



CITY COUNCIL

March 29, 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

MARCH 29, 2022

SPECIAL MEETING AGENDA

6:00 PM

I. CALL TO ORDER / ESTABLISH A QUORUM

II. CONSENT AGENDA

- A. Golf Fund - Equipment Purchase
Purchase of three pieces of Grounds Maintenance Equipment at Juniper Golf Course: \$59,170
Budget Adjustment for Golf Maintenance Equipment: \$60,000.
- B. Approval of Social Gaming License: Loyal Order of Moose, Redmond Lodge 323.

III. PROCLAMATIONS

- A. Arbor Week

IV. BID AWARDS / BID REJECTIONS

- A. Award of contract to Murraysmith, Inc. for design of Well 9 (WA2202): \$460,039
- B. Purchase of Restroom and Pavilion Materials for Quartz Park (PK2001); \$292,971.28
- C. 2022 Liquid Roads Project Bid Award to TopLoc Asphalt Maintenance, LLC, DBA Central Oregon Asphalt Sealing; \$110,000
- D. 2022 Type III Slurry Seal Project Bid Award to Doolittle Construction (TR2203); \$475,000
- E. 2022 Overlay Project Bid Award to Tri-County Paving, LLC; \$450,000
- F. Award Audit Service Contract to Dickey & Tremper, LLP: Approximately \$255,000.

V. ACTION ITEMS

- A. Special Event Street Closure for the Redmond Run on June 18, 2022
- B. Investment Policy - Approval of Material Changes
- C. Initiation of Alley Vacation in Block 34, Townsite of Redmond (Centennial Park)

- D. Settlement Agreement and Alley Vacation of Right-Of-Way between the Becky Johnson Community Center and the Patrick Building.
- E. Ord. #2022-01 - An ordinance granting a nonexclusive telecommunication franchise to Blue Mountain Networks, LLC.
- F. Res. #2022-09 - A resolution authorizing application and acceptance of a grant of up to \$750,000 from the Oregon Parks and Recreation Department for development of the Redmond Wetlands Complex Trail System.

VI. 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



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redmondoregon.gov

STAFF REPORT

DATE: March 29, 2022
TO: City Council
THROUGH: Jason Neff, Chief Financial Officer
Keith Witcosky, City Manager
FROM: Maria Ramirez, Parks Planner and Project Manager
SUBJECT: Purchase of three pieces of Grounds Maintenance Equipment at Juniper Golf Course: \$59,170

Addresses Council Goal:

1 Sustain Operations – Provide or enhance current levels of operations in all facets of municipal service delivery.

Report in Brief:

This item requests City Council approve a \$59,170 contract with John Deere for the purchase of three pieces of golf course maintenance equipment: a John Deere Hydro Rake bunker rake and two Gator TX Turf Utility Vehicles.

Background:

The City-owned Juniper Golf Course is managed by CourseCo, Inc. CourseCo solicited quotes from three manufacturers for each piece of equipment. Quotes were received from the manufacturers below:

Bunker Rake:

Toro Sand Pro 5040	\$22,974.76
John Deere Hydro Rake	\$26,320.00
Smithco Bunker Rake	\$27,776.00

Utility Vehicles (price is for 2 vehicles):

2 Toro Workman MDX	\$26,009.52
2 John Deere Gator TX Turf	\$32,850.08
2 Cushman Hauler 1200G	\$27,107.00

All quotes were provided to the City based on the lowest established price of either CourseCo pricing or municipal discounts available to the City.

Discussion:

CourseCo researched suitable replacements for their current equipment. Based on industry standards, CourseCo recommends moving forward with the purchase of a John Deere Hydro Rake and two John Deere Gator TX Turf Utility vehicles, because they are proven to outlast competitors with less maintenance throughout the life of the equipment.

Fiscal Impact:

This equipment purchase is not included in the Fiscal Year 2021/22 budget and will necessitate a budget adjustment (attached). The Golf Course is projected to have a positive net cash flow of \$354,000, resulting in an operating fund balance of \$573,000.

This balance covers a 60-day operating contingency (\$367,000) leaving \$206,000 available for other uses, including this capital equipment purchase (\$59,170). The City's preference is to pay cash for vehicles and equipment.

Alternative Courses of Action:

1. Approve the purchase.
2. Do not authorize the purchase.

3. Take no action and request additional information

Recommendation / Suggested Motion:

"I move to authorize the City Manager to purchase the 2022 John Deere Hydro Rake Bunker and two John Deere Gator TX Utility Vehicles in the amount of \$59,170."

Memo

Juniper Golf Course

To: Maria Ramirez
From: Tom Bugbee
Date: 01/24/2022
Re: Equipment purchase

Maria:

We would like to purchase some new pieces of maintenance equipment. Two utility vehicles, a bunker rake and a greens mower. Chanaan's preference for the utility vehicles and bunker rake is John Deere. They are slightly more expensive but based on his experience they will last longer with less maintenance causing a savings in the long run. For the mower, we prefer the Toro as that is the same brand of existing equipment, we would not be required to purchase an extra set of reels and we will see economies for parts and repair.

	Purchase Price
<u>Bunker Rake</u>	
Toro Sand Pro 5040	\$22,974.76
John Deere Hydro Rake	\$26,320.00
Smithco Bunker Rake	\$27,776.00
<u>Utility Vehicles</u>	
2 Toro Workman MDX	\$26,009.52
2 John Deere Gator TX Turf	\$32,850.08
2 Cushman Hauler 1200G	\$27,107.00
<u>Greens Mower</u>	
Toro Greensmaster 3150	\$37,145.33
John Deere 2700 E	\$60,519.59
Jacobsen Eclipse 360	\$67,354.00
Preference Totals	
Toro Greensmaster	\$37,145.33
John Deere Hydro Rake and Gators	\$59,170.08
Grand Total	\$96,315.41

All quotes were put together based on the lower of CourseCo pricing or municipal discounts available to the City of Redmond. Please let me know if you would like additional information.



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STAFF REPORT

DATE: March 29, 2022
TO: Redmond City Council
THROUGH: Keith Witcosky, City Manager
FROM: Jason Neff, Chief Financial Officer
SUBJECT: Budget Adjustment for Golf Maintenance Equipment: \$60,000.

Addresses Council Goal:

Sustain Operations: 1D – Establish and adhere to best practice and sound financial policies.

Report in Brief:

This item requests City Council approve a budget adjustment of \$60,000 to cover the purchase of golf course maintenance equipment: a bunker rake and two utility vehicles.

Background:

Juniper Golf Course is a City owned facility and therefore part of the City's budget. The golf course's current bunker rake needs to be replaced for the 2022 golf season to ensure adequate maintenance standards. The utility vehicles will be used for a variety of tasks including all transport of equipment for grounds maintenance and repairs.

Discussion:

The equipment purchases were not included in the FY 2021/22 adopted budget and therefore necessitate a budget adjustment. The equipment purchases can be covered by additional golf course revenues, which are estimated to be approximately \$347,000 (18%) more than budget. Inclusive of this equipment purchase, the Golf Fund is anticipated to have an operating contingency equal to about 100 days of operations at the end of FY 2021/22.

Fiscal Impact:

Fiscal impact discussed above.

Alternative Courses of Action:

1. Approve Resolution #2022-08
2. Do not approve Resolution #2022-08
3. Take no Action and Request more information

Recommendation / Suggested Motion:

"I move to adopt Resolution #2022-08, adjusting the City's Budget"

**CITY OF REDMOND
RESOLUTION NO. 2022-08**

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

WHEREAS, the City of Redmond will have unexpected and unbudgeted resources and expenditures for FY 2021/22.

WHEREAS, Supplemental budgets are permitted under Oregon Revised Statutes 294.471.

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

SECTION ONE: The City of Redmond City Council hereby adopts the following Budget Adjustments for FY 2021/22, in the following funds with the following changes, now on file at City Hall.

SECTION TWO: The amounts for the fiscal year beginning July 1, 2021, are hereby adjusted as follows:

GOLF FUND	Resources	Expenditures
Golf Course Revenues	\$ 60,000	
Golf (Organizational Unit (OU))		\$ 60,000
Change to Golf Fund		\$ 60,000
Change to Golf Fund – Total Appropriations		\$ 60,000

\$60,000 needs to be added to the Golf Fund budget to purchase a new bunker rake and two utility vehicles. The golf course's current bunker rake needs replaced for the 2022 golf season to ensure adequate maintenance standards. The utility vehicles will be used for a variety of tasks including all transport of equipment for grounds maintenance and repairs. The equipment purchases can be covered by additional golf course revenues, which are estimated to be approximately \$347,000 more than budget. Inclusive of this equipment purchase, the Golf Fund is anticipated to have an operating contingency equal to about 100 days of operations at the end of FY 2021/22.

SECTION THREE: This resolution shall be effective this 29th day of March 2022

ADOPTED by the City Council and **SIGNED** by the Mayor this 29th day of March 2022.

George Endicott, Mayor

ATTEST:

Kelly Morse, City Recorder



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STAFF REPORT

DATE: March 29, 2022
TO: City Council
THROUGH: Keith Witcosky, City Manager
FROM: Devin Lewis, Police Captain
SUBJECT: Approval of Social Gaming License: Loyal Order of Moose, Redmond Lodge 323.

Addresses Council Goal:

Sustain Operations

Report in Brief:

This item recommends City Council approve a social gaming license to the Loyal Order of Moose, Redmond Lodge 323.

Background:

The attached application packet is required by Redmond City Ordinance 7.280 - 7.300 to obtain a Social Gaming License.

All background information has been obtained through the Police Department with no sustainable items to disqualify the approval of this application.

The final application process requires City Council action.

Discussion:

The Loyal Order of Moose, Redmond Lodge 323, has applied for a social gaming license. The license would allow them to host poker every Thursday evening. They have followed all the requirements in the City of Redmond Social Gaming License Application, and all background information has been obtained and verified through the Police Department. There are no findings which would disqualify the approval of this application.

Fiscal Impact:

There are no Fiscal Impacts with this License.

Alternative Courses of Action:

1. Approve the social gaming license.
2. Do not approve the social gaming license.
3. Take no action and request more information.

Recommendation / Suggested Motion:

"I move to approve a Social Gaming License for the Loyal Order of Moose, Redmond Lodge 323, which allows them to host poker on Thursday evenings."



