city of REDMOND oregon

CITY HALL
411 SW 9th STREET
REDMOND, OR 97756
541.923.7710
FAX: 541.548.0706
info@redmondoregon.gov
redmondoregon.gov

CITY COUNCIL

January 18, 2022
Virtual Meeting • www.redmondoregon.gov/CityCouncilLive

COUNCIL MEMBERS

George Endicott
Mayor

Jay Patrick
Council President

Krisanna Clark-Endicott
Councilor

Clifford Evelyn
Councilor

Ed Fitch
Councilor

Shannon Wedding
Councilor

Cat Zwicker
Councilor

JANUARY 18, 2022 — SPECIAL MEETING AGENDA — 6:00 PM

I. CALL TO ORDER / ESTABLISH A QUORUM

II. PRESENTATIONS

A. Federal Infrastructure Investment and Jobs Act: Worksession #2

B. Presentation on legislation for Redmond to be a part of a regional pilot project to assist with responses to homelessness.

C. Fiscal Year 2020/21 City & Urban Renewal Financial Audit Results

III. APPOINTMENTS

A. Airport Committee - Appointment of Jefferson County Commissioner Mae Fording as the Jefferson County Representative, term expiring December 31, 2024.

B. Urban Area Planning Commission - Appointment of Joseph Zampko, term expiring December 31, 2024.

IV. 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.
The City of Redmond does not discriminate on the basis of disability status in the admission or access to, or treatment, or employment in, its programs or activities

CITY OF REDMOND

CITY HALL
411 SW 9th STREET
REDMOND, OR 97756
541.923.7710
FAX: 541.548.0706
info@redmondoregon.gov
redmondoregon.gov

STAFF REPORT

DATE: January 18, 2022
TO: City Council
THROUGH:
FROM: Keith Witcosky, City Manager
SUBJECT: Federal Infrastructure Investment and Jobs Act: Worksession #2

Addresses Council Goal:
1. SUSTAIN OPERATIONS
Provide or enhance current levels of operations in all facets of municipal service delivery.
C. Explore opportunities to augment revenues to support existing operations and infrastructure maintenance.

3. CITY INFRASTRUCTURE
Preserve and enhance the City's infrastructure to balance population growth with necessary infrastructure.

Report in Brief:
See Policy Worksession Memo

Background:

Discussion:

Fiscal Impact:

Alternative Courses of Action:

Recommendation / Suggested Motion:

Policy Issue Worksheet

Topic: Federal Infrastructure Bill Project Prioritization

Workession Date: January 18, 2022.

Lead (City) Staff: Keith Witcosky, John Roberts, Mike Caccavano, Zach Bass

Other Lead (non-City): Doug Riggs, Central Oregon Cities Organization; Gary Farnsworth, ODOT; Jon Stark, EDCO; Sharon Smith, Oregon Transportation Commissioner; Trevor Sleeman, ODOT Legislative Liaison; BJ Westlund, Senator Merkley's Office; Jacob Egler, Senator Wyden's Office; Nick Strader, Congressman Bentz's Office; Staff from Congressman Schrader's Office/or Congressman himself; Annette Liebe, Governor Brown's Office;

Purpose: In November 2021, City Council expressed an interest in helping prioritize Redmond's list of asks associated with the Federal Infrastructure Investment and Jobs Act (IIJA). Council conducted an initial prioritization worksession on December 21 and will have second on January 18 that will include Federal delegation/staff involvement.

Project Objectives/Success Criteria:

The first worksession had the following objectives and will proceed in the following order:

- Provide Council with a current 'what we know' about the process and what we know about what kinds of projects which may appeal to decisionmakers.
- ODOT's strategy for the Region.
- Provide Council with a list of potential project priorities using four different filters.
- Receive input from Council on priorities and next worksession.

The second worksession will include federal delegation staff. The purpose will be for Council to have a direct dialogue and ask questions of staff/and other officials about Redmond's priorities and to gain a sense of what projects will be the most competitive.

Specifically, from what was communicated on December 21, Council would like to learn more about the following on January 18, 2022:

- How and over what timeframe will the federal money be dispersed?
- What kind of projects will be the most competitive?
- Readiness: when does the project need to be completed?
- Should Redmond make an ask for a few large projects (what $$ is realistic) and what is definition of smaller dollar projects and how should those be approached?

Previous Council Worksessions on this Topic:

December 21, 2021

Infrastructure Investment and Jobs Act Frequently Asked Questions

ODOT has received dozens of questions about the Infrastructure Investment and Jobs Act, or IIJA, over the course of multiple webinars and discussions with stakeholders. This document responds to frequently asked questions based on information available to date. Key decisions must be made by ODOT, the Oregon Transportation Commission, and the US Department of Transportation before we can definitively answer many of these questions.

This document organizes questions into a number of categories, in the following order:

FLEXIBLE FUNDS

What amount of IIJA funds are truly flexible and are not already allocated to one bucket or program?
Approximately $400 million—about one-third of the total IIJA highway and transit formula funding—is not specifically dedicated by Congress to particular purposes. These highway program funds can be used for many surface transportation projects, from roads and bridges to public and active transportation.

What can IIJA flexible surface transportation funds be used for? Can they be used for aviation and fiber optic/broadband projects?
Federal highway and transit formula funds can generally be used for roads, public transportation, and bicycle and pedestrian facilities and cannot be used for aviation or installation of general purpose broadband.

Can the IIJA flexible funds be used for port or freight rail?
While ODOT can use a small portion of funding (less than $2 million for year) under the National Highway Freight Program for port and freight rail projects, ODOT has chosen to fund these projects from Connect Oregon rather than federal highway funds. Moreover, the IIJA actually reduced funding for the NHFP, so there is no additional money to invest in multimodal freight projects.

Will ODOT consider using IIJA flexible funds to complete underfunded HB 2017 earmarked projects?
It's possible. ODOT has a number of projects named by the Legislature in HB 2017 that need some additional funding to complete the project, rather than just completing a phase. ODOT is identifying these needs, and the Oregon Transportation Commission may choose to allocate funding for this purpose.

ODOT recently indicated that funding to pave state highways will fall in the 2024-2027 STIP. Will ODOT now shore up the Fix-It program?
It's possible. In the 2024-2027 STIP, the Fix-It program funding was held essentially flat. Most of these funds are dedicated by HB 2017 to bridges, so pavement preservation on state highways is experiencing reduced funding. As a result, state highways will continue to deteriorate over time. ODOT will identify needs to preserve pavement and other assets, and the Oregon Transportation Commission may choose to allocate funding for this purpose.

LOCAL PROGRAMS

What funding will go to local governments?
Local governments will receive funding from a number of programs, including the All Roads Transportation Safety Program for safety improvements; the Local Bridge program to repair and replace bridges; the Transportation Alternatives Program for bicycle and pedestrian facilities; the Congestion Mitigation and Air Quality Improvement program for air quality improvement projects; Metropolitan Planning for the state's metropolitan planning organizations (MPOs); the new Carbon Reduction program to reduce greenhouse gas emissions from transportation; and the Surface Transportation Block Grant for flexible funding. Additional funding may come from other programs as well, depending on decisions made by the Oregon Transportation Commission. In total, local governments will likely receive around $250-300 million of the $1 billion in additional IIJA highway program funds. This 25-30% share is in line with historical federal funding amounts going to local governments.

What additional funding does the IIJA provide to the large MPOs?
Large MPOs (those over 200,000 population) have traditionally received direct suballocations from the Surface Transportation Block Grant (STBG) and Transportation Alternatives Program by formula set in statute. These suballocations will increase under the IIJA, and large MPOs will also receive a share of the new Carbon Reduction Program. All told, these programs should provide Oregon's three large MPOs about $68 million in additional suballocated funding. In addition, these MPOs will receive additional funding under the MPO planning and CMAQ programs.

Will the smaller MPOs (those with populations under 200,000) get any additional funding?
Yes. Small MPOs receive MPO planning funding and also receive an allocation of STBG funds through the ODOT/city/county fund share agreement. Small MPOs will see additional funding under both of these programs.

Is ODOT going to hire additional staff to assist local agencies that are not certified apply for and deliver federal-aid projects?
Most likely. With over $250 million in additional funding provided to local governments over the 5 years of the IIJA, ODOT anticipates hiring additional staff to assist local agencies in delivering federal-aid highway projects. ODOT anticipates requesting additional positions in the 2023 Legislative session.

How do local agencies go about applying for funding through ODOT and are those applications accessible once they are submitted?
Funding will be made available through a number of statewide competitive grant programs, including All Roads Transportation Safety (ARTS), Community Paths, and Local Bridge program. Each program has a different application process and timeline. For example, the ARTS program is currently selecting projects and intends to use the IIJA funding to fund additional applications in the current round rather than reopening the application process. Watch for application opportunities in the future.

Is it possible that a portion of the flexible funding could go towards local projects?
Yes, it's possible. Flexible highway funding can be used for projects on local roads. It will be up to the Oregon Transportation Commission to decide how to allocate the state's flexible funding.

Would ODOT now consider delaying the changes to the Fund Exchange Program, specifically the change in the allocation exchange rate from $0.94 to $0.90?
It's not likely. ODOT has a long-term deficit in its operations and maintenance budget—which provides the state dollars for fund exchange—that required reducing the fund exchange rate. Unfortunately, the IIJA will exacerbate this shortfall due to the need to shift more Operations and Maintenance funding to match federal funds and cover the additional staff needed to deliver projects. As a result, ODOT will need to find ways to continue limiting the amount of dollars exchanged with local governments.

