city of REDMOND oregon

CITY HALL
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CITY COUNCIL

June 30, 2020
Council Chambers • 411 SW 9th Street

COUNCIL MEMBERS

George Endicott
Mayor

Jay Patrick
Council President

Jon Bullock
Councilor

Albert Calderon
Councilor

Krisanna Clark-Endicott
Councilor

Camden King
Councilor

Ginny McPherson
Councilor

JUNE 30, 2020 — SPECIAL MEETING AGENDA — 6:00 PM

I. CALL TO ORDER / ESTABLISH A QUORUM

II. PRESENTATIONS

A. Current Events

III. CONSENT AGENDA

A. Minutes of April 28, 2020, Council Meeting

B. Res. #2020-13 - A resolution of the City of Redmond to make budget adjustments.

IV. PROCLAMATIONS

A. Immigrant Heritage Month

B. Placeholder for Untitled Proclamation

V. BID AWARDS / BID REJECTIONS

A. Airline Consulting Services RFQ: Mead & Hunt (Contract No. 2020-47)

B. Addendum #24 to City Contract #2015-39 with Morrison-Maierle for Engineering Design and Construction Management Services for the Redmond Airport Taxiway F Rehabilitation Project: Not to Exceed $1,047,000 (AP4700)

C. Airport Attorney Services RFP: Bryant, Lovlien & Jarvis, P.C. (Contract No. 2020-48)

VI. ORDINANCES

A. Ord. #2020-12 - An ordinance repealing Ord. #2000-05, and granting a non-exclusive, 10-year franchise agreement to Cascade Natural Gas Corporation and Declaring an Emergency.

VII. ACTION ITEMS

A. Amendment #1 Exercising a Two-Year Contract Extension with SP Plus Corporation for Management of Redmond Airport's Public Parking Facilities: $247,059

B. Amendment #2 to City Contract #2018-51 with RAMS Specialized Security Service, Inc.

C. Amendment #1 to City Contract #2017-18 with Dickey & Tremper, LLP to exercise the provision in the original contract to extend for one additional year: $63,310.

VIII. ADJOURN

Regular Council meetings are broadcast live on COTV11 – BendBroadband Channel 11 beginning at 6:00 p.m. on the 2nd and 4th Tuesdays of each month. Rebroadcasts are scheduled for the non-meeting Tuesdays at 6:00 p.m.
The City of Redmond encourages all citizens to participate in its programs and activities. This meeting location is accessible to people with disabilities. Requests for accommodation may include sign language interpreter service, assistive listening devices, materials in an alternate format or any other accommodation. If any accommodations are needed, please contact the ADA Coordinator at 541-504-3036 or access@ci.redmond.or.us. Requests should be made as soon as possible, but at least 3 business days prior to the scheduled meeting.
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DRAFT

A VIRTUAL REGULAR CITY COUNCIL MEETING OF THE CITY OF REDMOND WAS HELD APRIL 28, 2020, IN THE EXECUTIVE CONFERENCE ROOM 141.

COUNCIL MEMBERS PRESENT: **Jon Bullock – Joe Centanni (left at 7:30 p.m.) – Krisanna Clark-Endicott – George Endicott – Camden King – Ginny McPherson – Jay Patrick**

STAFF PRESENT: **City Manager Keith Witcosky – City Attorney Keith Leitz – Police Chief Dave Tarbet – Public Works Director Bill Duerden – City Engineer Mike Caccavano – City Recorder Kelly Morse – Deputy City Manager John Roberts – IT Manager Sheri Cleveland – Chief Financial Officer Jason Neff – Accounting and Financial Reporting Director Brooks Slyter – Airport Director Zachary Bass – Senior Planner Scott Woodford – Parks Division Manager Annie McVay**

MEDIA PRESENT: **None**

Mayor Endicott called the meeting to order at 6:00 p.m. A quorum was established.

COMMENTS FROM CITIZENS AT THE MEETING

There were no comments from citizens at the meeting.

PRESENTATIONS
A. COVID-19 Update

Mayor Endicott and staff provided an update on COVID-19 highlighting calls with Governor Kate Brown and what restaurant may look like once open. Mayor Endicott and Bend Mayor Sally Russell will begin holding a weekly press conference.

CONSENT AGENDA
A. Certified Local Government Historical Preservation Grant Acceptance for $12,000
B. Res. #2020-03 – A resolution of the City of Redmond declaring certain items to be surplus.

Councilor Clark-Endicott moved, seconded by Councilor Bullock, to approve the Consent Agenda as presented, motion passed. (Bullock-yes, Centanni-yes, Clark-Endicott-yes, Endicott-yes, King-yes, McPherson-yes, Patrick-yes)

PROCLAMATIONS
A. Fair Housing Month

Councilor Bullock moved, seconded by Councilor Clark-Endicott, to approve the proclamation designating May 2020 as Fair Housing Month, motion passed. (Bullock-yes, Centanni-yes, Clark-Endicott-yes, Endicott-yes, King-yes, McPherson-yes, Patrick-yes)

BID AWARDS/BID REJECTIONS
A. Juniper Golf Course Golf Cart Lease

Parks Division Manager Annie McVay introduced Juniper Golf Course General Manager Rob Malone then provided a presentation requesting approval of a 48-month lease for 50 new year-round carts, 15 seasonal carts, and one range picker. Three proposals were received in response to the City's Request for Proposal. After review, Yamaha Golf Car Company was selected. Mr. Malone addressed questions from the Council.

Councilor Bullock moved, seconded by Councilor Patrick, to enter into a 48-month lease with Yamaha Golf Car Company in the amount of $220,920.00, motion passed. (Bullock-yes, Centanni-yes, Clark-Endicott-yes, Endicott-yes, King-yes, McPherson-yes, Patrick-yes)

B. Juniper Golf Course Spray Vehicle Financing

Ms. McVay requested approval of a new sprayer vehicle. Three proposals were received in response to the City's Request for Proposal; after review, RMT was selected. The price of $49,990 will be financed through US Bank for 60 months at an interest rate of 2.8 percent.

Councilor Bullock moved, seconded by Councilor McPherson, to authorize the City Manager to enter into a financing arrangement with US Bank for a sprayer vehicle from RMT in the amount of $49,990.00, motion passed. (Bullock-yes, Centanni-yes, Clark-Endicott-yes, Endicott-yes, King-yes, McPherson-yes, Patrick-yes)

PUBLIC HEARING

A. Ord. #2020-06 - An ordinance approving a tentative subdivision and an amendment to the Redmond Comprehensive Plan and the adopted City of Redmond Zoning Map to rezone the property from R-3 (Limited Residential) to R-4 (General Residential) for Cinder Butte Village Phase 1, located at the SE Corner of NW 10th Street and NW Upas Avenue (Deschutes County Tax Lot #151304AB00102) Redmond, OR 97756.

Mayor Endicott opened the public hearing.

Senior Planner Scott Woodford read the land use statement. No protests from the public were received from the public. No pre-hearing contacts, ex-parte observations, or conflicts of interest were declared by the Council. Mr. Woodford explained that Ord. #2020-06 approves a tentative subdivision for Cinder Butte Village Phase 1 and amends the Comprehensive Plan and Zoning Map by rezoning the property from R-3 (Limited Residential) to R-4 (General Residential). The applicant, Hayden Homes, proposes to subdivide the property into 16 single family lots at a minimum of 6,000 square feet each. Access will be via a cul de sac off of NW Upas Avenue. To be in conformance with the Highway Area Plan, the applicant requests a rezone from R-3 to R-4 which will allow for an increase in density allowing for 5 additional lots for a total of sixteen. Mr. Woodford answered questions from the Council regarding the road being constructed, lot size, and Safe Routes to Schools and crosswalks.

Hayden Homes Representative Matt Smith confirmed the details of Mr. Woodford's presentation and was available to answer any questions.

There being no further testimony, Mayor Endicott closed the public hearing.

Councilor McPherson moved, seconded by Councilor Patrick, to have a first and second reading of Ord. #2020-06 by title only, motion passed. (Bullock-yes, Centanni-yes, Clark-Endicott-yes, Endicott-yes, King-yes, McPherson-yes, Patrick-yes)

City Attorney Keith Leitz read the first and second reading of Ord. #2020-06 by title only.

Councilor Clark-Endicott moved, seconded by Councilor Centanni, to approve Ord. #2020-06, motion passed. (ROLL CALL: Bullock-yes, Centanni-yes, Clark-Endicott-yes, Endicott-yes, King-yes, McPherson-yes, Patrick-yes)

B. Ord. #2020-07 - An ordinance approving a tentative subdivision, Cottage Development, Conditional Use, Variance and Modification of Approval for Cinder Butte Village Phases 2-4, located northeast of the intersection of NW 10th Street and Upas Avenue (Deschutes County Tax Lot #1413330001806), Redmond, OR 97756.

Mayor Endicott opened the public hearing.

Senior Planner Scott Woodford read the land use statement. No protests from the public were received from the public. No pre-hearing contacts, ex-parte observations, or conflicts of interest were declared by the Council. Mr. Woodford explained that Ord. #2020-07 approves a tentative subdivision approval for a cottage development with a variance that would allow up to 50 percent of them to be 1,300 square feet and a modification to the Central Christian master plan approved in 2017. The subdivision would sit on approximately 20 acres located north of Upas Avenue and east of NW 10th Street within the Highway Area Plan. Comments were received from neighboring property owner Ron Bryant regarding the lack of green space. Mr. Woodford explained that the cottage development code requires 500 square feet of open space as a whole for the community and each cottage unit must front onto open space that is on average 40 feet wide. There is 1.49 acres of open space in the cottage portion of the subdivision in addition to a 10 foot wide meandering path. Mr. Woodford addressed questions on the difference between park space versus open/green space.

Mr. Smith addressed Mr. Bryant's public comments by noting they are installing 53,770 square feet of open space rather than the minimum requirement of 26,500 square feet.

Councilor Patrick commented that Hayden Homes will not be required to construct the full park, but the neighboring developer will. In response Mr. Woodford explained that because of the partition, the adjacent developer would be required to construct the park but is eligible to receive credits for system development charges.

There being no further testimony, Mayor Endicott closed the public hearing.

Councilor Patrick moved, seconded by Councilor McPherson, to have a first and second reading of Ord. #2020-07 by title only, motion passed. (Bullock-yes, Centanni-yes, Clark-Endicott-yes, Endicott-yes, King-yes, McPherson-yes, Patrick-yes)

City Attorney Keith Leitz read the first and second reading of Ord. #2020-07 by title only.

Councilor McPherson moved, seconded by Councilor Clark-Endicott, to approve Ord. #2020-07, motion passed. (ROLL CALL: Bullock-yes, Centanni-yes, Clark-Endicott-yes, Endicott-yes, King-yes, McPherson-yes, Patrick-yes)

At this point in the agenda, Councilor Centanni left the meeting.

ORDINANCES

A. Ord. #2020-03 - An ordinance granting a non-exclusive telecommunication franchise to Woden, LLC.

Accounting and Financial Reporting Director Brooks Slyter request approval Ord. #2020-03 which grants a 5-year non-exclusive telecommunications franchise to Woden, LLC. This franchise agreement is similar to other telecommunication agreements currently in place. Woden, LLC representative Lach Litwer thanked the Council and staff adding that he looks forward to working with our community.

Councilor Bullock moved, seconded by Councilor McPherson, to have a first and second reading of Ord. #2020-03 by title only, motion passed. (Bullock-yes, Centanni-absent, Clark-Endicott-yes, Endicott-yes, King-yes, McPherson-yes, Patrick-yes)

City Attorney Keith Leitz read the first and second reading of Ord. #2020-03 by title only.

Councilor Bullock moved, seconded by Councilor McPherson, to approve Ord. #2020-03, motion passed. (ROLL CALL: Bullock-yes, Centanni-absent, Clark-Endicott-yes, Endicott-yes, King-yes, McPherson-yes, Patrick-yes)

B. Ord. #2020-05 - An ordinance amending the Redmond City Code Chapter 9 - Building and Fire Codes, establishing local building codes.

Building Official Aaron Yuma requested approval of Ord. #2020-05 which modifies Chapter 9 of the Redmond City Code to align with recent changed made by the State Building Codes Division. Mr. Yuma noted that these changes will not affect doing business in Redmond nor will it cost the many additional fees.

Councilor Bullock moved, seconded by Councilor Clark-Endicott, to have a first and second reading of Ord. #2020-05 by title only, motion passed. (Bullock-yes, Centanni-absent, Clark-Endicott-yes, Endicott-yes, King-yes, McPherson-yes, Patrick-yes)

City Attorney Keith Leitz read the first and second reading of Ord. #2020-05 by title only.

Councilor Bullock moved, seconded by Councilor Clark-Endicott, to approve Ord. #2020-05, motion passed. (ROLL CALL: Bullock-yes, Centanni-absent, Clark-Endicott-yes, Endicott-yes, King-yes, McPherson-yes, Patrick-yes)

ACTION ITEMS
A. Public Transportation Services Agreement with Central Oregon Intergovernmental Council

Public Works Director Bill Duerden requested approval of a Public Transportation Services Agreement with Central Oregon Intergovernmental Council. Services are purchased using 5310 federal grant funds which equaled approximately $437,000.00 for the 2019/2020 biennium. The City entered into joint cooperative procurement agreement with the cities of Madras, Prineville and Sisters, and Deschutes County. Madras served as the lead agency and received only one proposal in response to the Request for Proposal. Mr. Duerden shared that services provided under the agreement will be a continuation of the current community response. The initial agreement term is January 1, 2020 through December 31, 2021, with two additional 2-year renewal options. Redmond's funding match is $45,000.00 per year.

Councilor Patrick moved, seconded by Councilor McPherson, to authorize the City Manager to sign the agreement with Central Oregon Intergovernmental Council to provide public transportation services, motion passed. (Bullock-yes, Centanni-absent, Clark-Endicott-yes, Endicott-yes, King-yes, McPherson-yes, Patrick-yes)

MAYOR'S COMMENTS
Mayor Endicott commented that this is the first time he can remember approving four ordinances in one meeting.

COUNCIL COMMENTS
Councilor Bullock acknowledged the great work being done by the Redmond Rallies team to connect with businesses and help them through this reopening process. The Chamber of Commerce will hold a virtual First Friday and encourages citizens to shop these businesses online.

Councilor King stated that remembering we are in the midst of a global pandemic will provide us with context, empathy, and understanding in terms of what is going on with our family, friends, and neighbors. The City has doing a great job trying to move forward despite everything.

Councilor McPherson shared that it can be a discouraging time but recommended that people go through their contact list and reach out to people and check on them.

Councilor Patrick opined we need to keep a close eye on statistics for crime, domestic violence and suicides. People have been sheltering in place for a few weeks now and are getting antsy. Councilor Patrick appreciates that the City is allowing people to speak their mind at the recent rallies without being harassed.

CITY MANAGER COMMENTS

City Manager Keith Witcosky stated that good things can come from bad situations and we are seeing people rise up to help strangers. Mr. Witcosky shared details of upcoming meetings noting that a joint workshop with the Bend City Council may be necessary.

ADDITIONAL COMMENTS FROM CITIZENS AT THE MEETING

There were no additional comments from citizens at the meeting.

There being no further business, the meeting was adjourned at 8:29 p.m.

Prepared by Kelly Morse, City Recorder

APPROVED by the City Council and SIGNED by the Mayor this 30th day of June 2020.

____
George Endicott, Mayor

ATTEST:

____
Kelly Morse, City Recorder

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STAFF REPORT

DATE: June 30, 2020
TO: Redmond City Council
THROUGH: Keith Witcosky, City Manager
FROM: Jason Neff, Chief Financial Officer
SUBJECT: Res. #2020-13 - A resolution of the City of Redmond to make budget adjustments.

Addresses Council Goal:
Sustain Operations: 1G. Manage financial affairs in a transparent, responsible and consistent manner.

Report in Brief:
The action recommends budget adjustments to the Community Development Block Grant Fund due to unplanned expenditures and revenues in the FY 2019/20 budget.

Background:
Oregon Revised Statue 294.338 provides for certain exceptions to Local Budget Law which do not require a supplemental budget and budget adjustments can be authorized by resolution of the governing body. This includes the expenditure of specific purpose grants (CDBG) approved by the governing body.