SOCIAL GAMING LICENSE APPLICATION

businesslicense@redmondoregon.gov

www.redmondoregon.gov



Annual Fee \$300.00
Investigation Fee (New) 70.00

NEW X RENEWAL _____

Business Name Loyal Order of Moose

Name of Owner/Agent Redmond Lodge 323

Street Address 3199 N Hwy 97

Mailing Address PO Box 1015 Redmond, Or. 97756

(Address where you would like to receive notices from City of Redmond)

Phone Number 541-923-1716

Email: lodge323@mooseunits.org

Number and Type of Games Applied For:

1 license to play poker each Thursday evening

Name & Address of persons other than owner who will supervise games:

Wendy Fultz, or bartender on duty

Debra Linenko, Administrator

only one supervisor monitoring one game

By making this application for license, the applicant represents that he/she is aware of the requirements of Section 7.280 to 7.300 of the Redmond City code relating to social gaming and hereby agrees to comply with those requirements.

I, Debra Linenko, applicant or authorized representative of applicant, swear, and affirm that all statements contained in this application, including statement of my authority are true under penalties of perjury.

Debra Linenko
Signature of Applicant

03-07-2022

Date of Application

Police Chief Recommendation: *[Signature]*

City Council Action & Date: _____

SOCIAL GAMING LICENSE APPLICATION



Ordinance 7.284 requires that an applicant for a Social Gaming License disclose the true names, personal history, business experience, and past criminal records of all persons who may have an interest in the business. Upon submitting the application, a nonrefundable investigation fee of \$70.00 shall accompany the application. A police background investigation is required, including a photograph and finger print card. Please type or print this form.

Date: 03-07-2022

Linenko

Last Name

Debra

First

Lee

Middle

List all other names you have used including nicknames, maiden name, surnames

Zigler, Kasper, Elsey, O'Brien

[REDACTED]
Address

[REDACTED]
City

[REDACTED]
State

[REDACTED]
Zip

[REDACTED]
Phone Number

USA

[REDACTED]
Social Security Number

[REDACTED]
Driver License Number/State

[REDACTED]
Citizenship

50+

[REDACTED]
Date of Birth

3

[REDACTED]
Place of Birth

[REDACTED]
Years as Residence in Oregon

[REDACTED]
Years of Experience in Field

[REDACTED]
Height

[REDACTED]
Weight

[REDACTED]
Gender

[REDACTED]
Color of Hair

[REDACTED]
Color of Eyes

[REDACTED]
Race

[REDACTED]
Scars and Distinguishing Marks

Redmond Lodge #323

Trade Name of Business

Redmond

City

Or

State

97756

Zip

Employment History

[REDACTED]
Employer

[REDACTED]
Address

[REDACTED]
Phone Number

[REDACTED]
From/To

SOCIAL GAMING LICENSE APPLICATION

References from Residences of County

Name	Address	Years Known	Relationship
------	---------	-------------	--------------

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List all Residences for the past 10 years beginning with the most recent address. Include addresses while attending school and during military services.

Address	City	State	From/To
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Have you ever been:

- ☐ Arrested or detained by a law enforcement agent?
- ☐ (or your spouse) involved in any court action, civil or criminal?
- ☒ Fingerprinted for any reason (arrest, job application, etc.)?

If the answer to any of the above questions is yes, list below the date, place, charge, disposition, and full details of each incident. Include all arrests and citations, both juvenile and adult.

Fred Linenko, Lincoln County, Or. for Carry Permit 2013?

Fred Linenko, Deschutes County, Or. for renewal of carry permit 2021

Debra Linenko, Lincoln County, Or. for carry permit 2013?

I, Debra Linenko (applicant) swear to affirm that all statement contained in this application are true under penalties of perjury.

Debra Linenko
Signature of Applicant

03-07-2022
Date



City of Redmond PROCLAMATION

A proclamation designating April 3-9, 2022, as

ARBOR WEEK

WHEREAS, in 1872 Arbor Day, a special day set aside for the planting of trees, was first celebrated in Nebraska; and

WHEREAS, Arbor Day is the day set aside to plant ceremonial trees, educate children and adults about the importance of trees, and honor the important role trees play in our daily lives; and

WHEREAS, trees provide shade and habitat for wildlife, improve air and water quality, reduce the erosion of precious topsoil, increase property values and economic vitality in business areas, contribute to a sense of community pride and ownership, and add beauty to communities; and

WHEREAS, the City of Redmond recognizes that our urban forest is a necessity and is an integral part of the City's infrastructure and ecosystems; and

WHEREAS, the City of Redmond is committed to provide resources to maintain and enhance the urban forest; and

WHEREAS, the City of Redmond is now recognized as a "Tree City USA" recipient for fostering programs which increase the number and health of our trees; and

WHEREAS, the City of Redmond recognizes April 29, 2022, as National Arbor Day.

NOW, THEREFORE BE IT RESOLVED THAT Council hereby proclaims the week of April 3-9, 2022, to be **ARBOR WEEK** in the City of Redmond and citizens are encouraged through the City to become more involved with the planting and stewardship of the urban forest in celebration of **ARBOR WEEK**.

APPROVED by the City Council and **SIGNED** by the Mayor this 29th day of March 2022.

The City of Redmond, Oregon

George Endicott, Mayor

ATTEST:

Kelly Morse, City Recorder



ARBOR WEEK

SLIDE / 1

APRIL 3-9
TREE
PLANTING

TUES. APRIL 5, 4:00 PM

Hayden Park— 4-H groups

WEDS. APRIL 6, 4:00 PM

Hathaway Park – 4-H groups

THURS. APRIL 7, 4:00 PM

Diamond Bar Park – 4-H groups

ARBOR DAY

THURS. APRIL 28, 12 -2 PM

Canyon clean up



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STAFF REPORT

DATE: March 29, 2022
TO: City Council
THROUGH: John Roberts, Deputy City Manager
FROM: Mike Caccavano, City Engineer
SUBJECT: Award of contract to Murraysmith, Inc. for design of Well 9 (WA2202): \$460,039

Addresses Council Goal:

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

Report in Brief:

This item requests City Council approve a \$460,039 contract with Murraysmith, Inc. for the design of Well 9.

Background:

The rapid pace of growth in Redmond is accelerating the need for infrastructure to keep pace. The nearly completed South Redmond Water Facility includes the 8th well in our system. However, a 9th well is already necessary to meet demand. Well 9 will ensure that sufficient supply is available if our largest well is out of service. This project is identified in the water master plan as the next major project and has an immediate need.

The new well and pumphouse is proposed in the Dry Canyon north of Black Butte Blvd. and west of the dog park. This location is easily connected to the distribution system serving the north half of Redmond. It improves the distribution of our water supply wells which are mostly in the southern half of Redmond.

Discussion:

A request for qualifications (RFQ) for design services was issued on January 12, 2022. The RFQ process is required by Oregon Revised Statutes when seeking engineering services in excess of \$100,000. The RFQ process typically involves two steps; (1) submission of qualifications that are reviewed by a committee and ranked according to criteria and (2) negotiation of fees.

For this RFQ, the City received only one qualification statement - from Murraysmith, Inc.

Murraysmith were also designers of the reservoir and booster pump project at Well 7 and the South Redmond Water Facility. They also completed the City's recent Water Master Plan update.

The scope of work for Well 9 Design includes:

- Site investigation including survey and geotechnical work.
- Well design - although similar to Well 8, the process will include review of various well diameters to allow more competition for the well drilling contract.
- Well construction oversight, testing and reporting to the Oregon Water Division will also be included in this task. To shorten the timeline, priority will be placed on designing the well to allow bidding and construction to proceed while design of the pumphouse is underway.
- Pumphouse design will include analysis of alternatives for pump and generator sizing as well as building, piping, chlorination and control construction plans. The building will be designed to blend into the canyon area.

This contract also includes Central Dry Canyon park improvement design. Since the facility will be located adjacent to a proposed parking area and restroom, the work can easily be incorporated. The restroom will be designed as an extension of the pumphouse and the parking area will be located just to the north.

Fiscal Impact:

Total design cost for the Well 9 project is \$460,039, with sources coming from the following two allocations:

- \$410,002 - design for Well 9 infrastructure: The FY 2021/22 budget did not include this project but sufficient budget authority is available. The cost will initially be covered by Water ratepayer funds as Water System Development Charges (SDCs) were exhausted for the South Redmond Water Facility.
- \$50,037 - design for associated parks improvements at the site (part of the Central Dry Canyon Phase 1 project). The FY 2021/22 budget did not include this project but sufficient budget authority is available. The cost will be covered by Parks SDCs.

The Well 9 infrastructure project is estimated at \$4.4 million with the following funding strategy:

- \$1,000,000 - State of Oregon American Rescue Plan Act (ARPA) grant
- \$1,400,000 - Water ratepayer funds (long-term repayment by Water SDCs will be pursued)
- \$2,000,000 - Long-term financing to be secured in FY 2022/23 and repaid by a combination of Water SDCs and Water ratepayer funds.

Staff continues to explore additional grant funding for the Well 9 infrastructure project.

The Central Dry Canyon Phase 1 project is estimated at \$1.6 million and will be funded by Parks SDCs.

Alternative Courses of Action:

1. Authorize the City Manager to sign the contract with Murraysmith, Inc.
2. Do not authorize the contract
3. Take no action and request more information

Recommendation / Suggested Motion:

" I move to authorize the City Manager to sign the contract with Murraysmith Inc. for design of Well 9 in the amount of \$460,039."

Central Dry Canyon Preferred Concept - Well 9





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STAFF REPORT

DATE: March 29, 2022
TO: City Council
Keith Witcosky, City Manager
THROUGH: John Roberts, Deputy City Manager
Bill Duerden, Public Works Director
FROM: Maria Ramirez, Parks Planner and Project Manager
SUBJECT: Purchase of Restroom and Pavilion Materials for Quartz Park (PK2001); \$292,971.28

Addresses Council Goal:

3.D. Develop the City's infrastructure pursuant to the priorities identified in the City's infrastructure system plans.
6.G. Strive for interconnected parks and open spaces.

Report in Brief:

This item requests City Council approve a \$292,971.28 contract with Romtec, Inc. for the purchase of restroom and pavilion materials for Quartz Park.

Background:

Redmond's Dry Canyon provides recreational amenities throughout its four-mile length, including a heavily used paved trail connecting many areas of the city. The canyon terminates at the south end at Quartz Avenue with the trail continuing to Reindeer Avenue. The 2018 Parks Master Plan has identified this area as a location for a new neighborhood park.

In May 2020, a planning effort concluded using the services of a landscape architect to assist with the public involvement and concept planning for the area. A community survey and online forums were used to solicit input on the amenities to include in the proposed park. About 150 residents participated in the survey and 120 in the feedback forums showing strong interest in a park project. A concept plan was developed from this input and includes: a parking lot, restroom building, play structures and games (bocce ball and horseshoes), concrete and asphalt pathways, mountain bike skills park, irrigation, landscaping, open lawn and natural areas.