Can additional funding go toward the smaller communities such as to the Small Cities program?
It's possible. The Small Cities program is funded through the State Highway Fund as most of these small projects cannot be efficiently delivered using federal funds. ODOT will consult with the League of Oregon Cities to determine whether any of the additional funding flowing to cities through the ODOT/city/county federal fund share agreement should go into the Small Cities program.

What can local governments do to get potential projects prepared to compete for funding if they are not certified local agencies?
Local agencies can use local funding to begin to design a project to better prepare for a federal construction grant. For those agencies that receive STBG allocations from the AOC/LOC federal fund sharing agreement, the agency can keep the funding federal instead of exchanging the funding to also start the design. In both cases, coordination with ODOT will be needed to ensure federal requirements are met, and if federal money is used ODOT would lead the effort for a non-certified agency.

BRIDGES

How will the $250 million allocated to bridge repair and replacement be prioritized? Will the focus be on repair or replacement? Will additional bridge maintenance funds be included in the bridge program, separate from bridge replacement?
ODOT will continue to repair or maintain some bridges while replacing others. Bridges are inspected routinely, and a combination of different types of work on bridges—including painting, deck

rehabilitations, other repairs and full replacements-- allows ODOT to stretch limited funding as ODOT manages the gradual decline in the condition of our aging bridges.

How much funding will be available to local bridge projects?
ODOT has historically provided federal funding for local bridge projects under an agreement between ODOT, cities and counties. Under this agreement, funding for local bridges automatically increases as overall federal funding increases. ODOT estimates that local governments will receive about $34 million under this agreement. In addition, the IIJA provided Oregon $268 million in a one-time special allocation for bridges. Over time about a quarter of federal funding for bridges has gone to city and county bridges. ODOT will work with AOC and LOC to develop a distribution of this special bridge funding based on these historical shares of funding.

Oregon is vulnerable to the Cascadia subduction earthquake. Are there plans to meet the goals outlined in the Oregon Resiliency Report with these funds?
Yes. ODOT has been implementing a seismic resilience plan focused on key corridors for some years now, and HB 2017 funding has accelerated progress on the plan. The needs remain much larger than the funding, but ODOT is steadily progressing through the priorities laid out in the plan. The IIJA special bridge funds will allow ODOT to make additional progress on this plan. Currently, bridge seismic retrofit projects are being programmed along I-5, just north of Eugene. The overall plan is expected to take decades to complete even with additional IIJA funding.

Can we use both bridge and PROTECT funding on a project to stretch the $94 million in PROTECT funding further?
Yes. Multiple fund types can be applied to a single project, particularly if it achieves multiple objectives, so both bridge and PROTECT funding could be used on a single project.

CLIMATE, TRANSIT AND ACTIVE TRANSPORTATION

How is ODOT prioritizing equity and climate change? Will every investment be climate-friendly and address greenhouse gas emissions?
ODOT is committed to delivering a modern and reliable transportation system that serves all Oregonians in an efficient, environmentally responsible, and safe manner. ODOT funds projects for many reasons, including maintenance, safety and congestion relief along with mobility, equity and climate action. In making investment decisions, the OTC will consider climate and equity and other outcomes tied to the agency's Strategic Action Plan. This review will inform the Commission's investment decisions, and whether and how different funding scenarios can advance agency priorities. While some projects will have no or even negative impact on GHG emissions, ODOT is committed to reducing emissions across transportation investments as a whole.

How does ODOT measure progress on GHG emission goals for the transportation sector?
Oregon Governor Kate Brown's Executive Order 20-04 set a goal of reducing greenhouse gas emissions by 80% from 1990 levels by 2050. ODOT provides annual progress reports, and Oregon's Department of Environmental Quality reports GHG emissions across all sectors annually. In addition, the 2013 Statewide Transportation Strategy (STS) established a transportation GHG reduction roadmap, including milestones on their implementation (see STS Technical Appendix 5). ODOT published a 2018 STS Monitoring Report and is developing a performance dashboard to provide the public with more frequent progress updates.

Is ODOT using this money to establish the new programs and add staffing capacity for existing public and active transportation programs to make progress toward climate goals?

Yes. About one quarter of the total of $1.2 billion in additional IIJA highway and transit formula funds will go directly into sustainable transportation programs, including climate, electric vehicle, transit, and active transportation programs. The Oregon Transportation Commission will determine whether to invest additional resources in public and active transportation projects that can't be covered from the State Highway Fund.

In spending this federal money, is ODOT prioritizing investments that the State Highway Fund can't be used for?

The Oregon Transportation Commission will determine whether to invest flexible IIJA funds in public and active transportation projects that can't be covered from the State Highway Fund. The Oregon Constitution prohibits ODOT and local governments from using the State Highway Fund for non-highway purposes, which includes most public transportation and off-road bicycle and pedestrian paths. As a result, ODOT often uses federal highway program flexible funds for these purposes; in fact, Oregon transfers more federal highway funding to transit than almost any other state.

What can the new Carbon Reduction Program be used for, and how does ODOT anticipate the money will be distributed?

The Carbon Reduction Program funds projects that reduce greenhouse gas (GHG) emissions. Eligible projects may include public transit and active transportation; street light and traffic control device energy efficiency; tolling, pricing and transportation demand management that shift travel to cleaner modes; freight and port projects; alternative fuels; and congestion management technologies. Oregon's largest metropolitan areas (Portland, Eugene, and Salem) will receive about one-third of the funding directly based on population. ODOT expects to coordinate with smaller cities and rural communities on a competitive grant program and to fund state projects.

How much of the $52 million in funding for EV charging stations will be available to local communities? Will there be funding allocated for electric charging stations and infrastructure specifically for trucks?

The IIJA electric vehicle (EV) charging formula funds must be used on Oregon's seven FHWA-approved EV Alternative Fuel corridors: Interstates 5, 84 and 82, and U.S. 26, 101, 20 and 97. ODOT expects to contract these funds to providers who will build, own and operate stations on these corridors. Specific locations will be based on ODOT's recent study of EV charging needs, equity, public engagement, available properties, site host agreements, and further guidance from FHWA. Funds will not be sub-awarded to other government agencies. Investment in medium and heavy-duty truck charging appears to be eligible, and US DOT will provide further guidance to clarify specifics. US DOT will be identifying national EV charging corridors to support freight and goods movement at strategic locations. The IIJA also offers competitive grant opportunities for corridors and communities that can be pursued to address targeted needs.

Is it possible to use some of the IIJA funds for more catalytic and expensive ped/bike projects (like bridges) that don't fit with other grant programs?

There are two avenues in which the agency can pursue building larger and more expensive pedestrian and bicycle projects. The first is to allocate funds ODOT receives directly from the IIJA legislation, where pedestrian and bicycle projects are an eligible use. The OTC will determine in spring of 2022 how to use over $400 million in flexible highway program funds from IIJA. ODOT is aiming to best utilize these flexible funds to address unmet needs. An example of a priority unmet need is urban corridors that do not have a dedicated funding source to address comprehensive improvements such as improved access to transit, pedestrian crossings, bicycle facilities and pavement condition. Secondly, ODOT and partners can submit grant applications for pedestrian and bicycle projects to one of the numerous competitive grant programs defined in IIJA. Projects like pedestrian and bicycle bridges are highly visible and impactful but generally expensive. Many of the federal grant programs are intended to address expensive and impactful projects such as these.

ODOT appears to be constructing more recreational trails. Will ODOT be pursuing more of these projects with IIJA?

ODOT builds multiuse path projects that often serve both a transportation and recreation function through our Oregon Community Paths (OCP) grant program that provides grants to local agencies. OCP is partially funded by a dedicated amount of Transportation Alternatives (TA) funds from FHWA. IIJA includes approximately $30 million in additional TA funding split between a direct allocation to MPOs and the OCP program. The additional TA funds will be added to $36 million dedicated to the OCP by the OTC in the 2024-2027 STIP and will be distributed to communities via a competitive grant program.

PASSENGER RAIL AND RAIL

How will IIJA allow Oregon to improve the Cascades service? Will it allow for dedicated right of way and/or electrification?

The FRA will be able to award grant funds for projects that are included in a federally reviewed and approved passenger rail plan. ODOT will look for opportunities to fund improvements on the Cascades service that are included in the selected alternative from the Oregon Passenger Rail Tier 1 Combined Final Environmental Impact Statement and Record of Decision, completed in 2021. This includes infrastructure improvements that could reduce travel times and increase reliability. This plan did not include dedicated ROW or electrification, so Oregon is unable to secure federal funds for these types of projects on the Amtrak Cascades Portland to Eugene segment.

What funding is provided for Amtrak, specifically Coast Starlight running between Los Angeles & Eugene? Are there any plans for rail in southern Oregon?

No funding has been specifically targeted for the Coast Starlight. However, the $16 billion in National Network funding will allow Amtrak to initiate a procurement process to replace long-distance passenger cars of the type used for the Coast Starlight that have reached the end of their useful lives, and exercise options to acquire additional Amtrak Long-Distance Charger 4,200 horsepower locomotives, beyond 75 already ordered, to replace 20- to 30-year old Genesis diesel locomotives that now power Amtrak’s long-distance trains. ODOT doesn’t have any plans for expanding passenger rail in southern Oregon at this time.

How will IIJA funding help Amtrak improve infrastructure and service?

IIJA funding will allow Amtrak to advance station state-of-good-repair and improvement projects at more than 500 stations throughout the country. In particular, it will enable Amtrak to accelerate work to bring stations and platforms, such as facilities at Klamath Falls, into full compliance with the Americans with Disabilities Act (ADA). During federal FY 2022 and 2023 Amtrak expects to complete projects to make 96 stations fully compliant with the ADA.

