.)
- 3) Disbursements of funds were within budget except as noted on page 21. There are 5 events:
  - a. Police materials and services over-dispersed by \$4,318. However the total police budget was under its allocation by \$15,947.
  - b. Street tax fund over-dispersed capital by \$14,175.
  - c. Parks Capital Fund over-dispersed by \$11,073.
  - d. Vehicle and equipment reserve fund exceeded appropriations by \$403.
  - e. URA exceeded appropriations by \$271 for transfers out.
- 4) Bid documentation was not retained for some purchases over \$5,000.

Financial Manager Rachael Lembo will walk Council through the report, highlighting important points regarding the City's finances. She has calculated that roughly 75% of the budgeted sums were expended. The Claxtar Street project deferment resulted in lesser expenses than originally budgeted. She will also advise how we can tighten our financial system to avoid over-disbursements.

All general fund activities expended less than they were budgeted (pg. 31)

**Fiscal Impact:** The Financial Report is a snapshot of the City's financial health at the end of fiscal year 2011/2012. Our overall financial position reflected a cash balance for all funds of \$3,296,846, Revenues for the year were \$2,347,698 and \$2,186,641 (a \$161,057 difference.) Revenues were within 97.5% of projections.

**Recommendation:** Council hear Ms. Lembo's presentation regarding the document.

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

**COMMUNICATION TO THE GOVERNING BODY**  
**(SAS 114 LETTER)**

**FOR THE YEAR ENDED JUNE 30, 2012**



**12700 SW 72<sup>nd</sup> Ave.**  
**Tigard, OR 97223**



# PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

- 
- 12700 SW 72ND AVENUE • TIGARD, OREGON 97223
  - (503) 620-2632 • FAX (503) 684-7523

January 15, 2013

To the City Council  
City of North Plains

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of North Plains for the year ended June 30, 2012, and have issued our report thereon dated January 15, 2013. Professional standards require that we provide you with 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:

- Modified cash basis of 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 the modified cash basis of accounting, as described in note 1 to the financial statements. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the internal controls. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

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

We performed the audit according to the planned scope and timing previously communicated to you in our letter about planning matters.

### **Results of Audit**

1. Audit opinion letter - an unqualified opinion on the modified cash basis financial statements has been issued. This means we have given a “clean” opinion with no reservations.
2. State minimum standards - No exceptions or issues requiring comment, except as noted on page 44 of the financial report.
3. No separate management letter was issued.

## **Significant Audit Findings**

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. 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 were not changed during 2011-12. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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 estimate(s) affecting the financial statements was management's estimate of the depreciation which is based on each item's useful life. We evaluated the key factors and assumptions used to develop depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

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

### *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 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 the 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, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *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. The City contracted with Talbot, Korvola & Warwick, LLP for accounting services during the 2012 audit year.

*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 within Documents Containing Audited Financial Statements*

With respect to the supplementary information accompanying the basic 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 basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

**Other Matters – Future Accounting and Auditing Issues**

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

GASB 60

GASB Statement No. 60 - *Accounting and Financial Reporting for Service Concession Arrangements*, improves financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. As used in this Statement, an SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a “facility”) in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The implementation date for this statement is fiscal year 2012-13. The provisions of this Statement generally are required to be applied retroactively for all periods presented. Additional footnote disclosures of these arrangements will be required.

GASB 61

GASB Statement No. 61 – *The Financial Reporting Entity: Omnibus*, changes the requirements for inclusion of component units in the primary government’s financial report, and is intended to reduce the number of entities included as component units. The implementation date for this statement is fiscal year 2012-13. There are specific requirements for inclusion. All component units need to be compared to those requirements.

GASB 62

GASB Statement No. 62 – *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, incorporates into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in pronouncements issued on or before November 30, 1989, which do not conflict or contradict with certain GASB pronouncements, collectively referred to as the “FASB and AICPA pronouncements.” The implementation date for this statement is fiscal year 2012-13.

### GASB 63

GASB Statement No. 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The implementation date for this statement is fiscal year 2012-13. This statement will lead to the renaming of the “statement of net assets” to the “statement of financial position”, and the caption for the equity section changing from “net assets” to “net position.”

### AUDITING STANDARDS

The Accounting Standards Board (ASB) has taken on the “Clarity Project”, which involves converging U.S. Generally Accepted Auditing Standards (GAAS) with International Standards on Auditing (ISA). The ASB has reissued all previously issued statements on auditing standards (SAS) in a new format. Changes under the Clarity Project include a revision to the auditors’ report language, new engagement letter language, new language for communicating internal control deficiencies, and additional new audit documentation requirements in areas such as the audit strategy and related parties. The implementation date for this statement is fiscal year 2012-13.

### **Best Practices – Not Significant Deficiencies**

#### 1. Governing Body Monitoring

An integral part of internal controls is the monitoring of financial activities by those charged with the governance. 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 participates in the budget adoption process and receives staff prepared financial statements, these only partially fulfill the monitoring function.

We recommend that the governing body 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 governing body in establishing checklists, questions and benchmarks’ that are customized for your use.

#### 2. Fidelity Insurance Coverage

In reviewing fidelity insurance coverage we noticed that you often carry cash and investment balances in excess of the insurance coverage amount. We recommend that governing body 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 governing body continually monitor the financial activities to mitigate this risk and consider obtaining additional fidelity insurance to address this risk.

Pauly, Rogers and Co., P.C.  
January 15, 2013

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

*Pauly, Rogers and Co., P.C.*  
PAULY, ROGERS AND CO., P.C.

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

**FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2012**



**12700 SW 72<sup>nd</sup> Ave.  
Tigard, OR 97223**

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

**2011-2012**  
**FINANCIAL REPORT**

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

**CITY OFFICIALS**

2011-2012

<u>CITY COUNCIL</u>	<u>TERM EXPIRES</u>
David Hatcher – Mayor	December 31, 2012
Teri K. Lenahan – President	December 31, 2012
Robert Kindel, Jr.	December 31, 2012
Ana Singh-Gill	December 31, 2012
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

CONTRACT ACCOUNTANT

Haley Fish

REGISTERED OFFICE

31360 NW Commercial Street  
North Plains, Oregon 97133

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

**TABLE OF CONTENTS**

**PAGE  
NUMBER**

Independent Auditors' Report	1
 <b><u>REQUIRED SUPPLEMENTARY INFORMATION:</u></b>	
Management's Discussion and Analysis	3
 <b>FINANCIAL STATEMENTS AND SCHEDULES:</b>	
<b><u>BASIC FINANCIAL STATEMENTS:</u></b>	
Government-Wide Financial Statements:	
Statement of Net Assets-Modified Cash Basis	5
Statement of Activities-Modified Cash Basis	6
Fund Statements:	
Balance Sheet-Governmental Funds-Cash Basis	7
Reconciliation of the Governmental Funds Balance Sheet-Cash Basis to the Statement of Net Assets-Modified Cash Basis	8
Statement of Receipts, Disbursements and Changes in Fund Balances-Governmental Funds- Cash Basis	9
Reconciliation of Statement of Receipts, Disbursements and Changes in Fund Balance-Cash Basis To Statement of Activities-Modified Cash Basis	10
Statement of Net Assets-Proprietary Funds-Modified Cash Basis	11
Statement of Receipts, Disbursements and Changes in Net Assets-Proprietary Funds-Modified Cash Basis	12
Statement of Cash Flows-Modified Cash Basis-Proprietary Funds	13
Notes to Basic Financial Statements	14
 <b><u>REQUIRED SUPPLEMENTARY INFORMATION:</u></b>	
Schedule of Receipts, Disbursements and Changes in Fund Balance – Cash Basis	
– Actual and Budget –	
General Fund	30
Street Tax, Transportation and Storm Drainage Fund	32
Traffic Impact Fees Fund	33
 <b><u>OTHER SUPPLEMENTARY INFORMATION:</u></b>	
Schedule of Receipts, Disbursements and Changes in Fund Balances–Cash Basis–Actual and Budget	
Parks Capital Improvement Fund	34
Combining Balance Sheet–Nonmajor Governmental Funds-Cash Basis	35
Combining Schedule of Receipts, Disbursements and Changes in Fund Balances– Nonmajor Governmental Funds-Cash Basis	36
Schedule of Receipts, Disbursements and Changes in Fund Balances–Cash Basis–Actual and Budget	
Transportation Development Tax Fund	37
Vehicle and Equipment Reserve Fund	38
Urban Renewal District	39

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

**TABLE OF CONTENTS (CONTINUED)**

	<u>PAGE NUMBER</u>
Schedule of Receipts, Disbursements and Changes in Fund Balances-Cash Basis-Actual and Budget	
Water Fund	40
Water Systems Improvement Fund	41
Schedule of Property Tax Transactions and Balances of Taxes Uncollected:	
General Fund	42
Urban Renewal Agency	43
 INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS	 44



**PAULY, ROGERS AND CO., P.C.**

**CERTIFIED PUBLIC ACCOUNTANTS**

- 
- 12700 SW 72ND AVENUE • TIGARD, OREGON 97223
  - (503) 620-2632 • FAX (503) 684-7523

January 15, 2013

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

### **INDEPENDENT AUDITORS' REPORT**

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of North Plains, Washington County, Oregon as of and for the year ended June 30, 2012, which collectively comprise the basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the management. 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 basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1, these financial statements are prepared on the modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – modified cash basis of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Plains as of June 30, 2012, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended, on the basis of accounting described in Note 1.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the 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 Management's Discussion and Analysis 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, as listed in the table of contents, 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 Supplemental 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 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, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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 the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information for all appropriated funds and 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The listing of board members containing their term expiration dates, located before the table of contents, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financials statements, and accordingly, we do not express an opinion or provide any assurance on it.

  
PAULY, ROGERS AND CO., P.C.

## CITY OF NORTH PLAINS, OREGON

### Management Discussion and Analysis June 30, 2012

**MANAGEMENTS DIRECT COMMENTS:** The City manages and oversees operation of water distribution system, streets, parks system, land use planning activities, police, library services and general administrative operations needed to provide these services to the citizens. The city discontinued the operation of the municipal court by outsourcing the operations to Washington County Justice Court. The City also endeavored to cultivate community involvement through additional and more involved event planning activities which has been continued into fiscal year 2013.

The economic climate has remained stable in fiscal year 2012. City management has taken steps to maximize the value received from dollars spent by re-evaluating ongoing expenses and stream-lining the personnel structure supplementing staff with technical contractors where needed. Management is committed to taking the appropriate steps necessary to ensure the fiscal integrity of all City operations.