In November 2020, a design contract was awarded to Szabo Landscape Architecture for the amount of \$143,619 to bring the concept plan to final design and assist with construction oversight. The concept plan was modified through this design process and Council discussions to relocate the game amenities north of Quartz Avenue and include a flashing beacon crosswalk. The estimated construction cost for the project is \$2,700,000.

On March 8, 2022, a construction contract was awarded to Keeton King Contracting, LLC in the amount of \$2,181,626.15 for the construction of Quartz Park. The contract includes the installation of a bathroom and pavilion facility with the materials provided separately by the City.

Discussion:

Staff evaluated several options for restroom facilities during the design process with Szabo Landscape Architecture and determined that the facilities provided by Romtec, Inc., best met the needs of the City. The selected restroom facility is a year-round structure that will allow for the option to keep the facility open through the winter.

The contract with Romtec, Inc., will be made through an interstate cooperative procurement agreement administered by Sourcewell per ORS 279A.220. This mechanism provides competitive pricing established through national solicitations performed in compliance with Oregon public contracting provisions and results in a savings of six percent off material list price. A notice of intent to establish a contract through an interstate cooperative procurement was published on March 18, 2022. Vendors were given seven days to submit comments.

The total budget for the construction of Quartz Park is \$2,700,000. The contract with Romtec, Inc., is limited to the purchase of restroom and pavilion materials in the amount of \$292,971.28 (quote attached). The remainder of the park construction will be completed through the contract established with Keeton King Contracting, LLC. Construction is expected to start May 2, 2022, and be completed by the end of the calendar year.

Fiscal Impact:

Funding for the construction of Quartz Neighborhood Park is included in the Fiscal Year 2021/2022 budget from Parks System Development Charges (see attached). The total construction cost is estimated at \$2,700,000, of which \$292,971.28 is associated with this City Council action.

Alternative Courses of Action:

1. Authorize the City Manager to enter into a contract with Romtec, Inc.
2. Do not authorize the contract.
3. Request additional information.

Recommendation / Suggested Motion:

"I move to authorize the City Manager to enter into a contract with Romtec, Inc. for the purchase of restroom and pavilion materials at Quartz Park in the amount of \$292,971.28."



18240 North Bank Rd.
Roseburg, OR 97470
P: 541-496-3541
F: 541-496-0803
E: service@romtec.com

Date

2/15/2022

PROPOSAL/PO**#081721-RMT****Quartz Park**

Customer: City of Redmond
Maria Ramirez
243 E. Antler Ave
Redmond, OR 97756



Quantity	Building Proposal Description	Extended Price
1	Restroom Building Model 2056 w/Options - "Supply ONLY" per Romtec Quartz Park Restroom Proposal dated 2/15/2022	\$ 207,319.23
1	Pavilion Model 3014 w/Options - "Supply ONLY" per Romtec Quartz Park Pavilion Proposal dated 2/15/2022	\$ 98,387.47

Sourcewell DISCOUNT: Available only to members of Sourcewell.		6.00%	\$ (18,342.41)
Estimated Freight to: Redmond, OR		\$	5,607.00
ROMTEC INC. PURCHASE ORDER TOTAL		\$	292,971.28

***Due to recent market volatility and inflation rates, the proposal pricing is valid for thirty (30) days from the proposal date. If the Customer has not returned a signed Purchase Order within thirty (30) days of the proposal date, Romtec, Inc. reserves the right to update the price to reflect cost changes.**

***This pricing is based on the understanding that Romtec, Inc. will be released for production within ninety (90) days. If, for any reason, Romtec, Inc. has not received Submittal Approval and Notice to Proceed with Production within ninety (90) days of the Purchase Order date, Romtec, Inc. reserves the right to update the Purchase Order price to reflect inflationary cost changes.**

***Sales or use Tax is not included in the above price. Sales or use taxes may be required for your project depending on Nexus requirements.**

*Romtec charges 2.75% of total contract value for the bonding rate (if required). Unless specifically stated in the above quote, this amount is not included in the total amount shown, and may be applicable at the time of invoice.

*This proposal includes the design & engineering by Romtec Inc. to produce a complete plan set that will meet the architectural and engineering code required in your state. In some cases local code may vary from typical state requirements and may result in a change in price that could not have been anticipated at time of quote.

*All freight estimates listed above are F.O.B. Roseburg, OR. Freight prepaid and added. Delivery will be in accordance with a mutually agreed upon timeline as stated in the Romtec Inc. Notice to Proceed on Production document.

*Non-Agency orders must be placed on Romtec Inc. purchase order forms.

*Shipping prices are estimates only and are subject to change without notice.

*Quote based on standard design averages, including: roof snowload of 25psf, IBC Seismic Design Category: C, Design Wind Speed: 115 MPH, Allowable Soule Bearing: 1500 psf, Occupancy Type: U, Construction: VB.

*Unless included with this quote, a payment schedule and terms will be established after the signed Purchase Order is received. Romtec Inc. generally requires a deposit payment upon receipt of the signed Submittal Approval & Notice to Proceed on Production document. Any deposit amount will be defined with the forthcoming payment schedule.

*Design Services include Romtec providing one(1) initial unsealed plan set on 11x17 format and one (1) sealed revision in response to reviewing authority comments (excluding Romtec Trads and Originals; Romtec Trads and Originals do not include sealed plans. Sealing of plans for Trads and Original models is only available upon request and may result in additional fees). In any additional revisions, if sealing or changing in plan set size are requested or required, an additional design service will be charged.

*The pricing defined in this proposal is contingent upon the customer signing this form and agreeing to the Romtec terms and conditions defined in this proposal. Any modifications to the terms and conditions defined herein may result in a price increase.

*Romtec's standad insurance coverage document is available upon request. Unless otherwise specifically noted herein, Romtec's standard insurance coverage is accepted by Customer and considered sufficient coverage for all work related to this purchase order. Customer agrees to pay any costs related to additional insurance requirements not specifically noted in this order.

***The above prices, Terms & Conditions are satisfactory and are hereby accepted. Romtec Inc. is authorized to begin work on the Scope of Supply and Design Submittal document, which the customer will review prior to approval and Notice to Proceed on Production. Additionally, the customer will complete and return the Customer & Project Information request as expeditiously as possible so that payment terms, and bonding requirements (if applicable) can be established. The customer understands that by accepting this proposal they are issuing a Purchase Order for the project detailed above, but that production will not begin and delivery or installation dates cannot be established until the customer has granted design approval and notice to proceed on production.**

 Customer/Owner Authorized Signature

Date

 Romtec Inc. Authorized Signature

Date

 Customer/Owner Printed Name

 Romtec Inc. Printed Name

 Customer/Owner Company



NOTES ON THE FISCAL YEAR 2021/22 BUDGET

- A transfer of \$190,000 to the Capital Vehicle and Equipment sub-fund. Two service trucks (\$120,000), a backhoe (\$105,000), a dingo trencher (\$60,000), and a large area mower (\$70,000) are all purchases planned in FY 2021/22. The table below lists the major equipment planned to be purchased in the near term.

Equipment - New and Replacement, Near-Term List	Main Use	Cost
Backhoe (FY 21/22)*	New addition	\$ 105,000
Service Truck (FY 21/22)	New addition	\$ 60,000
Service Truck (FY 21/22)	New addition	\$ 60,000
Dingo Trencher (FY 21/22)	New addition	\$ 60,000
Large Area Mower (FY 21/22)	Replace existing	\$ 70,000
Service Truck (FY 22/23)	New addition	\$ 60,000
Walker Mower (FY22/23)	New	\$ 20,000
Walker Mower (FY22/23)	Replacement	\$ 20,000
Service Truck (FY 23/23)	New addition	\$ 60,000
Service Truck (FY 23/23)	New addition	\$ 60,000
Total		\$ 575,000

* Purchase carried forward from FY 20/21.

- A \$165,020 SDC Improvement debt service payment for Dry Canyon property purchased in 2007. This debt was refinanced at a lower interest rate in 2012 and will mature in 2 years (FY 2022/23).
- A budgeted operating contingency of \$361,627 is included. This amount is equal to approximately 60 days of operations for Parks and Cemetery (Council Goal 1D).
- \$2,700,000 is included for the construction of Quartz Park. Quartz Park will be a new park at the southern terminus of the Dry Canyon at Quartz Ave. The park will serve both as a gateway into the Dry Canon and as an 8-acre neighborhood park that will include play structures and games, concrete and asphalt pathways, irrigation, landscaping, open lawn, natural areas, a parking lot, and restroom. Community outreach and design was completed in FY 2020/21. Funding for the project will come from SDC Improvement funds.
- \$250,000 is included for the upgrade and replacement of the play structure at the Umatilla Sports Complex.
- \$75,000 is included for the planning and design of improvements within the Central Dry Canyon.
- \$1,500,000 is included for the potential acquisition of land needed for future park development.
- The anticipated costs for major capital improvements and infrastructure maintenance projects are summarized below:

Project	SDC Improvement
Maple Avenue Staircase*	\$ 165,000
Quartz Park Construction*	\$ 2,700,000
Umatilla Playground Update	\$ 250,000
Central Dry Canyon Planning & Design*	\$ 75,000
Potential Land Acquisition	\$ 1,500,000
Future Projects	\$ 100,000
Total	\$ 4,790,000

* Project carried forward from FY 20/21



CITY COUNCIL MEETING

MARCH 29, 2022



BACKGROUND

- **ORIGIN:** Identified in the 2007 and 2018 Parks Master Plan
- **PUBLIC OUTREACH:** May 2020 – September 2021
- **PROJECT FUNDING:** \$2,700,000 FY 21/22 Parks SDCs
- **FINAL DESIGN:** September - December 2021
- **CONSTRUCTION AWARD:** March 8, 2022
 - Keeton King Contracting, LLC. \$2,181,626.15
 - Construction Start Date: May 2, 2022



DESIGN ELEMENTS

Amenities:

- Restroom and Pavilion
- Play structures
- Pedestrian pathways
- Bike skills area
- Parking lot
- Lights
- Bocce Ball/Horseshoe Pits
- Irrigation/landscaping
- Flashing beacon crosswalk

Park size: 7.2 acres





FACILITY SELECTION

**SOLICITED THREE ALTERNATIVES FROM THREE
DIFFERENT DESIGNERS**

**PREFERRED DESIGN BY ROMTEC, INC IN THE
AMOUNT NOT TO EXCEED \$292,971.28**

**PURCHASED THROUGH SOURCEWELL COOPERATIVE
PROCUREMENT AGREEMENT**



PICNIC PAVILION





YEAR- ROUND RESTROOM

SLIDE / 6





TIMELINE

SLIDE / 7

MARCH 2022



EQUIPMENT PURCHASED

MAY
2022



CONSTRUCTION BEGINS

SEPTEMBER
2022



INSTALL COMPLETE



QUESTIONS?