Discussion:
The City's CDBG program is assisting Housing Works with $450,000 towards the acquisition of the property located at 736 NW 5th Street (5th & Greenwood) from the Downtown Urban Renewal District. The project was expected to need the funding during FY 2018/19. However, unforeseen legal issues associated with the lot line, delayed the project into FY 2019/20. As such, CDBG resources and distribution needs to be moved.

Community Development Fund:

Federal Grants & Awards	$ 450,000	Materials & Services	$ 450,000
Total Change to Resources	$ 450,000	Total Change to Expenditures	$ 450,000

Fiscal Impact:
Funding shifted between fiscal years; overall there is no fiscal impact.

Alternative Courses of Action:
1. Adopt the FY 2019/20 budget adjustment
2. Do not adopt the budget adjustment

Recommendation / Suggested Motion:
"I move to adopt Resolution #2020-13 adjusting the City's FY 2019/20 budget."

CITY OF REDMOND
RESOLUTION NO. 2020-13

A RESOLUTION OF THE CITY OF REDMOND TO MAKE BUDGET ADJUSTMENTS.

WHEREAS, the City of Redmond will have unexpected and unbudgeted resources and expenditures for FY 2019/20.

WHEREAS, Oregon Revised Statue 294.338 provides for certain exceptions to Local Budget Law which do not require a supplemental budget and budget adjustments can be authorized by resolution of the governing body. This includes the expenditure of specific purpose grants approved by the governing body.

NOW, THEREFORE, be it resolved by the City Council for the City of Redmond as follows:

SECTION ONE: The City of Redmond City Council hereby adopts the following Budget Adjustments for FY 2019/20, in the following fund with the following changes, now on file at City Hall.

SECTION TWO: The amounts for the fiscal year beginning July 1, 2019, are hereby adjusted as follows:

COMMUNITY DEVELOPMENT FUND	Resources	Expenditures
Federal Grants & Awards	$ 450,000	
Materials & Services		$ 450,000
Change to Community Development Fund		**$ 450,000**
Change to Community Development Fund – Total Appropriations		**$ 450,000**

Community Development Block Grant (CDBG) / Housing Works: The City's CDBG program planned to assist Housing Works with $450,000 towards the acquisition of the property located at 736 NW 5th Street (5th & Greenwood) from the Downtown Urban Renewal District. The project was intended to be funded during FY 2018/19 but due to legal issues associated with the lot line, the acquisition was delayed into FY 2019/20. As such, CDBG resources and distribution needs to be moved.

SECTION THREE: This resolution shall be effective this 30th day of June 2020.

ADOPTED by the City Council and **SIGNED** by the Mayor this 30th day of June 2020.

George Endicott, Mayor

ATTEST:

Kelly Morse, City Recorder

City of Redmond
PROCLAMATION

A proclamation designating the month of June 2020 as

IMMIGRANT HERITAGE MONTH

WHEREAS, generations of immigrants from every corner of the globe have built our country's economy and created the unique character of our nation; and

WHEREAS, immigrants continue to grow businesses, innovate, strengthen our economy, and create jobs in Redmond; and

WHEREAS, immigrants have provided the United States with unique social and cultural influence, fundamentally enriching the extraordinary character of our nation; and

WHEREAS, immigrants have been tireless leaders not only in securing their own rights and access to equal opportunity, but have also campaigned to create a fairer and more just society for all Americans; and

WHEREAS, despite these countless contributions, the role of immigrants in building and enriching our nation has, from time to time, been overlooked and undervalued throughout our history.

NOW, THEREFORE BE IT RESOLVED THAT the City Council of the City of Redmond, Oregon, hereby proclaims June 2020 as **IMMIGRANT HERITAGE MONTH** in the City of Redmond.

APPROVED by the City Council and **SIGNED** by the Council President this 30th day of June 2020.

The City of Redmond, Oregon

____
George Endicott, Mayor

ATTEST:

____
Kelly Morse, City Recorder

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STAFF REPORT

DATE: June 30, 2020
TO: Redmond City Council
THROUGH: Keith Witcosky, City Manager
FROM: Zachary Bass, Airport Director
SUBJECT: Airline Consulting Services RFQ: Mead & Hunt (Contract No. 2020-47)

Addresses Council Goal:
5. Establish Redmond Municipal Airport as the best airport of its size in the country.

C. Provide exceptional air service opportunities.
i. Actively work with the Central Oregon Air Service Team (COAST) to market the airport and the region to attract new commercial air carriers, and new and expanded routes.

Report in Brief:
This items requests City Council approve a multi-year contract (up to five years) with Mead & Hunt to provide this air service services, as a consultant of record, to Redmond Municipal Airport (RDM).

Background:
The Airline Services Consultant of Record will assist Airport staff and members of COAST implement a comprehensive air service development program to maintain and increase air service by existing carriers, develop new routes, and attract new carriers to the Airport. COAST is comprised of representatives of City of Redmond (Airport), Economic Development for Central Oregon (EDCO), Central Oregon Visitors Association (COVA), Redmond Economic Development, Inc. (REDI), Redmond Chamber of Commerce, and Bend Chamber of Commerce.

The selection process began in May 2020 with the issuance of an RFQ. One submission was received from RDM's current Airline Consultant of Record, Mead & Hunt. The new contract will be effective July 1, 2020 for a period of 3 years, with two additional one-year extensions. The total term of the contract, including the initial term and all renewal terms, shall not exceed five (5) years. A maximum budgeted amount will be determined through annual approval by City Council.

Over the last five years, Mead and Hunt has been paid the following amounts for their service:

Year 1: $48,865
Year 2: $49,555
Year 3: $49,885
Year 4: $49,995
Year 5: $77,640

Discussion:
For nearly two decades Mead & Hunt has assisted RDM with air service development. During this time air service has grown from two airlines serving three destinations to five airlines serving ten destinations - through nearly 30 daily flights (pre COVID). The Airport has experienced a 100% increase in passengers over the last five years, in part due to Mead and Hunt's expertise.

The work plans and project schedules submitted by Mead & Hunt include market estimates, route forecasts, in-terminal passenger surveys, ongoing demand/performance monitoring, airline incentive programs, airline headquarters meetings, and other industry conference support. In addition, they will continuously monitor the Airport's performance and conduct research in order to proactively react to changes in the market.

Fiscal Impact:

Although no specific costs are included in this contract, Mead and Hunt will present an annual estimated budget for the City Council approval. The annual cost is estimated to be $75,000 and is included in the FY 20/21 budget.

Alternative Courses of Action:

A. Approve Mead & Hunt as the Airline Service Consultant of Record
B. Request more information
C. Do not approve

Recommendation / Suggested Motion:

"I move to award the contract for Airline Consulting Services to Mead & Hunt."

AIRLINE SERVICES CONSULTANT OF RECORD AWARD

Redmond City Council

June 30, 2020

AIRLINE SERVICES CONSULTANT OF RECORD AWARD

$75,000 BUDGETED (ANNUAL COUNCIL APPROVAL)

RFQ PROCESS:

- BIDDER: MEAD & HUNT
- MULTI-YEAR CONTRACT (UP TO 5 YEARS)

SERVICES PROVIDED:

- Air service development program
- Market estimates
- Route forecasts
- Airline incentive program
- Headquarter visits
- Industry conference support

SLIDE / 2

QUESTIONS?

SLIDE / 3

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STAFF REPORT

DATE:	June 30, 2020
TO:	Redmond City Council
THROUGH:	Keith Witcosky, City Manager
FROM:	Zachary Bass, Airport Director
SUBJECT:	Addendum #24 to City Contract #2015-39 with Morrison-Maierle for Engineering Design and Construction Management Services for the Redmond Airport Taxiway F Rehabilitation Project: Not to Exceed $1,047,000 (AP4700)

Addresses Council Goal:
5b.iii. Aggressively pursue physical improvements to airport facilities, increase amenities and enhance the customer experience.

Report in Brief:
This item requests City Council approve Addendum No. 24 to City Contract #2015-39 with Morrison Maierle, Inc. in the maximum amount of $1,047,000 to provide engineering design services and construction management services to construct the Redmond Airport Taxiway F Rehabilitation Project (AP4700).

Background:
On September 8, 2015, Redmond City Council approved contract #2015-39 with Morrison Maierle, Inc. to provide design, engineering, and construction administration services for projects to be completed through the airport's Capital Improvement Program.

This was a three-year contact with two one-year extensions. Each contract addendum reflects an additional project to be undertaken by Morrison Maierle Inc. This will be the 24th project. This master contract ends in September 2020 and the Airport will be performing an RFQ process in compliance with Federal Aviation Administration (FAA) Advisory Circular 150/5100-14E for the next five-year engineering consultant of record.

Discussion:
The Taxiway F project will result in a full parallel taxiway to the primary runway 5-23 at RDM. Elements include widening the taxiway from 50 feet to 75 feet and relocating Taxiway H to meet current FAA design criteria.

Design begins in summer 2020 and construction will begin in summer 2021.

Also, per FAA requirements, a designation change will occur to rename it Taxiway A. New airfield signs will be installed for the renaming, including subsequent name changes of all affected crossover taxiways. A complete new edge lighting system will be installed as well. Finally, the existing entire airfield electrical lighting and signage equipment system will be updated as needed to keep the system operationally reliable for the next twenty years.

Fiscal Impact:
The project will run through FY 2021/22. At this point, the project cost is low confidence. Airport funds of $300,631 are included in the FY 2020/21 budget to match $4.5 million in FAA funding. The total cost of this project is estimated up to $10.4 million which would necessitate $1.4 million of airport funds to match $9.0 million in future FAA funding.

Alternative Courses of Action:
1. Approve Addendum No. 24 to City Contract #2015-39 with Morrison Maierle, Inc.
2. Request more information.
3. Do not approve Addendum No. 24.

Recommendation / Suggested Motion:
"I move to approve Addendum #24 to City Contract #2015-39 with Morrison Maierle, Inc. for engineering design and construction management services for the Redmond Airport Taxiway F Rehabilitation Project in a not to exceed amount of $1,047,000 and authorize the City Manager to execute addendum."

TAXIWAY FOXTROT RECONSTRUCTION ADDENDUM #24

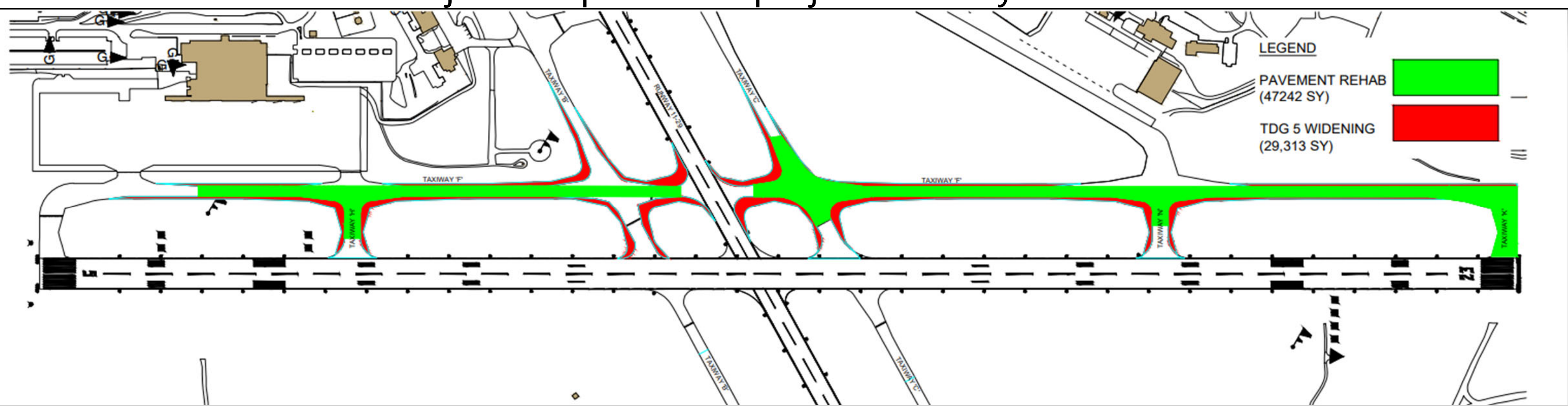
Redmond City Council

June 30, 2020

TAXIWAY FOXTROT PROJECT: $10,400,000

DESIGN BEGINS SUMMER 2020
CONSTRUCTION IN SUMMER 2021

- Taxiway is 20+ years old and is beginning to degrade
- Primary parallel taxiway to main runway
- FAA majority funded
- Current taxiway does not adhere to new FAA guidelines
- Last major RDM pavement project for 10+ years



TAXIWAY FOXTROT ADDENDUM #24
$1,047,000 NOT TO EXCEED

ENGINEER OF RECORD:
- MORRISON-MAIERLE (PROJECT #24)
- DESIGN & CONSTRUCTION MANAGEMENT

CONSTRUCTION INCLUDES:
- Widen taxiway from 50ft to 75ft
- Rename to taxiway Alpha
- New signage
- New edge lighting
- Update entire airfield electrical

QUESTIONS?

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STAFF REPORT

DATE:	June 30, 2020
TO:	Redmond City Council
THROUGH:	Keith Witcosky, City Manager
FROM:	Zachary Bass, Airport Director
SUBJECT:	Airport Attorney Services RFP: Bryant, Lovlien & Jarvis, P.C. (Contract No. 2020-48)

Addresses Council Goal:
5.B. Promote business activities on airport lands located inside the fence line.
C. Maximize the development potential of airport lands located outside the fence line.

Report in Brief:
This item requests City Council authorization for Redmond Municipal Airport (RDM) to selected Bryant, Lovlien & Jarvis, P.C. as the Airport's Attorney of Record.

Background:
On May 15, 2020, RDM issued a Request for Proposals (RFP) for Airport Attorney of Record Services. Four responses were received. An Evaluation Committee comprised of Zachary Bass (Airport Director), Fred LeLacheur (Airport Engineer), Keith Leitz (City Attorney), Leif Anderson (Airport Contracts & Properties Manager), and Sean Neary (Chairman – RDM Advisory Committee) evaluated the proposals. Criteria included: “Management & Organization; Key Personnel; Hourly Rates & Other Costs/Fees; Public Sector and Other Relevant Experience.”

Interviews were conducted with the top three (3) RFP respondents on June 15 and 16, 2020. The interview scoring criteria were “Understanding and Approach” and “Law Firm Capabilities”. Bryant, Lovlien & Jarvis, P.C. received the highest average point totals in both scoring processes.

Discussion:
Under the Airport Attorney Services contract, Bryant, Lovlien & Jarvis, P.C. will perform services that include:

- Preparation and execution of various Airport tenant leases, ground and buildings leases, concessionaires’ agreements, letters of intent, licenses, required property easements, FBO agreements, etc.
- Development of Airport policies and standard templates for Airport leases and Contracts.
- Assistance with hangar ownership reversions, Airport hangar acquisitions, and hangar dispositions among private parties.

The Airport desires to obtain its aviation-related legal services from Bryant, Lovlien & Jarvis, P.C. The initial service duration will extend through June 30, 2021. The contract is a one-year contract with four one-year extensions. Each year the Airport will examine its needs and the performance of the contracted firm.

The reduced/public sector billing rate proposed by Bryant, Lovlien & Jarvis, P.C. is $225 per hour for the period of service mentioned above.

Over the last four years the Airport has spent the following on outside legal counsel:

2016/2017 - $12,000
2017/2018 - $39,000
2018/2019 - $76,000
2019/2020 - $89,000 (est.)

Fiscal Impact:
The Airport has budgeted $100,000 for contracted legal services this upcoming budget cycle. The increase is, in part, for the extra work that will be required because of COVID-19.

Alternative Courses of Action:

1. Authorize Bryant, Lovlien & Jarvis, P.C. as the Airport Attorney of Record for Redmond Municipal Airport.
2. Do not authorize the request.
3. Request for more information.