**OVERALL FINANCIAL POSITION:** The adopted 2011-12 city budget was \$5,471,015. Beginning cash balances from all funds equaled \$3,296,846. During the year \$2,347,698 in revenues were received and \$2,186,641 expended leaving a cash reserve balance of \$3,342,510 for fiscal year 2012-13.

Major differences in the adopted budget and actual figures account for the fact that 97.5% of the projected revenues were received while 43% of the proposed budget expenditures were made.

#### STATEMENT OF NET ASSETS – MODIFIED CASH BASIS

			<i>Variance</i>	
	<i>2011</i>	<i>2012</i>	\$	%
Cash	\$ 3,296,846	\$ 3,342,510	45,664	1%
Capital assets	8,664,194	8,698,868	34,674	0%
Liabilities	1,836,761	1,756,041	-80,720	-4%
Net Assets	10,124,279	10,285,337	161,058	2%

#### STATEMENT OF ACTIVITIES- MODIFIED CASH BASIS

			<i>Variance</i>	
	<i>2011</i>	<i>2012</i>	\$	%
Receipts	\$ 2,187,352	\$ 2,333,034	145,682	7%
Disbursements	2,199,723	2,161,856	-37,867	-2%

**SIGNIFICANT CAPITAL ASSET ACTIVITY:** Net capital assets remained relatively equal with prior year as additions for the gateway project and start of the Claxter project were offset by disposals of old equipment and depreciation expense. See footnote 4 for additional information.

**SIGNIFICANT LONG-TERM DEBT ACTIVITY:** The City entered into a new capital lease for a police car and made all required debt service payments on outstanding obligations. See footnote 6 for additional information.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT:** 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 Martha A. DeBry, City Manager at 503.647.5555 in North Plains, OR.

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

**BASIC FINANCIAL STATEMENTS**

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

**STATEMENT OF NET ASSETS-MODIFIED CASH BASIS  
June 30, 2012**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Cash and Investments	\$ 2,542,009	\$ 800,501	\$ 3,342,510
Capital Assets, net of depreciation	5,592,959	3,105,909	8,698,868
<b>Total Assets</b>	<b>8,134,968</b>	<b>3,906,410</b>	<b>12,041,378</b>
<b>LIABILITIES</b>			
Due in One Year	22,346	81,999	104,345
Due in More Than One Year	381,421	1,270,275	1,651,696
<b>Total Liabilities</b>	<b>403,767</b>	<b>1,352,274</b>	<b>1,756,041</b>
<b>NET ASSETS</b>			
Invested in Capital Assets Net of Related Debt	5,189,192	1,753,635	6,942,827
Restricted for:			
Capital Projects	608,222	115,689	723,911
Highways and Streets	866,998	-	866,998
Unrestricted	1,066,789	684,812	1,751,601
<b>Total Net Assets - Modified Cash Basis</b>	<b>\$ 7,731,201</b>	<b>\$ 2,554,136</b>	<b>\$ 10,285,337</b>

See accompanying notes to basic financial statements

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

**STATEMENT OF ACTIVITIES-MODIFIED CASH BASIS  
For the Year Ended June 30, 2012**

FUNCTIONS	DISBURSEMENTS	PROGRAM RECEIPTS		NET (DISBURSEMENT) RECEIPT AND CHANGES IN		
		CHARGES FOR SERVICES	OPERATING GRANT AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	NET ASSETS BUSINESS-TYPE ACTIVITIES	TOTAL
<b>Primary Government</b>						
<u>Governmental Activities:</u>						
Building and Parks	\$ 71,446	\$ 40,041	\$ 6,311	\$ (25,094)		\$ (25,094)
City Planning	124,157	38,422	1,000	(84,735)		(84,735)
Police	427,278	-	55,097	(372,181)		(372,181)
Municipal Court	104,733	234,214	-	129,481		129,481
Sewer	8,958	-	-	(8,958)		(8,958)
Supporting Services	179,831	213,032	-	33,201		33,201
Library Department	173,377	6,497	107,685	(59,195)		(59,195)
Street	388,567	58,444	42,120	(288,003)		(288,003)
Interest	15,227	-	-	(15,227)		(15,227)
Total Governmental Activities	<u>1,493,574</u>	<u>590,650</u>	<u>212,213</u>	<u>(690,711)</u>		<u>(690,711)</u>
<u>Business-Type Activities:</u>						
Water	<u>678,402</u>	<u>850,866</u>	<u>5,971</u>		<u>\$ 178,435</u>	<u>178,435</u>
Total Business-Type Activities	<u>678,402</u>	<u>850,866</u>	<u>5,971</u>		<u>178,435</u>	<u>178,435</u>
Total Primary Government	<u>\$ 2,171,976</u>	<u>\$ 1,441,516</u>	<u>\$ 218,184</u>	<u>(690,711)</u>	<u>178,435</u>	<u>(512,276)</u>
<b>General Receipts</b>						
Taxes:						
Property Taxes, Levied for General Purposes				404,404	-	404,404
Intergovernmental				209,973	-	209,973
Interest and Investment Earnings				11,790	3,961	15,751
Miscellaneous				24,468	8,474	32,942
Transfers - Internal Activities				(3,930)	3,930	-
Total General Receipts				<u>656,968</u>	<u>16,365</u>	<u>673,333</u>
Changes in Net Assets				(33,743)	194,800	161,057
Net Assets - Beginning - Modified Cash Basis				<u>7,764,944</u>	<u>2,359,336</u>	<u>10,124,280</u>
Net Assets - Ending - Modified Cash Basis				<u>\$ 7,731,201</u>	<u>\$ 2,554,136</u>	<u>\$ 10,285,337</u>

See accompanying notes to basic financial statements

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

**BALANCE SHEET-CASH BASIS  
GOVERNMENTAL FUNDS**

June 30, 2012

	GENERAL FUND	STREET TAX, TRANSPORTATION AND STORM DRAINAGE FUND	TRAFFIC IMPACT FEES FUND	PARKS CAPITAL IMPROVEMENT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL
<b>ASSETS:</b>						
Cash and Investments	\$ 1,020,441	\$ 580,964	\$ 286,034	\$ 383,937	\$ 270,633	\$ 2,542,009
<b>FUND BALANCE:</b>						
Fund Balances:						
Restricted	\$ -	\$ 580,964	\$ 286,034	\$ 383,937	\$ 224,285	\$ 1,475,220
Committed	-	-	-	-	46,348	46,348
Unassigned	1,020,441	-	-	-	-	1,020,441
Total Fund Balances-Cash Basis	<u>\$ 1,020,441</u>	<u>\$ 580,964</u>	<u>\$ 286,034</u>	<u>\$ 383,937</u>	<u>\$ 270,633</u>	<u>\$ 2,542,009</u>

See accompanying notes to basic financial statements

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

**RECONCILIATION OF GOVERNMENTAL BALANCE SHEET-CASH BASIS TO  
THE STATEMENT OF NET ASSETS-MODIFIED CASH BASIS  
June 30, 2012**

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Total Fund Balances - Governmental Funds	\$ 2,542,009
Capital assets are not financial resources and therefore are not reported in the governmental funds.	5,592,959
Long-Term Liabilities	<u>(403,767)</u>
Net Assets	<u>\$ 7,731,201</u>

See accompanying notes to basic financial statements

CITY OF NORTH PLAINS  
WASHINGTON COUNTY, OREGON

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES-CASH BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2012

	GENERAL FUND	STREET TAX, TRANSPORTATION AND STORM DRAINAGE FUND	TRAFFIC IMPACT FEES FUND	PARKS CAPITAL IMPROVEMENT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL
<b>RECEIPTS:</b>						
Property Taxes	\$ 320,257	\$ -	\$ -	\$ -	\$ 84,147	\$ 404,404
Charges for Services	13,313	-	-	31,280	-	44,593
Licenses/Permits/Fees	237,863	56,951	-	-	6,550	301,364
Intergovernmental	161,054	115,384	-	-	33,367	309,805
Fines and Forfeitures	253,444	-	-	-	-	253,444
Interest on Investments	5,404	3,098	1,512	1,977	1,311	13,302
Grants	62,557	41,100	-	-	-	103,657
Urban Renewal Dist. Reimbursements	-	-	-	-	-	-
Miscellaneous	30,738	2,454	-	-	-	33,192
<b>Total Receipts</b>	<b>1,084,630</b>	<b>218,987</b>	<b>1,512</b>	<b>33,257</b>	<b>125,375</b>	<b>1,463,761</b>
<b>DISBURSEMENTS:</b>						
Personal Services	580,727	60,578	2,068	-	-	643,373
Materials & Services	422,448	85,245	-	-	-	507,693
Capital Outlay	6,750	290,763	-	11,073	79,977	388,563
Debt Services	21,184	-	-	-	6,000	27,184
<b>Total Disbursements</b>	<b>1,031,109</b>	<b>436,586</b>	<b>2,068</b>	<b>11,073</b>	<b>85,977</b>	<b>1,566,813</b>
Excess of Receipts Over, (Under) Disbursements	53,521	(217,599)	(556)	22,184	39,398	(103,052)
<b>Other Financing Sources, (Uses)</b>						
Other Financing Sources - Capital Leases	-	-	-	-	48,258	48,258
Sale of Assets	-	-	-	-	2,890	2,890
Transfers In	38,077	254,068	-	-	2,000	294,145
Transfer Out	(258,998)	(1,000)	-	-	(38,077)	(298,075)
<b>Total Other Financing Sources, (Uses)</b>	<b>(220,921)</b>	<b>253,068</b>	<b>-</b>	<b>-</b>	<b>15,071</b>	<b>47,218</b>
Net Change in Fund Balance-Cash Basis	(167,400)	35,469	(556)	22,184	54,469	(55,834)
Beginning Fund Balance-Cash Basis	1,187,841	545,495	286,590	361,753	216,164	2,597,843
Ending Fund Balance-Cash Basis	<u>\$ 1,020,441</u>	<u>\$ 580,964</u>	<u>\$ 286,034</u>	<u>\$ 383,937</u>	<u>\$ 270,633</u>	<u>\$ 2,542,009</u>

See accompanying notes to basic financial statements

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

**RECONCILIATION OF STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND  
BALANCE-CASH BASIS TO STATEMENT OF ACTIVITIES-MODIFIED CASH BASIS**  
**For the Year Ended June 30, 2012**