CONSTRUCTION COST CONFIDENCE

HIGH

CLASS OF COST ESTIMATE	LOW	MODERATE	HIGH	OPTIMAL	COMPLETE
DESCRIPTION	Project is Conceptual Limited Technical Limited Analysis	Project Defined but Lacks Details Project Specifications Incomplete ≤60% Design Phase	Project Scope And Specifications Beyond 60% Complete Material Quantities have been Defined but Subject to Minor Changes	Project Scope, Schedule, And Specifications Complete Schedule and Site Conditions Understood Clear Understanding of Materials and Quantities	Construction Complete Final Payment Made Project Assessments Completed Total Project Costs Reported
PROJECT DEFINITION	0% to 2%	1% to 15%	10% to 60%	60% - 100%	Complete
VARIATION IN ESTIMATE TO COMPLETE PROJECT - \$	- 50% + 100%	- 30% + 50%	- 15% + 20%	-10% +15%	Total Project Costs Reported
Quartz Park Schedule (Year)	Nov 2020	Jan 2021	Sept. 2021	May 2022	Winter 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: March 29, 2022
TO: Redmond City Council
Keith Witcosky, City Manager
THROUGH: Bill Duerden, Public Works Director
John Roberts, Deputy City Manager
FROM: Brad Haynes, Street Operations Manager
SUBJECT: 2022 Liquid Roads Project Bid Award to TopLoc Asphalt Maintenance, LLC, DBA Central Oregon Asphalt Sealing; \$110,000

Addresses Council Goal:

3.A.: Endeavor to adequately maintain the City's roads, utility infrastructure, parks and pedestrian/bicycle infrastructure.

Report in Brief:

This item requests City Council award the 2022 Liquid Roads Project to TopLoc Asphalt Maintenance, LLC, DBA: Central Oregon Asphalt Sealing in the not to exceed amount of \$110,000. This project will provide surface treatment for City streets (\$67,000), parking lots, and paved trails (\$43,000).

Background:

The City maintains approximately 190 miles of roadway and parking lots valued at more than \$150 million. Each year, the City invests a substantial amount of resources into maintaining and improving this asset through a variety of surface treatments to include crack sealing, seal coats, slurry seals and overlays.

The City uses a computerized pavement management program and a third-party consultant to assist with prioritizing streets for treatment in order to maintain a Pavement Condition Index rating in the low 80s (Good Condition). Approximately 2.5 miles of City streets, parking lots and paved trails were identified for Liquid Roads (seal coat) treatment as indicated on the attached map.

Discussion:

The City informally advertised and procured services per Oregon Revised Statutes Section 279B for bids under \$150,000. Three bids were received and publicly read on March 11, 2022, from the following contractors:

<u>Contractor</u>	<u>Bid Amount</u>
1. TopLoc Asphalt Maintenance, LLC, DBA: Central Oregon Asphalt Sealing	\$109,995.00
2. Tri County Paving LLC	\$136,000.00
3. Sierra Santa Fe Corporation	\$199,905.00

TopLoc Asphalt Maintenance, LLC, DBA: Central Oregon Asphalt Sealing is the lowest responsible bidder. The bid amount is less than the City estimate of \$123,000. A not to exceed amount of \$110,000 is established for the contract. Notice of Intent to Award was issued on March 22, 2022. This contract has a completion date of August 26, 2022.

Fiscal Impact:

The FY 2021/22 budget includes \$1.95 million for the Transportation Infrastructure Maintenance Sub-Fund (22161). With the award of the Liquid Roads, Slurry Seal, and Overlay contracts (at this meeting) the Transportation Infrastructure Maintenance Sub-Fund is projected to exceed budget by about \$46,000 (2.4% over budget). This overage can be

covered by accumulated personnel savings in the Transportation Fund, therefore a formal budget adjustment is not necessary.

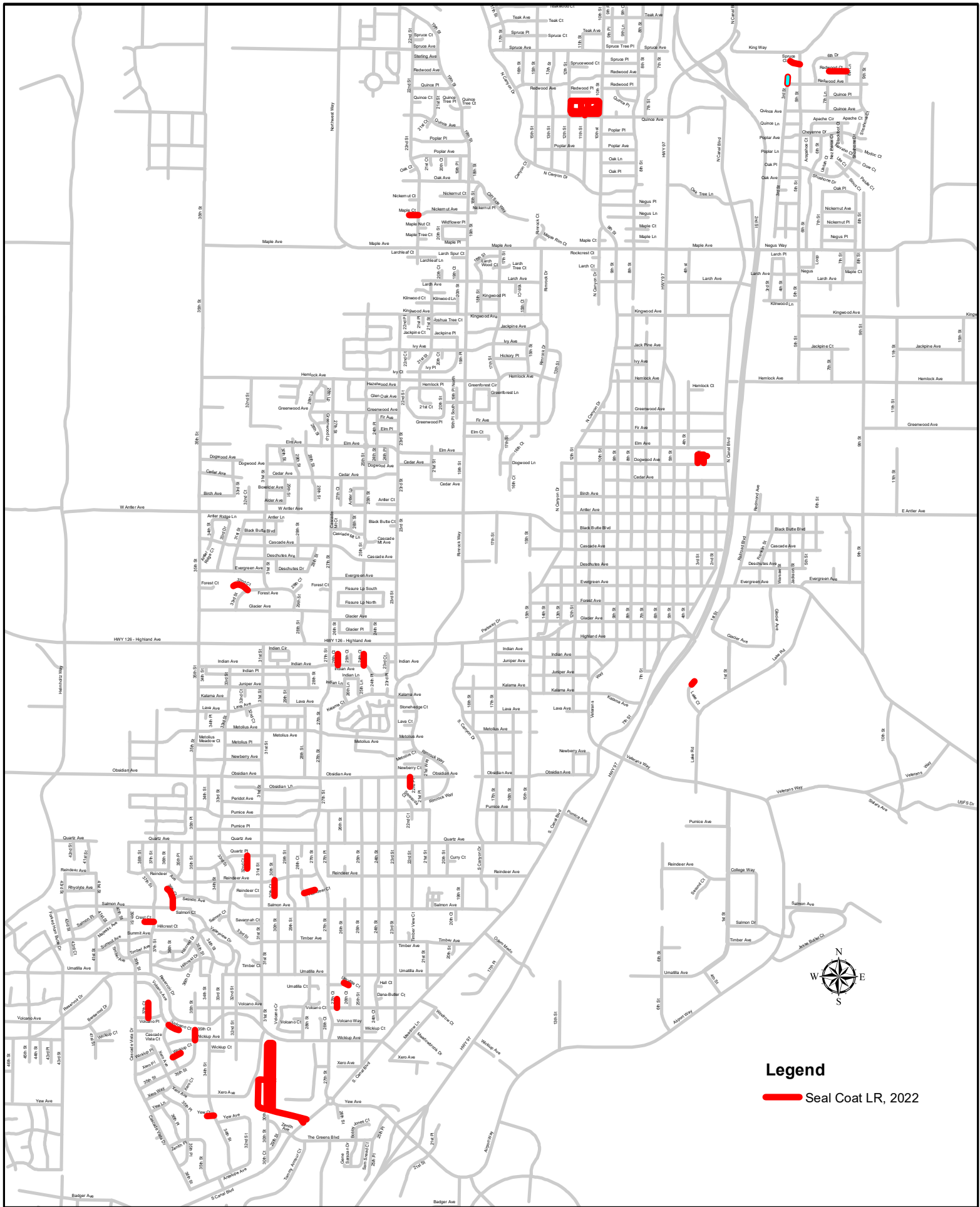
The parking lot and paved trails components of the contract are included in the FY 2021/22 Parks and Facilities Fund budget (see attached).

Alternative Courses of Action:

1. Approve the contract.
2. Request additional information.
3. Reject all bids for the Liquid Roads Project.

Recommendation / Suggested Motion:

"I move to award the 2022 Liquid Roads Project to TopLoc Asphalt Maintenance, LLC, DBA: Central Oregon Asphalt Sealing in the not to exceed amount of \$110,000 and authorize the City Manager to sign the contract."