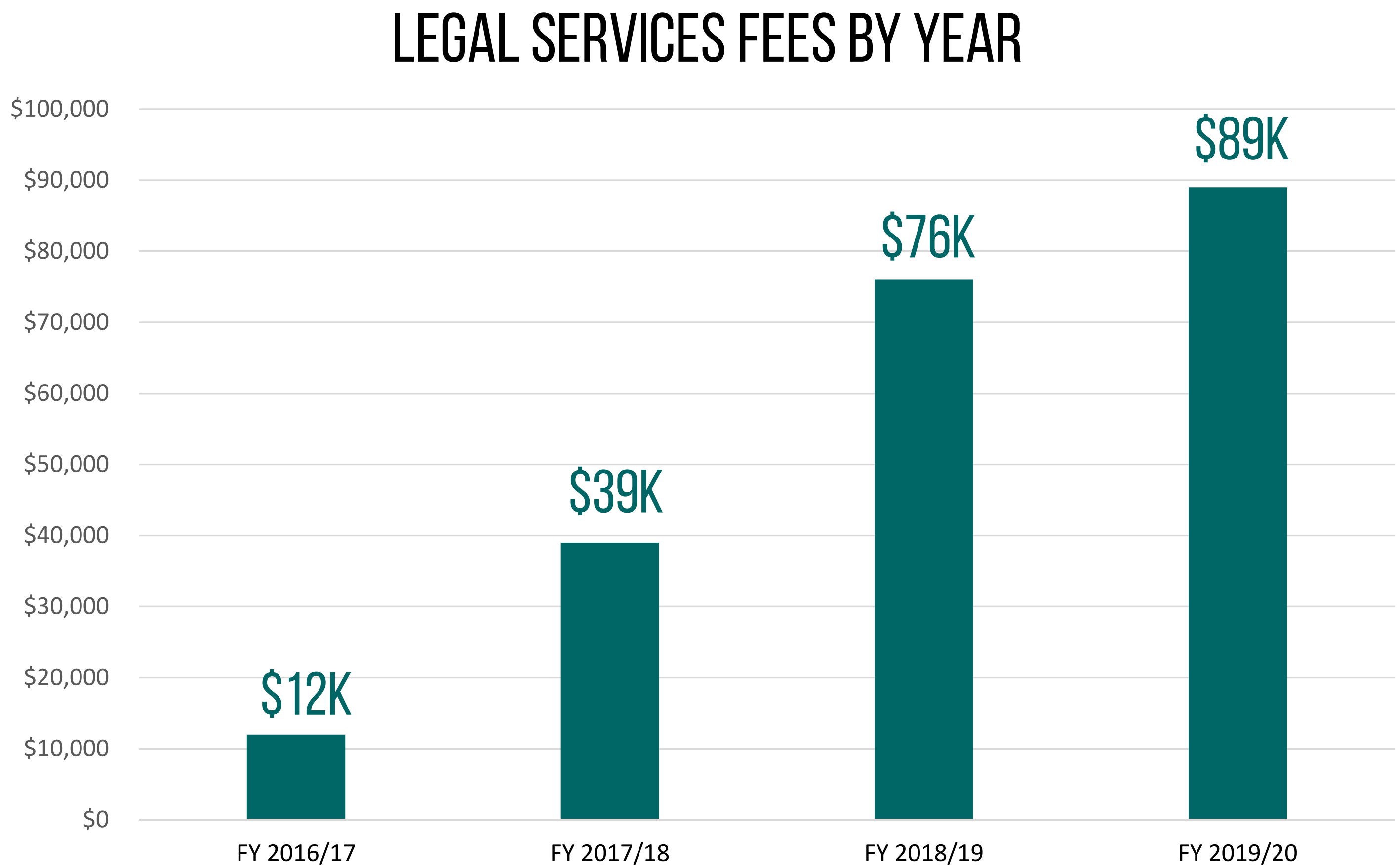
Recommendation / Suggested Motion:
“I move to award the contract for Airport Attorney Services to Bryant, Lovlien & Jarvis, P.C. and authorize the City Manager to execute the contract"

AIRPORT ATTORNEY OF RECORD

Redmond City Council

June 30, 2020

LEGAL SERVICE EXPENDITURES 2017-2020: $216,000



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AIRPORT ATTORNEY OF RECORD

CONTRACTED LEGAL SERVICES INCLUDE:

- Preparation & execution of:
  - Airport leases
  - Concessionaire agreements
  - Property easements
- Development of airport policies and standards
- Hangar reversions
- FAA grant assurance adherence

AIRPORT ATTORNEY OF RECORD AWARD

$100,000 BUDGETED (ANNUAL COUNCIL APPROVAL)

MULTI-YEAR CONTRACT (UP TO 5 YEARS)

RFP PROCESS:

- 4 responses received
- 3 included a “team” approach where a local firm would take lead and a national aviation firm would assist
- Top 3 firms were interviewed *(selection committee included airport personnel, committee chair, city attorney)*
- Committee selected Bryan, Lovlien & Jarvis *(current attorney)*

QUESTIONS?

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CITY OF REDMOND

411 SW 9th STREET
REDMOND, OR 97756

541.923.7710
FAX: 541.548.0706
info@ci.redmond.or.us
www.ci.redmond.or.us

STAFF REPORT

DATE:	June 30, 2020
TO:	Redmond City Council
THROUGH:	Keith Witcosky, City Manager Jason Neff, Chief Financial Officer
FROM:	Brooks Slyter, Accounting & Financial Reporting Director
SUBJECT:	Ord. #2020-12 - An ordinance repealing Ord. #2000-05, and granting a non-exclusive, 10-year franchise agreement to Cascade Natural Gas Corporation and Declaring an Emergency.

Addresses Council Goal:
1. SUSTAIN OPERATIONS: Provide or enhance current levels of operations in all facets of municipal service delivery.

3. CITY INFRASTRUCTURE: Preserve and enhance the City's infrastructure to position the City to accommodate growth.Endeavor to adequately maintain the City's roads, utility infrastructure, parks and pedestrian/bicycle infrastructure

Report in Brief:
This item requests City Council approve Ordinance #2020-12 to repeal Ordinance #2000-05, and grant Cascade Natural Gas Corporation a revised non-exclusive franchise agreement and declare an emergency.

Background:
Cascade Natural Gas Corporation (CNG) is the only existing natural gas utility operating in the City of Redmond and is operating under a franchise agreement that expires July 13, 2020.

To operate within the City's right-of-way CNG needs valid franchise agreement.

An emergency declaration is required to ensure the franchise ordinance is in effect prior to the expiration of the existing franchise ordinance and to ensure CNG is able to operate under an agreed upon franchise agreement.

Discussion:
This ordinance is a ten-year non-exclusive franchise agreement granting CNG the authority to operate in the City's rights of way to provide natural gas distribution services while maintaining the City's development standards.

This agreement replaces the previous agreement with one significant change in that it increases in the franchise fee percentage paid to the City by CNG from 5% to 7% effective August 1, 2020.

This increase aligns with the percentage fee paid by Pacific Power. The Central Electric Coop agreement expires in 2021 and the goal will be to re-negotiate that to 7% as well. Franchise fees support the City General Fund which pay for services such as Public Safety and Transportation.

Fiscal Impact:
Authorizing this franchise, and the 2% percent fee increase, is expected to generate approximately $120,000 annually in additional franchise fee revenue. The City is also a customer of CNG, this rate adjustment is expected to increase our annual costs by a few thousand dollars.

Alternative Courses of Action:
1. Approve the ordinance.
2. Do not approve the ordinance.
3. Request more information

Recommendation / Suggested Motion:

“I move to have a first and second reading of Ord. # 2020-12, by title only” (Voice vote)

(City Attorney will read ordinance by title only.)

“I move to approve Ord. # 2020-12.” (Roll call vote)

REDMOND ORDINANCE
ORDINANCE NO. 2020-12

AN ORDINANCE REPEALING ORDINANCE NO. 2000-05 AND GRANTING A NON-EXCLUSIVE FRANCHISE AGREEMENT TO CASCADE NATURAL GAS CORPORATION AND DECLARING AN EMERGENCY.

WHEREAS, Cascade Natural Gas Corporation is the only natural gas distribution utility in the City of Redmond seeking to continue providing natural gas distribution services in the City of Redmond;

WHEREAS, providing natural gas distribution services requires the installation, operation and maintenance of facilities within the public rights-of-way within the City of Redmond;

WHEREAS, the City of Redmond desires to set forth the terms and conditions by which Cascade Natural Gas Corporation shall use the public rights-of-way within the City of Redmond;

WHEREAS, On June 13, 2000 the City of Redmond and Cascade Natural Gas Corporation entered into a twenty (20) year franchise agreement; and

WHEREAS, the City of Redmond and Cascade Natural Gas Corporation desire to enter into a new franchise agreement and have reached agreement on the terms of that franchise agreement.

NOW, THEREFORE, THE CITY OF REDMOND, OREGON, ORDAINS AS FOLLOWS:

This agreement is between the City of Redmond, an Oregon Municipal Corporation ("City") and Cascade Natural Gas Corporation, a Washington corporation registered to do business in Oregon ("Franchisee").

Section 1. Termination of Franchise:
Ordinance 2000-05, granting to Cascade Natural Gas Corporation, a Washington corporation, its successors and assigns, a nonexclusive franchise and right to construct, operate and maintain a natural and/or artificial gas distribution system in the city of Redmond, Oregon, and repealing ordinance no. 518, is hereby repealed.

Section 2. Definitions
Any term defined in the Redmond Code and not in this Agreement shall have the meaning provided by the Redmond Code definition.

"Facilities" means the mains, lines, pipes, boxes, reducing and regulating stations, laterals, conduits and connections, valves, pumps, vaults, fixtures and other physical components of Franchisee's natural gas distribution system within the City.

"Gross Revenues" means the revenue collected from Franchisee's customers for sale of gas consumed within the City limits.

For the avoidance of doubt,

"Gross Revenues" shall not include:

a. sales, ad valorem, or other types of "add on" taxes, levies, or fees calculated by gross receipts or gross revenues which might have to be paid or collected for federal, state, or local government (exclusive of the right-of-way use fee paid to the City as provided herein);
b. retail discounts or other promotions;
c. non-collectable amounts due the Franchisee or its customers;
d. refunds or rebates;
e. non-operating revenues such as interest income or gain from the sale of an asset; or
f. payments received by Franchisee for the construction of network facilities.

Section 3. Grant of Authority

City grants to Franchisee the right to construct, install, maintain, restore, replace, and operate Facilities over, in, on and under present and future City rights-of-way for the purpose of providing natural gas utility service on the terms stated in this Agreement and subject to applicable law.

This franchise is not exclusive, and City reserves the right to grant a similar franchise to any other person or entity at any time during the period of this Agreement. This Agreement is subject to all prior rights, interests, agreements, permits easements or licenses granted by the City, and to the City's right to use and administer rights-of-way for any purpose.

Section 4. Compliance with Laws, Rules and Regulations

Franchisee shall comply with all federal, state, and City laws, rules and regulations, including but not limited to the Redmond Development Code, other provisions or revisions of the Redmond Code, and City ordinances. The locations and methods of installation and maintenance of all Franchisee's Facilities shall be subject at all times to regulation by the City (including City's ordinances, standards and specifications, and regulations on street cuts and use of rights-of-way or public easements). All Facilities shall be constructed and maintained as to interfere as little as practicable with traffic and other use of rights-of-way. Right-of-way permits must be obtained prior to installation or construction of Facilities.

In the event of an emergency, Franchisee may undertake work immediately to repair a break or restore service without a permit, but must inform the City as soon as reasonably possible and shall apply for a permit within two working days, but the City shall excuse a late application if Franchisee has good cause for any delay. All Facilities shall be installed and at all times maintained by Franchisee in accordance with natural gas utility industry standards. Gas mains shall be installed in utility easements, non-paved portions of City rights-of-way, or alleys whenever possible, except when necessary to cross streets or when non-paved portions of right-of-way are not available. The precise location of lines shall be determined through the permitting process.

Section 5. Franchisee Liability, Indemnification of City, and Insurance
A. Conduct. Franchisee shall conduct its operations under this Franchise, including installation, construction and maintenance of its Facilities, in a safe and workmanlike manner so as not to present a danger to the public or City.

B. Liability and Indemnification. Franchisee shall defend, indemnify, and hold the City, its officers, agents, employees and volunteers harmless against all liability, claims, losses, demands, suits, fees and judgments (collectively known as 'claims') that may be based on, or arise out of damage or injury (including death) to persons or property caused by or resulting from any act or omission sustained in connection with the performance by Franchisee of this Franchise Agreement or based upon violation of any statute, ordinance or regulation by Franchisee. This indemnification required shall not apply to claims to the extent caused by the negligence or willful misconduct of the City, its officers, agents, employees and volunteers. Franchisee agrees that it is not an agent of the City and is not entitled to indemnification and defense under ORS 30.285 and ORS 30.287.

C. Insurance. Franchisee shall purchase and maintain at Franchisee's expense, Commercial General Liability and Commercial Automobile insurance covering bodily injury and property damage in an amount of $5 million per occurrence and $10 million in aggregate. The insurance policies obtained by franchisee shall be primary and non-contributory. Franchisee shall remain fully responsible for any claims resulting from negligence or intentional misconduct of Franchisee or its subcontractors and their officials, agents and employees in performance of this Agreement, even if not covered by, or in excess of insurance limits. This insurance requirement may be met in part by self-insurance.

Commercial General Liability coverage shall name, the City, its officers, agents, employees and volunteers as additional insureds with respect to Franchisee's work or services conducted under this Agreement. Franchisee will give the City 30 days' written notice of any cancellation of or reduction in insurance coverage except if such cancellation is due to failure to pay premiums in which case 10 days' prior written notice of cancellation shall be given to City. Any failure to comply with this provision will not affect the insurance coverage.

Franchisee shall obtain and maintain Workers' Compensation insurance required by ORS chapter 656. Franchisee shall ensure that each of its contractors obtains and maintains workers' compensation insurance and obtains proof of the coverage before performing work.

Coverages provided by Franchisee must be underwritten by an insurance company authorized to do business in the state of Oregon and with a Best's rating of A-VII or higher.

As evidence of the insurance coverage required by this Franchise Agreement, Franchisee shall provide proof of coverage required by acceptable Certificate of Insurance and Endorsement from the carrier(s). The Certificate and Endorsement shall also state the deductible or self-insured retention level. This Agreement shall not be in effect until the required certificates and signed endorsements have been received and approved by City.

Renewal certificates and endorsements will be sent to City prior to coverage expiration. The City may terminate the Franchise for failure to maintain the required insurance.

D. Waiver of Subrogation. Franchisee grants Waiver of Subrogation to the City, its officers, agents, employees and volunteers for any claims arising out of Franchisee's work or service. Further, Franchisee agrees that in the event of loss due to any of the risks for which it has agreed to provide insurance, recovery shall be solely with its insurance carrier, and also grants to City, on behalf of any insurer providing coverage to either Franchisee or City with respect to the work or services of Franchisee, a waiver of any right to subrogation which any insurer or subcontractor may acquire against City by virtue of the payment of any loss under the insurance coverage.

Section 6. Construction and Conditions on Right-of-Way Occupancy

A. Use. Franchisee shall construct, install, maintain and operate its Facilities in City rights-of-way to industry standards and City's commercially reasonable satisfaction, in compliance with all City ordinances, rules, standards and specifications, policies and regulations; and in a manner so as to cause minimum interference with the proper use of rights-of-way for transportation and for other utility purposes and so as to cause minimum interference with the rights or reasonable convenience of property owners who adjoin any rights-of-way. All work in the City right-of-way will require a permit prior to any work being started and will require a traffic plan that is fully compliant with the City of Redmond Design Standards and Specifications.

B. Construction and Maps. Prior to beginning construction, Franchisee must obtain all necessary land use approvals and permits. Grantee shall at all times keep maps and records showing the locations and sizes of all gas mains laid by it or owned by it in the City, and such maps and records shall be available to the officials of the City of Redmond at all reasonable times.

C. Restoration. In case of any disturbance of pavement, sidewalk, driveway or other surfacing by Franchisee, Franchisee shall, at its own cost and expense and in compliance with the City's standards and specifications, promptly replace and restore all paving, sidewalk, driveway, landscaping or surface of any street or alley disturbed, reasonable wear and tear accepted. Franchisee warrants all restoration work for a period of one year from completion of the work. If Franchisee fails to make restoration as required by this section within a reasonable timeframe following written notice from City to Franchisee, or if the restoration fails within the one year warranty period, City may, after notice to Franchisee, cause the repairs to be made at the expense of Franchisee. If Franchisee fails to reimburse the City for any costs incurred under this section within 45 days of demand for reimbursement and such failure is not a result of a good faith dispute between City and Franchisee, City may refuse to issue additional permits.