Will there be any focus on highway rail grade crossing improvements including grade separation initiatives?

Oregon's formula funding for the roadway rail grade crossings program is flat under IIJA at $3.3 million per year. ODOT will continue to prioritize for preservation with an emphasis on improving safety for all modes at public crossings and moving from passive to active crossings where there is a high crash risk. The funding for an overcrossing significantly exceeds the funds available to the rail crossing program. If a community wanted to partner with the railroad and all road authorities impacted, it would require a variety of funding sources to make that happen. One opportunity to fund these larger projects is the new $3 billion Railroad Crossing Elimination competitive grant program. The Federal Railroad Administration will administer this new program that is intended to award grants to highway-rail or pathway-rail grade crossing improvements that focus on improving the safety and mobility of people and goods. States, local governments, tribes, ports, and MPOs are all eligible to apply. Commuter and freight rail crossings are eligible. ODOT will likely identify potential project applications for this program.

GENERAL

Will the IIJA funds distributed through the state be considered Federal or State funds from a grant matching perspective?

All formula funds will be considered federal from a matching funds perspective. In specialized cases ODOT may swap out federal funds provided to local governments for state funds, but match requirements will remain.

What does the requirement to obligate funds by the end of the federal fiscal year mean?

This requirement means that ODOT must obligate all of its annual federal highway funds to specific projects that are ready to go to design or construction by September of each year. While ODOT is held to this overall requirement, individual projects may be allowed to move from their original year. A different requirement applies to the special bridge and electric vehicle charging funds; these funds are available for three years before they must be obligated.

Who at ODOT should we send public comment letters to?

All letters should be sent to the Oregon Transportation Commission by way of its online public comment form at www.oregon.gov/odot/Get-Involved/Pages/OTC-Comments.aspx. Letters can also be mailed to the OTC at 355 Capitol St NE MS 11 Salem, OR 97301.

What is ODOT's plan to implement delivery of the new projects given limited resources inside and outside the agency?

ODOT is reviewing its internal capability to deliver a significantly increased volume of federal projects and will likely request additional positions in the 2023 Legislative Session to ensure we can deliver effectively these programs and projects. ODOT will determine the most appropriate way to deliver projects through a mix of internal staff and outsourcing.

Is it possible for a project to receive funding from multiple funding categories?
Yes, both state and local projects regularly receive funding from multiple state and federal programs.

Is there any consideration for participatory budgeting for communities to influence ODOT projects to address historical inequities?
Yes. ODOT will be specifically reaching out to groups representing marginalized communities to engage in dialogue and get their input on how to ensure investments benefit all Oregonians. ODOT is engaging in extensive stakeholder outreach and engagement, including conversations with advisory committees, multiple webinars, and an upcoming online open house, to seek input from Oregonians from all walks of life about how best to allocate the IIJA funding to meet the state's transportation goals.

How is ODOT prioritizing projects that meet multiple objectives (infrastructure, fish passage, climate resilience, equity, etc.?)
ODOT continually seeks to fund projects that provide benefits across multiple areas. While ODOT dedicates funding to programs that typically focus on a particular outcome or element of the system (for example, safety or pavement condition), these programs often take into account multiple benefits during the selection process. For example, the Enhance Highway Discretionary Program in the 2024-2027 STIP focuses on projects that address congestion and enhance freight mobility but also considers safety, multimodal accessibility, climate, and equity benefits.

Does ODOT have plans to support Oregon's Byways in the future?
ODOT ended its dedicated Scenic Byways program after Congress eliminated the Scenic Byways grant program in 2012. ODOT continues to make infrastructure investments in designated Scenic Byways but does not anticipate future investments in promoting these routes.

Are funds available for concrete sound walls and or alternate sound walls using plants?
Yes. When ODOT uses federal funds for highway improvements, certain types of projects must complete an analysis of noise impacts. When these studies identify noise impacts, there's a process to consider placing noise barriers such as sound walls or vegetated earthen berms between the highway and the affected location to reduce the noise. Noise barriers that meet certain criteria are constructed as part of the highway project. More information can be found in the ODOT Noise Manual.

FISH, WILDLIFE, AND ENVIRONMENTAL PROJECTS

Under what programs can ODOT fund wildlife crossings?
ODOT has funded wildlife crossings from a variety of funding sources in the past, primarily federal funds allocated to a larger project and private funds for fencing and long-term maintenance. Wildlife crossing infrastructure is an eligible use within most federal transportation programs, including the Federal Lands Access Program (FLAP), but non-federal matching funds are required. The Federal Highway Safety Improvement Program (HSIP), which is focused on reducing fatalities and serious injuries through a data-driven process, permits the use of funding for wildlife crossings. Oregon directs its HSIP funds into the All Road Transportation Safety (ARTS) Program, which uses data-driven safety methods to select the best projects to reduce fatalities and serious injuries on all public roads in the state through a competitive

process. With the announcement of the new IIJA Wildlife Crossing Pilot Program, ODOT intends to apply for funds through this federal competitive grant program.

Please give information on the new USDOT Wildlife Crossing Grant Program. When do you expect the grants to go live?
The IIJA's Wildlife Crossing Pilot Program will make $350 million available to all states, over the five years of the bill, to invest in projects that reduce vehicle/wildlife collisions and improve habitat connectivity for aquatic and terrestrial species. Given the huge amount of competitive grant funding in the bill, it is difficult to know for certain when USDOT will make funding available through the new grant programs in the IIJA, including Wildlife Crossings. USDOT is currently staffing up to administer these programs and the best guess at this point is that new programs will begin announcing funding opportunities in the summer of 2022.

When will ODOT include green infrastructure, urban forestry, and pollinator habitat in its projects?
ODOT currently incorporates green infrastructure and urban forestry into our projects where possible. Examples include protecting riparian zones, replanting riparian trees impacted by project construction, developing vegetated bioswales for stormwater treatment and restoring wetlands. Opportunities to improve pollinator habitat are considered during the design phase for construction projects and in ODOT's Integrated Vegetation Management Plan that guides maintenance of ODOT's highway corridors. ODOT has developed a brochure explaining how we protect and enhance pollinator habitat.

Under what programs can ODOT fund fish passage culverts?
ODOT has a specific program aimed at improving fish passage by addressing culverts and other barriers to fish passage. It is funded at $4.6 million per year and to date has improved or restored access to over 500 miles of native migratory fish habitat statewide. ODOT also replaces culverts blocking or impeding fish passage as part of projects that are not funded by the Fish Passage Program, such as the Culvert, Bridge, Maintenance and Modernization Programs.

COMPETITIVE GRANTS FROM US DOT

What is the anticipated timeline for federal rulemaking and when they will be providing further instructions for the grant process and qualifications?
US DOT has not yet provided information about federal rulemaking across all the various IIJA programs. It's likely that instructions for grant programs will roll out over the course of the next year.

For the Interstate Bridge Replacement (IBR), what is ODOT's current available funding and what are ODOT's plans for applying for the nationally competitive funds?
The Oregon Transportation Commission has dedicated $45 million to IBR, and Washington State has provided $35 million. ODOT is reviewing the competitive grant programs to determine where best to focus efforts to secure funding. It's likely Oregon and Washington will apply for the new competitive bridge program (funded at $12.5 billion over the 5 years of the IIJA) or the multimodal megaprojects program (funded at $5 billion) as well as the FTA Capital Investment Grants (funded at $4.4 billion for New Starts projects). ODOT may also seek a TIFIA loan to maximize funding from toll revenues.

Who in ODOT will be responsible for writing grant applications and applying for grants?

ODOT is developing a plan to maximize opportunities to bring home federal competitive grant funding. Given the large volume of grant applications, it is likely that ODOT will enlist a wide variety of people in developing grants, from staff in headquarters functions to staff in the regions as well as grant writing consultants.

signal GROUP

TO: ZACHARY BASS, REDMOND AIRPORT
FROM: SIGNAL GROUP
DATE: JANUARY 6, 2022
SUBJECT: IIJA AIRPORT INFRASTRUCTURE FUNDING

IIJA Airport Infrastructure Funding

The following memo provides a readout on the relevant airport infrastructure funding in the Infrastructure Investment and Jobs Act.

Summary of key provisions:
The package includes $25 billion for airport infrastructure including:

- $15 billion for airport infrastructure grants
- $5 billion for competitive airport terminal development grants
- $5 billion for FAA facilities and equipment

Note, page numbers listed below refer to the enacted IIJA legislation, found here.

Funding Streams

Appropriated Airport Infrastructure Grants (pg 988)

$15 billion appropriated for FY2022 through FY2030 for Airport Infrastructure Grants.

Eligible entities include:

- Sponsors of any primary or reliever airport

Eligible projects include:

1. Airport planning and airport development
2. Airport noise compatibility planning
3. Carrying out noise compatibility programs

The following items 1-3 stipulate additional limits and uses for the **$15 billion** appropriated for Airport Infrastructure Grants:

1. Not more than **$2.48 billion** can be used for **primary airports**, and **certain cargo airports** between FY2022-FY2026.

   Federal cost share: Federal cost share varies by project type and other project criteria.

2. Not more than **$500 million** can be used for **non-primary general aviation and commercial service**

airports.

Federal cost share: Federal cost share varies by project type and other project criteria.