Legend

■ Seal Coat LR, 2022



2022 SEAL COAT - LIQUID ROADS CONTRACT CITY OF REDMOND, OR

CITY OF REDMOND 716 SW EVERGREEN AVENUE REDMOND OREGON 97756 PH. 541.923.7710

REVIEWED BY BIA	SCALE 1" = 3000'
DESIGNED BY MJC	DRAFT DATE August 22, 2019

BUDGET DETAIL

Parks & Facilities Fund		FY 2018/19 Actual	FY 2019/20 Actual	FY 2020/21 Budget	FY 2021/22 Proposed Budget	FY 2021/22 Approved Budget	FY 2021/22 Adopted Budget
Sub-fund: Parks & Facilities - Operations							
Program: General Operations							
Resources							
22200-02-000-04-65-20	Federal Grants & Awards	-	11,628	-	-	-	-
22200-02-000-04-25-20	Urban Renewal	-	6,621	6,779	7,154	7,154	7,154
22200-02-000-04-45-75	Restitution	3,675	1,468	-	-	-	-
22200-02-000-04-40-06	Reservation Fees	-	2,515	8,000	6,000	6,000	6,000
22200-02-000-04-40-98	Refunds/Reimbursements	1,687	-	-	-	-	-
22200-02-000-04-60-90	Miscellaneous	2,381	2,466	-	-	-	-
22200-02-000-04-85-01	Chgs Svc From Other Fund	-	13,241	33,895	35,772	35,772	35,772
22200-02-000-04-80-10	Interest - Investment	6,934	5,677	3,200	3,000	3,000	3,000
22200-02-000-04-50-00	Rentals/Leases	417	2	-	-	-	-
22200-02-000-04-95-10	Private Source	4,273	-	-	-	-	-
22200-02-000-04-85-50	Interfund Transfers	1,990,488	1,837,007	2,221,384	2,221,851	2,221,851	2,221,851
22200-02-000-04-95-50	Sale of Property	500	997	-	-	-	-
22200-02-000-04-99-00	Beginning Fund Balance	380,619	451,842	438,510	391,388	391,388	391,388
TOTAL RESOURCES		2,390,975	2,333,464	2,711,768	2,665,165	2,665,165	2,665,165
Personnel Services							
22200-02-000-05-00-01	Regular Pay	186,824	322,711	343,189	442,935	442,935	442,935
22200-02-000-05-00-03	Overtime	1,095	1,376	5,000	3,000	3,000	3,000
22200-02-000-05-20-11	Employer Social Security	11,470	19,725	21,278	27,462	27,462	27,462
22200-02-000-05-20-12	Employer Medicare	2,682	4,612	4,976	6,423	6,423	6,423
22200-02-000-05-20-30	Employer PERS	24,495	67,393	75,934	107,589	107,589	107,589
22200-02-000-05-20-41	Medical Insurance	53,591	102,632	103,140	170,967	170,967	170,967
22200-02-000-05-20-42	VEBA Contribution	1,490	2,825	6,820	9,300	9,300	9,300
22200-02-000-05-20-43	HRA Contribution	987	1,566	7,260	9,878	9,878	9,878
22200-02-000-05-20-50	Life Insurance	80	132	139	189	189	189
22200-02-000-05-20-51	Accidental D & D	14	24	24	33	33	33
22200-02-000-05-20-52	SAIF	2,186	3,900	7,504	8,072	8,072	8,072
22200-02-000-05-20-53	Long-Term Disability	481	750	852	1,185	1,185	1,185
22200-02-000-05-20-62	FSA	90	149	156	213	213	213
TOTAL PERSONNEL SERVICES		285,487	527,793	576,272	787,246	787,246	787,246
Materials & Services							
22200-02-000-06-00-02	Office Supplies	905	456	750	750	750	750
22200-02-000-06-00-03	Housekeeping	3,258	580	3,500	3,500	3,500	3,500
22200-02-000-06-00-04	Uniforms, Boots and Clothing	1,710	2,505	3,200	3,200	3,200	3,200
22200-02-000-06-00-05	Electronic Equip & Supplies	-	1,994	5,000	10,000	10,000	10,000
22200-02-000-06-00-06	Small Tools & Minor Equip	28,730	21,010	20,000	20,000	20,000	20,000
22200-02-000-06-00-07	Safety Supplies	2,757	3,210	2,500	2,500	2,500	2,500
22200-02-000-06-00-10	Furnishings & Fixtures	408	304	-	-	-	-
22200-02-000-06-00-12	Facility Repair & Maintenance	14,350	3,811	15,000	6,000	6,000	6,000
22200-02-000-06-00-19	Noticing	216	352	500	-	-	-
22200-02-000-06-00-20	Water/Sewer/Storm	115,247	129,049	136,000	155,000	155,000	155,000
22200-02-000-06-00-22	Utility Electric	17,859	24,044	26,000	22,000	22,000	22,000
22200-02-000-06-00-23	Utility Gas	2,186	1,506	2,000	2,000	2,000	2,000
22200-02-000-06-00-24	Phone & Internet	8,257	7,952	9,000	12,000	12,000	12,000
22200-02-000-06-00-26	Postage	-	80	-	-	-	-
22200-02-000-06-00-29	Radio Maintenance	480	694	500	500	500	500
22200-02-000-06-00-36	Debt Service Fees	15	16	16	20	20	20
22200-02-000-06-00-37	Legal Services & Fees	180	-	-	-	-	-
22200-02-000-06-00-41	Forms & Correspondence	55	3,947	-	-	-	-
22200-02-000-06-00-43	Recording/Reconveyance	135	272	-	-	-	-
22200-02-000-06-00-46	Processing Fees	132	82	500	-	-	-
22200-02-000-06-00-48	Rentals/Leases	81,279	82,038	98,398	61,720	61,720	61,720
22200-02-000-06-00-56	Workers Comp Claim Deduct	328	234	-	-	-	-
22200-02-000-06-00-60	Dues, Subs, Memberships	1,570	1,940	1,700	2,000	2,000	2,000
22200-02-000-06-00-61	Travel & Training	14,473	7,176	10,000	10,000	10,000	10,000
22200-02-000-06-00-62	Meetings	43	1,384	-	-	-	-
22200-02-000-06-00-63	Books, Maps, Periodicals	-	99	-	-	-	-
22200-02-000-06-00-65	Committees & Commissions	-	-	500	500	500	500
22200-02-000-06-00-67	Garbage Collection	15,056	14,786	15,000	15,000	15,000	15,000
22200-02-000-06-00-68	Recruitment	507	100	300	300	300	300
22200-02-000-06-00-70	Promotion	340	-	-	-	-	-
22200-02-000-06-00-74	External Repairs & Maint	-	18,746	-	-	-	-
22200-02-000-06-00-75	Parts & Inventory	140	524	-	-	-	-
22200-02-000-06-00-77	Fuel	20,320	18,617	23,000	30,000	30,000	30,000
22200-02-000-06-00-84	Infrastructure Maintenance	104,397	111,812	135,000	135,000	135,000	135,000
22200-02-000-06-00-86	Licenses & Permits	1,709	1,017	2,000	2,000	2,000	2,000
22200-02-000-06-00-87	Employee Physicals	588	328	800	800	800	800
22200-02-000-06-00-88	Employee/Volunteer Recogn	274	656	1,150	1,150	1,150	1,150
22200-02-000-06-00-90	Software Licenses	-	11,122	-	-	-	-
22200-02-000-06-00-92	Software Maintenance	-	85	5,000	10,000	10,000	10,000
22200-02-000-06-00-94	Temporary Personnel Services	65,483	78,331	85,000	95,000	95,000	95,000
22200-02-000-06-00-97	Chgs Svc From Other Fund	226,080	169,764	183,672	242,502	242,502	242,502
22200-02-000-06-00-98	Other Contractual Services	71,880	58,172	50,000	50,000	50,000	50,000
22200-02-000-06-02-15	Signage	-	538	-	-	-	-
22200-02-000-06-85-05	ISF Central Services	91,573	108,742	91,166	108,285	108,285	108,285
22200-02-000-06-85-10	ISF IT	14,133	19,535	22,271	34,800	34,800	34,800
22200-02-000-06-85-15	ISF Risk Management	11,515	15,154	16,242	22,438	22,438	22,438

BUDGET DETAIL

Parks & Facilities Fund		FY 2018/19 Actual	FY 2019/20 Actual	FY 2020/21 Budget	FY 2021/22 Proposed Budget	FY 2021/22 Approved Budget	FY 2021/22 Adopted Budget
22200-02-000-06-85-30	ISF Fleet Services	69,698	63,559	66,153	87,697	87,697	87,697
22200-02-000-06-85-40	ISF Facilities Maintenance	87,063	44,103	52,072	60,991	60,991	60,991
TOTAL MATERIALS & SERVICES		1,075,326	1,030,426	1,083,890	1,207,653	1,207,653	1,207,653
Debt Service							
22200-02-000-08-00-49	12-USB-FFC-Dunn & Fields-P	25,600	26,400	27,200	28,800	28,800	28,800
22200-02-000-08-00-50	12-USB-FFC-Dunn & Fields-I	5,456	4,688	3,744	2,640	2,640	2,640
TOTAL DEBT SERVICE		31,056	31,088	30,944	31,440	31,440	31,440
Special Payments							
22200-02-000-10-00-00	Special Payments	-	-	345,000	-	-	-
TOTAL SPECIAL PAYMENTS		-	-	345,000	-	-	-
Intrafund Transfers							
22200-02-000-13-00-63	Intrafund Tfrs-to CVE	60,000	75,000	180,000	130,000	130,000	130,000
22200-02-000-13-00-81	Intrafund Tfrs-to CP	250,000	-	-	35,000	35,000	35,000
TOTAL INTRAFUND TRANSFERS		310,000	75,000	180,000	165,000	165,000	165,000
Contingency							
22200-02-000-11-00-00	Contingency	-	-	313,429	361,627	361,627	361,627
TOTAL CONTINGENCY		-	-	313,429	361,627	361,627	361,627
TOTAL PROGRAM EXPENDITURE		1,701,869	1,664,307	2,529,535	2,552,966	2,552,966	2,552,966
NET PROGRAM		689,106	669,157	182,233	112,199	112,199	112,199

Program: Cemetery

Resources							
22200-28-000-04-40-85	Cemetery Products & Svcs	71,455	72,684	60,500	89,000	89,000	89,000
22200-28-000-04-40-86	Cemetery Maint Res Fee	5,500	3,150	3,800	3,800	3,800	3,800
TOTAL RESOURCES		76,955	75,834	64,300	92,800	92,800	92,800
Personnel Services							
22200-28-000-05-00-01	Regular Pay	102,086	113,592	65,979	61,510	61,510	61,510
22200-28-000-05-00-03	Overtime	938	446	1,000	-	-	-
22200-28-000-05-20-11	Employer Social Security	6,284	6,945	4,091	3,814	3,814	3,814
22200-28-000-05-20-12	Employer Medicare	1,470	1,624	957	892	892	892
22200-28-000-05-20-30	Employer PERS	13,041	23,726	14,652	14,941	14,941	14,941
22200-28-000-05-20-41	Medical Insurance	32,775	36,057	21,447	25,899	25,899	25,899
22200-28-000-05-20-42	VEBA Contribution	925	950	1,364	1,364	1,364	1,364
22200-28-000-05-20-43	HRA Contribution	2,642	109	1,452	1,449	1,449	1,449
22200-28-000-05-20-50	Life Insurance	51	48	28	28	28	28
22200-28-000-05-20-51	Accidental D & D	9	8	5	5	5	5
22200-28-000-05-20-52	SAIF	1,249	1,286	1,597	1,188	1,188	1,188
22200-28-000-05-20-53	Long-Term Disability	278	273	166	179	179	179
22200-28-000-05-20-62	FSA	57	53	31	31	31	31
TOTAL PERSONNEL SERVICES		161,805	185,115	112,769	111,300	111,300	111,300
Materials & Services							
22200-28-000-06-00-04	Uniforms, Boots and Clothing	264	410	-	-	-	-
22200-28-000-06-00-05	Electronic Equip & Supplies	-	5,472	-	-	-	-
22200-28-000-06-00-06	Small Tools & Minor Equip	1,442	3,195	5,000	5,000	5,000	5,000
22200-28-000-06-00-07	Safety Supplies	392	-	-	-	-	-
22200-28-000-06-00-12	Facility Repair & Maintenance	96	2,198	3,500	3,500	3,500	3,500
22200-28-000-06-00-20	Water/Sewer/Storm	28,236	26,642	18,000	1,500	1,500	1,500
22200-28-000-06-00-22	Utility Electric	4,535	6,465	3,500	6,700	6,700	6,700
22200-28-000-06-00-23	Utility Gas	426	1,470	1,000	1,500	1,500	1,500
22200-28-000-06-00-46	Processing Fees	689	847	700	700	700	700
22200-28-000-06-00-48	Rentals/Leases	68	-	2,000	2,000	2,000	2,000
22200-28-000-06-00-60	Dues, Subs, Memberships	50	-	-	-	-	-
22200-28-000-06-00-77	Fuel	3,309	1,127	3,800	3,800	3,800	3,800
22200-28-000-06-00-82	Cemetery Supplies	6,367	11,665	10,000	10,000	10,000	10,000
22200-28-000-06-00-84	Infrastructure Maintenance	18,402	10,462	50,000	20,000	20,000	20,000
22200-28-000-06-00-86	Licenses & Permits	-	133	1,000	1,000	1,000	1,000
22200-28-000-06-00-87	Employee Physicals	274	105	-	-	-	-
22200-28-000-06-00-92	Software Maintenance	1,163	1,163	1,300	4,000	4,000	4,000
22200-28-000-06-00-94	Temporary Personnel Services	21,466	304	-	-	-	-
22200-28-000-06-00-98	Other Contractual Services	-	861	3,000	3,000	3,000	3,000
22200-28-000-06-85-05	ISF Central Services	24,353	26,598	21,265	19,354	19,354	19,354
22200-28-000-06-85-15	ISF Risk Management	3,338	3,404	2,282	3,522	3,522	3,522
22200-28-000-06-85-30	ISF Fleet Services	8,522	7,851	7,417	8,123	8,123	8,123
22200-28-000-06-85-40	ISF Facilities Maintenance	29,021	-	-	-	-	-
TOTAL MATERIALS & SERVICES		152,413	110,369	133,764	93,699	93,699	93,699
TOTAL PROGRAM EXPENDITURE		314,218	295,484	246,533	204,999	204,999	204,999
NET PROGRAM		(237,263)	(219,650)	(182,233)	(112,199)	(112,199)	(112,199)
NET SUB-FUND		451,842	449,507	-	-	-	-