D. Notification. Franchisee shall comply with the requirements of Oregon Utility Notification Law and implementing rules and regulations.

E. Relocation. City may require Franchisee to relocate its Facilities. If the removal or relocation of Facilities is caused directly by identifiable development of private property

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or other third-party project and the removal or relocation of Facilities occurs within the area to be developed, or is made for the convenience of a third-party, Franchisee may charge the expense of removal or relocation to the developer or other third-party. Franchisee shall be solely responsible for enforcing collection from the developer or other third-party, but Franchisee shall not be required to remove or relocate Facilities for the benefit of third-parties until it receives payment for the removal or relocation.

If the removal or relocation of Facilities results from City’s need to provide public facilities, is a City project, or is otherwise requested by City and is made for the purpose of improving a street to City standards or other improvement for the benefit of the public, Franchisee will remove or relocate its Facilities at Franchisee’s expense within one hundred twenty (120) days after notification by City. City will make a reasonable effort to provide Franchisee with an alternate location for its Facilities within City rights-of-way. In the event that City receives third party funding for a City project or improvement to a City street that covers Franchisee's expenses, City will remit payment to Franchisee from the third-party funding for reimbursement for Franchisee's relocation expenses. If the City requires the subsequent relocation of the same facility within five years of the initial relocation, City shall bear the expense of the subsequent relocation.

F. Right-of-Way Vacation. City shall retain public utility easements if it vacates any public right-of-way where Franchisee has Facilities. If Franchisee’s facilities must be relocated from a vacated public right-of-way, the petitioner of the vacation will bear the expense of moving the facilities.

G. Placement of Facilities. Franchisee shall not knowingly place its Facilities where they will interfere with any existing or known future City utility, gas, electric or telephone fixture, or power, sanitary sewer, storm sewer or water facility. Franchisee will consult with City Engineer prior to placement of Facilities, and will comply with all City ordinances, policies, rules and regulations in connection with its placement of Facilities.

H. Temporary Rearrangement of Facilities. Franchisee must, consistent with City policies, ordinances, rules, and regulations, arrange to temporarily raise, lower, or otherwise move its Facilities to permit the moving of buildings or other objects if the person or entity wishing to move the building or other object makes a reasonable arrangement to reimburse Franchisee for its expenses in rearranging its Facilities. Nothing in this section precludes City from requiring Franchisee to move its Facilities at Franchisee's expense when public convenience requires the move.

Section 7. Transfer of Franchise

Franchisee shall not sell, assign, dispose of, lease or transfer in any manner whatsoever any interest in this Franchise or all or substantially all of the Facilities authorized by this Franchise Agreement, without providing at least thirty (30) days prior written notice to the City.

Section 8. City Rights in Franchise

A. City Supervision and Inspection. City shall have the right to inspect all construction and installation of Franchisee's Facilities to ensure compliance with governing laws, ordinances, rules and regulations.

B. Abandonment or Removal of Facilities. Upon any termination of this Franchise, all Facilities installed or used by Franchisee shall be abandoned in place, provided that City shall have right to request and require Franchisee to remove certain Facilities so long as City has a reasonable basis for removal and makes a written request to Franchisee identifying the specific Facilities to be removed.

Section 9. Franchise Fee

A. Franchisee shall pay monthly to City 7% of Franchisee's Gross Revenues from Franchisee's customers for sale of gas consumed within the City limits. City may increase the franchise fee rate to an amount not to exceed the maximum permissible franchise fee of 8% (the base franchise fee of 3% and the incremental franchise fee of 5% of Gross Revenues) by providing at least 90 days' written notice of the increase.

B. The fee required by this section shall be due and payable within 30 days after the end of each calendar month. Any payment not made when due shall bear 9% annual interest, compounded monthly, from the date due until paid.

C. With each payment, Franchisee shall furnish City with a written statement in the format as provided in Exhibit A verifying the amount of Gross Revenues of Franchisee within City for the monthly period covered by payment.

D. City's acceptance of any payments due under this section shall not be considered a waiver by City of any breach of this franchise.

Section 10. Franchisee Records and Reports

Franchisee shall keep accurate books of financial accounts throughout the term of this Franchise Agreement and for six years after the expiration or termination of this Agreement. Franchisee shall produce all books and records directly concerning its Gross Revenues and other financial information deemed necessary by City for purposes of calculation of the franchise fee for inspection by City, upon 30 days' written notice, during normal working hours. City may require periodic reports from Franchisee relating to its operation within City.

City shall have the right during the term of this Franchise Agreement or within 180 days after expiration or termination of the franchise to audit Franchisee's records for the period of three years prior to the audit. If the audit reveals underpayment of 5% or more, the City may expand the audit to cover up to 6 years. The audits shall be undertaken by a qualified person or entity selected by City. The cost of the audit shall be borne by City, unless the results of the audit reveal an underpayment of more than 5% of the franchise fee for the period audited. In the case of underpayment of 5% or more, the full cost of the audit shall be paid by Franchisee. Franchisee shall immediately pay the amount of the underpayment as determined by the audit to City together with 9% annual interest from the date the payment should have been made to the date the payment is actually made.

Any audit information obtained by City under these provisions shall be kept confidential to the maximum extent allowed by Oregon law, except that this obligation shall not prevent the City from introducing audit results in any forum where enforcement of the provisions of this Franchise Agreement is at issue.

Section 11. Permit and Inspection Fees
Nothing in this Agreement shall be construed to limit the right of City to require Franchisee to pay permit fees or reasonable costs incurred by City in connection with the issuance of a permit, making an inspection, or performing any other service for or in connection with Franchisee or its Facilities, whether pursuant to this Agreement or any ordinance or regulation, subject to any limitation imposed by Federal or state law.

Section 12. Enforcement and Termination of Franchise for Violation
A. Default. Time of payment and performance are of the essence in the Franchise. The following shall be events of default:

> 1. Default in Payments. The failure of Franchisee to pay City when due any amounts required by this Agreement and the failure continues for 30 days after the due date and written notice from the City.
>
> 2. Default in Other Provisions. Franchisee's failure to cure a default of any other provision of this Agreement within 90 days after notice from City of the default. If the default is curable but cannot reasonably be cured within 90 days, the City shall refrain from termination while Franchisee is diligently attempting to cure the default.

B. Termination for Defaults Not Cured. The City may terminate this Franchise Agreement for defaults that are not cured within the time allowed by Subsection A of this section by providing a notice of termination to Franchisee. Franchisee may challenge the notice of termination by providing a written protest to the City Manager within 10 business days of the date of the notice of termination. The City Manager, on receipt of the protest, shall either grant the protest, in which case the Franchise Agreement will remain in place, or refer the matter to the City Council for a decision. The termination will not become final until after the decision by the City Manager or City Council. Because of the potential public health and safety risks that could arise as a result of cessation of natural gas delivery within the City, if the City decides to terminate the Franchise, it shall set a termination date that allows for implementation of a plan to assure continued natural gas delivery service.

Section 13. Remedies not Exclusive; Waiver
All remedies granted the City under this Agreement are cumulative, and recovery or enforcement of one is not a bar to the recovery or enforcement of any other remedy. Remedies contained in this Agreement are not exclusive and City reserves the right to enforce penal provisions of any ordinance and also use any remedy available to City at law or in equity. Failure to enforce any provision of this Agreement shall not be construed as a waiver of a breach of any other term, condition or obligation of this Agreement.

Section 14. Franchise Agreement Term
This Franchise Agreement is granted for a term of 10 years beginning on the date on which the ordinance authorizing this Franchise Agreement is effective. The Franchise Agreement shall be extended for successive terms of five years each (each a “Renewal Term”) if neither party provides written notice of termination or non-renewal to the other party at least six months prior to the expiration of the initial term or any Renewal Term. If notice of termination is provided, the parties may elect to negotiate a new franchise agreement in lieu of termination. In the event the City adopts code provisions, regulations or standards and specifications applicable to this Franchise Agreement or if state or federal legislation or regulation affects any provision of this Franchise, the Parties, at the request of either Party, may request renegotiation of the Franchise Agreement to reflect the changes in law or regulation.

Section 15. Severability
If any section, subsection, sentence, clause or portion of this Agreement is for any reason held invalid or rendered unconstitutional by any Court of competent jurisdiction, that portion shall be deemed a separate, distinct, independent and severable provision and the holding shall not affect the validity or constitutionality of the remaining portion of this Agreement. If for any reason, the franchise fee is invalidated by any court or governmental agency, then the highest permissible franchise fee allowed shall be the franchise fee.

Section 16. Notices
Any notice required or permitted under this Agreement shall be deemed given when received or when deposited with postage prepaid in the United States Mail as registered or certified mail addressed as follows:

TO CITY:
City Manager
City of Redmond
411 NW 9th St
Redmond, OR 97756

TO FRANCHISEE:
Cascade Natural Gas Corporation
Attn: Region Director
64500 OB Riley Road, Suite #2
Bend, OR 97701

or to other address specified by either party in writing.

The primary contact regarding administration of this Franchise Agreement for the City is:

Position: Accounting and Financial Reporting Director
Name: Brooks Slyter
Email: brooks.slyter@ci.redmond.or.us
Phone: 541.923.7735

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and for Franchisee is:

Position: ______________
Name: ______________
Email: ______________
Phone: ______________

The primary contacts may be changed by either party in writing.

Section 17. Interpretation/Jurisdiction
Interpretation of the Franchise Agreement shall be governed by laws of the State of Oregon and any legal action relating to this Franchise Agreement shall be brought in Deschutes County Circuit Court.

Section 18. Emergency Declaration
The City Council finds that this ordinance is necessary to maintain natural gas distribution services and is necessary for the immediate preservation of the peace, health, and safety of the City of Redmond. The City Council also finds that it is in the best interest of the City of Redmond to have this ordinance take effect immediately upon adoption and signature. Therefore, the City Council hereby declares an emergency. This ordinance, therefore, shall become effective on the date of passage.

CITY OF REDMOND	FRANCHISEE Cascade Natural Gas Corporation
______________________________ Mayor	______________________________ Authorized Representative
______________________________ Printed Name	______________________________ Printed Name
______________________________ Date	______________________________ Date
ATTEST:	ATTEST:
______________________________ Kelly Morse, City Recorder	______________________________

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EXHIBIT A

City of Redmond
Franchise Fee Percentage Reporting Form

Company: ________________________________

Reporting Period: ________________________________

Description	Revenue and Fee Calculation
Gross Revenues (as defined in the Franchise Agreement)	$
Less: Revenues Exempt from Franchise Fees	$
Other Adjustments to Gross Revenues	$
Net Revenues Subject to Franchise Fees	**$**
Franchise Fee	7%
Franchise Fee Remitted to City of Redmond	**$**

Certification by Officer or Authorized Representative:

I declare that the information provided herein is true, complete and accurate to the best of my knowledge and belief.

______________________________ Date ____________________
Name

____
Title

Please remit payment to:
City of Redmond
411 SW 9th Street
Redmond, OR 97756

For questions, please contact City of Redmond Finance Department at 541.923.7735

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CASCADE NATURAL GAS – 10 YEAR FRANCHISE AGREEMENT

REDMOND CITY COUNCIL

JUNE 30, 2020

CASCADE NATURAL GAS FRANCHISE ORDINANCE

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Forecasted Franchise Revenues

Franchise Type	FY2019-20	FY2020-21
Power	$ 1,762,000	$ 1,784,000
Water/Sewer/Storm	666,000	671,000
Garbage	367,000	381,000
Natural Gas*	350,000	470,000
Cable	291,000	298,000
Telecommunications	87,000	87,000
Total	**$ 3,523,000**	**$ 3,961,000**

$120,000 additional revenue estimated for FY2020-21


Q&A

411 SW 9th STREET
REDMOND, OR 97756

541.923.7710
FAX: 541.548.0706
info@ci.redmond.or.us
www.ci.redmond.or.us

CITY OF REDMOND

STAFF REPORT

DATE:	June 30, 2020
TO:	Redmond City Council
THROUGH:	Keith Witcosky, City Manager
FROM:	Zachary Bass, Airport Director
SUBJECT:	Amendment #1 Exercising a Two-Year Contract Extension with SP Plus Corporation for Management of Redmond Airport's Public Parking Facilities: $247,059

Addresses Council Goal:
5.C. Maximize the development potential of airport lands located outside the fence line.

Report in Brief:
This item requests City Council authorization to exercise the first, two-year extension option with SP Plus Corporation for the management and operation of the paid public parking lot at Redmond Airport.

Background:
On June 13, 2017 the City awarded SP Plus Corporation with the paid public parking management and operation services contract. The contract is structured with a term of three (3) years with two, two-year options that can be exercised at the sole discretion of the City.

The three-year term began on July 1, 2017 at an initial cost of $650,802 or an average of $216,934 a year. Two (2), two-year options can be exercised as part of this contract.

Discussion:
The City is satisfied with the services SP Plus Corporation has rendered during the primary term of the contract. Therefore, Redmond Municipal Airport (RDM) requests City Council continue the contract with SP Plus Corporation by exercising the first of two (2) optional two-year contract renewals.

The original contract has one existing option to be exercised. The expiration date of the first option is July 1, 2022. The proposed budget includes:

Salaries and Wages	$182,319
Fixed Management Fee	$ 45,100
Other Operating Costs	$ 19,640
Total:	$247,059

Fiscal Impact:
The approved Management Fees and Operating Budget for the first one (1) year of its first of two (2) optional two-year contract renewals is $247,059. The Airport has budgeted $250,000 for this service in FY 20/21. Each year the budget for the upcoming fiscal year will be brought to council for approval.

Alternative Courses of Action:
1. Extend the contract with SP Plus Corporation
2. Do not extend the contract
3. Request more information

Recommendation / Suggested Motion:
“I move to approve Amendment #1 extending the contract with SP Plus Corporation in the amount of $247,059.”

EXERCISE CONTRACT OPTION WITH S.P. PLUS
(PARKING LOT MANAGEMENT)

Redmond City Council

June 30, 2020

EXERCISE OPTION W/S.P. PLUS (PARKING LOT MANAGEMENT)
$247,059 BUDGETED (ANNUAL COUNCIL APPROVAL)

S.P. PLUS:

- MANAGED PARKING LOT FOR 10+ YEARS
- 1ST EXTENSION (2 YEAR OPTION)

SERVICES INCLUDE:

- Staffing 24hr parking booth
- Nightly license plate checks
- Financial reporting
- Customer service

BUDGET INCLUDES:

Salaries & wages:	$182,319
Fixed management fee:	$ 45,100
Other operating costs:	$ 19,640
TOTAL	**$247,059**

QUESTIONS?

SLIDE / 15

411 SW 9th STREET
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CITY OF REDMOND

STAFF REPORT

DATE: June 30, 2020
TO: Redmond City Council
THROUGH: Keith Witcosky, City Manager
FROM: Zachary Bass, Airport Director
SUBJECT: Amendment #2 to City Contract #2018-51 with RAMS Specialized Security Service, Inc.

Addresses Council Goal:
5.A. Maintain safety and security as the number one priority for the airport.

Report in Brief:
This item requests City Council amend the Redmond Municipal Airport (RDM) contract with RAMS Specialized Security Services, Inc. (RAMS) to address increases in the fee for services for FY 20/21.

Background:
Transportation Security Administration (TSA) requires all airports that serve commercial airlines to have Law Enforcement Officers (LEO), or armed security guards approved by TSA, to support passenger screening checkpoint operations. While RDM has one full-time Redmond Police Officer providing security at the Airport, there is also the need for armed security at TSA checkpoints and to conduct other security services in and around the Airport terminal. The City awarded the armed security services contract to RAMS Specialized Security Service, Inc. on June 12, 2018.

Discussion:
Originally, a lead officer worked a post and managed administrative issues at the same time. However, with the addition of a second part-time post, a local supervisor with authority to manage staff with dedicated administrative hours became necessary.