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Net Changes in Fund Balances - Governmental Funds	\$ (55,834)
<p>Capital outlays are reported in governmental funds as disbursements. 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 Disbursements	207,426
Depreciation Expense	(160,809)
Disposal of Capital Assets	(26,302)
<p>Repayment of long-term obligations principal is a disbursement in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Assets.</p>	50,034
<p>Proceeds from the addition of a long-term obligation are a source of receipts in the governmental funds, but the acquirement increases long-term obligations in the Statement of Net Assets.</p>	<u>(48,258)</u>
Change in Net Assets	<u><u>\$ (33,743)</u></u>

See accompanying notes to financial statements

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

**STATEMENT OF NET ASSETS-MODIFIED CASH BASIS  
PROPRIETARY FUNDS  
June 30, 2012**

ASSETS:	WATER FUND	WATER SYSTEMS CAPITAL IMPROVEMENT FUND	TOTAL
Cash and Investments	\$ 684,812	\$ 115,689	\$ 800,501
Capital Assets, Net of Depreciation	3,105,909	-	3,105,909
<b>Total Assets</b>	<b>3,790,721</b>	<b>115,689</b>	<b>3,906,410</b>
<b>LIABILITIES:</b>			
Due in One Year	81,999	-	81,999
Due in More Than One Year	1,270,275	-	1,270,275
<b>Total Liabilities</b>	<b>1,352,274</b>	<b>-</b>	<b>1,352,274</b>
<b>NET ASSETS</b>			
Invested in Capital Assets Net of Related Debt	1,753,635	-	1,753,635
Unrestricted	684,812	115,689	800,501
<b>Total Net Assets - Modified Cash Basis</b>	<b>\$ 2,438,447</b>	<b>\$ 115,689</b>	<b>\$ 2,554,136</b>

See accompanying notes to financial statements

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

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN NET ASSETS-MODIFIED CASH BASIS  
PROPRIETARY FUNDS  
For the year ended June 30, 2012**

	WATER FUND	WATER SYSTEMS CAPITAL IMPROVEMENT FUND	TOTAL
<b>OPERATING RECEIPTS:</b>			
Water Sales Receipts	\$ 794,692	\$ 56,174	\$ 850,866
Miscellaneous	8,474	-	8,474
Total Operating Receipts	<u>803,166</u>	<u>56,174</u>	<u>859,340</u>
<b>OPERATING DISBURSEMENTS:</b>			
Water Expenses Paid	494,887	20,059	514,946
Depreciation Expense	<u>108,068</u>	<u>-</u>	<u>108,068</u>
Total Operating Disbursements	<u>602,955</u>	<u>20,059</u>	<u>623,014</u>
Operating Income	200,211	36,115	236,326
<b>OTHER FINANCING SOURCES:</b>			
Interest and Investment Earnings	3,244	717	3,961
Grants	5,971	-	5,971
Interest Paid on Capital Debt	-	(55,388)	(55,388)
Transfers from Other Funds	<u>(14,056)</u>	<u>17,986</u>	<u>3,930</u>
Change in Net Assets	195,370	(570)	194,800
Net Assets, July 1, 2011 - Modified Cash Basis	<u>2,243,077</u>	<u>116,259</u>	<u>2,359,336</u>
Net Assets, June 30, 2012 - Modified Cash Basis	<u>\$ 2,438,447</u>	<u>\$ 115,689</u>	<u>\$ 2,554,136</u>

The accompanying notes are an integral part of this statement.

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

**STATEMENT OF CASH FLOWS-MODIFIED CASH BASIS  
PROPRIETARY FUNDS  
For the year ended June 30, 2012**

	WATER FUND	WATER SYSTEMS CAPITAL IMPROVEMENT FUND	TOTAL
<b>Cash Flows From Operating Activities:</b>			
Cash Received for Services	\$ 803,166	\$ 56,174	\$ 859,340
Cash Paid to Employees	(340,542)	-	(340,542)
Cash Paid to Suppliers	(154,345)	(20,059)	(174,404)
Net cash provided (used) by operating activities	<u>308,279</u>	<u>36,115</u>	<u>344,394</u>
<b>Cash Flows From Non Capital Financing Activities</b>			
Transfers from Other Funds	-	96,930	96,930
Grants available for Operations	5,971	-	5,971
Transfers to Other Funds	(93,000)	-	(93,000)
Net cash provided (used) by financing activities	<u>(87,029)</u>	<u>96,930</u>	<u>9,901</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Principal Paid on Debt	-	(78,944)	(78,944)
Interest Paid on Debt	-	(55,388)	(55,388)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(134,332)</u>	<u>(134,332)</u>
<b>Cash Flows From Investing Activities:</b>			
Purchase and Sale of Capital Assets	(122,427)	-	(122,427)
Earnings on Investments	3,244	717	3,961
Net cash provided (used) by investing activities	<u>(119,183)</u>	<u>717</u>	<u>3,961</u>
Net increase (decrease) in cash and investments	102,067	(570)	101,497
Cash and investments, beginning of year	<u>582,745</u>	<u>116,259</u>	<u>699,004</u>
Cash and investments, end of year	<u>\$ 684,812</u>	<u>\$ 115,689</u>	<u>\$ 800,501</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>			
Operating Income	\$ 200,211	\$ 36,115	\$ 236,326
Depreciation Expense	<u>108,068</u>	<u>-</u>	<u>108,068</u>
Net Cash Provided by Operating Activities	<u>\$ 308,279</u>	<u>\$ 36,115</u>	<u>\$ 344,394</u>

The accompanying notes are an integral part of this statement.

**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 39, 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 Assets 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 receipts, and other non-exchange receipts. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

*Fund financial statements* of the reporting entity 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, receipts, and disbursements. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories.

**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 (CONT.)**

The City reports the following fund types:

*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 receipts sources that are either legally restricted to disbursements 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.

<u>Fund</u>	<u>Brief Description</u>
Street Tax, Transportation and Storm Drainage	Accounts for Oregon gasoline tax apportionments and expenditures for those street improvements specified by Oregon Revised Statutes.
Traffic Impact Fees	Accounts for revenue designated for improvements of traffic arterials and traffic safety improvements.
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.

**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)**

*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. There are the following enterprise funds, all of which are considered major funds.

<u>Fund</u>	<u>Brief Description</u>
Water	Accounts for the Activities of providing water services to the public.
Water Systems Capital Improvement	Accounts for transfers from the Water Fund for the purpose of Capital improvements and major acquisitions.

**BASIS OF ACCOUNTING**

In the government-wide Statement of Net Assets, Statement of Activities, and the fund financial statements, the governmental and business-type activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, receipts, and disbursements when they result from cash transactions with a provision for depreciation and interest expense in the government-wide statements and proprietary fund statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements.

The basis of accounting recognized as generally accepted, would present the fund financial statements for governmental funds on the modified accrual basis of accounting and the fund financial statements for proprietary fund types on the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 a cash equivalent.

**CAPITAL ASSETS**

The modified cash basis of accounting reports capital assets resulting from cash transactions and reports depreciation where appropriate. The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund and whether they are reported in the government-wide or fund financial statements.

In the *government-wide financial statements*, capital assets arising from cash transactions are accounted for as assets in the Statement of Net Assets. 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.

Depreciation of all exhaustible capital assets arising from cash transactions is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets. 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	50 years	\$ 100,000
Water System Improvements	50 years	\$ 100,000
Equipment	10 years	\$ 5,000
Infrastructure	50 years	\$ 100,000

In the *fund financial statements*, capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay disbursements 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.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**EQUITY CLASSIFICATION**

In the *government-wide financial statements*, equity is classified as net assets 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.
- b. Restricted net assets - consists of net 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 net assets - all other net assets 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 assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

**FUND BALANCE**

The City reports 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 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.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

There were no non-spendable and assigned fund balances at year end.

**D. RECEIPTS AND DISBURSEMENTS**

**PROGRAM RECEIPTS**

In the Statement of Activities, modified cash basis receipts that are derived directly from each activity from parties outside the City's taxpayers are reported as program receipts. There are the following program receipts in each activity:

General Government – Grants.

Streets – Commercial vehicle and gasoline excise tax shared by the State and operating grants.

All other governmental receipts are reported as general. All property taxes are classified as general receipts even if restricted for a specific purpose.

**OPERATING RECEIPTS AND DISBURSEMENTS**

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

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

**E. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES**

In the process of aggregating the financial information for the government-wide Statement of Net Assets and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Interfund activity and balances, if any, are eliminated or reclassified in the *government-wide financial statements* as follows:

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES (CONTINUED)**

Internal activities – amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers-Internal Activities. The effects of Interfund services between funds, if any, are not eliminated in the Statement of Activities.

**F. ESTIMATES**

The preparation of financial statements on the modified cash basis of accounting 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 receipts and disbursements during the reporting period. Actual results could differ from those estimates.

**2. BUDGET**

A budget is prepared and legally adopted for each fund on the cash basis of accounting 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 disbursements 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 30<sup>th</sup>.

Disbursements can not 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. Disbursements of the various funds were within authorized appropriations, except as noted on pg. 21.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**2. BUDGET (CONTINUED)**

The City recognizes the general fund by department and other funds by the following categories:

Personal Services  
Material and Supplies  
Capital Outlay  
Debt Service  
Interfund Transfers

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

**Excess of Disbursements over Appropriations**

Disbursements of the various funds were within authorized appropriations, except as noted. The General Fund was over-disbursed for materials and services in the police department by \$4,318. The street tax fund was over-disbursed for materials and services in the street tax department by \$14,175. The Parks Capital Improvement Fund was over-disbursed on capital outlay by \$11,073. The Vehicle and Equipment Reserve Fund exceeded appropriations by \$403 for capital outlay. The Urban Renewal District fund exceeded appropriations by \$271 for transfers out.

**3. CASH AND CASH EQUIVALENTS**

Cash and investments were recorded at cost, which approximates fair market value, plus accrued interest at June 30, 2012. Cash and investments at June 30, 2012 were:

Deposits With Financial Institutions:	<u>2012</u>	Reported in:	<u>2012</u>
Petty Cash	\$ 300	Governmental Funds	\$ 2,542,009
Checking	52,679	Proprietary Funds	<u>800,501</u>
LGIP	<u>3,289,531</u>		
Total	<u>\$ 3,342,510</u>		<u>\$ 3,342,510</u>

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**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, 2012, all of the bank balance of \$70,971 was 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, 2012.