3. **$20 million** for competitive grants to sponsors of airports participating in the contract tower program and the contract tower contract cost share program. Grants may be used for:
    1. Sustaining, constructing, repairing, improving, rehabilitating, modernizing, replacing or relocating non-approach control towers
    2. Acquiring and installing air traffic control, communications, and related equipment to be used in non-approach control towers
    3. Constructing a remote tower certified by the FAA – including acquisition and installation of air traffic control, communications or related equipment

    Grant priority: Priority will be given to projects that enhance aviation safety and improve air traffic efficiency.

    Federal cost share: The federal cost share for these grants is 100%.

<u>Additional key provisions:</u>

- For amounts not used in each fiscal year, those amounts will be made available for up to $100 million in grants for projects that: (1) reduce emissions; (2) reduce noise impact to the surrounding community; (3) reduce dependence on the electrical grid; (4) provide general benefits to the surrounding community.

<u>Key terms defined:</u>

- **Commercial service airport** means a public airport in a State that has at least 2,500 passenger boardings each year and is receiving scheduled passenger aircraft service.
- **General aviation airport** means a public-use airport that is located in a State and that (1) does not have scheduled service; OR (2) has scheduled service with less than 2,500 passenger boardings each year.
- **Primary airport** means a commercial service airport with more than 10,000 passenger boardings each year.
- **Reliever airport** means an airport the Secretary designates to relieve congestion at a commercial service airport and to provide more general aviation access to the overall community.
- **Sponsor** means a public agency OR a private owner of a public-use airport.

<u>Appropriated Funds for Airport Terminal Program (pg 990)</u>

$5 billion appropriated for FY2022 through FY2030 for competitive grants for airport terminal development projects that address aging infrastructure.

<u>Additional eligible projects include:</u>

1. Multimodal terminal development,
2. Projects for on-airport rail access,
3. Projects for relocating, reconstructing, repairing or improving an airport-owned air traffic control tower

Specifications for funding allocations:

- Not more than 55% shall be for large hub airports
- Not more than 15% shall be for medium hub airports
- Not more than 20% shall be for small hub airports
- Not more than 10% shall be for nonhub and nonprimary airports

Special project consideration will be given to projects that:

- Increase capacity and passenger access
- Projects that replace aging infrastructure
- Projects that achieve compliance with the Americans with Disabilities Act and expand accessibility for persons with disabilities
- Projects that improve airport access for historically disadvantaged populations
- Projects that improve energy efficiency, including upgrading environmental systems, upgrading plant facilities, and achieving Leadership in Energy and Environmental Design (LEED) accreditation standards
- Projects that improve airfield safety through terminal relocation
- Projects that encourage actual and potential competition
- Projects that achieve a complete development objective, even if awards for the project must be phased, and the Secretary shall prioritize projects that have received partial awards

Federal cost share requirements:

- 80% for large and medium hub airports
- 95% for small hub, non-hub, and nonprimary airports

Notice of funding opportunities:

- Notice of funding opportunities shall be issued no later than 60-days after IIJA enactment

Appropriated Funds for FAA Facilities and Equipment (pg 987)

$5 billion appropriated for FY2022, remaining available until expended, for the following eligible projects:

1. Replacing terminal and en route air traffic control facilities;
2. Improving air route traffic control center and combined control facility
3. buildings;
4. Improving air traffic control en route radar facilities;
5. Improving air traffic control tower and terminal radar approach control facilities;
6. National airspace system facilities OSHA and environmental standards compliance;
7. Landing and navigational aids;
8. Fuel storage tank replacement and management;
9. Unstaffed infrastructure sustainment;
10. Real property disposition;
11. Electrical power system sustain and support;
12. Energy maintenance and compliance;
13. Hazardous materials management and environmental cleanup;
14. Facility security risk management;
15. Mobile asset management program; and
16. Administrative expenses, including salaries and expenses, administration, and oversight

Specific funding stipulations:

- Not less than $200 million shall be for air traffic control towers that are owned by the Federal Aviation administration and staffed through the contract tower program

Timing / Flow of Funds

The timing/ flow of funds for the 3 airport infrastructure programs highlighted in this memo is as follows:

1. $15 billion for airport infrastructure grants via the Airport Infrastructure Grant Program

   On December 16, the FAA announced FY2022 funding for the new Airport Infrastructure Grant program. Amounts total to $2.89 billion for FY2022.

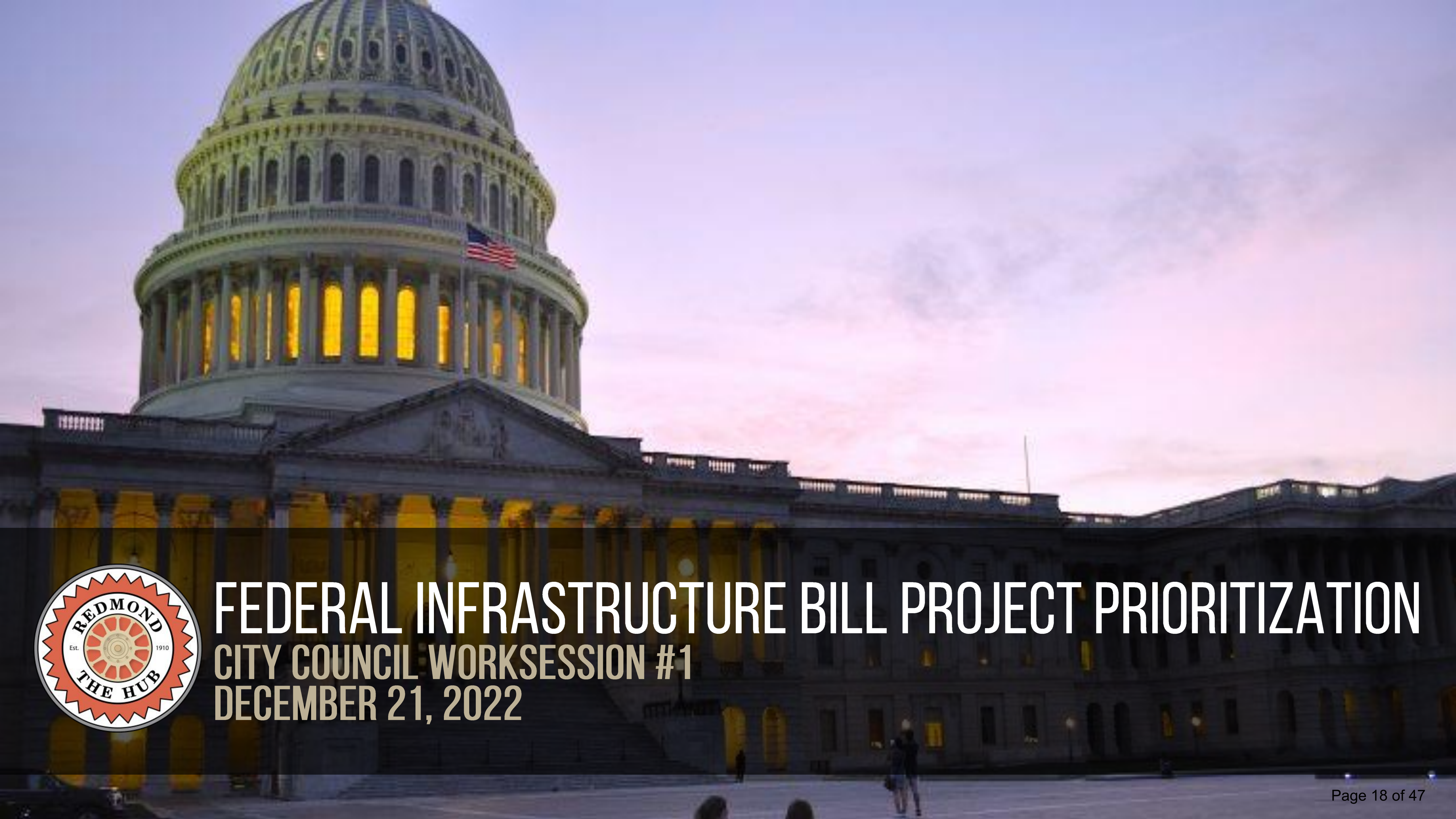
   Timing: This announcement states that airports can submit proposals to the FAA for review in the "coming weeks."

   Projects: The FAA recommends airports to prioritize projects that increase airport safety, equity and sustainability.

   Note: Additional details regarding funding by state can be found here. This link also provides additional recommendations for airports regarding understanding the funding process, working with the FAA, and signing up to receive grant program notifications.

2. $5 billion for competitive airport terminal development grants
   Notice of funding opportunities shall be issued no later than 60-days after IIJA enactment. At the time of this memo release, funding opportunities for this grant program have not yet been released.

3. $5 billion for FAA facilities and equipment
   No information is available at this time.