The supervisor position includes twenty (20) hours of post duty and twenty (20) hours of administrative duty. The supervisor replaced the lead officer effective August 2019 resulting in an increase of fees for services in the FY 19/20, as well as in the FY 20/21, requiring an amendment to the current contract 2018-51.

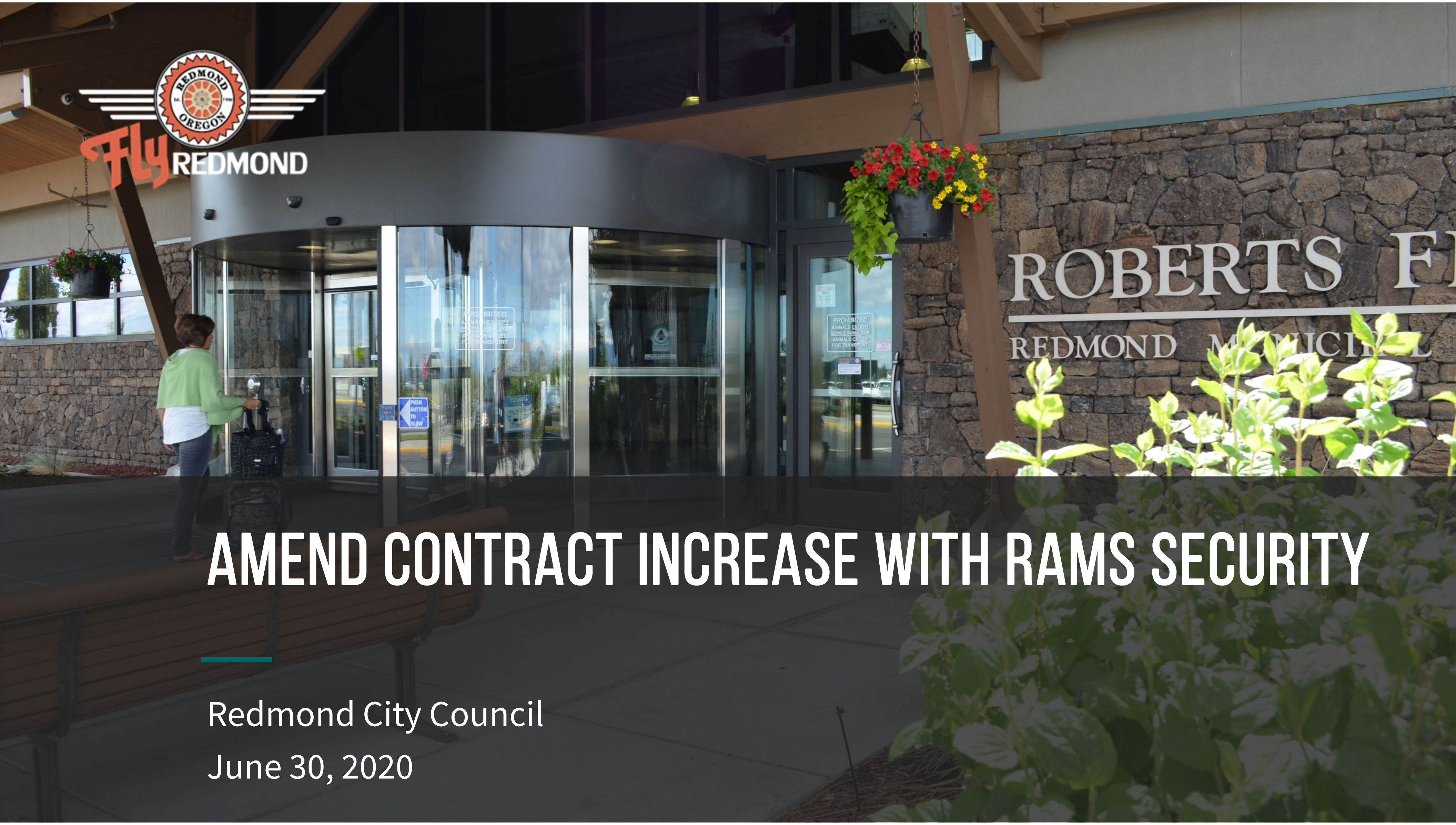
Fiscal Impact:
Under the current contract 2018-51, the approved fees for services in FY 20/21 total $433,540.82. Replacing the lead officer with a local supervisor increases the fees by 14.29%, to a total of $495,483.66.

Although the commercial passenger air carrier security fee for FY 20/21 is already set and the additional cost will not likely be recovered in FY 20/21, over the long-term the cost of security officers is seventy-five (75%) percent recovered.

Alternative Courses of Action:

1. Approve the Amendment 2 to the Contract 2018-51 and authorize the City Manager to sign the amendment
2. Do not approve the Amendment 2 to the Contract 2018-51.
3. Request more information

Recommendation / Suggested Motion:
"I move to approve the Amendment #2 to the City Contract #2018-51 with RAMS Specialized Security Services, Inc. and authorize the City Manager to sign the amendment."



AMEND CONTRACT INCREASE WITH RAMS SECURITY

Redmond City Council

June 30, 2020

AMEND CONTRACT WITH RAMS SECURITY

$495,483.66 BUDGETED (ANNUAL COUNCIL APPROVAL)

RAMS:

- 10 OFFICERS PROVIDE SECURITY 24HRS A DAY
- ADDED NEW SUPERVISOR POSITION
- PROVIDED SECURITY SERVICES TO RDM FOR 8 YEARS
- 20% THE COST OF LAW ENFORCEMENT OFFICERS (RPD)

SERVICES INCLUDE:

- Screening assistance
- Access control alarm response
- 9 daily TSA inspections
- Curb enforcement
- TSA security reporting

BUDGET INCREASE:

Budgeted 20/21:	$433,540.82
New cost:	<u>$495,483.66</u>
Change:	$61,942.84 (14.29%)

QUESTIONS?

CITY OF REDMOND

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STAFF REPORT

DATE:	June 30, 2020
TO:	Redmond City Council
THROUGH:	Keith Witcosky, City Manager Jason Neff, Chief Financial Officer
FROM:	Brooks Slyter, Accounting & Financial Reporting Director
SUBJECT:	Amendment #1 to City Contract #2017-18 with Dickey & Tremper, LLP to exercise the provision in the original contract to extend for one additional year: $63,310.

Addresses Council Goal:
1. G. Sustain Operations: Manage financial affairs in a transparent, responsible and consistent manner.

Report in Brief:
This action requests City Council approve a one-year extension to the audit services contract with Dickey & Tremper, LLP. This extension covers services through June 30, 2020.

Background:
In May 2017, the City entered into a three year audit services contract with Dickey & Tremper, LLP with an option to extend the contract for two one-year increments. The original contract was set to terminate with the completion of the fiscal year 2018/19 audit.

Discussion:
The City would like to extend the audit services contract with Dickey & Tremper, LLP. Dickey & Tremper has completed each year's audit under the existing contract with professionalism and extensive knowledge of audit requirements. Dickey & Tremper's audit team have a good working relationship with City staff.

During this unique time of the world-wide pandemic and its unknown long-term financial impacts, as well as ongoing limitations of City staffing availability due to staggered schedules, it will be beneficial to have the audit services performed for fiscal year 2019/20 by auditors familiar with the City of Redmond and its operations.

Fiscal Impact:
The contract amendment includes a 3% fee increase from the prior year for audit services for the City of Redmond, the Redmond Urban Renewal Agency and each major program fee for compliance with the Single Audit Act required due to the City's expenditure of certain federal funds.

The City has been awarded and may be awarded additional federal funding due to COVID-19, so the number of major programs that will be audited for fiscal year 2019/20 is unknown at this point. The table below estimates two major programs, but this amount may change based on the determination performed by the auditors. Each major program has a fee of $4,120.

	FY 2018/19	**FY 2019/20**	**Change**
City of Redmond	$48,830	$50,295	$1,465
Urban Renewal	$4,635	$4,775	$140
Single Audit (est. 2	$8,000	$8,240	$240

Programs)			
Total	**$61,465**	**$63,310**	**$1,845**

Alternative Courses of Action:

1. Authorize the City Manager to sign Amendment 1.
2. Request additional information.
3. Deny the amendment.

Recommendation / Suggested Motion:

Action #1: "I move to approve Amendment 1 to City Contract #2017-18 with Dickey & Tremper, LLP in the estimated amount of $63,310 for audit services, and authorize the City Manager to sign the Amendment."

AMENDMENT #1 TO CITY OF REDMOND CONSULTANT/PROFESSIONAL SERVICES CONTRACT No. 2017-18

Company Name: Dickey & Tremper, LLP

Amendment # 1 – STATEMENT OF WORK, EFFECTIVE DATES and COMPENSATION

Incorporated Documents – Contract #2017-18 if applicable, any GENERAL and SUPPLEMENTARY CONDITIONS, ADDENDA, SPECIFICATIONS and PLANS, are hereby referred to and by reference made a part of this Amendment as fully and completely as if the same were fully set forth herein and are mutually cooperative therewith.

The following Amendment modifies the original contract terms.

A. Option to mutually extend; first of two (2) optional one-year increments (Section 1):
   1. This agreement is effective May 31, 2017. Except as otherwise provided in section 1.1, this Agreement terminates with the completion and delivery of the audit results related to the financial statements for the fiscal year ended June 30, 2020. Time is of the essence with respect to Consultant's performance under this Agreement.

B. Fee for Services (Section 6, Exhibit 1)
   6. Exhibit 1 –

      See Engagement Letter to City of Redmond dated June 5, 2020 from Dickey & Tremper, LLC

      See Engagement Letter to City of Redmond Urban Renewal Agency dated June 5, 2020 from Dickey & Tremper, LLC

Except as specifically amended herein, all other terms and conditions of City of Redmond Contract No. 2017-18 shall remain unchanged.

Dated this ___ day of _______, 2020

____

Contractor Signature

____

Keith Witcosky, City Manager
City of Redmond

____

Printed Name, Title

Dickey and Tremper, LLP
Certified Public Accountants and Business Advisors

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June 5, 2020

City of Redmond
411 SW 9th Street
Redmond, OR 97756

We are pleased to confirm our understanding of the services we are to provide for the City of Redmond for the year ended June 30, 2020, with an optional renewal clause for the year ended June 30, 2021. We will audit the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the entity's basic financial statements of the City of Redmond, as of, and for the year ended, June 30, 2020, and should the City choose to exercise the renewal clause, for the year ending June 30, 2021. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City of Redmond's 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, economical, or historical context. As part of our engagement, we will apply certain limited procedures to the City of Redmond's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis.
2. Supplementary pension and other post-employment benefits information.

We have also been engaged to report on supplementary information other than RSI that accompanies the City of Redmond's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements.

1. Combining and individual fund financial statements.
2. Budgetary comparison and other financial schedules.
3. Schedule of expenditures of federal awards
4. Schedule of expenditures of Passenger Facility Charges

Members of: American Institute of Certified Public Accountants
National Association of Certified Valuation Analysts
Oregon Society of Certified Public Accountants

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

1. Letter of transmittal for Comprehensive Annual Financial Report
2. Supplementary and Statistical information for the Comprehensive Annual Financial Report

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards
- Internal Control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments on 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

The Government Auditing Standards report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to management and the governing board of the City of Redmond. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, an unavoidable risk exists that some material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards.*

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City of Redmond's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards.*

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of City of Redmond's major programs. The purpose of these procedures will be to express an opinion on the City of Redmond's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of City of Redmond in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. In addition, we will assist in preparing accrual reconciliations and may propose audit journal entries. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards.* We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, related notes, accrual reconciliations, and audit journal entry, services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for (1) designing, implementing, and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review during our initial planning session.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written. Representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, related notes, preparing accrual reconciliation, proposing audit journal entries, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request, as well as various schedules and analyses, and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Dickey and Tremper, LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the State of Oregon Division of Audits or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Dickey and Tremper, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the State of Oregon Division of Audits. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit as soon after the contract document is executed and is agreeable to both parties and to issue our reports no later than December 31. Robert Tremper is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs, except that we agree that our gross fee, including expenses will not exceed $50,295. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. In the event the City is required to comply with the Single Audit Act, we expect our additional fees to be $4,120 per major program, dependent upon the requirements of the specific program. This fee includes our consulting for information required to prepare for submission of the financial statements toward the "Certificate of Achievement for

Excellence in Financial Reporting". Our invoices for these fees will be rendered each month as work progresses and are payable on presentation, and will be subject to a late payment fee of 1 1/2% (18% APR) on unpaid balances after 30 days. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit and that no bookkeeping services will be required. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We would expect to continue our services for the arrangements discussed above, unless for some reason, you or we find that some change is necessary. It is understood that either party may cancel this contract by giving notice, in writing, to the other party at least ninety days prior to June 30, of each year.

We appreciate the opportunity to be of service to the City of Redmond and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Dickey and Tremper, LLP

Dickey and Tremper, LLP

RESPONSE:

This letter correctly sets forth the understanding of the City of Redmond.

By:_______________________________

Title:_____________________________

Date:_____________________________

Dickey and Tremper, LLP
Certified Public Accountants and Business Advisors

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June 5, 2020

City of Redmond Urban Renewal Agency
411 SW 9th Street
Redmond, OR 97756

We are pleased to confirm our understanding of the services we are to provide the City of Redmond Urban Renewal Agency for the year ended June 30, 2020 with an optional renewal clause for the year ending June 30, 2021. We will audit the financial statements of the governmental activities and each major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Redmond Urban Renewal Agency as of and for the year ended June 30, 2020 and should the Agency choose to exercise the renewal clause, for the year ending June 30, 2021. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City of Redmond Urban Renewal Agency's 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. As part of our engagement, we will apply certain limited procedures to the City of Redmond Urban Renewal Agency's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis.

We have also been engage to report on supplementary information other than RSI that accompanies the City of Redmond Urban Renewal Agency's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

1) Supplemental budgetary schedules.

Members of: American Institute of Certified Public Accountants
National Association of Certified Valuation Analysts
Oregon Society of Certified Public Accountants

Audit Objective

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the City of Redmond Urban Renewal Agency's financial statements. Our report will be addressed to management and those charged with governance of the City of Redmond Urban Renewal Agency. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or to add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express an opinion or may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City of Redmond Urban Renewal Agency's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also prepare the financial statements of City of Redmond Urban Renewal Agency in conformity with U.S. generally accepted accounting principles based on information provided by you. In addition we will assist in preparing reconciliations to the accrual basis and may propose audit adjustments. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement, accrual reconciliations, and audit journal entry services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for financial statement preparation services accrual reconciliations, proposed audit journal entries and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Dickey and Tremper, LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the State of Oregon Division of Audits or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Dickey and Tremper, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

We expect to begin our audit as soon after the contract document is executed as is agreeable to both parties and issue our report no later than December 31. Robert Tremper, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for these services will be at our standard hourly rates, except that we agree that our gross fee for the year ended June 30, 2020, including travel and out-of-pocket expenses will not exceed $4,775. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation, and will be subject to a late fee of 1 ½% per month if not paid within 30 days.

In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the City of Redmond Urban Renewal Agency and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Dickey and Tremper, LLP

Dickey and Tremper, LLP

RESPONSE:

This letter correctly sets forth the understanding of City of Redmond Urban Renewal Agency.

By ______________________________

Title: ______________________________

Date: ______________________________

CITY OF REDMOND CONSULTANT/PROFESSIONAL SERVICES CONTRACT
CONTRACT NO. 2017-18 PROJECT NO. N/A

This Agreement is between The City of Redmond (City) and Dickey & Tremper, LLP (Consultant). The parties agree as follows:

Effective Date and Termination Date. The effective date of this Agreement shall be May 31, 2017 or the date on which each party has signed this Agreement, whichever is later. Unless earlier terminated or extended as provided in the Agreement Documents, the Contract Termination date shall be the completion and delivery of the audit results related to the financial statements for the fiscal year ended June 30, 2019 with a provision of extending the Contract in two (2) optional one-year increments, subject to annual review and recommendation of City staff and satisfactory negotiation of terms.

Statement of Work. Consultant shall perform the Work described in Exhibit 1.

Payment for Work. City agrees to pay Consultant in accordance with Exhibit 1.