Sub-fund: Parks & Facilities - Facilities Maintenance

Resources							
22219-01-000-04-25-20	Urban Renewal	7,226	8,821	10,414	12,198	12,198	12,198

BUDGET DETAIL

Parks & Facilities Fund		FY 2018/19 Actual	FY 2019/20 Actual	FY 2020/21 Budget	FY 2021/22 Proposed Budget	FY 2021/22 Approved Budget	FY 2021/22 Adopted Budget
22219-01-000-04-40-98	Refunds/Reimbursements	-	76	-	-	-	-
22219-01-000-04-65-20	Federal Grants & Awards	-	5,628	-	-	-	-
22219-01-000-04-65-30	Other Grants & Awards	-	10,806	-	-	-	-
22219-01-000-04-80-10	Interest - Investment	3,418	5,429	-	-	-	-
22219-01-000-04-85-40	ISF Facilities Maintenance	766,664	873,233	1,031,021	1,207,619	1,207,619	1,207,619
22219-01-000-04-99-00	Beginning Fund Balance	16,123	162,131	193,184	107,752	107,752	107,752
TOTAL RESOURCES		793,430	1,066,124	1,234,619	1,327,569	1,327,569	1,327,569
Personnel Services							
22219-01-000-05-00-01	Regular Pay	264,570	348,793	484,233	544,945	544,945	544,945
22219-01-000-05-00-03	Overtime	2,328	510	2,500	-	-	-
22219-01-000-05-20-11	Employer Social Security	16,216	21,224	30,022	33,787	33,787	33,787
22219-01-000-05-20-12	Employer Medicare	3,793	4,964	7,021	7,902	7,902	7,902
22219-01-000-05-20-30	Employer PERS	34,896	72,362	104,242	134,959	134,959	134,959
22219-01-000-05-20-41	Medical Insurance	81,227	96,095	139,582	174,671	174,671	174,671
22219-01-000-05-20-42	VEBA Contribution	2,585	3,225	10,416	11,656	11,656	11,656
22219-01-000-05-20-43	HRA Contribution	7,997	4,966	11,088	12,380	12,380	12,380
22219-01-000-05-20-50	Life Insurance	124	152	212	237	237	237
22219-01-000-05-20-51	Accidental D & D	21	27	37	41	41	41
22219-01-000-05-20-52	SAIF	4,441	5,049	11,664	8,071	8,071	8,071
22219-01-000-05-20-53	Long-Term Disability	648	851	1,185	1,464	1,464	1,464
22219-01-000-05-20-62	FSA	145	172	238	266	266	266
TOTAL PERSONNEL SERVICES		418,990	558,390	802,440	930,379	930,379	930,379
Materials & Services							
22219-01-000-06-00-04	Uniforms, Boots and Clothing	1,115	1,268	1,200	1,300	1,300	1,300
22219-01-000-06-00-03	Housekeeping	17,412	27,379	20,000	20,000	20,000	20,000
22219-01-000-06-00-05	Electronic Equip & Supplies	229	-	-	4,000	4,000	4,000
22219-01-000-06-00-06	Small Tools & Minor Equip	7,422	8,296	7,500	10,000	10,000	10,000
22219-01-000-06-00-07	Safety Supplies	104	1,725	1,000	2,000	2,000	2,000
22219-01-000-06-00-10	Furnishings & Fixtures	90	507	-	10,000	10,000	10,000
22219-01-000-06-00-12	Facility Repair & Maintenance	35,114	30,975	40,000	62,000	62,000	62,000
22219-01-000-06-00-24	Phone & Internet	716	669	1,000	1,000	1,000	1,000
22219-01-000-06-00-41	Forms & Correspondence	33	30	-	-	-	-
22219-01-000-06-00-48	Rentals/Leases	-	308	1,000	1,000	1,000	1,000
22219-01-000-06-00-61	Travel & Training	2,850	2,437	5,000	5,000	5,000	5,000
22219-01-000-06-00-63	Books, Maps, Periodicals	-	528	-	-	-	-
22219-01-000-06-00-74	External Repairs & Maint	-	5,813	-	-	-	-
22219-01-000-06-00-75	Parts & Inventory	494	-	1,000	2,000	2,000	2,000
22219-01-000-06-00-77	Fuel	4,697	5,797	6,000	10,000	10,000	10,000
22219-01-000-06-00-80	Operational Expenses	-	180	-	-	-	-
22219-01-000-06-00-84	Infrastructure Maintenance	1,074	1,412	51,500	51,500	51,500	51,500
22219-01-000-06-00-86	Licenses & Permits	827	100	5,000	5,000	5,000	5,000
22219-01-000-06-00-87	Employee Physicals	770	339	300	400	400	400
22219-01-000-06-00-90	Software Licenses	-	9,568	-	-	-	-
22219-01-000-06-00-92	Software Maintenance	1,130	2,400	5,000	6,500	6,500	6,500
22219-01-000-06-00-98	Other Contractual Services	34,436	26,727	35,000	20,000	20,000	20,000
22219-01-000-06-01-90	Penalty & Fees	-	1,067	-	-	-	-
22219-01-000-06-85-05	ISF Central Services	36,330	42,556	47,863	61,203	61,203	61,203
22219-01-000-06-85-10	ISF IT	14,595	16,036	23,330	39,161	39,161	39,161
22219-01-000-06-85-15	ISF Risk Management	10,280	12,688	15,460	19,181	19,181	19,181
22219-01-000-06-85-30	ISF Fleet Services	5,092	2,087	5,026	5,945	5,945	5,945
TOTAL MATERIALS & SERVICES		174,810	200,889	272,179	337,190	337,190	337,190
Intrafund Transfers							
22219-01-000-13-00-63	Intrafund Tfrs-to CVE	37,500	75,000	160,000	60,000	60,000	60,000
TOTAL INTRAFUND TRANSFERS		37,500	75,000	160,000	60,000	60,000	60,000
TOTAL SUB-FUND EXPENDITURE		631,300	834,279	1,234,619	1,327,569	1,327,569	1,327,569
NET SUB-FUND		162,131	231,845	-	-	-	-
Sub-fund: Parks & Facilities - Capital Vehicle & Equipment							
Resources							
22263-01-000-04-80-10	Interest - Investment	886	1,772	-	-	-	-
22263-01-000-04-86-10	Intrafund Tfrs-from Operations	97,500	150,000	340,000	190,000	190,000	190,000
22263-01-000-04-99-00	Beginning Fund Balance	18,543	48,095	65,000	165,000	165,000	165,000
TOTAL RESOURCES		116,928	199,867	405,000	355,000	355,000	355,000
Capital Outlay							
22263-01-000-07-00-03	Machinery & Equipment	-	27,767	285,000	235,000	235,000	235,000
22263-01-000-07-00-06	Vehicles	68,833	38,548	120,000	120,000	120,000	120,000
TOTAL CAPITAL OUTLAY		68,833	66,315	405,000	355,000	355,000	355,000
TOTAL SUB-FUND EXPENDITURE		68,833	66,315	405,000	355,000	355,000	355,000
NET SUB-FUND		48,095	133,552	-	-	-	-
Sub-fund: Parks - SDC Improvement							
Resources							
22279-01-000-04-80-10	Interest - Investment	44,724	71,303	35,000	24,000	24,000	24,000
22279-01-000-04-75-45	Installment Pymt-Int	420	148	-	-	-	-
22279-01-000-04-75-10	SDC's Improvement	816,296	950,266	664,463	359,905	359,905	359,905