FEDERAL INFRASTRUCTURE BILL PROJECT PRIORITIZATION

CITY COUNCIL WORKSESSION #1
DECEMBER 21, 2022

MEETING OVERVIEW

01 **WHAT WE KNOW ABOUT THE PROCESS**
- DOUG RIGGS , CENT. OREGON CITIES ORGANIZATION

02 **ODOT REGIONAL STRATEGY**
- GARY FARNSWORTH, ODOT

03 **REVIEW OF PROJECT PRIORITIES**
- JOHN ROBERTS, CITY STAFF

04 **DISCUSSION**
- ALL

Project Compilation Methodology

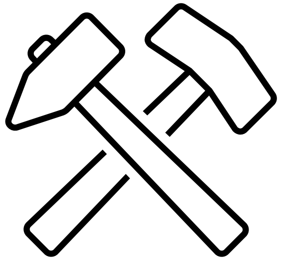
CAPITAL IMPROV. PLAN/5-YR PLAN

EXISTING AND LONGSTANDING STATE AND FEDERAL PRIORITIES

ECONOMIC DEV. INFRASTRUCTURE NEEDS

OTHER CAPITAL PROJECT NEEDS

IF THE GOAL IS…REGIONAL IMPACT / SIGNIFICANCE



TOP PROJECTS

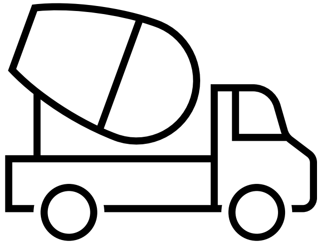
- ☑ SOUTH HIGHWAY 97 CORRIDOR IMPROVEMENTS $75M
- ☑ AIRPORT TERMINAL EXPANSION $165M
- ☑ REDMOND WETLANDS COMPLEX $20M
- ☑ SOUTH REDMOND TRACT (LLI) – SEWER PUMP STATION $2M

IF THE GOAL IS …STAFF REC. PRIORITIES

TOP PROJECTS

- ☑ SOUTH HIGHWAY 97 CORRIDOR IMPROVEMENTS $75M
- ☑ REDMOND WETLANDS COMPLEX $20M
- ☑ WELL 9 $3.4M
- ☑ EASTSIDE INDUSTRIAL ARTERIAL: HWY 126 – AIRPORT WAY & NE HEMLOCK TO HWY 126 $9.1M
- ☑ SW RESERVOIR DR: WICKIUP AVE 39TH TO HELMHOLTZ (INFRASTRUCTURE UPGRADES, COLLECTION, CONNECTIONS) $2M

IF THE GOAL IS…SHOVEL READY



TOP PROJECTS

- ☑ SOUTH HIGHWAY 97 CORRIDOR IMPROVEMENTS $75M – BID IN 2 YEARS
- ☑ REDMOND WETLAND COMPLEX $20M BID IN 1 YEAR
- ☑ EASTSIDE INDUSTRIAL ARTERIAL BIN IN 1 YEAR $9.1M
- ☑ WELL 9 – BID IN 6 MONTHS $3.4M
- ☑ SW RESERVOIR DR./WICKIUP – BID IN 3 MONTHS $2M

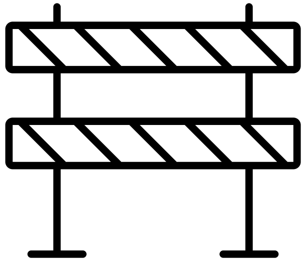
* *All other projects need additional planning and design.*

IF THE GOAL IS…PRESERVE GENERAL FUND

TOP PROJECTS

- ☑ EASTSIDE INDUSTRIAL ARTERIAL $9.1M
- ☑ ADA IMPROVEMENTS $5M
- ☑ SW 6TH / SALMON AVE EXTENSION $1.2M
- ☑ SW RESERVOIR DR./WICKIUP $2M
- ☑ 7TH ST. UPGRADE $400K

IF THE GOAL IS…ADDRESS CONGESTION



TOP PROJECTS

- ☑ SOUTH HIGHWAY 97 CORRIDOR IMPROVEMENTS $75M
- ☑ EASTSIDE INDUSTRIAL ARTERIAL **$9.1M**
- ☑ HWY 126 INTERSECTION SAFETY IMPROVEMENTS (SW 35TH & SW HELMHOLTZ) $2.6M
- ☑ EAST-WEST CONNECTIONS: QUARTZ AVE, ODEM-MEDO OR AIRPORT WAY GRADE SEPARATION $20M
- ☑ SW 6TH / SALMON AVE EXTENSION $1.2M

QUESTIONS?

City of Redmond Insfrastructure Bill Potential Project Requests (as of 12/16/2021)

Priority	Infrastructure Type	Project/Program Name	Project/Program Description	Estimated Project Amount	Estimated Federal Grants	Estimated State Funding	System Development Charges (SDCs)	Rate Payer	General Fund	Other	Remaining	Potential Assistance Request
1-High	Transportation	Eastside Industrial Arterial from NE Hemlock to Hwy 126 to Airport Way	Build roundabout at SE 9th/Hwy 126, build road through old Juniper Golf Course, construct roundabout at Veterans/9th/Airport Way. Upgrade 9th St between Hemlock and Highway 126	$ 18,730,000			$ 9,601,200		$ 9,128,800		$ -	$ 9,128,800
1-High	Transportation	South Highway 97 Corridor Improvements	Highway-related improvements from the City of Redmond's US 97 Corridor Plan (adopted by the OTC in Nov. 21), including road construction, median and access treatments, pedestrian and bicycle facilities, traffic signal systems, and gateway treatments	$ 75,000,000		$ 26,248,700				$ 36,518,000	$ 12,233,300	$ 75,000,000
1-High	Transportation/Water/Wastewater	SW Reservoir Dr/Wickiup Ave from 39th to Helmholtz	Upgrade to collector standard, connect neighborhoods with sidewalks, multi-use path, includes water and sewer line to allow for septic system disconnect	$ 4,000,000			$ 1,500,000	$ 1,000,000	$ 1,000,000	$ 500,000	$ -	$ 2,000,000
1-High	Wastewater	Redmond Wetlands Complex	Relocate treatment facility to existing effluent disposal site and replace with a more environmentally friendly constructed wetland process that will provide for regional wastewater services and passive recreational amenities	$ 60,000,000			$ 6,400,000	$ 600,000		$ 1,000,000	$ 52,000,000	$ 20,000,000
1-High	Water	Well 9	Drill water supply well and construct pumphouse	$ 4,400,000	$ 1,000,000			$ 1,400,000			$ 2,000,000	$ 3,400,000
2-Medium	Transportation	Highway 126 Intersection/Safety Improvements at SW 35th St and SW Helmholtz Way	Roundabout at Highway 126 and Helmholtz, traffic signal at 35th and Highway 126 to improve traffic flow and safety	$ 5,200,000			$ 5,200,000				$ -	$ 2,600,000
2-Medium	Transportation/Facilities	ADA Improvements - ROW and Facility	Construct improvements identified in the ADA Transition Plan including sidewalks, ramps and building improvements	$ 5,000,000					$ 5,000,000		$ -	$ 5,000,000
2-Medium	Transportation/Water	7th St Upgrade	Upgrade sidewalks to downtown standard, replace steel waterlines, upgrade pavement in growing commercial district	$ 2,000,000				$ 1,073,600	$ 418,750		$ 507,650	$ 418,750
2-Medium	Wastewater	Skyline Village Sewer Lateral	Construct sewer lateral to Skyline Village Affordable Housing Project along NE Maple Ave and Negus Way	$ 2,100,000	$ 1,000,000						$ 1,100,000	$ 1,100,000
3-Low	Transportation	East-West Connections	Improve east-west connectivity with roadways at Quartz Ave, Odem-Medo Way or Airport Way grade separation	$ 20,000,000							$ 20,000,000	$ 20,000,000
3-Low	Transportation	Highway 97 Pedestrian Overcrossing	Improve pedestrian safety crossing Highway 126 in business district	$ 2,000,000							$ 2,000,000	$ 2,000,000
3-Low	Transportation	NE 5th Redmond Industrial Park Antler to Hemlock	Industrial street to allow for additional development in Redmond Industrial Park	$ 4,000,000							$ 4,000,000	$ 4,000,000
3-Low	Transportation	Quarry Ave Interchange and 19th St Extension	Construct interchange at Quarry Avenue and Highway 97 for access to large lot industrial development	$ 50,000,000							$ 50,000,000	$ 50,000,000
3-Low	Transportation	SW 6th/Salmon Ave Extension	East-west connection between residential, commercial and industrial land to relieve congestion at Veterans and Yew Avenue	$ 2,300,000			$ 1,150,000		$ 1,150,000		$ -	$ 1,150,000
3-Low	Transportation/Econ Dev	NE 15th St/NE 17th/SE Evergreen	Completes industrial streets to serve area east of SE 9th and south of E Antler Ave. Includes 15th from Antler to Kalama, 17th from Antler to Highway 126, and Evergreen from 9th to 17th	$ 16,700,000							$ 16,700,000	$ 16,700,000
3-Low	Transportation/Urban Renewal	6th St Sidewalks - Jackpine to Maple	Urban renewal project extend downtown sidewalks and lighting to improve ped safety	$ 1,000,000							$ 1,000,000	$ 1,000,000
3-Low	Wastewater	South Redmond Tract Large Lot Industrial Sewer Pump Station	Construct sewer pump station to serve large lot industrial - Includes force main to Westside Sewer Interceptor	$ 2,000,000							$ 2,000,000	$ 2,000,000
3-Low	Wastewater	SW Area Interim Sewer Pump Station	Construct interim sewer pump station near SW Highland and 41st to serve SW area until Far West Sewer Interceptor arrives	$ 2,000,000							$ 2,000,000	$ 2,000,000
3-Low	Water	Steel Waterline Replacements	Steel waterline replacements in various locations (from 5-yr CIP)	$ 5,150,000				$ 5,150,000			$ -	$ 5,150,000
Sum of Transportation/Water/Wastewater Projects				**$ 281,580,000**	**$ 2,000,000**	**$ 26,248,700**	**$ 23,851,200**	**$ 9,223,600**	**$ 16,697,550**	**$ 38,018,000**	**$ 165,540,950**	**$ 222,647,550**
1-High	Airport	Airport Terminal Expansion	Expand Passenger and Air Service Terminal at Redmond Airport to accomodate growth and increase air service capacity for regional benefit	$ 200,000,000	$ 34,500,000	$ 750,000				$ 50,000,000	$ 114,750,000	$ 164,750,000
Sum of Airport Projects				**$ 200,000,000**	**$ 34,500,000**	**$ 750,000**	**$ -**	**$ -**	**$ -**	**$ 50,000,000**	**$ 114,750,000**	**$ 164,750,000**
Total Sum of Projects				**$ 481,580,000**	**$ 36,500,000**	**$ 26,998,700**	**$ 23,851,200**	**$ 9,223,600**	**$ 16,697,550**	**$ 88,018,000**	**$ 280,290,950**	**$ 387,397,550**

Infrastructure Funds

In January and February the city's strategy on funding priorities and our strategy on how to procure funding will be discussed by the council. These discussions will be on a concurrent tract of setting city goals for 2022.