Agreement Documents. The Agreement Documents include this cover page, the Agreement and its Exhibits as listed in the chart below, the documents identified in Section 3.1 below and all other items referenced in the definition of "Agreement Documents" in Section 3.6 below.

Exhibit #	Description	# Pages	Included?
1	Statement of Work and Compensation	1	x
1a	Engagement Letters (City & URA)	13	x
2	Insurance (including certificate(s) of insurance & endorsements)	9	x
2a	Worker's Compensation Certification	1	x
4	Independent Contractor Certification & Representations & Warranties	1	x

CONSULTANT DATA AND SIGNATURE

Consultant Mailing Address (remit payment and notices):

Dickey & Tremper, LLP
110 SE First Street
Pendleton, OR 97801

Is Consultant a nonresident alien? ☐ Yes ☑ No

Federal Tax ID# or Social Security #: 20-0350998

A Federal tax ID number or Social Security number is required to be provided by the Consultant and shall be used for the administration of state, federal and local tax laws. Payment information shall be reported to the Internal Revenue Service under the name and Federal tax ID number or, if none, the Social Security number provided above.

Note: Consultant must sign all applicable Exhibits.

INSURANCE REVIEWED TRB 6-20-17

CITY OF REDMOND CONSULTANT/PROFESSIONAL SERVICES CONTRACT NO. 2017-18 PROJECT NO. N/A

THIS **AGREEMENT**, made and entered into this 31st day of May 2017, by and between the **CITY OF REDMOND**, a municipal corporation of the state of Oregon, hereinafter referred to as "CITY", and Dickey & Tremper, LLP, operating as an independent contractor providing Professional Services, hereinafter referred to as "CONSULTANT".

The signing of this Agreement by CITY and CONSULTANT authorizes Consultant to carry out and complete the services as described below in consideration of the mutual covenants set forth in this Agreement.

1. **EFFECTIVE DATE AND DURATION.** This Agreement is effective May 31, 2017. Except as otherwise provided in section 1.1, this Agreement terminates with the completion and delivery of the audit results related to the financial statements for the fiscal year ended June 30, 2019. Time is of the essence with respect to Consultant's performance under this Agreement.

   1.1 **Options for Extension (select one).**
   ☐ n/a
   ☑ This Agreement also includes a provision to extend the Agreement in two (2) optional one (1) year increments, subject to review and recommendation of City staff and satisfactory negotiation of terms. If either party does not wish to extend the Agreement for any of the optional increments, this fact shall be communicated to the other party no later than 30 days prior to the expiration of the Agreement.

2. **PROJECT** Consultant's work will be limited to the projects described below. Work on any additional projects will require written authorization from City. Consultant will be working on the following project(s):

   2.1 Financial and compliance audit services for both the City of Redmond and the Redmond Urban Renewal Agency. See Exhibit 1 for detail of job responsibilities.

3. **SCOPE OF SERVICES.** City and Consultant agree to the following scope of services:

   3.1 **Consultant Duties.** Exhibit 1 summarizes a detailed list of duties, including time lines and document production.

   3.2 **City Duties (select one).**
   ☐ n/a
   ☑ City shall provide Consultant, at City's expense, with material and services described in Exhibit 1.

3.3 **Project Representatives.** City and Consultant shall coordinate services, progress reports and all other aspects of this Agreement through the following authorized representative for each party:

City: Jodi Burch, 541-923-7735, jodi.burch@ci.redmond.or.us

Consultant: Rob Tremper, 541-276-6862, rtremper@dickeyandtremper.com

3.4 **Records.** Consultant shall maintain all of its records relating to the Scope of Services on a generally recognized accounting basis and allow City the opportunity to inspect and copy such records at a convenient place during normal business hours. All records shall be maintained by Consultant for three years after City makes final payment and all other pending matters between City and Consultant are closed.

3.5 **Compliance with Laws.** Consultant shall comply with all federal, state and local laws and ordinances applicable to public contracts including but not limited to all applicable Oregon Statutes governing public contracts. Without limiting Consultant's duty described in this paragraph, ORS 279B.220, ORS 279B.230 and ORS 279B.235 are incorporated by reference into this Agreement.

3.6 **Agreement Documents**. In the event of a conflict between or among the terms of this Agreement and any proposal, bid document, standards and specifications and/or request for proposals, the following order of precedence shall prevail: (a) this Agreement; (b) the Attachments to this Agreement; (c) the request for proposal; (d) the proposal and/or bid documents. Nothing in this Agreement shall be considered as an acceptance of the terms of a proposal if the terms of the proposal conflict or are otherwise incompatible with the terms contained in this Agreement and its attachments or in the City's request for bids or proposals.

4. RESTRICTIONS.

4.1 Consultant shall make prompt payments as due to all persons supplying labor or materials to Consultant for the work provided under this Agreement. Consultant shall not permit any lien or claim to be filed or prosecuted against City on account of any labor or material furnished. If Consultant fails, neglects or refuses to make prompt payment of any claim for labor, services or material furnished to Consultant or a subcontractor in connection with this Agreement as such claim becomes due, City may in its sole discretion pay such claim to the person furnishing the labor or material and charge the amount of the payment against funds due or to become due to Consultant under this Agreement.

4.2 During the course of this Agreement Consultant may have access to confidential information of City and may participate in confidential discussions with City. Consultant shall not disclose confidential City information to any third party during the term of this Agreement or after its termination except as required by a court of competent jurisdiction or with the consent of City.

5. FEE FOR SERVICES.

5.1 City shall pay Consultant a maximum compensation of (select one):
☐ **$**___________, including expenses.
☑ See Exhibit 1.

5.2 Consultant shall invoice City for services performed and City will remit payment in accordance with City procedures. Consultant shall not submit invoices for, and City shall not pay for any amount in excess of the maximum compensation set forth above. If this maximum compensation amount is increased by amendment of this contract, the amendment shall be fully effective before Consultant performs work subject to the amendment.

5.3 In the event that a dispute arises regarding Consultant's billing, City shall pay any amounts it agrees it owes and shall withhold payment of disputed amounts pending resolution of those disputes. Consultant shall provide any necessary documentation to support its billing to City. In all such instances, Consultant will continue to diligently and timely perform its duties under this Agreement.

6. **STANDARD OF PERFORMANCE/LIMITED WARRANTY.** Consultant warrants that its findings, recommendations, specifications or professional advice provided hereunder will be prepared and presented in accordance with the Professional, certification and licensing standards in effect at the time the Services are performed. Consultant makes no other warranty or representation, express or implied, and City accepts said limited warranty.

7. **INDEPENDENT CONTRACTOR.** Consultant, for the purpose of this Agreement, shall be considered an independent contractor. As an independent contractor, Consultant agrees as follows:

   7.1 Consultant will be solely responsible for payment of Federal or State taxes required as a result of this Agreement;

   7.2 Consultant is not entitled to any benefits generally granted to City employees; Consultant is solely liable for any Workers Compensation coverage under this Agreement.

   7.3 If Consultant has the assistance of other persons in the performance of this Agreement, Consultant shall qualify and remain qualified for the term of this Agreement as a direct responsibility employer under Oregon Workers' Compensation law.

8. **CONSULTANT NOT AN AGENT OF CITY.** It is agreed by and between the parties that Consultant is not carrying out a function on behalf of City, and City does not have the right of direction or control of the manner in which Consultant delivers services under this Agreement or exercise any control over the activities of Consultant. Consultant is not an officer, employee or agent of City as those terms are used in ORS 30.265.

   8.1 This Agreement does not entitle the Consultant nor any of its Agents to any benefits generally granted to City employees. Without limitation, the benefits which are not intended to be extended by this Agreement are vacation, holiday and sick leave, other leaves with pay, tenure, medical and dental coverage, life and disability insurance, overtime, Social Security, Workers' Compensation, unemployment compensation, or retirement. Consultant shall be responsible for all federal or state taxes applicable to compensation or payment paid to Consultant under this Agreement.

9. **PARTNERSHIP.** City is not, by virtue of this Agreement, a partner or joint venturer with Consultant in connection with activities carried out under this Agreement, and shall have no obligation with respect to Consultant's debts or any other liabilities of each and every nature.

10. **INSURANCE** – requirements are detailed in Exhibit 2.

11. **FAILURE TO SECURE.** If Consultant at any time during the term hereof should fail to secure or maintain insurance required in Exhibit 2, City may obtain such insurance in the Consultant's name or as an agent of the Consultant and shall be compensated by the Consultant for the costs of the insurance premiums at the maximum rate permitted by law and computed from the date written notice is received that the premiums have not been paid. The City may withhold the amount of such premiums from any amount otherwise due Consultant under this Agreement or any other contract Consultant may have with City.

12. **INDEMNIFICATION HOLD HARMLESS.** Consultant shall defend, save, hold harmless and indemnify the City and its officers, directors, agents, employees and volunteers from and against all claims, suits, actions, losses, damages, liabilities costs and expenses of any nature resulting from or arising out of, or relating to the activities of Consultant or its officers, employees, contractors, or agents under this Agreement. Neither party shall be liable to the other for any incidental or consequential damages arising out of or related to this Agreement. Neither party shall be liable for any damages of any sort arising solely from a lawful termination of this Agreement or any part hereof in accordance with its terms.

13. **SUBROGATION WAIVER**: Consultant agrees that in the event of loss due to any of the perils for which it has agreed to provide commercial general and automotive liability insurance, Consultant shall look solely to its own insurance for recovery. Consultant hereby grants to City, on behalf of any insurer providing commercial general and automotive liability insurance to either Consultant or City with respect to the services of Consultant herein, a waiver of any right to subrogation which any such insurer of said Consultant may acquire against City by virtue of the payment of any loss under such insurance.

14. **PERMITS AND LICENSES**: Consultant, at its sole expense, shall obtain and maintain during the term of this Agreement, all appropriate permits, certificates and professional licenses related to the scope of services provided, including a City Business License, which may be required in connection with the performance of services hereunder. Failure to maintain all Professional licenses, required permits or Professional certificates will void this agreement in its entirety.

15. **PREFERENCE FOR RECYCLED MATERIALS (ORS 279A.125).** Consultant will use where applicable, recycled materials if (a) The recycled product is available; (b) The recycled product meets applicable standards; (c) The recycled product can be substituted for a comparable non-recycled product; and (d) The recycled product's costs do not exceed the costs of non-recycled products by more than five percent (5%).

16. **DRUGS AND ALCOHOL.** Consultant shall maintain and enforce a policy prohibiting Consultant and its employees, agents and subconsultants, if any, from dealing, possessing, or using drugs or alcohol while performing work under this Agreement.

17. **CRIMINAL BACKGROUND INVESTIGATIONS.** Consultant understands that Consultant is subject to periodic criminal background investigations by City and, if such investigations disclose criminal activity not disclosed by Consultant, such non-disclosure shall constitute a material breach of this Agreement and City may terminate this Agreement effective upon delivery of written notice to the Consultant, or at such later date as may be established by the City.

18. **DELEGATION, SUBCONTRACTS AND ASSIGNMENT.** Consultant shall not delegate or subcontract any of the work required by this Agreement or assign or transfer any of its interest in this Agreement, without the City's prior written consent.

18.1 Any delegation, subcontract, assignment, or transfer without prior written consent of City shall constitute a material breach of this Agreement.

18.2 Any such assignment or transfer, if approved, is subject to such conditions and provisions as the City may deem necessary.

18.3 No approval by the City of any assignment or transfer of interest shall be deemed to create any obligation of the City to increase rates of payment or maximum Agreement consideration.

18.4 Prior written approval shall not be required for the purchase by the Consultant of articles, supplies and services which are incidental to the provision of services under this Agreement that are necessary for the performance of the work.

18.5 Any subcontracts that the City may authorize shall contain all requirements of this Agreement, and the Consultant shall be responsible for the performance of the subcontractor.

19. NON-DISCRIMINATION. Consultant agrees that it shall not discriminate on the grounds of race, color, creed, national origin, sex, marital status, age, or disability in Consultant's performance of this Agreement. Consultant agrees to comply with Title VI of the Civil Rights Act of 1964, with Section V of the Rehabilitation Act of 1973, and with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations. Consultant also shall comply with the Americans with Disabilities Act of 1990 (Pub L No. 101-336), ORS 659.425, and all regulations and administrative rules established pursuant to those laws. Consultant agrees to comply with ADA in its employment and nondiscrimination practices, and that it shall perform its contractual obligations consistent with ADA federal requirements/regulations, state disability and accessibility law and requirements, and applicable regulations and administrative rules established pursuant to those laws.

20.TERMINATION. This Agreement may be terminated as follows:

20.1. This Agreement may be terminated at any time by mutual consent of both parties.

20.2. City may, in its sole discretion, terminate this Agreement, in whole or in part, upon thirty (30) days' notice, in writing and delivered by certified mail or in person.

20.3. City may terminate this Agreement, effective upon delivery of written notice to the Consultant, or at such later date as may be established by the City under any of the following conditions:

20.3.1. City funding is not obtained and continued at levels sufficient to pay for Consultant's Work. The Agreement may be modified to accommodate a reduction in funds.

20.3.2. If federal, state or City regulations or guidelines are modified, changed or interpreted in such a way that the services are no longer allowable or appropriate for purchase under this Agreement or are no longer eligible for the funding proposed for payments authorized by this Agreement.

20.3.3. If any license or certificate required by law or regulation to be held by the Consultant to provide the services required by this Agreement is for any reason denied, revoked, or not renewed.

20.3.4. Any termination of this Agreement shall be without prejudice to any obligations or liabilities of either party already accrued prior to such termination.

20.3.5 The City by written notice of default (including breach of contract) to the Consultant may terminate the whole or any part of this Agreement:

20.3.6 If the Consultant fails to provide services called for by this Agreement within the time specified or any extension of the Agreement, or

20.3.7 If the Consultant fails to perform any of the other provisions of this Agreement, or so fails to pursue the work as to endanger performance of this Agreement in accordance with its terms, and after receipt of written notice from the City, fails to correct such failures within 10 days or such longer period as the City may authorize.

20.3.8 If the consultant fails to maintain all Professional licenses, Professional certificates or required permits, the agreement will be voided in its entirety. Payments for valid Professional services will be assessed to determine if any payment under this agreement is required up to the date required Professional licenses, Professional certifications or permits lapse.

20.4. Consultant may terminate this Agreement upon 30 days' written notice to City if City fails to pay Consultant pursuant to the terms of this Agreement and City fails to cure within 30 business days after receipt of Consultant's notice, or such longer period of cure as Consultant may specify in the notice.

20.5 City expressly reserves any and all rights it has in law or equity if Consultant defaults under this Agreement and fails to cure such default in accordance with this Agreement's terms.

21. ACCESS TO RECORDS. Consultant shall maintain fiscal records and all other records pertinent to this Agreement.

21.1 All fiscal records shall be maintained pursuant to generally accepted accounting standards, and other records shall be maintained to the extent necessary to clearly reflect actions taken. All records shall be retained and kept accessible for at least three years following the final payment made under this Agreement or all pending matters are closed, whichever is later. If an audit, litigation or other action involving this Agreement begins before the end of the three year period, the records shall be retained until all issues arising out of the action are resolved or until the end of the three year period, whichever is later.

21.2 City and its authorized representatives shall have the right to direct access to all of Consultant's books, documents, papers and records related to this Agreement for the purpose of conducting audits and examinations and making copies, excerpts and transcripts. These records also include any records in electronic form or other electronic storage devices. City shall reimburse Consultant for Consultant's cost of preparing copies. Upon advanced notice and request to enter Consultant's premises, Consultant will cooperate and allow, the City, the Secretary of State's Office of the State of Oregon, the Federal Government, and their duly authorized representatives, to enter upon Consultant's premises to access and inspect the books, documents, papers, electronic files and any other records of the Consultant which are directly pertinent to this Agreement for the purpose of making audits, examinations, excerpts, copies and transcriptions.