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, 2012. There were no known violations of legal or contractual provisions for deposits and investments during the fiscal year.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**4. CAPITAL ASSETS**

The changes in capital assets for 2011-12 are as follows:

	Balance on 07/01/2011	Additions	Deletions	Balance on 6/30/2012
<b>Governmental Activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 128,051	\$ 4,804	\$ -	\$ 132,855
URA Land	157,820	-	-	157,820
CIP	-	41,100	-	41,100
<b>Total Capital Assets not being depreciated</b>	<b>\$ 285,871</b>	<b>\$ 45,904</b>	<b>\$ -</b>	<b>\$ 331,775</b>
<b>Capital assets being depreciated:</b>				
Infrastructure	\$ 5,679,810	\$ 113,545	\$ -	\$ 5,793,355
Buildings	175,957	-	-	175,957
Equipment	285,972	47,978	(56,581)	277,369
<b>Total capital assets being depreciated</b>	<b>6,141,739</b>	<b>161,523</b>	<b>(56,581)</b>	<b>6,246,681</b>
<b>Less accumulated depreciation for:</b>				
Infrastructure	(612,821)	(115,868)	-	(728,689)
Buildings	(84,059)	(4,249)	-	(88,308)
Equipment	(158,086)	(40,693)	30,279	(168,500)
<b>Total accumulated depreciation</b>	<b>(854,966)</b>	<b>(160,810)</b>	<b>30,279</b>	<b>(985,497)</b>
<b>Total capital assets net of depreciation</b>	<b>5,286,773</b>	<b>713</b>	<b>(26,302)</b>	<b>5,261,184</b>
<b>Total Capital Assets</b>	<b>\$ 5,572,644</b>	<b>\$ 46,617</b>	<b>\$ (26,302)</b>	<b>\$ 5,592,959</b>
<b>Business-type activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 730	\$ -	\$ -	\$ 730
<b>Total Capital Assets not being depreciated</b>	<b>\$ 730</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 730</b>
<b>Capital assets being depreciated:</b>				
Buildings	\$ 19,174	\$ -	\$ -	\$ 19,174
Machinery and equipment	104,031	5,920	(10,200)	99,751
Utility property and improvements	4,209,523	126,707	-	4,336,230
<b>Total capital assets being depreciated</b>	<b>4,332,728</b>	<b>132,627</b>	<b>(10,200)</b>	<b>4,455,155</b>
<b>Less accumulated depreciation for:</b>				
Buildings	(19,174)	-	-	(19,174)
Machinery and equipment	(83,356)	(4,797)	(5,865)	(82,288)
Utility property and improvements	(1,139,378)	(109,136)	-	(1,248,514)
<b>Total accumulated depreciation</b>	<b>(1,241,908)</b>	<b>(113,933)</b>	<b>(5,865)</b>	<b>(1,349,976)</b>
<b>Total capital assets net of depreciation</b>	<b>3,090,820</b>	<b>18,694</b>	<b>(4,335)</b>	<b>3,105,179</b>
<b>Total Capital Assets</b>	<b>\$ 3,091,550</b>	<b>\$ 18,694</b>	<b>\$ (4,335)</b>	<b>\$ 3,105,909</b>
<b>Total All Assets (net of depreciation)</b>	<b>\$ 8,664,194</b>	<b>\$ 65,311</b>	<b>\$ (30,637)</b>	<b>\$ 8,698,868</b>

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**4. CAPITAL ASSETS (CONTINUED)**

Depreciation was charged to the following programs:

Building and Parks Expense	\$	7,261
City Planning Expense		12,617
Police Expense		45,156
Municipal Court Expense		10,643
Sewer Expense		910
Supporting Services Expense		18,275
Library Department Expense		17,619
Street Expense		48,328
		48,328
Total Depreciation Expense	\$	160,809

**5. INTERFUND TRANSFERS AND BALANCES**

Transfers between funds for the year ended June 30, 2012, were as follows:

	Transfers In	Transfers Out
Major Funds:		
Governmental:		
General Fund	\$ 38,077	\$ 258,998
Street Tax, Transportation and Storm Drainage	254,068	1,000
Business-Type:		
Water Fund	-	93,000
Water Systems Capital Improvement	96,930	-
Non-Major Fund:		
Governmental:		
Urban Renewal Agency	-	38,077
Vehicle & Equipment	2,000	-
	\$ 391,075	\$ 391,075

The transfers reflected in the above schedule were used to move resources collected by the different funds to the funds authorized to spend the resources.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**6. LONG-TERM OBLIGATIONS**

The following is a summary of changes in long-term obligations for the year ended June 30, 2012:

	LOAN ACTIVITY				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
URA	\$ 130,543	\$ -	\$ 21,420	\$ 109,123	\$ 398
LOCAP Series 2011A	275,000	-	5,000	270,000	10,000
Capital Lease	-	48,258	23,614	24,644	11,948
<b>Total Loan Activity</b>	<b>\$ 405,543</b>	<b>\$ 48,258</b>	<b>\$ 50,034</b>	<b>\$ 403,767</b>	<b>\$ 22,346</b>
<b>Business-Type Activities:</b>					
Safe Drinking Water	\$ 1,431,218	\$ -	\$ 78,944	\$ 1,352,274	\$ 81,999
<b>Total Loan Activity</b>	<b>\$ 1,431,218</b>	<b>\$ -</b>	<b>\$ 78,944</b>	<b>\$ 1,352,274</b>	<b>\$ 81,999</b>
<b>Total All Loan Activity</b>	<b>\$ 1,836,761</b>	<b>\$ 48,258</b>	<b>\$ 128,979</b>	<b>\$ 1,756,040</b>	<b>\$ 104,345</b>

**LOCAP Series 2011A**

In March 2011, the City purchased a Series 2011A bond 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			
Fiscal Year	Annual Debt Service		Total
	Principal	Interest	
2013	\$ 10,000	\$ 13,094	\$ 23,094
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
2018-22	60,000	52,060	112,060
2023-27	80,000	34,230	114,230
2028-31	80,000	9,120	89,120
<b>Balance</b>	<b>\$ 270,000</b>	<b>\$ 157,810</b>	<b>\$ 427,810</b>

**CAPITAL LEASE PAYABLE**

Capital lease property was purchased which has no stated interest rates. The intent is to purchase the capital lease property after it has been paid for. Payments are set to be complete in 2014. The amount capitalized was \$48,258. The property has an estimated useful life of five years, and \$7,780 has been depreciated to date.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**6. LONG-TERM OBLIGATIONS (CONTINUED)**

CAPITAL LEASE PAYABLE (CONTINUED)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012-13	\$ 11,947	\$ 1,545	\$ 13,492
2013-14	12,697	796	13,493
	<u>\$ 24,644</u>	<u>\$ 2,341</u>	<u>\$ 26,985</u>

Urban Renewal District Loan

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%. The amortization schedule and loan summary are shown below:

**Urban Renewal District-Land Acquisition**

<u>Fiscal Year</u>	<u>Annual Debt Service</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2012-13	\$ 398	\$ 5,602	\$ 6,000
2013-14	108,725	3,750	112,475
Balance	<u>\$ 109,123</u>	<u>\$ 9,352</u>	<u>\$ 118,475</u>

**Urban Renewal District Loan Summary-Principal**

	<u>Beginning Balance</u>	<u>Principal Paid</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
Columbia Community Bank	\$ 130,543	\$ 21,421	\$ 109,123	\$ 398	\$ 108,725

**Total Loan Activity (Including Interest to be Paid)**

	<u>Beginning Balance</u>	<u>Principal Paid</u>	<u>Interest Paid</u>	<u>Total Payments</u>	<u>Ending Balance</u>
Columbia Community Bank	\$ 130,543	\$ (21,420)	\$ (4,744)	\$ (26,164)	\$ 109,123

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**6. LONG-TERM OBLIGATIONS (CONTINUED)**

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

Fiscal Year	Annual Debt Service		Total
	Principal	Interest	
2013	\$ 81,999	\$ 52,333	\$ 134,331
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
2018-22	535,592	136,067	671,659
2023-25	373,703	29,290	402,993
Balance	\$ 1,352,274	\$ 394,038	\$ 1,746,311

**7. 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.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**7. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

The Pension Program, the defined benefit portion of the plan, applies to qualifying employees hired after August 29, 2003, and were 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](http://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 July 1, 2011 is 11.86% of salary covered under the plan for Tier 1 and Tier 2 employees (PERS) and 8.94% for employees covered under the Oregon Public Services Retirement Plan (OPSRP). The contributions to the plan for the years ending June 30, 2012 and 2011 were \$95,287 and \$88,988, respectively, and were equal to the required contributions for each year.

**8. PROPERTY TAX LIMITATIONS**

The State of Oregon has a constitutional limit on property taxes for governmental operations. Under the limitation, tax receipts are 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 receipts 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.

**9. 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.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**10. 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.

**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**

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 disbursements.

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

**REQUIRED SUPPLEMENTARY INFORMATION**

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

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE-CASH BASIS  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2012**

	<u>GENERAL FUND</u>			VARIANCE
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	POSITIVE -NEGATIVE
<b>RECEIPTS:</b>				
Property Taxes - Current & Delenquent	\$ 326,776	\$ 326,776	\$ 320,257	\$ (6,519)
Charges for Services	-	-	13,313	13,313
Licenses/Permits/Fees	300,060	223,760	237,863	14,103
Intergovernmental	198,244	183,643	161,054	(22,589)
Fines and Forfeitures	223,900	168,300	253,444	85,144
Interest on Investments	4,500	3,600	5,404	1,804
Grants	86,484	80,132	62,557	(17,575)
Urban Renewal Dist. Reimbursements	54,788	71,750	-	(71,750)
Miscellaneous	27,900	28,350	30,738	2,388
<b>Total Receipts</b>	<b>\$ 1,222,652</b>	<b>\$ 1,086,311</b>	<b>\$ 1,084,630</b>	<b>\$ (1,681)</b>

Continued on page - 31 -

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

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE-CASH BASIS  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2012**