The staff has compiled a list of potential projects for federal and potentially state funding. There are quite a few projects listed and many with a fairly high price tag. That identification of projects and a summary of what is known to date about the process has been very helpful. However, in my opinion, we do need to do the following:

1. Separate the projects into three or four categories:

A. Water. This is a separate utility which makes it a little easier to fund as a utility. Also, there are probably different funding sources for water than other projects.

B. Wastewater. In July we got preliminary numbers that this could be funded without infrastructure monies. That cost has risen substantially as those number we received in July were preliminary. However the same analysis as Water (a utility) is warranted.

C. Streets. This is the most difficult part of our community infrastructure to fund and the financial requirements are significant. As John Roberts noted - this is also our most pressing need. We should examine what funding in the bill is dedicated toward new roads/bridges etc and how much is available both dedicated or potentially in discretionary funds.

D. Sidewalks. There may be a particular part of the funding dedicated toward sidewalks.

2. In prioritizing we need to examine the pros and cons of each relative to (a) the other projects and (b) which projects our partners find important (ODOT, REDI, County etc).

3. It is of course no secret that I believe the two projects of Airport way to 9th street and NE 9th street between Hemlock and Hwy 126 are key to eventually realizing an eastside alternative to S Highway 97. Without a viable alternate route the intersections on S Highway 97 will fail no matter how much money we throw at it. If we can fund the brick and mortar for these to gether with the engineering from Maple to the O'Neil junction (or close to it) That alternate route may be realized in time to make the current highway (with the improvements contemplated for S Highway 97) work well for the community well into the future. I also believe ODOT will support this approach.

4. There are most likely going to be two avenues of funding: dedicated and discretionary. For both we need to have a political strategy on gaining support . When we procured the funding for the Reroute to get 97 off of 5th and 6th streets and the Glacier/Highland couplet we built support across the board. It began with our U.S. Senators and Congressman (with staff and directly) , the Governor (Kitzhaber came and walked the downtown with us), our state delegation, other state representatives and senators, ODOT, Deschutes County as well as support from our business community. It was a bit of work but it paid off.

5. Finally, as you know, I believe it will be important to engage the community in this process. It is amazing the connections some people have with policy and decision makers when these projects and the process of prioritizing is shared in an open in person meeting with prior detailed notice.

I recognize that because I wrote this there are four people on council who may not be inclined to pursue this course. I hope that will not be the case as I sincerely believe this plan will best serve the long range interests of our community but it will take a team approach to accomplish this or any plan successfully.

CITY OF REDMOND

CITY HALL
411 SW 9th STREET
REDMOND, OR 97756
541.923.7710
FAX: 541.548.0706
info@redmondoregon.gov
redmondoregon.gov

STAFF REPORT

DATE:	January 18, 2022
TO:	Redmond City Council
THROUGH:	
FROM:	Keith Witcosky, City Manager
SUBJECT:	Presentation on legislation for Redmond to be a part of a regional pilot project to assist with responses to homelessness.

Addresses Council Goal:
7. COMPREHENSIVE PLANNING
Enhance the quality of life through adoption of programs, policies, and standards that manage growth while maintaining Redmond's small-town feel.

D. Identify housing objectives, policies, and implementation strategies to diversify the range of housing choices. ii. Work with Deschutes County and appropriate neighboring communities to reduce homelessness and participate in community conversations to advance this topic.

Report in Brief:
Deschutes County Administrator Nick Lelack, Deputy Administrator Erik Kropp, Bend Lobbyist Eric Kancler, and Central Oregon Cities Organization Lobbyist Doug Riggs will discuss a proposed bill for the 2022 Oregon Legislative Session on homelessness.

Background:
Bend Representative Jason Kropf will be proposing a bill (currently Legislative Concept 218 - LC218) which provides two-years of state funding for a regional approach to coordinating communities' response to homelessness. The Bill specifically names Deschutes County, the City of Bend and the City of Redmond as among the statewide pilots (all three as a single pilot).

At the January 18, 2022, Council meeting guests will discuss the nature and purpose of the bill; the meaning of being identified as one of eight pilot projects across Oregon; and answer questions from the Council members.

A copy of the legislative concept is attached.

Discussion:

Fiscal Impact:
No direct financial impact. Staff from the City would be involved in coordinating with the Joint Office/Pilot project and Redmond will likely benefit from being a part of the effort from its genesis.

Funding beyond the initial two years will have to be discussed at some point in the future (before year 3).

Alternative Courses of Action:
While no formal action required, staff hope to affirm our participation in this opportunity.

Recommendation / Suggested Motion:

City-County Coordinated Homeless Response Pilots (LC 218)

LC 218 establishes locally led, regional housing coordination through 8 pilots across the state. Each pilot will receive $1 million in state funding over two years to operationalize coordinated offices to strengthen their communities' homeless response. These pilots are not intended to be duplicative of existing work in the community, nor are they intended to take on the role of direct service delivery. Instead, these pilots will:

- Provide high-level coordination, centralized communication, and strategic visioning;
- Identify opportunities to more effectively leverage existing funds and access new resources; and
- Create a more equitable, accessible and responsive system for their residents experiencing homelessness.

LC 218 sets out minimum standards for each pilot, including:

- Sign an IGA with regional partners to manage and facilitate the coordinated homeless response office;
- Establish an oversight board, consisting of members from each participating local government;
- Develop a 5-year strategic plan to identify gaps in their community's homeless services, in coordination with community partners and existing efforts;
- Commit to continued, sustained funding beyond the first 2 years of state funding; and
- Report back to the legislature and OHCS on local progress, opportunities, and challenges to inform future state homeless funding and policy decisions

These standards provide a basic structure for accountability and the reasonable use of funds while giving communities the flexibility to model local best practices and create efficiencies in their regional homeless response systems, all in the name of improving access to resources and services for Oregonians experiencing homelessness. The required coordination with existing community partners, culturally specific organizations, and state and federal systems intends to build on Oregon's developing homeless response strategy, including critical connections to permanent affordable housing.

LC 218 requests $8 million for 8 pilots in the following communities:

- Benton County/City of Corvallis
- Coos County/City of Coos Bay/City of North Bend
- Deschutes County/City of Bend
- Hood River County/Wasco County/Sherman County/City of The Dalles/City of Hood River/Mid-Columbia Community Action Counsel
- Lincoln County/Lincoln City/City of Newport/City of Toledo
- Polk County/Falls City/City of Monmouth/City of Independence/City of Willamina/City of Dallas/Confederated Tribes of Grand Ronde/Mid-Willamette Valley Community Action Agency
- Tillamook County/City of Tillamook/Bay City/City of Garibaldi/City of Rockaway Beach/City of Wheeler/City of Manzanita/Community Action Resource Enterprises Inc. (CARE)
- Umatilla County/City of Hermiston/City of Stanfield/City of Echo/City of Umatilla

AOC ASSOCIATION OF OREGON COUNTIES

LOC League of Oregon Cities

For more information, please contact: Representative Jason Kropf at rep.jasonkropf@oregonlegisature.gov
Lizzy Atwood Wills, AOC Lobbyist at latwoodwills@oregoncounties.org
Ariel Nelson, LOC Lobbyist at anelson@orcities.org

Updated 1/10/2022

CITY OF REDMOND

CITY HALL
411 SW 9th STREET
REDMOND, OR 97756
541.923.7710
FAX: 541.548.0706
info@redmondoregon.gov
redmondoregon.gov

STAFF REPORT

DATE:	January 18, 2022
TO:	Redmond City Council
THROUGH:	Keith Witcosky, City Manager Jason Neff, Chief Financial Officer
FROM:	Brooks Slyter, Accounting & Financial Reporting Director
SUBJECT:	Fiscal Year 2020/21 City & Urban Renewal Financial Audit Results

---

Addresses Council Goal:
1. SUSTAIN OPERATIONS: Provide or enhance current levels of operations in all facets of municipal service delivery.
G. Manage financial affairs in a transparent, responsible and consistent manner.

Report in Brief:
This item provides City Auditor - Dickey & Tremper, LLP - the opportunity to present the results of the Fiscal Year (FY) 2020/21 financial audit as well as seeks City Council adoption of a resolution which sets forth corrective measures in conformance with Oregon Revised Statutes (ORS) 297.466.

Background:
On April 17, 2015, the Oregon Legislature passed House Bill 2174. This bill requires governing bodies adopt resolutions which set forth corrective measures for deficiencies identified in audit reports. This requirement applies to all audit reports issued after April 17, 2015. The adopted resolution must be submitted to the Oregon Secretary of State Audits Division. The auditors identified multiple items in the audit report requiring corrective measures.