22. OWNERSHIP OF WORK. All work of Consultant that results from this Agreement (the "Work Product") is the exclusive property of City. City and Consultant intend that such Work Product be deemed "work made for hire" of which City shall be deemed author.) If for any reason the Work Product or any part of it would not be considered a work made for hire under applicable law, Consultant irrevocably sells, assigns, and transfers to City, its successors and assigns, the entire right, title and interest in and to the Work Product, any registrations, trademarks, patents or copyrights relating to it and any renewals and extensions of same, and in and to all works based upon, derived from, or incorporating the Work Product, and in and to all income, royalties, damages, claims and payments now or hereafter due or payable with respect to the Work Product, and in and to all causes of action, either in law or in equity for past, present, or future infringement based on such rights accruing to the Work Product. Consultant shall execute such further documents and instruments as City may reasonably request in order to fully vest such rights in City. Consultant forever waives any and all rights relating to Work Product, including without limitation, any and all rights arising under 17 USC § 106A or any other rights of identification of authorship or rights of approval, restriction or limitation on use or subsequent modification, provided that City will only use such Work Product for its intended purpose and not modify the Work Product which would be prejudicial to Consultant's honor or reputation. City shall have no rights in any pre-existing work product of Consultant provided to City by Consultant in the performance of this Agreement except to copy, use and re-use any such work product for City use only. If this Agreement is terminated prior to completion, and the City is not in default, City, in addition to any other rights provided by this Agreement, may require the Consultant to transfer and deliver all partially completed work products, reports or documentation that the Consultant has specifically developed or specifically acquired for the performance of this Agreement.

23. **GOVERNING LAW.** This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively, "Claim") between City and Consultant that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Deschutes County for the State of Oregon; provided, however, if a Claim shall be brought in federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. Any trial will be to the court without a jury. CONSULTANT, BY EXECUTION OF THIS AGREEMENT, CONSENTS TO THE PERSONAL JURISDICTION OF SAID COURTS.

24. **FORCE MAJEURE.** Neither party to this Agreement shall be liable to the other party for delays in performing the Services or for the direct or indirect cost resulting from such delays that may result from strikes, riots, war, acts of governmental authorities, extraordinary weather conditions or other natural catastrophe, or any other cause beyond the reasonable control or contemplation of either party.

25. **WAIVER.** City's delay in exercising, or failure to exercise any right, power, or privilege under this Agreement shall not operate as a waiver thereof, nor shall any single or partial exercise or any right, power, or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other such right, power, or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

26. **ATTORNEY FEES.** If a suit or action is filed to enforce any term of this Agreement, the prevailing party shall be entitled to recover from the other party, in addition to costs and disbursements provided by statute, any sum that a court, including any appellate court, may adjudge reasonable as attorney's fees.

27. **SEVERABILITY.** If any term or provision of this Agreement is declared illegal or in conflict with any law by a court of competent jurisdiction, the validity of the remaining terms and provisions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held to be invalid.

28. NOTICE. Any notices required under this Agreement shall be effective when received at the following addresses:

City: 411 SW 9th Street, Redmond Oregon 97756

Consultant: 110 SE First Street, Pendleton Oregon 97801

It is incumbent on the party sending notice to confirm the other party's receipt of the notice in writing.

29. REPRESENTATION ON AUTHORITY OF PARTIES/SIGNATORIES. Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligations hereunder have been duly authorized and that the Agreement is a valid and legal agreement binding on such party and enforceable in accordance with its terms.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed the day and year first above written.

Dickey and Tremper, LLP

Robert Tremper, CPA
Signature

Robert Tremper
Print

Partner
Title

6/29/2017
Date

CITY OF REDMOND

[signature]
Signature

Keith Witcosky
Print

City Manager
Title

July 3, 2017
Date

ATTEST:

Kelly Morse
By: Kelly Morse, City Recorder

STATEMENT OF WORK. Consultant shall perform the following work including Incorporated Documents. The REQUEST FOR QUOTES, REQUEST FOR PROPOSALS, INVITATION TO BID, the INSTRUCTIONS TO BIDDERS, the signed copy of the PROPOSAL, the BID BOND, the fully executed PERFORMANCE BOND and PAYMENT BOND, the GENERAL CONDITIONS, the SUPPLEMENTARY CONDITIONS, any ADDENDA, the SPECIFICATIONS, and the PLANS, if applicable, are hereby referred to and by reference made a part of this Scope of Work, as fully and completely as if the same were fully set forth herein and are mutually cooperative there-with.

☑ Substitute Statement of Work (ex: request for proposal, signed proposal, quote, etc.) attached.

The Consultant shall perform the professional audit service duties for both the City of Redmond and the Redmond Urban Renewal Agency as stated in the incorporated request for proposal and signed proposal submitted, as well as the attached engagement letters (Exhibit 1a).

<u>or</u>

☐ Detailed list of duties, including time lines and document production, are as follows:

COMPENSATION. Consultant shall be compensated as follows.

☑ Substitute compensation document (ex: signed proposal, quote, rate sheet, etc.) attached.

<u>or</u>

☐ Maximum compensation under this contract and other relevant compensation and payment terms are as follows:

Robert Thompson

Consultant Signature

6/28/17

Date

EXHIBIT 2 – INSURANCE (CONSULTANT/PROFESSIONAL SERVICES CONTRACT)

The Consultant shall at all times maintain, in force, at Consultant's expense, each insurance noted below. Insurance coverage must apply on a primary and non-contributory basis. All insurance policies, except Professional Liability, shall be written on an occurrence basis and be in effect for the term of this contract. Policies written on a "claims made" basis must be approved and authorized by the City of Redmond.

Consultant Name: Dickey & Tremper, LLP

Workers Compensation insurance in compliance with ORS 656.017, requiring Consultant and all subcontractors to provide workers' compensation coverage for all subject workers, or provide certification of exempt status. Employers' Liability Insurance with coverage limits of not less than $500,000 must be included.
X Required by City (complete Exhibit 2A)

Professional Liability insurance with an occurrence combined single limit of not less than:

Per Occurrence limit	Annual Aggregate limit
___$1,000,000	___$1,000,000
_X_$2,000,000	_X_$2,000,000
___$________	___$________

Professional Liability insurance covers damages caused by error, omission, or negligent acts related to professional services provided under this Contract. The policy must provide extended reporting period coverage, sometimes referred to as "tail coverage" for claims made within two years after this contract is completed.
☑ Required by City (include Certificate of Insurance) ☐ Not required by City

Commercial General Liability insurance with a combined single limit of not less than:

Per Occurrence limit	Annual Aggregate limit
___$1,000,000	___$1,000,000
_X_$2,000,000	___$2,000,000
___$4,000,000	_X_$4,000,000
___$________	___$________

Commercial General Liability insurance includes coverage for personal injury, bodily injury, advertising injury, property damage, premises, operations, products, completed operations and contractual damages. ***By separate endorsement,*** the policy shall name ***The City of Redmond, its agents, directors, officers, employees and volunteers as an additional insured.*** The additional insured endorsement shall not include declarations that reduce any per occurrence or aggregate insurance limit. The Consultant shall provide additional coverage based on any outstanding claim(s) made against policy limits to ensure that minimum insurance limits required by the City are maintained. Construction contracts may include aggregate limits that apply on a "per location" or "per project" basis.

☑ Required by City (include Certificate of Insurance) ☐ Not required by City
☐ Per Location or Project required

Automobile Liability insurance with a combined single limit of not less than:

Per Occurrence limit
___$500,000
___$1,000,000
___$2,000,000

Automobile Liability insurance includes coverage for bodily injury and property damage resulting from operation of a motor vehicle. Commercial Automobile Liability Insurance shall provide coverage for *any* motor vehicle (symbol 1 on some insurance certificates) driven by or on behalf of Consultant during the course of providing services under this contract. Commercial Automobile Liability is required for consultants that own business vehicles registered to the business. Examples include: plumbers, electricians or construction contractors. An Example of an acceptable personal automobile policy is a Consultant who is a sole proprietor that does not own vehicles registered to the business.
☐ Required by City (include Certificate of Insurance) ☐ Not required by City

Insurance Assigned ____________________

Additional Requirements: Consultant shall pay all deductibles and retentions. A cross-liability clause or separation of insured's condition must be included in all commercial general liability policies required by this Contract. Consultant's insurance coverage will be primary in the event of loss.

Certificate of Insurance (COI) Required: Consultant shall furnish a current Certificate of Insurance to the City with the signed Contract. The Consultant shall provide that there shall be no cancellation, termination, material change, or reduction of limits of the insurance coverage without at least 30 days written notice from the Consultant to the City.

No contract shall be effective until the required certificates have been received and approved by the City of Redmond. The certificate will specify and document all provisions within this contract. A renewal certificate will be sent to the City of Redmond 10 days prior to coverage expiration.

For commercial general liability coverage, the Certificate shall also provide, ***by separate endorsement***, that ***The City of Redmond, its agents, directors, officers, employees and volunteers are additional insureds*** with respect to Consultant's services provided under this Contract. The endorsement must provide primary and non-contributory coverage. All endorsements must be in a format acceptable to The City of Redmond.

Insurance Carrier Acceptability: Insurance coverage provided to the City of Redmond by the Consultant will be in an acceptable form and underwritten by an insurance company deemed acceptable by the City of Redmond. The City of Redmond reserves the right to reject all or any insurance carrier(s) with an unacceptable financial rating. The City of Redmond has the sole authority and discretion to determine the acceptability of an insurance carrier's financial rating and the form of policies and endorsements.

If requested, complete copies of the Consultant's insurance policies shall be provided to the City.

Robert Hennyn
Consultant Signature

6/24/17
Date

EXHIBIT 2A – WORKERS' COMPENSATION CERTIFICATION (CONSULTANT/PROFESSIONAL SERVICES CONTRACT)

I understand that in Oregon all workers (even employed family members) are subject to Workers' Compensation, EXCEPT nonsubject workers as defined in Oregon Revised Statutes (ORS) Chaper 656. Complete section A OR B.

Consultant Name: Dickey & Tremper, LLP

SECTION A – CERTIFICATION OF COVERAGE

Consutant provides Workers' Compensation coverage for employees performing under this contract as provided under ORS Chapter 656 with Employers' Liability Insurance with coverage limits of not less than $500,000.

Insurer Name SAIF Corporation **Policy No.** 963653

OR

SECTION B – CERTIFICATION OF EXEMPTION

1) I meet the criteria for nonsubject worker as defined in the ORS 656.027 by subsection marked below.
SELECT ONE: For more information see: http://www.cbs.state.or.us/wcd/communications/defin.html.

☐ **SOLE PROPRIETOR** (section (7)(a))

- Consultant is a sole proprietor, and
- Consultant has no employees, and
- Consultant shall not hire employees to perform this contract.

☐ **PARTNERSHIP** (sections (8) and (23)(a))

- Consultant is a partnership, and
- Consultant has no employees, and
- All work shall be performed by the partners; Consultant shall not hire employees to perform this contract, and
- Consultant is not engaged in work performed in direct connection with the construction, alteration, repair, improvement, moving or demolition of an improvement to real property or appurtenances thereto. **

☐ **LIMITED LIABILITY COMPANY** (sections (9) and (25)(a))

- Consultant is a limited liability company, and
- Consultant has no employees, and
- All work shall be performed by the members; Consultant shall not hire employees to perform this contract, and
- If Consultant has more than one member, Consultant is not engaged in work performed in direct connection with the construction, alteration, repair, improvement, moving or demolition of an improvement to real property or appurtenances thereto. **

☐ **CORPORATION** (sections (10) and (24)(a))

- Consultant's business is incorporated, and
- All employees of the corporation are officers and directors and have a substantial ownership interest* in the corporation, and
- The officers and directors shall perform all work. Consultant shall not hire other employees to perform this contract.

☐ **OTHER (please describe)**

- ______________________________
- ______________________________

* NOTE: Under OAR436-50-050 a shareholder has a "substantial ownership" interest if the shareholder owns 10% of the corporation or, if less than 10% is owned, the shareholder has ownership that is at least equal to or greater than the average percentage of ownership of all shareholders.

** NOTE: Under certain circumstances partnerships and limited liability companies can claim an exemption even when performing construction work. The requirements for this exemption are complicated.

2) I meet the criteria for an independent contractor as evidenced by the completion of **Exhibit 4 – Independent Contractor Certification.**

Robert Tremper
Consultant Signature

6/29/17
Date

EXHIBIT 4 – INDEPENDENT CONTRACTOR CERTIFICATION, REPRESENTATIONS & WARRANTIES (SERVICES CONTRACT)

I certify that I am an independent contractor. Complete ALL sections.

Consultant Name: Dickey & Tremper, LLP

A. CONSULTANT'S BUSINESS STATUS

I certify under penalty of perjury that Consultant is authorized to do business in the State of Oregon as a:

☐ Corporation ☐ Limited Liability Company ☒ Partnership ☐ Sole Proprietor

☐ Other ______________________

B. CONSULTANT IS AN INDEPENDENT CONTRACTOR.

Consultant certifies under penalty of perjury that the following statements are true:

1. If Consultant performed labor or services as an independent Consultant last year, Consultant filed federal and state income tax returns last year in the name of the business (or filed a Schedule C in the name of the business as part of a personal income tax return), **and**
2. Consultant represents to the public that the labor or services Consultant provides are provided by an independently established business registered with the State of Oregon, **and**
3. All of the statements checked below are true.

NOTE: Check all that apply. You shall check at least four (4) - to establish that you are an Independent Contractor.

☒ The labor or services I perform is primarily carried out at a location that is separate from my residence or is primarily carried out in a specific portion of my residence that is set aside as the location of the business.

☒ I purchase commercial advertising or I have business cards for my business, or I am a member of a trade association.

☒ My business telephone listing is separate from my personal residence telephone listing.

☒ I perform labor or services only under written contracts.

☒ Each year I perform labor or services for at least two different persons or entities.

☒ I assume financial responsibility for defective workmanship or for service not provided by purchasing performance bonds, errors and omission insurance or liability insurance, or providing warranties relating to the labor or services I provide.

C. REPRESENTATIONS AND WARRANTIES

Consultant certifies under penalty of perjury that the following statements are true to the best of Contractor's knowledge:

1. Consultant has the power and authority to enter into and perform this Contract;
2. This Agreement, when executed and delivered, shall be a valid and binding obligation of Contractor enforceable in accordance with its terms;
3. The services under this Consultant shall be performed in manner consistent with and in accordance with the professional standards of the industry and in a timely manner using the schedule, materials, plans and specifications approved by City; and
4. Consultant shall, at all times during the term of this Contract, be qualified, professionally competent, and duly licensed to perform the services.
5. To the best of Consultant's knowledge, Consultant is not in violation of any tax laws described in ORS 305.380(4),
6. Consultant understands that Contractor is responsible for any federal or state taxes applicable to any consideration and payments paid to Contractor under this Contract; and
7. Consultant has not discriminated against minority, women or small business enterprises in obtaining any required subcontracts, pursuant to ORS 279A.110.

Robert Tremper ______________________ 6/24/17 ______________
Consultant Signature Date

Dickey and Tremper, LLP
Certified Public Accountants and Business Advisors

110 SE First Street
P.O. Box 1533
Pendleton, OR 97801
Phone: 541-276-6862
Toll Free: 800-332-6862
Fax: 541-276-9040
Web: www.dickeyandtremper.com

June 16, 2017

City of Redmond
411 SW 9th Street
Redmond, OR 97756

We are pleased to confirm our understanding of the services we are to provide for the City of Redmond for the years ended June 30, 2017, 2018, and 2019, with an optional renewal clause for the years ended June 30, 2020 and 2021. We will audit the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the entity's basic financial statements of the City of Redmond, as of, and for the year ended, June 30, 2017, 2018, and 2019, and should the City choose to exercise the renewal clause, for the years ending June 30, 2020 and 2021. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City of Redmond's 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, economical, or historical context. As part of our engagement, we will apply certain limited procedures to the City of Redmond's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis.
2. Supplementary pension information.

We have also been engaged to report on supplementary information other than RSI that accompanies the City of Redmond's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements.