	<u>GENERAL FUND</u>			VARIANCE POSITIVE -NEGATIVE
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<b>DISBURSEMENTS:</b>				
Building and Park				
Personal Services	\$ 54,182	\$ 53,948 (1)	\$ 38,778	\$ 15,170
Materials and Services:	16,390	16,390 (1)	16,054	336
Total Building and Park	<u>70,572</u>	<u>70,338</u>	<u>54,832</u>	<u>15,506</u>
City Planning				
Personal Services	84,352	93,673 (1)	80,555	13,118
Materials and Services	79,800	49,150 (1)	33,972	15,178
Total City Planning	<u>164,152</u>	<u>142,823</u>	<u>114,527</u>	<u>28,296</u>
Police Department				
Personal Services	300,320	254,736 (1)	235,921	18,815
Materials and Services	199,065	162,891 (1)	167,209	(4,318)
Capital Outlay	14,270	8,200 (1)	6,750	1,450
Total Police Department	<u>513,655</u>	<u>425,827</u>	<u>409,880</u>	<u>15,947</u>
Municipal Court				
Personal Services	82,818	46,637 (1)	46,499	138
Materials and Services	100,188	57,057 (1)	50,111	6,946
Capital Outlay	5,000	- (1)	-	-
Total Municipal Court	<u>188,006</u>	<u>103,694</u>	<u>96,610</u>	<u>7,084</u>
Sewer Administration				
Personal Services	10,078	6,955 (1)	5,155	1,800
Materials and Services	5,200	3,800 (1)	3,108	692
Debt Service	37,806	37,806 (1)	21,184	16,622
Total Sewer Administration	<u>53,084</u>	<u>48,561</u>	<u>29,447</u>	<u>19,114</u>
Finance and Administration Services				
Personal Services	117,574	87,472 (1)	59,324	28,148
Materials and Services	104,719	106,606 (1)	106,559	47
Contingency	119,594	119,594 (1)	-	119,594
Capital Outlay	25,070	- (1)	-	-
Total Finance and Administration Services	<u>366,957</u>	<u>313,672</u>	<u>165,883</u>	<u>147,789</u>
Library Department				
Personal Services	112,632	115,245 (1)	114,495	750
Materials and Services	46,096	45,974 (1)	45,435	539
Capital Outlay	2,600	- (1)	-	-
Total Library Department	<u>161,328</u>	<u>161,219</u>	<u>159,930</u>	<u>1,289</u>
Total Disbursements	<u>1,517,754</u>	<u>1,266,134</u>	<u>1,031,109</u>	<u>235,025</u>
Excess of Receipts Over, (Under)				
Disbursements	(295,102)	(179,823)	53,521	233,344
Other Financing Sources, (Uses):				
Transfers In	-	-	38,077	38,077
Transfers Out	(258,998)	(258,998) (1)	(258,998)	-
Total Other Financing Sources, (Uses)	<u>(258,998)</u>	<u>(258,998)</u>	<u>(220,921)</u>	<u>38,077</u>
Net Change in Fund Balance	(554,100)	(438,821)	(167,400)	271,421
Beginning Fund Balance	1,200,000	1,187,840	1,187,841	1
Ending Fund Balance	<u>\$ 645,900</u>	<u>\$ 749,019</u>	<u>\$ 1,020,441</u>	<u>\$ 271,422</u>

(1) Appropriation Level

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

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE-CASH BASIS  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2012**

STREET TAX, TRANSPORTATION AND STORM DRAINAGE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE -NEGATIVE
<b>RECEIPTS:</b>				
Licenses, Permits, Fees	\$ 130,420	\$ 6,252	\$ 56,951	\$ 50,699
Intergovernmental	272,244	149,244	115,384	(33,860)
Interest on Investments	2,700	2,700	3,098	398
Grants	198,116	198,116	41,100	(157,016)
Miscellaneous	800	-	2,454	2,454
<b>Total Receipts</b>	<b>604,280</b>	<b>356,312</b>	<b>218,987</b>	<b>(137,325)</b>
<b>DISBURSEMENTS:</b>				
<b>Street Tax</b>				
Personal Services	73,506	72,642 (1)	60,578	12,064
Materials and Services	59,293	55,683 (1)	69,858	(14,175)
Capital Outlay	890	- (1)	-	-
Contingency	59,115	59,115 (1)	-	59,115
<b>Total Street Tax</b>	<b>192,804</b>	<b>187,440</b>	<b>130,436</b>	<b>57,004</b>
<b>Transportation and Storm Drainage</b>				
Materials and Services	121,680	59,180 (1)	15,387	43,793
Capital Outlay	967,864	514,284 (1)	290,763	223,521
<b>Total Transportation and Storm Drainage</b>	<b>1,089,544</b>	<b>573,464</b>	<b>306,150</b>	<b>267,314</b>
<b>Total Disbursements</b>	<b>1,282,348</b>	<b>760,904</b>	<b>436,586</b>	<b>324,318</b>
<b>Excess of Receipts, Over(Under) Disbursements</b>	<b>(678,068)</b>	<b>(404,592)</b>	<b>(217,599)</b>	<b>186,993</b>
<b>Other Financing Sources, (Uses):</b>				
Transfers In	254,068	254,068	254,068	-
Transfers Out	(1,000)	(1,000) (1)	(1,000)	-
<b>Total Other Financing Sources, (Uses)</b>	<b>253,068</b>	<b>253,068</b>	<b>253,068</b>	<b>-</b>
<b>Net Change In Fund Balance</b>	<b>(425,000)</b>	<b>(151,524)</b>	<b>35,469</b>	<b>186,993</b>
<b>Beginning Fund Balance</b>	<b>545,000</b>	<b>545,000</b>	<b>545,495</b>	<b>495</b>
<b>Ending Fund Balance</b>	<b>\$ 120,000</b>	<b>\$ 393,476</b>	<b>\$ 580,964</b>	<b>\$ 187,488</b>

(1) Appropriation Level

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

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE-CASH BASIS  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2012**

TRAFFIC IMPACT FEES FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE -NEGATIVE</u>
<b>RECEIPTS:</b>				
Interest	\$ 1,000	\$ 1,000	\$ 1,512	\$ 512
<b>DISBURSEMENTS:</b>				
Personal Services	4,204	3,900 (1)	2,068	1,832
Capital Outlay	283,256	- (1)	-	-
Total Disbursements	<u>287,460</u>	<u>3,900</u>	<u>2,068</u>	<u>1,832</u>
Net Change in Fund Balance	(286,460)	(2,900)	(556)	2,344
Beginning Fund Balance	<u>286,460</u>	<u>286,460</u>	<u>286,590</u>	<u>130</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ 283,560</u>	<u>\$ 286,034</u>	<u>\$ 2,474</u>

(1) Appropriation Level

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

**OTHER SUPPLEMENTARY INFORMATION**

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

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE-CASH BASIS  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2012**

PARKS CAPITAL IMPROVEMENT FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE -NEGATIVE</u>
<b>RECEIPTS:</b>				
Charges for Services	\$ 105,280	\$ 63,168	\$ 31,280	\$ (31,888)
Interest	1,300	1,300	1,977	677
Total Receipts	<u>106,580</u>	<u>64,468</u>	<u>33,257</u>	<u>(31,211)</u>
<b>DISBURSEMENTS:</b>				
Capital Outlay	<u>467,580</u>	- (1)	<u>11,073</u>	<u>(11,073)</u>
Total Disbursements	<u>467,580</u>	<u>-</u>	<u>11,073</u>	<u>(11,073)</u>
Net Change in Fund Balance	(361,000)	64,468	22,184	(42,284)
Beginning Fund Balance	<u>361,000</u>	<u>361,000</u>	<u>361,753</u>	<u>753</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ 425,468</u>	<u>\$ 383,937</u>	<u>\$ (41,531)</u>

(1) Appropriations Level

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

**COMBINING BALANCE SHEET  
NON MAJOR GOVERNMENTAL FUNDS-CASH BASIS  
June 30, 2012**

	<u>TRANSPORTATION DEVELOPMENT TAX</u>	<u>VEHICLE AND EQUIPMENT RESERVE</u>	<u>URBAN RENEWAL AGENCY</u>	<u>TOTAL</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 88,402	\$ 46,348	\$ 135,883	\$ 270,633
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Fund Balances:</b>				
Restricted	\$ 88,402	\$ -	\$ 135,883	\$ 224,285
Committed	-	46,348	-	46,348
Total Liabilities and Fund Balances	\$ 88,402	\$ 46,348	\$ 135,883	\$ 270,633

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

**COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES-CASH BASIS  
NON MAJOR GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2012**

	TRANSPORTATION DEVELOPMENT TAX	VEHICLE AND EQUIPMENT RESERVE	URBAN RENEWAL AGENCY	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
<b>RECEIPTS:</b>				
Property Taxes	\$ -	\$ -	\$ 84,147	\$ 84,147
Intergovernmental	33,367	-	-	33,367
Licenses, Permits & Fees	-	-	6,550	6,550
Interest	389	303	619	1,311
<b>Total Receipts</b>	<b>33,756</b>	<b>303</b>	<b>91,316</b>	<b>125,375</b>
<b>DISBURSEMENTS:</b>				
Capital Outlay	-	79,977	-	79,977
Debt Services	-	-	6,000	6,000
<b>Total Disbursements</b>	<b>-</b>	<b>79,977</b>	<b>6,000</b>	<b>85,977</b>
<b>Other Financing Sources, (Uses)</b>				
Sale of Asset	-	2,890	-	2,890
Other Financing Sources - Capital Leases	-	48,258	-	48,258
Transfers In	-	2,000	-	2,000
Transfers Out	-	-	(38,077)	(38,077)
<b>Total Other Sources, (Uses)</b>	<b>-</b>	<b>53,148</b>	<b>(38,077)</b>	<b>15,071</b>
<b>Net Change in Fund Balance</b>	<b>33,756</b>	<b>(26,526)</b>	<b>47,239</b>	<b>54,469</b>
<b>Beginning Fund Balances</b>	<b>54,646</b>	<b>72,874</b>	<b>88,644</b>	<b>216,164</b>
<b>Ending Fund Balances</b>	<b>\$ 88,402</b>	<b>\$ 46,348</b>	<b>\$ 135,883</b>	<b>\$ 270,633</b>

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

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE-CASH BASIS  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2012**

TRANSPORTATION DEVELOPMENT TAX FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE -NEGATIVE</u>
<b>RECEIPTS:</b>				
Intergovernmental	\$ 92,189	\$ 79,980	\$ 33,367	\$ (46,613)
Interest	126	150	389	239
Total Receipts	<u>92,315</u>	<u>80,130</u>	<u>33,756</u>	<u>(46,374)</u>
<b>DISBURSEMENTS:</b>				
Personal Services	1,800	- (1)	-	-
Capital Outlay	145,115	- (1)	-	-
Total Disbursements	<u>146,915</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(54,600)	80,130	33,756	(46,374)
Beginning Fund Balance	<u>54,600</u>	<u>54,600</u>	<u>54,646</u>	<u>46</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ 134,730</u>	<u>\$ 88,402</u>	<u>\$ (46,328)</u>

(1) Appropriations Level

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

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE-CASH BASIS  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2012**