Audited financial reports can be found at https://www.redmondoregon.gov/government/departments/finance/annual-audited-financial-reports.

Discussion:
The Audits found the following deficiencies which require(d) action:

Financial Statement Deficiency 2021-001: The City Auditor found that prior year costs of $428,948 towards private redevelopment of the Urban Renewal Agency forgivable loan program should have been reported as a loan receivable in the prior year. The City corrected the error during the audit and incorporated the correction into the audited financial statements. Management will continue to review all grant and loan expenses to identify amounts that should be recorded as receivables to ensure the correct recognition and timing of all loan receivables.

Financial Statement Deficiency 2021-002: The City Auditor found that most of the receivables for reimbursable costs of the 6th Street extension project to be funded with grant funding and developer reimbursements had not been recorded. The City corrected the error during the audit and incorporated the correction into the audited financial statements. Management will continue to review all grant and reimbursable projects to reconcile and identify amounts that should be recorded as receivables to ensure the correct recognition and timing of all project and grant receivables.

Financial Statement Deficiency 2021-003: The City is required to account for program income from the Community Development Block Grant (CDBG) program and report it along with other activity to HUD. In addition, program income should be used before drawing additional funds from the CDBG program. During fiscal year 2020-21, the City received repayments of two loans and additional program income that had not been reported or included in the notes to the Schedule of Expenditures of Federal Awards due to an oversight. The City has since reported this program income to HUD and will implement more regular reconciliations of loans receivable to ensure the program income is recognized and reported in a timely manner.

Financial Statement Material Weakness 2021-004: Oregon Revised Statute (ORS) 457.470 requires urban renewal agencies to share tax increment when certain thresholds are met. The threshold is tied to annual tax increment collections in relation to the area's initial maximum indebtedness. The Redmond Urban Renewal Agency (RURA) plan was substantially amended in 2012 and became subject to the revenue sharing requirements of ORS 457.470. At the time of the amendment, the new revenue sharing requirements were not contemplated in the plan or included in financial models. During the 2020-21 fiscal year, City staff became aware of the requirement while setting up the new South Highway 97 Urban Renewal District and discovered that the RURA had over collected approximately $1.6 million in property taxes from fiscal year 2018 to fiscal year 2021 and hired a consultant to confirm the requirements and calculate the over collection of tax.
The over-collected taxes were distributed to the other overlapping tax jurisdictions during the 2020-21 fiscal year and a prior period adjustment and correction of an error in the amount of $869,040 was recorded in the current audited financial statements and the remaining $708,041 was reported as a special item to refund property taxes collected in the current year. Future taxes will be assessed with the revenue sharing already imposed. The City will continue to work with consultants and the County to ensure the property taxes are accurately assessed, collected, and shared, as applicable, in compliance with ORS 457.470 in the existing Downtown Urban Renewal District and the newly formed South Highway 97 Urban Renewal District.

Major Federal Award Program Deficiency 2021-005: As an operator of the airport, the City was required to file the 5100-126 Operating and Financial Summary by the extended deadline of December 27, 2020. The City filed the report shortly after the extended due date and the report contained errors in the amounts reported due to additional audit entries posted after the filing date and some errors in the reconciliation schedule. The City has since submitted a corrected report and has implemented a secondary review of the amounts and items reported prior to and following the submission of this report.

Passenger Facility Charge Program Deficiency 2021-006: Airlines are required to submit Passenger Facility Charge (PFC) payments to the airport by the end of the following month after they are collected from passengers and reports are to be provided to the airport on or before the last day of the calendar monthly following the calendar quarter. Boutique Air started providing air service in October 2020 through July 2021 and the City had not received payments or reports by September 2021 which is not in compliance with PFC requirements. The City received all reports and payments in October 2021. While Boutique Air is no longer operating at the airport, the City will monitor new and existing airlines to ensure they report and pay PFCs in a timely manner and stay in compliance with requirements.

Fiscal Impact:

There is no fiscal impact if the resolution is adopted by the Council and accepted by the State. However, if the resolution is not adopted or if the State does not accept the City's plans to correct the deficiencies, the State reserves the right to withhold future funding from the City.

Alternative Courses of Action:

1. Approve the resolution and the suggested corrective measures.
2. Do not approve the resolution.
3. Request more information.

Recommendation / Suggested Motion:

"I move to adopt Res. #2022-02 setting forth corrective measures for issues identified in the City of Redmond fiscal year 2020/21 Audit Report."

CITY OF REDMOND
RESOLUTION NO. 2022-02

A RESOLUTION TO COMPLY WITH HOUSE BILL 2174 (2015) AFTER RECEIPT OF THE FY 2020-21 AUDIT REPORT.

WHEREAS, under Oregon law, the City of Redmond is required to prepare and file an annual audit report with the Oregon Secretary of State; and

WHEREAS, the City of Redmond commissioned an independent audit by Dickey and Tremper, LLP ("the City Auditor") for fiscal year 2020-21; and

WHEREAS, the City of Redmond's Fiscal Year 2020-21 Audit Report was submitted to the Oregon Secretary of State Audits Division on December 31, 2021; and

WHEREAS, the Fiscal Year 2020-21 Audit Report contained one material weakness and three significant deficiencies requiring corrective action under House Bill 2174 (2015); and

WHEREAS, the City of Redmond desires to correct the deficiencies and ensure compliance in future fiscal years.

THEREFORE, BE IT RESOLVED THAT the City of Redmond will take the following corrective measures with respect to the items identified in the fiscal year 2020-21 Audit Report:

SECTION ONE: The City Auditor found four matters that should be addressed in this Resolution in conformance with House Bill 2174 (2015).

SECTION TWO: The City Auditor found that prior year costs of $428,948 towards private redevelopment of the Urban Renewal Agency forgivable loan program should have been reported as a loan receivable in the prior year. The City corrected the error during the audit and incorporated the correction into the audited financial statements. Management will continue to review all grant and loan expenses to identify amounts that should be recorded as receivables to ensure the correct recognition and timing of all loan receivables.

SECTION THREE: The City Auditor found that most of the receivables for reimbursable costs of the 6^{th} Street extension project to be funded with grant funding and developer reimbursements had not been recorded. The City corrected the error during the audit and incorporated the correction into the audited financial statements. Management will continue to review all grant and reimbursable projects to reconcile and identify amounts that should be recorded as receivables to ensure the correct recognition and timing of all project and grant receivables.

SECTION FOUR: The City is required to account for program income from the Community Development Block Grant (CDBG) program and report it along with other activity to HUD. In addition, program income should be used before drawing additional funds from the CDBG program. During fiscal year 2020-21, the City received repayments of two loans and additional program income that had not been reported or included in the notes to the Schedule of Expenditures of Federal Awards due to an oversight. The City has since reported this program income to HUD and will implement more regular reconciliations of loans receivable to ensure the program income is recognized and reported in a timely manner.

SECTION FIVE: Oregon Revised Statute (ORS) 457.470 requires urban renewal agencies to share tax increment when certain thresholds are met. The threshold is tied to annual tax increment collections in relation to the area's initial maximum indebtedness. The Redmond Urban Renewal Agency (RURA) plan was substantially amended in 2012 and became subject to the revenue sharing requirements of ORS 457.470. At the time of the amendment, the new revenue sharing requirements were not identified in the plan or included in financial models. During the 2020-21 fiscal year, City staff became aware of the requirement while setting up the new South Highway 97 Urban Renewal District and discovered that the RURA had over collected approximately $1.6 million in property taxes from fiscal year 2018 to fiscal year 2021 and hired a consultant to confirm the requirements and calculate the over collection of tax.

The over collected taxes were refunded to the other overlapping tax jurisdictions during the 2020-21 fiscal year and a prior period adjustment and correction of an error in the amount of $869,040 was recorded in the current audited financial statements and the remaining $708,041 was reported as a special item to refund property taxes collected in the current year. Future taxes will be assessed with the limitation already imposed. The City will continue to work with consultants and the County to ensure the property taxes are accurately assessed, collected, and shared, as applicable, in compliance with ORS 457.470 in the existing Downtown Urban Renewal District and the newly formed South Highway 97 Urban Renewal District.

SECTION SIX: As an operator of the airport, the City was required to file the 5100-126 Operating and Financial Summary by the extended deadline of December 27, 2020. The City filed the report shortly after the extended due date and the report contained errors in the amounts reported due to additional audit entries posted after the filing date and some errors in the reconciliation schedule. The City has since submitted a corrected report and has implemented a secondary review of the amounts and items reported prior to and following the submission of this report.

SECTION SEVEN: Airlines are required to submit Passenger Facility Charge (PFC) payments to the airport by the end of the following month after they are collected from passengers and reports are to be provided to the airport on or before the last day of the calendar monthly following the calendar quarter. Boutique Air started providing air service in October 2020 through July 2021 and the City had not received payments or reports by September 2021 which is not in compliance with PFC requirements. The City received all reports and payments in October 2021. While Boutique Air is no longer operating at the airport, the City will monitor new and existing airlines to ensure they report and pay PFCs in a timely manner and stay in compliance with requirements.

SECTION EIGHT: The City Council finds that these matters do not represent spending that was not approved and that adequate actions have been taken to comply with House Bill 2174 (2015).

ADOPTED by the City Council and **SIGNED** by the Mayor this 18th day of January 2022.