1. Combining and individual fund financial statements.
2. Budgetary comparison and other financial schedules.
3. Schedule of expenditures of federal awards
4. Schedule of Expenditures of Passenger Facility Charges

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

1. Letter of transmittal for Comprehensive Annual Financial Report
2. Supplementary and Statistical information for the Comprehensive Annual Financial Report

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards
- Internal Control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments on 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

The Government Auditing Standards report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to management and the governing board of the City of Redmond. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City of Redmond's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards.*

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of City of Redmond's major programs. The purpose of these procedures will be to express an opinion on the City of Redmond's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of City of Redmond in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. In addition, we will assist in preparing accrual reconciliations and may propose audit journal entries. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards.* We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, related notes, accrual reconciliations, and audit journal entry, services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for (1) designing, implementing, and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review during our initial planning session.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written. Representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, related notes, preparing accrual reconciliation, proposing audit journal entries, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request, as well as various schedules and analyses, and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Dickey and Tremper, LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the State of Oregon Division of Audits or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Dickey and Tremper, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the State of Oregon Division of Audits. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit as soon after the contract document is executed and is agreeable to both parties and to issue our reports no later than December 31. Robert Tremper is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs, except that we agree that our gross fee, including expenses will not exceed $45,800. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. In the event the City is required to comply with the Single Audit Act, we expect our additional fees to be $3,750 per major program, dependent upon the requirements of the specific program. This fee includes our consulting for information required to prepare for submission of the financial statements toward the "Certificate of Achievement for Excellence in Financial Reporting". Fees for the years ending June 30, 2018 and 2019 will be based upon the fees for the year ended June 30, 2017 increased equal to the change in the overall consumer price index for the West Urban Region. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation, and will be subject to a late payment fee of 1 1/2% (18% APR) on unpaid balances after 30 days. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit and that no bookkeeping services will be required. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We would expect to continue our services for the arrangements discussed above, unless for some reason, you or we find that some change is necessary. It is understood that either party may cancel this contract by giving notice, in writing, to the other party at least ninety days prior to June 30, of each year.

We appreciate the opportunity to be of service to the City of Redmond and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Dickey and Tremper, LLP

Dickey and Tremper, LLP

RESPONSE:

This letter correctly sets forth the understanding of the City of Redmond.

By: *[signature]*

Title: *City Manager*

Date: *June 20, 2017*

Dickey and Tremper, LLP
Certified Public Accountants and Business Advisors

110 SE First Street
P.O. Box 1533
Pendleton, OR 97801
Phone: 541-276-6862
Toll Free: 800-332-6862
Fax: 541-276-9040
Web: www.dickeyandtremper.com

June 16, 2017

City of Redmond Urban Renewal Agency
411 SW 9th Street
Redmond, OR 97756

We are pleased to confirm our understanding of the services we are to provide the City of Redmond Urban Renewal Agency for the year ended June 30, 2017, 2018, and 2019 with an optional renewal clause for the years ending June 30, 2020 and 2021. We will audit the financial statements of the governmental activities and each major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Redmond Urban Renewal Agency as of and for the year ended June 30, 2017, 2018, and 2019 and should the Agency choose to exercise the renewal clause, for the years ending June 30, 2020, and 2021. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City of Redmond Urban Renewal Agency's 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. As part of our engagement, we will apply certain limited procedures to the City of Redmond Urban Renewal Agency's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis.

We have also been engage to report on supplementary information other than RSI that accompanies the City of Redmond Urban Renewal Agency's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

1) Supplemental budgetary schedules.

Audit Objective

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the City of Redmond Urban Renewal Agency's financial statements. Our report will be addressed to management and those charged with governance of the City of Redmond Urban Renewal Agency. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or to add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express an opinion or may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City of Redmond Urban Renewal Agency's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also prepare the financial statements of City of Redmond Urban Renewal Agency in conformity with U.S. generally accepted accounting principles based on information provided by you. In addition we will assist in preparing reconciliations to the accrual basis and may propose audit adjustments. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement, accrual reconciliations, and audit journal entry services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for financial statement preparation services accrual reconciliations, proposed audit journal entries and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Dickey and Tremper, LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the State of Oregon Division of Audits or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Dickey and Tremper, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

We expect to begin our audit as soon after the contract document is executed as is agreeable to both parties and issue our report no later than December 31. Robert Tremper, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for these services will be at our standard hourly rates, except that we agree that our gross fee for the year ended June 30, 2017, including travel and out-of-pocket expenses will not exceed $4,350. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Fees for the years ended June 30, 2018 and each succeeding year will be based upon fee for the year ended June 30, 2017, increased equal to the change in the overall Consumer Price Index, as established for the West Urban Region, when compared to June 30, 2017. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation, and will be subject to a late fee of 1 ½% per month if not paid within 30 days.

In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the City of Redmond Urban Renewal Agency and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Dickey and Tremper, LLP

Dickey and Tremper, LLP

RESPONSE:

This letter correctly sets forth the understanding of City of Redmond Urban Renewal Agency.

By KC[illegible]

Title: Community Development Director

Date: 6-20-17

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 06/28/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER

ISU - The Stratton Agency
435 SW Dorion Avenue
Pendleton, OR 97801
License #: 806501

CONTACT NAME: Janelle Gau
PHONE (A/C, No, Ext): 541-276-2302 | FAX (A/C, No): 541-276-1055
E-MAIL ADDRESS: janelleg@stratton-insurance.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Nationwide Insurance	42587
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED

Dickey and Tremper, LLP
PO Box 1533
Pendleton, OR 97801-0420

COVERAGES CERTIFICATE NUMBER: 00000000-67830 REVISION NUMBER: 9

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY	Y		ACPBPOD7584067381	07/06/2017	07/06/2018	EACH OCCURRENCE	$ 2,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 300,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 4,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 4,000,000
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB / CLAIMS-MADE						AGGREGATE	$
	DED RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N						PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	N/A					E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

City of Redmond
411 SW 9th St
Redmond, OR 97756

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Janelle Gau

(JLG)

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ACORD 25 (2016/03)

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Printed by JLG on June 28, 2017 at 05:00PM

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 06/28/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	
ISU - The Stratton Agency 435 SW Dorion Avenue Pendleton, OR 97801 License #: 806501	CONTACT NAME: Janelle Gau PHONE (A/C, No, Ext): 541-276-2302 FAX (A/C, No): 541-276-1055 E-MAIL ADDRESS: janelleg@stratton-insurance.com

INSURED	INSURER(S) AFFORDING COVERAGE	NAIC #
Dickey and Tremper, LLP PO Box 1533 Pendleton, OR 97801-0420	INSURER A : Nationwide Insurance	42587
	INSURER B :	
	INSURER C :	
	INSURER D :	
	INSURER E :	
	INSURER F :	

COVERAGES CERTIFICATE NUMBER: 00000000-87040 REVISION NUMBER: 9

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
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							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 4,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 4,000,000
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB / CLAIMS-MADE						AGGREGATE	$
	DED RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N						PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	N/A					E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER	CANCELLATION
Urban Renewal Agency 411 SW 9th St Redmond, OR 97756	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Janelle Gau (JLG)

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PREMIER BUSINESSOWNERS POLICY

PREMIER OFFICE

LIABILITY DECLARATIONS

Policy Number: **ACP BPOD7584067381**

Policy Period: From **07-06-17** To **07-06-18**

LIMITS OF INSURANCE

Each Occurrence Limit of Insurance	Per Occurrence	**$2,000,000**
Medical Payments Coverage Sub Limit	Per Person	**$5,000**
Tenants Property Damage Legal Liability Sub Limit	Per Covered Loss	**$300,000**
Personal and Advertising Injury	Per Person Or Organization	**$2,000,000**
Products – Completed Operations Aggregate	All Occurrences	**$4,000,000**
General Aggregate (Other than Products – Completed Operations)	All Occurrences	**$4,000,000**

AUTOMATIC ADDITIONAL INSUREDS STATUS

The following persons or organizations are automatically insureds when you and they have agreed in a written contract or agreement that such person or organization be added as an additional insured on your policy.

Co-Owners of Insured Premises
Controlling Interest
Grantor of Franchise or License
Lessors of Leased Equipment
Managers or Lessors of Leased Premises
Mortgagee, Assignee or Receiver
Owners or Other Interest from Whom Land has been Leased
State or Political Subdivisions - Permits Relating to Premises

PROPERTY DAMAGE DEDUCTIBLE

NONE

OPTIONAL COVERAGES

Hired Auto Liability Coverage	**Included in Each Occurrence Limit of Insurance**	
Nonowned Auto Liability Coverage	**Included in Each Occurrence Limit of Insurance**	
Employment Practices Liability Insurance		
Each Claim & Aggregate Limits for Damages		**$50,000**
Each Claim & Aggregate Limits-Defense Expense	**INCLUDED**	
Retroactive Date 07/06/09 Deductible $2,500		

PREMIER BUSINESSOWNERS POLICY

PREMIER OFFICE

FORMS AND ENDORSEMENTS SUMMARY

Policy Period:

Policy Number: **ACP BPOD7584067381** From **07-06-17** To **07-06-18**

FORM NUMBER		TITLE
LI0021	0101	NUCLEAR ENERGY LIABILITY EXCLUSION
PB0002	1114	PREMIER BUSINESSOWNERS
PB0006	1114	PREMIER BUSINESSOWNERS LIABILITY COVERAGE FORM
PB0009	1114	PREMIER BUSINESSOWNERS COMMON POLICY CONDITIONS
PB0404	0101	HIRED AUTO AND NON-OWNED AUTO LIABILITY
PB0589	0311	EMPLOYMENT PRACTICES LIABILITY
PB2998	0908	EXCLUSION - VIOLATION OF CONSUMER PROTECTION STATUTES
PB2999	0215	EXCLUSION - FUNGI OR BACTERIA
PB9036	0411	OREGON AMENDATORY ENDORSEMENT
PB1203	0101	LOSS PAYABLE PROVISIONS
PB6003	0411	ADDITIONAL INSURED -MUNICIPALITIES OR PU
PB0412	0101	LIMITATION OF COVERAGE TO DESIGNATED PREMISES
PB6072	0711	AMENDMENT TO OTHER INSURANCE CLAUSE FOR ADDITIONAL INSUREDS
PB1504	1114	ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION
PB0523	0715	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

IMPORTANT NOTICES

IN7404	0107	IMPORTANT FLOOD INSURANCE NOTICE
IN7809	1115	DATA BREACH & IDENTITY RECOVERY SERVICES
IN7830	0816	EMPLOYMENT PRACTICES LIABILITY SERVICES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT TO OTHER INSURANCE CLAUSE FOR ADDITIONAL INSUREDS – PRIMARY AND NON-CONTRIBUTORY WHEN REQUIRED IN A WRITTEN AGREEMENT OR CONTRACT WITH YOU

This endorsement modifies insurance provided under the following:

PREMIER BUSINESSOWNERS COMMON POLICY CONDITIONS

Only with respect to any additional insured, in the COMMON POLICY CONDITIONS, form PB 00 09, under condition H. **OTHER INSURANCE**, paragraph 2.a. is replaced by the following:

H. **OTHER INSURANCE**

2. Under any liability coverage provided by this policy,
   a. If for injury or loss we cover, there is other valid and collectible insurance available to any additional insured under another policy, our obligations are limited as follows:
      (1) Issued by another insurer, or if there is self insurance or similar risk retention that applies to a loss covered by this policy, then this insurance provided by us shall be excess over such other insurance, unless you have agreed in a written contract or written agreement signed prior to the loss that this insurance shall be primary:
         (a) Then this insurance is primary. If other insurance is also primary, we will share with all that other insurance as described in d. below; and
         (b) The coverage afforded by this insurance is non-contributory with the additional insured's own insurance.

         Paragraphs (a) and (b) do not apply to other insurance to which the additional insured has been added as an additional insured to any other person or organization's policy.; or
      (2) Issued by us or any of our affiliate companies, that applies to a loss covered by this policy, then only the highest applicable Limit of Insurance shall apply to such loss. This condition does not apply to any policy issued by us that is designed to provide Excess or Umbrella liability insurance.

All terms and conditions of this policy apply unless modified by this endorsement.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – MUNICIPALITIES OR PUBLIC AGENCY – INSURED PROVIDING PROFESSIONAL SERVICES

This endorsement modifies insurance provided under the following:

PREMIER BUSINESSOWNERS LIABILITY COVERAGE FORM

The following is added to Section II. WHO IS AN INSURED:

The municipality and/or public agency designated in the Schedule of this endorsement is also an insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused ,in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf in connection with your operations, other than the rendering of or the failure to render professional services, advice of instruction, subject to the following additional exclusion:

This insurance, including any duty we have to defend "suits", does not apply to "bodily injury", "property damage" or "personal and advertising injury" that arises out of, in whole or in part, or is a result of, in whole or in part, the active or primary negligence of the municipality and/or public agency designated in the Schedule of this endorsement, whether or not such negligence has been assumed by you in a contract or agreement.

All terms and conditions of this policy apply unless modified by this endorsement.

SCHEDULE

Municipality and/or Public Agency:
CITY OF REDMOND

716 SW EVERGREEN AVE
REDMOND OR 977562242

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – MUNICIPALITIES OR PUBLIC AGENCY – INSURED PROVIDING PROFESSIONAL SERVICES

This endorsement modifies insurance provided under the following:

PREMIER BUSINESSOWNERS LIABILITY COVERAGE FORM

The following is added to Section II. WHO IS AN INSURED:

The municipality and/or public agency designated in the Schedule of this endorsement is also an insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused ,in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf in connection with your operations, other than the rendering of or the failure to render professional services, advice of instruction, subject to the following additional exclusion:

This insurance, including any duty we have to defend "suits", does not apply to "bodily injury", "property damage" or "personal and advertising injury" that arises out of, in whole or in part, or is a result of, in whole or in part, the active or primary negligence of the municipality and/or public agency designated in the Schedule of this endorsement, whether or not such negligence has been assumed by you in a contract or agreement.

All terms and conditions of this policy apply unless modified by this endorsement.

SCHEDULE

Municipality and/or Public Agency:
URBAN RENEWAL AGENCY

716 SW EVERGREEN AVE
REDMOND OR 977562242

DECLARATIONS
ACCOUNTANTS PROFESSIONAL LIABILITY POLICY

PRODUCER	BRANCH	PREFIX	POLICY NUMBER
003613	***970***	***APL***	***275430948***

INSURANCE IS PROVIDED BY
CONTINENTAL CASUALTY COMPANY
CNA PLAZA, CHICAGO, IL 60685
A STOCK INSURANCE COMPANY
REFERRED TO IN THIS POLICY AS WE, US, OR OUR.

1. Named Insured and Mailing Address

Dickey and Tremper, LLP
110 SE First Street
Pendleton, OR 97801

* * * NOTICE * * * *

THIS IS A CLAIMS-MADE AND REPORTED POLICY AND COVERS ONLY CLAIMS FIRST MADE AGAINST AN INSURED AND REPORTED IN WRITING TO THE COMPANY DURING THE POLICY PERIOD. PLEASE READ THIS POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT.

2. POLICY PERIOD: FROM: 4/01/17 TO: 4/01/18 at 12:01 A.M. Standard time at your address shown above.

3. PRIOR ACTS DATE: 4/01/05 at 12:01 A.M.

4. DEDUCTIBLE: Per Claim Deductible ________ or Aggregate Deductible $2,000

5. LIMITS OF LIABILITY: (INCLUDES CLAIM EXPENSES UNLESS AMENDED BY ENDORSEMENT)

   $2,000,000 PER CLAIM
   $2,000,000 AGGREGATE

6. FOR NON-RENEWAL : 30 days notice will be given you in accordance with policy conditions.

7. PRINTED ENDORSEMENTS ATTACHED AT POLICY ISSUANCE INCLUDE:

G-127136-A(1/16) Policy
G-127137-A(7/12) Declarations Page - OR
G-127157-A(6/97) Nuclear Energy & Pollution Excl.
G-127164-A36(8/97) Amend. Termination Provisions - OR
G-141584-A(6/03) Policyholder Notice
G-127152-AC(5/06) Claim Expenses Outside Limits

8. $6,162.00 ANNUAL PREMIUM

9. WHO TO CONTACT TO REPORT A CLAIM OR POTENTIAL CLAIM:

Director of Claims
Accountants Professional Liability
CNA Insurance Companies
333 South Wabash Street
Chicago, IL 60604
APLNewLoss@CNA.com

THIS POLICY IS NOT VALID UNTIL SIGNED BY OUR AUTHORIZED REPRESENTATIVE.

D. H. Gunnison

Authorized Representative