VEHICLE AND EQUIPMENT RESERVE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE -NEGATIVE</u>
<b>RECEIPTS:</b>				
Interest	\$ 180	\$ 180	\$ 303	\$ 123
Total Receipts	<u>180</u>	<u>180</u>	<u>303</u>	<u>123</u>
<b>DISBURSEMENTS:</b>				
Capital Outlay	<u>74,980</u>	<u>31,316 (1)</u>	<u>31,719</u>	<u>(403)</u>
Total Disbursements	<u>74,980</u>	<u>31,316</u>	<u>31,719</u>	<u>(403)</u>
Excess of Receipts Over, (Under) Disbursements	<u>(74,800)</u>	<u>(31,136)</u>	<u>(31,416)</u>	<u>(280)</u>
<b>Other Financing Sources, (Uses):</b>				
Sale of Capital Assets	-	-	2,890	2,890
Transfers in	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Total Other Sources, (Uses)	<u>2,000</u>	<u>2,000</u>	<u>4,890</u>	<u>2,890</u>
Net Change in Fund Balance	(72,800)	(29,136)	(26,526)	2,610
Beginning Fund Balance	<u>72,800</u>	<u>72,800</u>	<u>72,874</u>	<u>74</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ 43,664</u>	<u>\$ 46,348</u>	<u>\$ 2,684</u>

(1) Appropriations Level

CITY OF NORTH PLAINS  
WASHINGTON COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE-CASH BASIS  
 ACTUAL AND BUDGET  
 For the Year Ended June 30, 2012

URBAN RENEWAL DISTRICT

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE -NEGATIVE</u>
<b>RECEIPTS:</b>				
Taxes	\$ 59,730	\$ 59,730	\$ 84,147	\$ 24,417
Property Rental Fees	6,050	6,050	6,550	500
Interest	300	300	619	319
Total Receipts	<u>66,080</u>	<u>66,080</u>	<u>91,316</u>	<u>25,236</u>
<b>DISBURSEMENTS:</b>				
Capital Expenses	33,380	10,000 (1)	-	10,000
Debt Service	<u>82,894</u>	<u>82,894</u> (1)	<u>6,000</u>	<u>76,894</u>
Total Disbursements	<u>116,274</u>	<u>92,894</u>	<u>6,000</u>	<u>86,894</u>
Excess of Receipts Over, (Under) Disbursements	<u>(50,194)</u>	<u>(26,814)</u>	<u>85,316</u>	<u>112,130</u>
<b>Other Financing Sources, (Uses):</b>				
Transfers Out	<u>(37,806)</u>	<u>(37,806)</u> (1)	<u>(38,077)</u>	<u>(271)</u>
Total Other Sources, (Uses)	<u>(37,806)</u>	<u>(37,806)</u>	<u>(38,077)</u>	<u>(271)</u>
Net Change in Fund Balance	(88,000)	(64,620)	47,239	111,859
Beginning Fund Balance	<u>88,000</u>	<u>88,000</u>	<u>88,644</u>	<u>644</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ 23,380</u>	<u>\$ 135,883</u>	<u>\$ 112,503</u>

(1) Appropriations Level

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

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE-CASH BASIS  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2012**

<u>WATER FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE -NEGATIVE</u>
<b>RECEIPTS:</b>				
Charges for Services	\$ 764,680	\$ 761,080	\$ 794,692	\$ 33,612
Interest	1,800	1,800	3,244	1,444
Grants	-	-	5,971	5,971
Miscellaneous	6,000	6,000	8,474	2,474
Total Receipts	<u>772,480</u>	<u>768,880</u>	<u>812,381</u>	<u>43,501</u>
<b>DISBURSEMENTS:</b>				
Personal Services	378,761	366,533 (1)	340,542	25,991
Materials and Services	317,756	300,941 (1)	276,772	24,169
Capital Outlay	112,450	- (1)	-	-
Contingency	50,513	50,513 (1)	-	50,513
Total Disbursements	<u>859,480</u>	<u>717,987</u>	<u>617,314</u>	<u>100,673</u>
Excess of Receipts Over, (Under) Disbursements	(87,000)	50,893	195,067	144,174
<b>Other Financing Sources, (Uses):</b>				
Transfers out	(93,000)	(93,000) (1)	(93,000)	-
Total Other Sources, (Uses)	<u>(93,000)</u>	<u>(93,000)</u>	<u>(93,000)</u>	<u>-</u>
Net Change in Fund Balance	(180,000)	(42,107)	102,067	144,174
Beginning Fund Balance	<u>520,000</u>	<u>598,000</u>	<u>582,745</u>	<u>(15,255)</u>
Ending Fund Balance	<u>\$ 340,000</u>	<u>\$ 555,893</u>	<u>\$ 684,812</u>	<u>\$ 128,919</u>
<b>RECONCILIATION TO NET ASSETS:</b>				
Capital Assets, Net			3,105,909	
Bonds Payable			<u>(1,352,274)</u>	
<b>TOTAL NET ASSETS</b>			<u>\$ 2,438,447</u>	

(1) Appropriations Level

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

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE-CASH BASIS  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2012**

WATER SYSTEMS IMPROVEMENT FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE -NEGATIVE</u>
<b>RECEIPTS:</b>				
Charges for Service	\$ 202,920	\$ 76,752	\$ 56,174	\$ (20,578)
Interest	700	400	717	317
Total Receipts	<u>203,620</u>	<u>77,152</u>	<u>56,891</u>	<u>(20,261)</u>
<b>DISBURSEMENTS:</b>				
Materials and Services	145,162	- (1)	-	-
Capital Outlay	49,125	34,248 (1)	20,059	14,189
Debt Service	134,333	134,333 (1)	134,332	1
Total Disbursements	<u>328,620</u>	<u>168,581</u>	<u>154,391</u>	<u>14,190</u>
Excess of Receipts Over, -Under Disbursements	(125,000)	(91,429)	(97,500)	(6,071)
<b>Other Financing Sources, -Uses:</b>				
Transfers In	92,000	92,000	96,930	4,930
Total Other Sources, -Uses	<u>92,000</u>	<u>92,000</u>	<u>96,930</u>	<u>4,930</u>
Net Change in Fund Balance	(33,000)	571	(570)	(1,141)
Beginning Fund Balance	<u>116,000</u>	<u>116,000</u>	<u>116,259</u>	<u>259</u>
Ending Fund Balance	<u>\$ 83,000</u>	<u>\$ 116,571</u>	<u>\$ 115,689</u>	<u>\$ (882)</u>

(1) Appropriations Level

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

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES  
OF TAXES UNCOLLECTED  
For The Year Ended June 30, 2012**

<u>GENERAL FUND</u>						
<u>TAX YEAR</u>	<u>ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/01/11</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 6/30/12</u>
<u>General Fund:</u>						
<b>CURRENT:</b>						
2011-12	\$ 330,652	\$ 8,475	\$ 501	\$ 112	\$ 314,570	\$ 8,220
<b>PRIOR YEARS:</b>						
2010-11	7,663	(54)	(359)	358	3,064	4,652
2009-10	3,186	(33)	(186)	297	693	2,637
2008-09	1,573	-	(51)	326	1,394	454
2007-08	423	-	(19)	106	378	132
2006-07	108	-	(9)	10	26	83
2005-06 & Prior	270	36	(34)	27	43	184
<b>Total Prior</b>	<u>13,223</u>	<u>(51)</u>	<u>(658)</u>	<u>1,124</u>	<u>5,598</u>	<u>8,142</u>
<b>Total All Funds</b>	<u>\$ 343,875</u>	<u>\$ 8,424</u>	<u>\$ (157)</u>	<u>\$ 1,236</u>	<u>\$ 320,168</u>	<u>\$ 16,362</u>

RECONCILIATION OF RECEIPTS:

	<u>Receipts</u>
Per County Treasurer Above	\$ 320,168
Other Taxes	<u>89</u>
<b>Total Fund Collections per Financial Statements</b>	<u>\$ 320,257</u>

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

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES  
OF TAXES UNCOLLECTED  
For The Year Ended June 30, 2012**

URBAN RENEWAL AGENCY

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/01/11	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED 6/30/12
<u>Urban Renewal Agency:</u>						
<b>CURRENT:</b>						
2011-12	\$ 87,566	\$ 2,244	\$ 133	\$ 30	\$ 83,307	\$ 2,178
<b>PRIOR YEARS:</b>						
2010-11	1,670	(12)	(78)	78	668	1,014
2009-10 & Prior	241	-	(8)	50	214	69
<b>Total Prior</b>	<u>1,911</u>	<u>(12)</u>	<u>(86)</u>	<u>128</u>	<u>882</u>	<u>1,083</u>
<b>Total All Funds</b>	<u>\$ 89,477</u>	<u>\$ 2,232</u>	<u>\$ 47</u>	<u>\$ 158</u>	<u>\$ 84,189</u>	<u>\$ 3,261</u>

RECONCILIATION OF RECEIPTS:

	<u>Receipts</u>
Per County Treasurer Above	\$ 84,189
Adjustments	<u>(42)</u>
<b>Total Fund Collections per Financial Statements</b>	<u>\$ 84,147</u>

**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.

CERTIFIED PUBLIC ACCOUNTANTS

- 
- 12700 SW 72ND AVENUE • TIGARD, OREGON 97223
  - (503) 620-2632 • FAX (503) 684-7523

January 15, 2013

## Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the City of North Plains as of and for the year ended June 30, 2012, and have issued our report thereon dated January 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. The notice for budget hearing was not advertised 5-30 days prior to the budget hearing.
2. The notice for the supplemental budget was not advertised 5 days prior to the supplemental budget hearing.
3. Disbursements of funds were within budget except as noted on page 21.
4. Bid documentation was not retained for some purchases over \$5,000.

### 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.

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.

*Pauly, Rogers and Co. P.C.*  
PAULY, ROGERS AND CO., P.C.



# CITY OF NORTH PLAINS

31360 NW Commercial Street, North Plains, Oregon 97133

Date: March 14, 2013  
 To: Mayor and City Council  
 From: Martha DeBry-City Manager  
 Subject: Discussion of proposed water rate increases

**Request:** Council to discuss water rate increase options and provide direction to staff for the July 2013 rate increase.

**Background:** The Water Fund is an enterprise that supports the storage and delivery of potable water in North Plains. A rate increase is needed to address the cash flow needs of the fund. There are two main areas where the City spends funds: Capital Improvement Program (CIP) and operations.