____
George Endicott, Mayor

ATTEST:

____
Kelly Morse, City Recorder

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: 1-800-332-6862
Fax: (541) 276-9040
Web: www.dickeyandtremper.com

December 31, 2021

To the Honorable Mayor and Members of the
City Council of the City of Redmond, Oregon

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Redmond, Oregon; hereafter referred to as the City, for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted audit standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 25, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during year 2021. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period, except there were prior period adjustments for the refund of Urban Renewal Agency property taxes related to prior years and to recognize amounts due from property owners not reflected in the prior year statements.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

> Management's estimate of capital assets and depreciation expense is based on the useful lives of acquired assets. We evaluated the key factors, and assumptions used to develop depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.
>
> Management's estimate of Other Post Employment Benefits and the related deferred inflows and outflows is based on the actuarial valuation performed by Milliman and key assumptions agreed to by management. We evaluated the key factors and assumptions used to develop the liability for Other Post Employment Benefits and the related deferred inflows and outflows in determining that it is reasonable in relation to the financial statement taken as a whole. The actuarial valuation was based on the currently known facts and does not take into account changes subsequent to the measurement date.

Management determined that the liability for system development charge credits could not be reasonably estimated and the usage of any credits would result in the offset to future system development charges. An estimate of the possible commitment has been reported as note disclosure IV.D of the financial statements.

Management's estimate of the net pension asset and the related deferred inflows and outflows is based on the actuarial valuation performed by Milliman and key assumptions agreed to by management and Oregon PERS. We evaluated the key factors and assumptions used to develop the net pension asset and related deferred inflows and outflows in determining that it is reasonable in relation to the financial statements taken as a whole. The actuarial valuation was based on the currently known facts and does not take into account changes subsequent to the measurement date.

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

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material either individually or in the aggregate to each opinion unit's financial statements taken as a whole, except there were prior period adjustments for the refund of property taxes related to prior years and to recognize amounts due from property owners not reflected in the prior year statements.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 31, 2021

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

During our audit, we became aware of some areas other than significant deficiencies or material weaknesses, matters that are opportunities for strengthening internal controls and operating efficiency, and other observations. The comments below summarize our suggestions regarding those matters:

> The City has various manuals and procedures related to the Community Development Block Grant program. The overall language appears to meet federal requirements, but there are various sections that may need to be updated for current guidance and operations.
>
> The City improved their SF425 reporting over Community Development Block Grant program and the reports were filed on time or within a few days of the due date. There are still difficulties filing accurate info since the IDIS system does not allow negative cash (expenses in excess of revenue) to be reported, but management adds remarks to explain the difference. We continue to recommend that the City work with IDIS to refine the reporting process.
>
> As an additional procedure and rotational emphasis, we reconciled vacation accruals and usage for a sample of employees from January 1, 2021 through June 30, 2021 and found that there was an extra leave accrual posted May 5, 2021 for almost all of the City's employees. Management prepared an adjustment to accrued compensated absences and will need to adjust the leave records for most employees to remove the additional accrual.
>
> Passenger Facility Charge application #7 was approved in 2008 for $25 million for terminal construction bond principal payment (bond capital) and later amended changing the breakdown to $6 million bond capital and $19 million financing/interest costs. The City may need to look into amending the application again between principal and interest to maximize their ability to collect and apply funds. The bond capital portion has less than 2 years of payments remaining before it reaches the $6 million.

We also reported on the City's internal control in our report dated December 31, 2021, which is included in the City's financial statements. That report discloses items reported as a material weakness over financial reporting and as significant deficiencies and other matters.

<u>Other Matters</u>

We applied certain limited procedures to the Management's Discussion and Analysis, schedules of the City's Proportionate Share of the Net Pension Liability (Asset), the City's Contribution to the Oregon Public Employees Retirement System, the City's Proportionate Share of the Net OPEB Liability (Asset), the City's Contribution to the OPERS Retirement Health Insurance Account, Schedule of Changes in the City's OPEB Liability and Related Ratios, and Notes to Required Supplementary Information, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

We are not engaged to report on the Statistical section and Transmittal letter, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

<u>Restriction on Use</u>

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

Respectfully,

Dickey and Tremper, LLP

DICKEY AND TREMPER, LLP

City of Redmond
Unrecorded Audit Adjustments
6/30/2021

		DR	CR
1			
Fund balance	Police Fund/Combined General Func	43,128	
Intergovernmental revenue	Police Fund/Combined General Fund		43,128
Fund balance	Transportation Fund	39,445	
Intergovernmental revenue	Transportation Fund		39,445

To reverse the effect of the prior year passed adjustment to reclassify receipts received outside the 30 day measurable and available period to deferred inflows, rather than revenue.

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: 1-800-332-6862
Fax: (541) 276-9040
Web: www.dickeyandtremper.com

December 31, 2021

To the Board of Directors of the Redmond Urban Renewal Agency
411 SW 9th St.
Redmond, OR 97756

We have audited the financial statements of the governmental activities and each major fund of the Redmond Urban Renewal Agency for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 30, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Redmond Urban Renewal Agency are described in Note 1 to the financial statements. No new accounting policies were adopted, and application of existing policies was not changed during the year 2021. We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period, except there were prior period adjustments for the refund of property taxes related to prior years and to recognize amounts due from property owners not reflected in the prior year statements.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

> Management's estimate of capital assets owned, and depreciation expense is based on the useful lives of acquired assets. We evaluated the key factors and assumptions used to report net capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

> Management's estimate of property taxes receivable is based on unpaid property taxes as of June 30, 2021. We evaluated the key factors and assumptions used to develop property taxes receivable in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net realizable value of assets held for sale was based on appraisals and recent sales prices. We evaluated the key factors and assumptions used to develop the net realizable value in determining that it is reasonable in relation to the financial statements taken as whole.

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

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material either individually or in the aggregate to each opinion unit's financial statements taken as a whole, except there were prior period adjustments for the refund of property taxes related to prior years and to recognize amounts due from property owners not reflected in the prior year statements.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 31, 2021.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

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

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and the management of the Redmond Urban Renewal Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully,

Dickey and Tremper, LLP

DICKEY AND TREMPER, LLP

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: 1-800-332-6862
Fax: (541) 276-9040
Web: www.dickeyandtremper.com

To the Board and Management of the City of
Redmond Urban Renewal Agency:
411 SW 9th St.
Redmond, OR 97756

In planning and performing our audit of the financial statements of the governmental activities and each major fund of the Redmond Urban Renewal Agency as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Redmond Urban Renewal Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Redmond Urban Renewal Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weakness or significant deficiencies may exist that we consider to be material weaknesses.

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

In our review of the URA loans receivable, it was discovered that there were prior year costs of $428,948 towards private redevelopment paid under the forgivable loan program, which should have been reported as a receivable in the prior year. A prior period adjustment on the full accrual basis is needed to correct beginning net assets and the receivable at the beginning of the year. We recommend that costs be reviewed in more detail to determine if receivables should be recorded for expected reimbursements.

ORS 457.470 requires URA to share tax increment when certain thresholds are met. The threshold is tied to annual tax increment collections in relation to the area's initial maximum indebtedness. The URA plan was substantially amended in 2012 and became subject to the revenue sharing requirements. At the time of the amendment the new revenue sharing requirements were not identified in the plan or included in financial models. City staff became aware of the requirement while setting up the South 97 URD and hired a consultant to confirm the requirements and calculate the over-collection of tax. The Agency has over-collected approximately $1.6 million of tax from FY18 to FY21, of which $869,040 was from prior fiscal years and considered a correction of an error and prior period adjustment by management. The remaining $708,041 was reported as a special item to refund property taxes collected in the current year. Future taxes will be assessed with the limitation already imposed.

This communication is intended solely for the information and use of management, Board of Directors, and others within the Redmond Urban Renewal Agency, and is not intended to be, and should not be, used by anyone other than these specified parties.

Dickey and Tremper, LLP

Dickey and Tremper, LLP
Certified Public Accountants
Pendleton, Oregon

December 31, 2021

'21 OCT 21 PM4:29:45

CITY OF REDMOND
URBAN AREA PLANNING COMMISSION APPLICATION

Please type or print answers to the following questions and submit to the City Recorder at City Hall, 411 SW 9th St, Redmond, OR 97756. If you have any questions, please feel free to contact the City Recorder at (541) 923-7751. Thank you for your time and interest in the City of Redmond. Attach additional sheets if necessary.

I, Joseph B. Zampko, respectfully request to be considered
(Please print first and last name)
as an applicant for a position on the City of Redmond Urban Area Planning Commission.

[redacted]
(Address)
Redmond OR 97756

[redacted] [redacted]
(Phone) (Email)

All new Redmond Urban Area Planning Commission applicants must reside within the Redmond Urban Growth Boundary.

Do you reside within the Urban Growth Boundary? Yes
How long have you been a resident? Years: 6 Months: 7

What reasons do you have for wanting to be a member of this Commission?

Redmond is a beautiful city and I have enjoyed raising my kids here over the last 6 years. I want to be a part of future development, planning and helping to execute ways to make our community stronger with more opportunity for housing and affordable living. In addition to more businesses, parks, and recreation for kids and families.

Brief outline of experience and occupations.

I worked for JP Morgan Chase for 16 years as a area manager, Branch Manager, Financial planner. I have currently worked for Adair homes since June of 2018. I feel like I will bring tons of knowledge and be an asset to the future growth and development of our community.

My signature affirms that the information in this application is true to the best of my knowledge. I understand that misrepresentations of facts are cause for removal from any advisory committee, board or commission I may be appointed to. I also understand that City policy requires disclosure of actual or potential conflicts of interest by persons appointed by the Mayor and Council. All information and documentation related to service on this [redacted] disclosure.

10/16/2021
(Date)