### ***Capital Improvement Program***

The City's water master plan needs to fund several capital projects in the coming five years:

<b>Project</b>	<b>2013/14</b>	<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>	<b>2017/2018</b>
Pump House Foundation		\$30,000			
12" Glencoe Main					\$250,000
8" 309 <sup>th</sup> Main		\$31,000			
General main replacement	\$51,000	\$51,000	\$51,000	\$51,000	\$51,000
Earthquake Stabilization				\$157,000	
12" Gordon Road					\$60,000

Staff has reviewed the water capital improvements program (CIP) and deferred a project to rehabilitate a main in Commercial Street for six years. Additionally a project to extend a new 12" main under the railroad tracks at Glencoe was deferred to 2020, with the intention of rolling that expense into future debt that will be serviced after 21/22.

The average revenue requirement for the CIP over the next 5 years is \$136,000/year if projects are funded with cash. The ten year average revenue requirement is \$120,000/year.

It should be noted not all expenses for a project are incurred in the fiscal year in which they are assigned. Some expenses may be incurred in the year prior for engineering or

year after as many Spring/Summer projects span two fiscal years. Project timing can be adjusted in future years to address cash shortages should they occur.

The general main replacement funds (\$51,000) are to provide funding for small projects that are identified in the field and need immediate resolution. If no projects are identified, then no expenses will be incurred by the water fund.

### **Operations**

Cash flow projections for the coming years included a 3% annual increase for materials and supplies (which would include water purchases from the Joint Water Commission) and 5% annual increase in interfund transfers which provides funding for public works staff and overhead administration costs. Debt payments will remain flat through 2023. Special payments in water are pass thru costs to transfer Joint Water Commission funds and should not have a significant impact on the operating budget.

### **Water Base Rate**

The City's customer rate base breakdowns as follows:

<b>Monthly Water Charges:</b>	<b>Base Rate</b>	<b>Average Monthly Customers</b>	<b>Monthly Revenue</b>	<b>2012 Annual Revenue</b>
3/4" meter	\$47.50	715	\$33,962.50	\$407,550.00
3/4" outside city	\$88.86	1	\$88.86	\$1,066.32
WA County Fire	\$110.35	1	\$110.35	\$1,324.20
1" meter	\$79.19	16	\$1,267.04	\$15,204.48
1" meter outside city	\$118.79	1	\$118.79	\$1,425.48
1.5" meter	\$158.30	8	\$1,266.40	\$15,196.80
2" meter	\$253.23	12	\$3,038.76	\$36,465.12
3" meter	\$553.70	1	\$553.70	\$6,644.40

Most residences have ¾ inch meters which have a minimum fee of \$47.50/month, which provides about half of the water fund's revenues. Increasing the base rate for residential customers would look like the following:

<b>Proposed Increase</b>	<b>Monthly Rate</b>	<b>Monthly Change</b>
Current rate	\$47.50	
1%	\$47.98	\$0.48
2%	\$48.45	\$0.95
3%	\$48.93	\$1.43
4%	\$49.40	\$1.90
5%	\$49.89	\$2.39

Staff anticipates adding approximately 20 single family homes in the coming year which should yield another \$10,000-\$15,000 in operating revenues next year. An additional \$30,000 in SDC revenue is also likely in the coming year.

### **Consumption**

The calendar year consumption billed for 2012 was 84,384 units, or an average of 7,032 per month. Construction projects (like Clean Water Services and ODOT) were billed for 5,828 units in 2012. These customers are billed at the highest consumption rate tier.

Approximately 13% of the water purchased by the City in 2012 was not billed as a result of water loss, consumption at public and non-profit facilities. The average water units purchased in prior three years has been 7,622 units/month.

Billed consumption is estimated between 78,000 units and 84,300 units, which can affect annual revenues by \$25,000. Water consumption tends to be volatile as peak demands are strongly associated with weather conditions (eg. a mild summer would reduce sales, or hot fall would increase sales.) Construction projects that draw water from a meter are another variable that affects revenue each year. Staff anticipates the ODOT project and Highland Court subdivision will affect future demand. Recology has also used a tremendous amount of water in the recent year to manage its compost piles, which may also impact total revenues.

Proposed consumption rates were evaluated with 1%-5% increases:

Units Consumed	Tier 1 00-25 ccf	Tier 2 26-50 ccf	Tier 3 51 ccf and up
Current rate	\$3.91	\$4.24	\$4.79
1%	\$3.95	\$4.28	\$4.84
2%	\$3.99	\$4.32	\$4.89
3%	\$4.03	\$4.37	\$4.93
4%	\$4.07	\$4.41	\$4.98
5%	\$4.11	\$4.45	\$5.03

\* 1 ccf = 100 cubic feet = 748 gallons

#### ***What a rate increase looks like for most residents:***

Most residents consume roughly 6 units a month which is billed at the 0-25 ccf rate tier. The typical impact of the rate increase would be as follows

	Base Rate	6 units Consumption	Total Monthly	Monthly Change	Annual Change
Current	\$47.50	\$23.46	\$70.96		
1%	\$47.98	\$23.69	\$71.67	\$0.71	\$8.52
2%	\$48.45	\$23.93	\$72.38	\$1.42	\$17.03
3%	\$48.93	\$24.16	\$73.09	\$2.13	\$25.55
4%	\$49.40	\$24.40	\$73.80	\$2.84	\$34.06
5%	\$49.88	\$24.63	\$74.51	\$3.55	\$42.58

Some residents will incur charges at higher rate tiers if they have large landscaped areas.

Staff evaluated rate increases at the 1%, 2%, 3%, 4% and 5% levels in 2013/2014, together with similar rate increases in 2014/15 and 2015/2016. While the 2013/14 will not have many projects and operation costs are stable, subsequent years will have higher revenue requirements.

**Fiscal Impact:** Setting rates determines the amount of cash that flows into the water fund. The Council has several options it can consider:

- 1) No rate increase. This will severely limit funds available for CIP projects in the short term.
- 2) Rate increase 4%-5%. This will meet most cash needs for the CIP, and allow for brief low consumption periods.
- 3) Rate increase of 2%-3%. This may meet most cash needs for the CIP. Low consumption would likely result in higher rate increase in subsequent years.

The City may want to consider taking advantage of low interest rates and borrowing from the State Infrastructure Fund for the 2016/17 Earthquake Stabilization project and or 2019 12" Main in Commercial St project, in order to further reduce the CIP revenue requirement in the first five years, and minimize rate increases in subsequent years.

**Environmental Issues:** None identified.

**Recommendation:** Council provide direction regarding the level of rate increase it would like presented in April.



## CITY OF NORTH PLAINS

31360 NW Commercial Street, North Plains, Oregon 97133

Date: March 15, 2013  
To: City Council  
From: City Manager Martha DeBry  
Subject: Ordinance No. 415 of the City Council of the City of North Plains, Oregon, amending Municipal Code by adding Chapter 1.40 Parks Board

---

**Request:** Read Ordinance No. 415 of the City Council of the City of North Plains, Oregon, amending Municipal Code by adding Chapter 1.40 Parks Board for the first time by title only.

**Background:**

The Parks Advisory Committee (PAC) is an ad hoc committee of the City. This means that its appointment is temporary in nature, and the PAC can only make recommendations to Council.

The PAC met on Wednesday, February 27, 2013 and discussed the role of the committee and if it should become a regular institution of the City. Its role may include setting fees for parks usage, establishing rules for permits, evaluating parks and recreation programs of the City and oversight of the Parks capital program. At present the PAC can only make recommendations to the Council, and they have no authority to act on behalf of the Council.

City Council reviewed the draft ordinance on March 4, 2013.

**Fiscal Impact:** There is no fiscal impact with this item.

**Recommendation:** Council read by title only for the first time Ordinance No.415 amending Municipal Code by adding Chapter 1.40 Parks Board.

**Motion:** I move to read Ordinance No. 415 by title only.

**Chapter 1.40**  
**Parks Board**

**1.40.010 Parks ~~Advisory~~ Board established.**

The Parks ~~Advisory~~ Board, composed of ~~seven~~ five to nine members, to be appointed by the mayor with the consent of the city council, is hereby established. The Parks ~~Advisory~~ Board members shall appoint, at their first regular meeting, a chairperson, ~~and~~ vice chairperson ~~and secretary~~ from their membership. The position of chairperson shall be selected each January for a one-year term.

**1.40.020 Membership qualifications.**

Qualifications for appointment to membership on the Parks ~~Advisory~~ Board include demonstration of positive interest in the development, operation and maintenance of public parks, open spaces and trails in North Plains and status as a resident or representative of a property or business owner within the city limits. The Board shall be comprised of at least one, but not more than two, city councilors and one, but not more than two, Planning Commissioners.

**1.40.030 Terms of office.**

The term of each of the initial members shall be determined by the mayor with the consent of the council.

Upon the expiration of the terms of each of the initial members, the mayor shall, with the consent of the council, appoint a successor to each member whose term shall have expired.

Each succeeding term following the initial appointment shall be for a period of two ~~four~~ years, and the mayor shall, with the consent of the council, appoint successors to such offices for each term of two~~four~~ years thereafter. Appointments shall be structured so as to ensure that terms overlap.

The mayor, with the consent of the council, may also appoint city council advisory members to the committee who will serve on an ex officio basis and without vote.

Vacancies of the Parks ~~Advisory~~ Board shall be filled for the remaining term of vacant positions ~~the members ceasing to be members of the board~~ in the same manner as the original appointment. It shall be the duty of the chairperson or the vice chairperson of the board to notify the mayor and city council when a vacancy exists.

**1.40.040 Meetings.**

The Parks ~~Advisory~~ Board shall meet at least quarterly on a specific schedule adopted for the year by the board members. The board chairperson may call, by and upon the concurrence of three members, special meetings of the board.

**1.40.050 Purpose.**

The general functions of the Parks ~~and Recreation Advisory~~ Board shall be to advise the Public Works Director and City Council on issues such as:

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- (1) ~~Concerning the management, care and control of public parks and recreation facilities and programs of the City, together with all park property and recreation facilities which may be acquired and developed;~~
- (2) ~~Concerning the making and altering from time to time of needful rules and regulations for the maintenance of order, safety and decency in said parks and recreation facilities;~~
- (3) ~~Concerning the establishment and modification of fees for park and recreation services, programs, or facility rentals;~~
- (4) ~~Concerning the expenditure of such funds as shall be appropriated by the City Council for public park and recreation facilities and programs.~~

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**1.40.060 Compensation of members.**

The Parks ~~Advisory~~ Board members shall receive no compensation for their services. ~~The Parks Advisory Board members shall have no authority to make any expenditure on behalf of the city, or obligate the city for payment of any sums of money. However, they will make recommendations to the city council from time to time regarding expenditures and/or obligations.~~

**1.40.070 Quorum – Rules and regulations.**

A majority of the appointed Parks ~~Advisory~~ Board shall constitute a quorum. The Board shall adopt rules and regulations to conduct its affairs, which rules and regulations shall be consistent with the laws of the state of Oregon, North Plains City Charter and City of North Plains ordinances.

**ORDINANCE NO. 415**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NORTH PLAINS, OREGON,  
AMENDING MUNICIPAL CODE BY ADDING CHAPTER 1.40 PARKS BOARD**

**WHEREAS**, the City of North Plains has maintained an ad hoc committee to review and evaluate park related issues for several years, and

**WHEREAS**, Parks Board may provide additional assistance to the City Council if it were authorized as a standing committee of the Council.

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

**Section 1.** The Municipal Code shall be amended to include Chapter 1.40 Parks Board 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 March, 2013, **AND ADOPTED** this 1st day of April, 2013.

**CITY OF NORTH PLAINS, OREGON**

By: \_\_\_\_\_  
David Hatcher, Mayor

ATTEST:

By: \_\_\_\_\_  
Martha DeBry, City Manager/City Recorder

## Chapter 1.40 Parks Board

### **1.40.010 Parks Board established.**

The Parks Board, composed of five to nine members, to be appointed by the mayor with the consent of the city council, is hereby established. The Parks Board members shall appoint, at their first regular meeting, a chairperson and vice chairperson from their membership. The position of chairperson shall be selected each January for a one-year term.

### **1.40.020 Membership qualifications.**

Qualifications for appointment to membership on the Parks Board include demonstration of positive interest in the development, operation and maintenance of public parks, open spaces and trails in North Plains and status as a resident or representative of a property or business owner within the city limits. The Board shall be comprised of at least one, but not more than two, city councilors and one, but not more than two Planning Commissioners.

### **1.40.030 Terms of office.**

The term of each of the initial members shall be determined by the mayor with the consent of the council.

Upon the expiration of the terms of each of the initial members, the mayor shall, with the consent of the council, appoint a successor to each member whose term shall have expired.

Each succeeding term following the initial appointment shall be for a period of two years, and the mayor shall, with the consent of the council, appoint successors to such offices for each term of two years thereafter. Appointments shall be structured so as to ensure that terms overlap.

The mayor, with the consent of the council, may also appoint city council advisory members to the committee who will serve on an ex officio basis and without vote.

Vacancies of the Parks Board shall be filled for the remaining term of vacant positions in the same manner as the original appointment. It shall be the duty of the chairperson or the vice chairperson of the board to notify the mayor and city council when a vacancy exists.

### **1.40.040 Meetings.**

The Parks Board shall meet at least quarterly on a specific schedule adopted for the year by the board members. The board chairperson may call, by and upon the concurrence of three members, special meetings of the board.

### **1.40.050 Purpose.**

The general functions of the Parks Board shall be to advise the Public Works Director and City Council on issues such as:

- (1) Concerning the management, care and control of public parks and recreation facilities and programs of the City, together with all park property and recreation facilities which may be acquired and developed;
- (2) Concerning the making and altering from time to time of needful rules and regulations for the maintenance of order, safety and decency in said parks and recreation facilities;
- (3) Concerning the establishment and modification of fees for park and recreation services, programs, or facility rentals;
- (4) Concerning the expenditure of such funds as shall be appropriated by the City Council for public park and recreation facilities and programs.

**1.40.060 Compensation of members.**

The Parks Board members shall receive no compensation for their services.

**1.40.070 Quorum – Rules and regulations.**

A majority of the appointed Parks Board shall constitute a quorum. The Board shall adopt rules and regulations to conduct its affairs, which rules and regulations shall be consistent with the laws of the state of Oregon, North Plains City Charter and City of North Plains Ordinances.



## CITY OF NORTH PLAINS

31360 NW Commercial Street, North Plains, Oregon 97133

Date: March 15, 2013  
To: City Council  
From: City Manager Martha DeBry  
Subject: Second Reading and Adoption of Ordinance No. 414 Municipal Code Chapter 3.01 regarding Sanitary Sewer System

---

**Request:** Council read Ordinance No. 414 amending Chapter 3.01 of the Municipal Code regarding Sanitary Sewer System for the second time and adopt the Ordinance.

**Background:** In January 1985 the City adopted Ordinance No.146 providing for a Sanitary Sewer System. (A sanitary sewer system conveys waste water such as that from a toilet, washer or sink to a waste water treatment plant before the water is returned to the ecosystem; as opposed to storm sewer system that conveys rainwater directly to streams and other water bodies.)

Since that time the United Sewerage Agency was reconstituted as Clean Water Services and most buildings in North Plains were connected to the sanitary sewer system, making some of the language in the ordinance appear outdated. The suggested revisions were shared with the City Attorney and Clean Water Services for comment.

**Fiscal Impact:** Adoption of the updated ordinance has no fiscal impact on the City.

**Recommendation:** Council read Ordinance No. 414 by title only for the second time and adopt.

**Sample Motion:** I move to read Ordinance No. 414 by title only.

**Sample Motion:** I move to adopt Ordinance No. 414.

**ORDINANCE NO. 414**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NORTH PLAINS,  
OREGON, AMENDING CHAPTER 3.01 OF MUNICIPAL CODE REGARDING  
SANITARY SEWER SYSTEM**

**WHEREAS**, the City of North Plains adopted Ordinance No.146 in January 1985 providing for a Sanitary Sewer System.

**WHEREAS**, a Sanitary Sewer System Master Plan was adopted by Ordinance No. 183, on December 4, 1989 relating to the use of public sewers within the City; and,

**WHEREAS**, the United Sewerage Agency has been reconstituted as Clean Water Services; and,

**WHEREAS**, most of the buildings in North Plains have been connected to the sanitary sewer system, making some of the language in Chapter 3.01 appear outdated.

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

Section 1. Chapter 3.01 of the Municipal Code is amended in its entirety to reflect 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 4th day of March, 2013, **AND ADOPTED** this 18th day of March, 2013.

**CITY OF NORTH PLAINS, OREGON**

By: \_\_\_\_\_  
David Hatcher, Mayor

ATTEST:

By: \_\_\_\_\_  
Martha DeBry, City Manager/City Recorder

Chapter 3.01  
SANITARY SEWER SYSTEM

Sections:

- 3.01.010 Service Provider.
- 3.01.020 Definitions.
- 3.01.030 Privies Septic Tanks.
- 3.01.040 Connection Required.
- 3.01.050 Discontinuance of Service.
- 3.01.060 Exceptions.

3.01.010 Service Provider.

Clean Water Services, a county service district of Washington County, provides sewage services in the City of North Plains, and its ordinances and resolutions and orders shall serve as the "The City of North Plains Sewerage System Code."

3.01.020 Definitions.

- 1) "Board" shall mean the Clean Water Services Board of Directors.
- 2) "General Manager" shall mean the General Manager of Clean Water Services or his or her designee.
- 3) "County" shall mean Washington County, Oregon.
- 4) "District" shall mean Clean Water Services, formerly known as the "Unified Sewerage Agency.
- 5) "System" or "District Wastewater" or "District Sewerage System" shall mean the complete system of Clean Water Services' interceptors, trunks, mains, laterals, outfall lines, pumping stations and any other conveyances used for the collection of sewage and the treatment thereof located in the City of North Plains, Oregon.

3.01.030 Privies Septic Tanks.

No person shall construct or maintain any privy, privy vault, septic tank, cesspool or other facility intended or used for the disposal of sewage within the corporate limits of the City.  
[Added by Ord. 150, December 17, 1985; amended by Ord. 151, January 7, 1985.]

3.01.040 Connection Required.

The owner of all buildings situated within the City and abutting on any street, sewer easement, alley or right-of-way in which there is located a public sanitary sewer is

hereby required at the owner's expense to obtain necessary permits and connect such building directly to the public sewer.

3.01.050 Discontinuance of Service.

The City may discontinue water service to the premises upon which a building or buildings is located which building or buildings is not connected to the public sewer system in accordance with the provisions of section 3.01.040 above. If the City elects to discontinue said water service, it shall provide the owner of such premises not less than thirty days written notice of the City's intention to discontinue water service. If such noncompliance affects matters of health or safety or other conditions that warrant such action, the City may discontinue water service immediately. [Added by Ord. 150, December 17, 1985; amended by Ord. 151, January 7, 1985.]

3.01.060 Exceptions.

The provisions of section 3.01.040 above shall not apply to buildings which cannot be served by sewer improvements. When sewer services become available, connection will be required as a condition of approval of any building permit or design review application.[Added by Ord. 150, December 17, 1985; amended by Ord. 151, January 7, 1985.]

(ORD. 146, January 7, 1985.)

# April 2013 Council Calendar

<i>Meeting</i>	<i>Primary</i>	<i>Alternate</i>	<i>Note</i>	<i>Date</i>
<b>City Council</b>			<b>7:00 p.m.</b>	<b>4/1</b>
Washington County Coordinating Committee (WCCC)	Hatcher	DeBry	2 <sup>nd</sup> Monday @ 12 noon	4/8
Planning Commission	Kindel		2 <sup>nd</sup> Wednesday @ 7 p.m.	4/10
Volunteer Recognition Event			6:00 p.m.at Jessie Mays	4/11
Washington County Office of Community Development: Policy Advisory Board	Kindel	Demagalski	2 <sup>nd</sup> Thursday @ 7 p.m.	4/11
<b>City Council</b>			<b>7:00 p.m.</b>	<b>4/15</b>
Library Board	Lenahan		3 <sup>rd</sup> Wednesday @ 7 p.m.	4/17
Playdate			1:30-5:00 pm Jessie Mays	4/28
Metro Policy Advisory Committee (MPAC)	Hatcher	Newton	4 <sup>th</sup> Wednesday @ 5 p.m.	4/24
Parks Advisory Committee	Newton		4 <sup>th</sup> Wednesday @ 6 p.m.	4/24
Country Western Music Show: Combined with NPSC (Senior Benefit Dance)			North Plains Senior Center	4/27
Metropolitan Area Communications Commission (MACC)	Warren	Lenahan	No Meeting Scheduled	
Northwest Oregon Area Commission on Transportation (NWACT)	Lenahan	DeBry	No Meetings Scheduled	

CLOSED EVENING OF MARCH 17TH TO 22ND

CLOSED MARCH 23<sup>RD</sup> TO MORNING OF 29<sup>TH</sup>

# GLENCOE ROAD OVERPASS

## AFTER