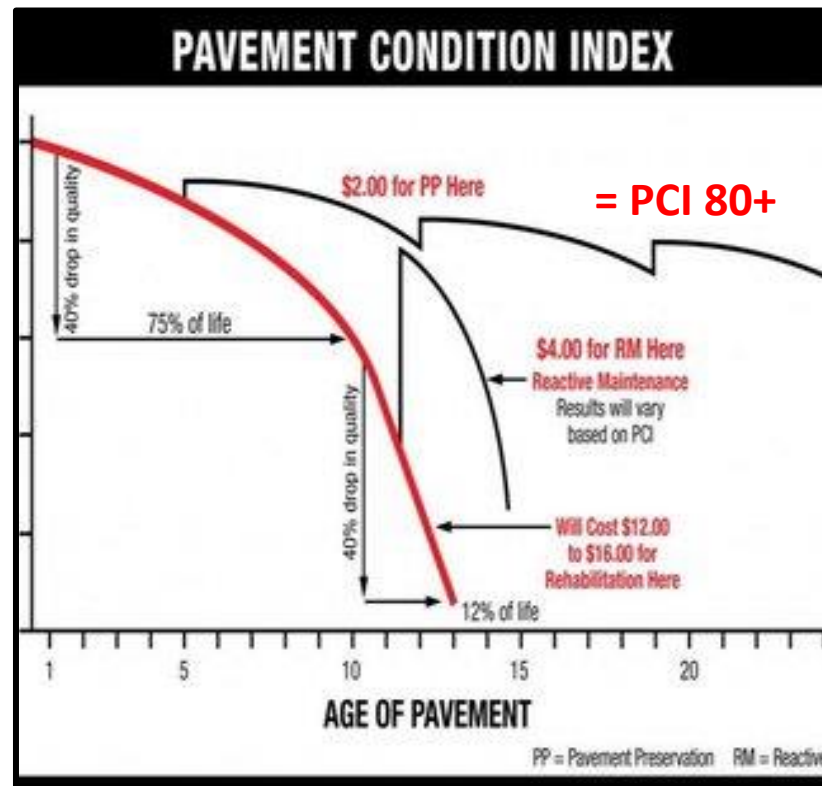


2022 PAVEMENT MAINTENANCE PROJECTS AWARD OF CONTRACTS

**LIQUID ROADS
SLURRY SEAL
OVERLAY**

CITY COUNCIL MEETING

MARCH 29, 2022



**PREVENTATIVE TREATMENT TO
EXTEND PAVEMENT LIFE**

**CITY INVESTS AROUND \$1M/YEAR
TO MAINTAIN STREETS**

WHY/WHAT

TREATMENT METHODS



OVERLAY



SLURRY SEAL



LIQUID ROADS

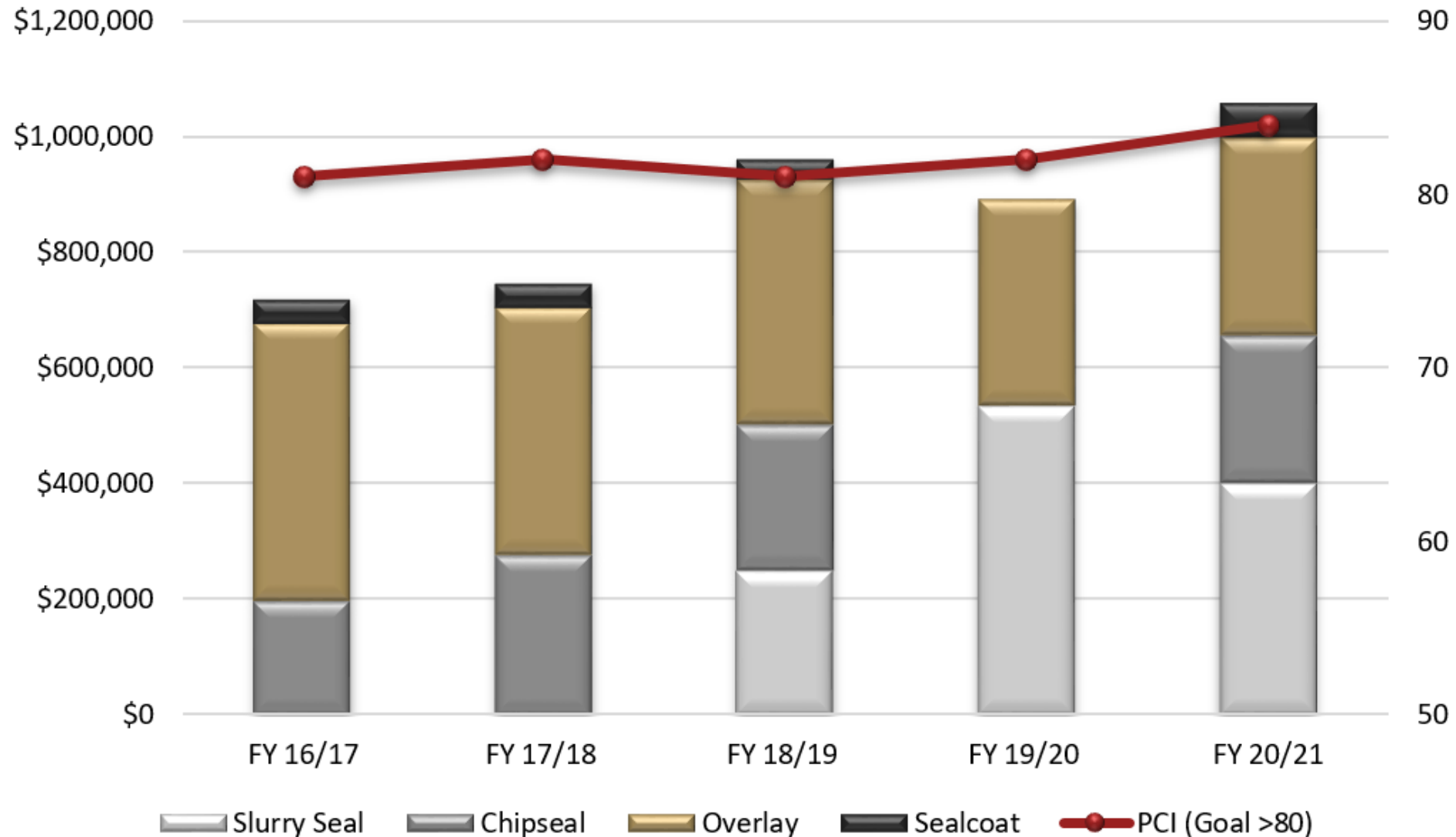


CHIP SEAL



INVESTMENT HISTORY

Street System Maintenance





LIQUID ROADS CONTRACT SUMMARY

2022 LIQUID ROADS PROJECT

BIDS RECEIVED (3):

BID AMOUNT:

★ **CENTRAL OREGON ASPHALT SEALING** **\$109,995.00***

TRI COUNTY PAVING, LLC

\$136,000.00

SIERRA SANTA FE CORPORATION

\$199,905.00

ESTIMATE

\$123,000

***NTE AMOUNT OF \$110,000 ESTABLISHED FOR CONTRACT VALUE**

PROJECT COMPLETION DATE:

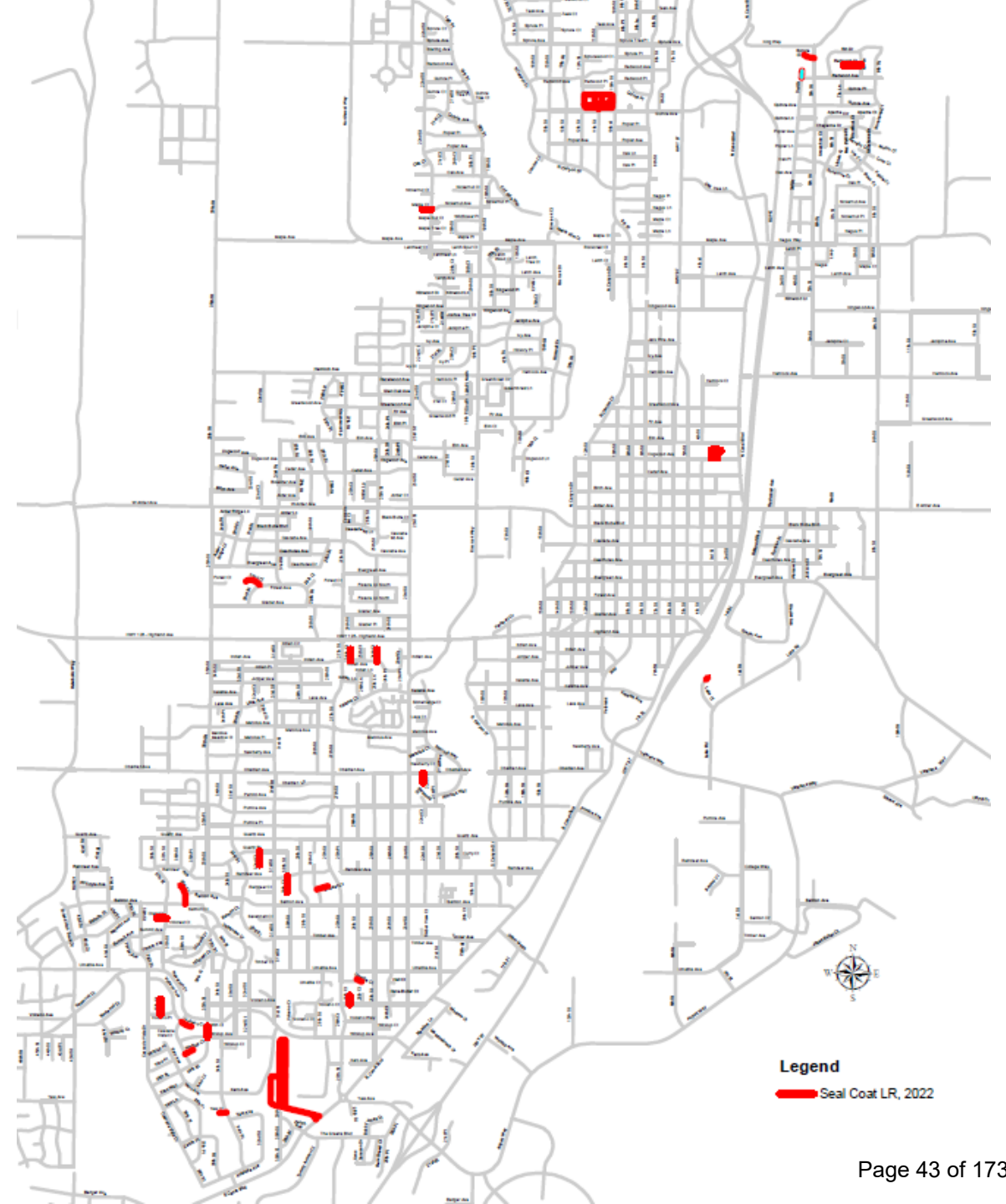
AUGUST 26, 2022

2022 WORKSCOPE AND LOCATIONS

SLIDE / 6

LIQUID ROADS

- 61% Streets, 39% Parks and Facilities
- 2.5 Mile of Liquid Roads





2022 TYPE III SLURRY SEAL PROJECT

BIDS RECEIVED (3):

★ **DOOLITTLE CONSTRUCTION**

VSS INTERNATIONAL, INC

INTERMOUNTAIN SLURRY SEAL

ESTIMATE

BID AMOUNT:

\$469,010.23 *

\$528,325.00

\$658,070.00

\$571,000.00

***NTE AMOUNT OF \$475,000 ESTABLISHED FOR CONTRACT VALUE**

PROJECT COMPLETION DATE:

AUGUST 26, 2022

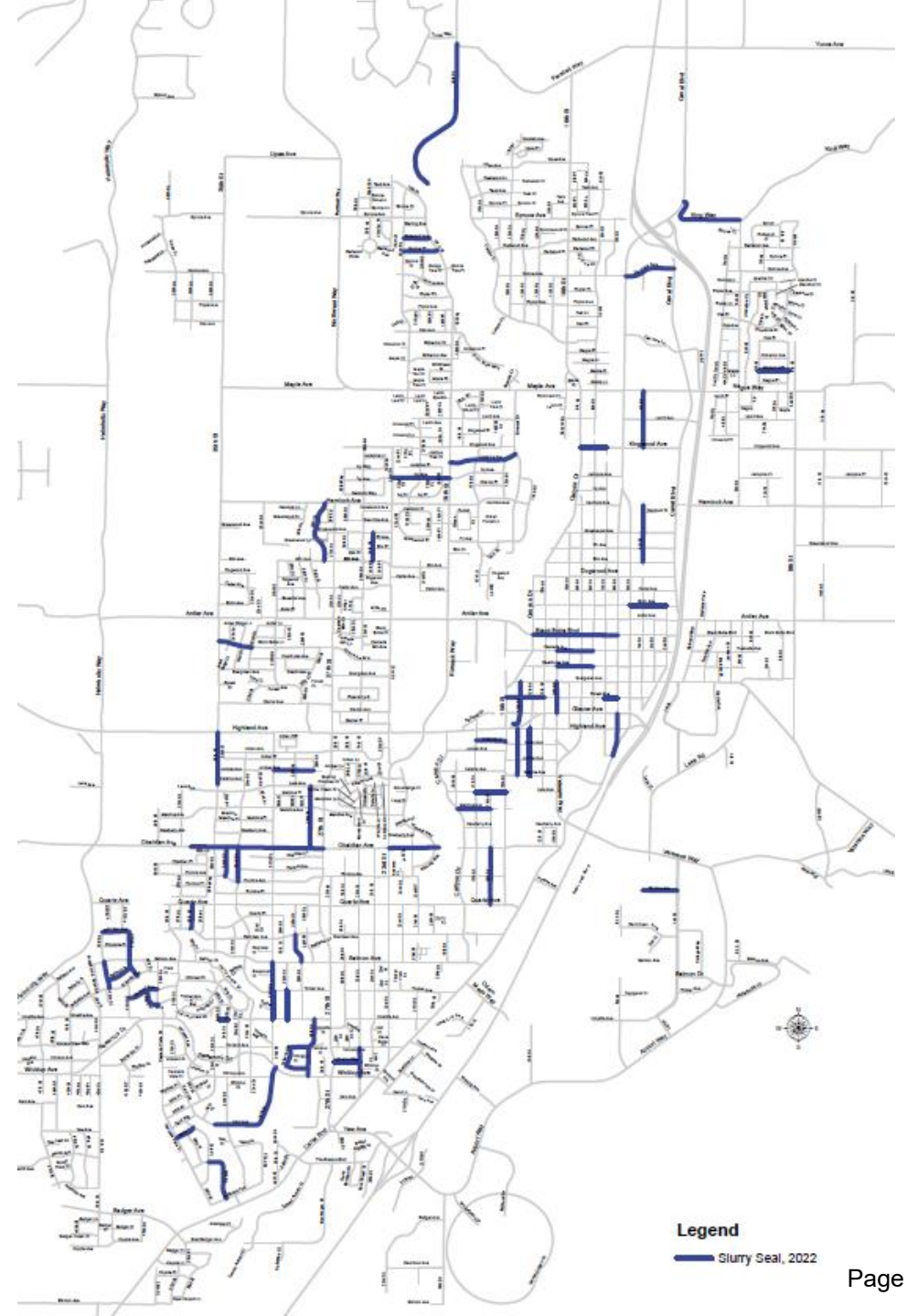
**SLURRY SEAL
CONTRACT
SUMMARY**

2022 WORKSCOPE AND LOCATIONS

SLIDE / 8

TYPE III SLURRY SEAL

- Type III Slurry Seal
- Application
- 8 Miles of Treatment





2022 OVERLAY PROJECT

BIDS RECEIVED (3):



TRI COUNTY PAVING LLC

KNIFE RIVER CORPORATION-NORTHWEST

HIGH DESERT AGGREGATE INC

ESTIMATE

BID AMOUNT:

\$544,000.00

\$546,290.25

\$590,026.00

\$420,000.00

***NTE AMOUNT OF \$450,000 ESTABLISHED FOR CONTRACT VALUE**

PROJECT COMPLETION DATE:

AUGUST 26, 2022

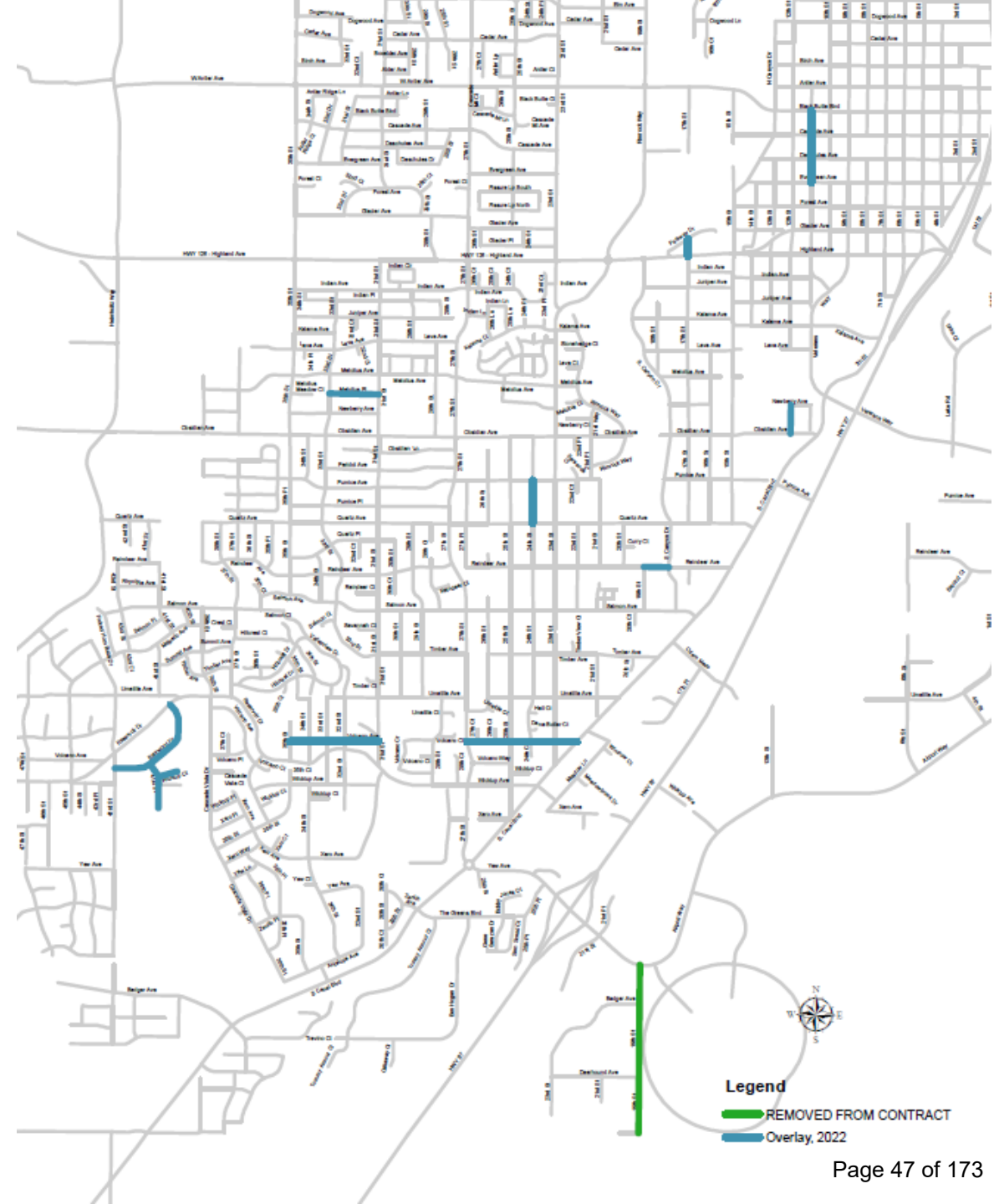
**OVERLAY
CONTRACT
SUMMARY**

2022 WORKSCOPE AND LOCATIONS

SLIDE / 10

OVERLAY

- Pavement Removal
- 1.53 Miles of Overlay
- Taper Grind at the Curb



The logo is a circular seal. It features a dark outer ring. Inside this is a lighter ring with a serrated, sunburst-like edge. The word "REDMOND" is written in a serif font along the top arc of this inner ring, and "THE HUB" is written along the bottom arc. In the center of the seal is a stylized sunburst or gear-like pattern. Overlaid on the center of the seal is the word "QUESTIONS?" in a large, white, sans-serif font.

QUESTIONS?



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: March 29, 2022
TO: Redmond City Council
Keith Witcosky, City Manager
THROUGH: Bill Duerden, Public Works Director
John Roberts, Deputy City Manager
FROM: Brad Haynes, Street Operations Manager
SUBJECT: 2022 Type III Slurry Seal Project Bid Award to Doolittle Construction (TR2203); \$475,000

Addresses Council Goal:

3.A.: Endeavor to adequately maintain the City's roads, utility infrastructure, parks and pedestrian/bicycle infrastructure.

Report in Brief:

This item requests City Council award the 2022 Type III Slurry Seal Project to Doolittle Construction in the not to exceed amount of \$475,000.

Background:

The City maintains approximately 190 miles of roadway and parking lots valued at more than \$150 million. Each year, the City invests a substantial amount of resources into maintaining and improving this asset through a variety of surface treatments to include crack sealing, seal coats, slurry seals and overlays.

The City uses a computerized pavement management program and a third-party consultant to assist with prioritizing streets for treatment in order to maintain a Pavement Condition Index rating in the low 80's (Good Condition). Approximately 8 miles of City streets were identified for Type III Slurry Seal treatment as indicated on the attached map.

Discussion:

The City formally advertised and procured services per Oregon Revised Statutes Section 279B for bids over \$150,000. Three bids were received and publicly read on March 3, 2022, from the following contractors:

<u>Contractor</u>	<u>Bid Amount</u>
1. Doolittle Construction	\$469,010.23
2. VSS International Inc.	\$528,325.00
3. Intermountain Slurry Seal	\$658,070.00

Doolittle Construction is the lowest responsible bidder. The bid was less than the City estimate of \$571,000. A not to exceed amount of \$475,000 is established for the contract. Notice of Intent to Award was issued on March 7, 2022. This contract has a completion date of August 26, 2022.

Fiscal Impact:

The FY 2021/22 budget includes \$1.95 million for the Transportation Infrastructure Maintenance Sub-Fund (22161). With the award of the Liquid Roads, Slurry Seal, and Overlay contracts (at this meeting) the Transportation Infrastructure Maintenance Sub-Fund is projected to exceed budget by about \$46,000 (2.4% over budget). This overage can be covered by accumulated personnel savings in the Transportation Fund, therefore a formal budget adjustment is not necessary.

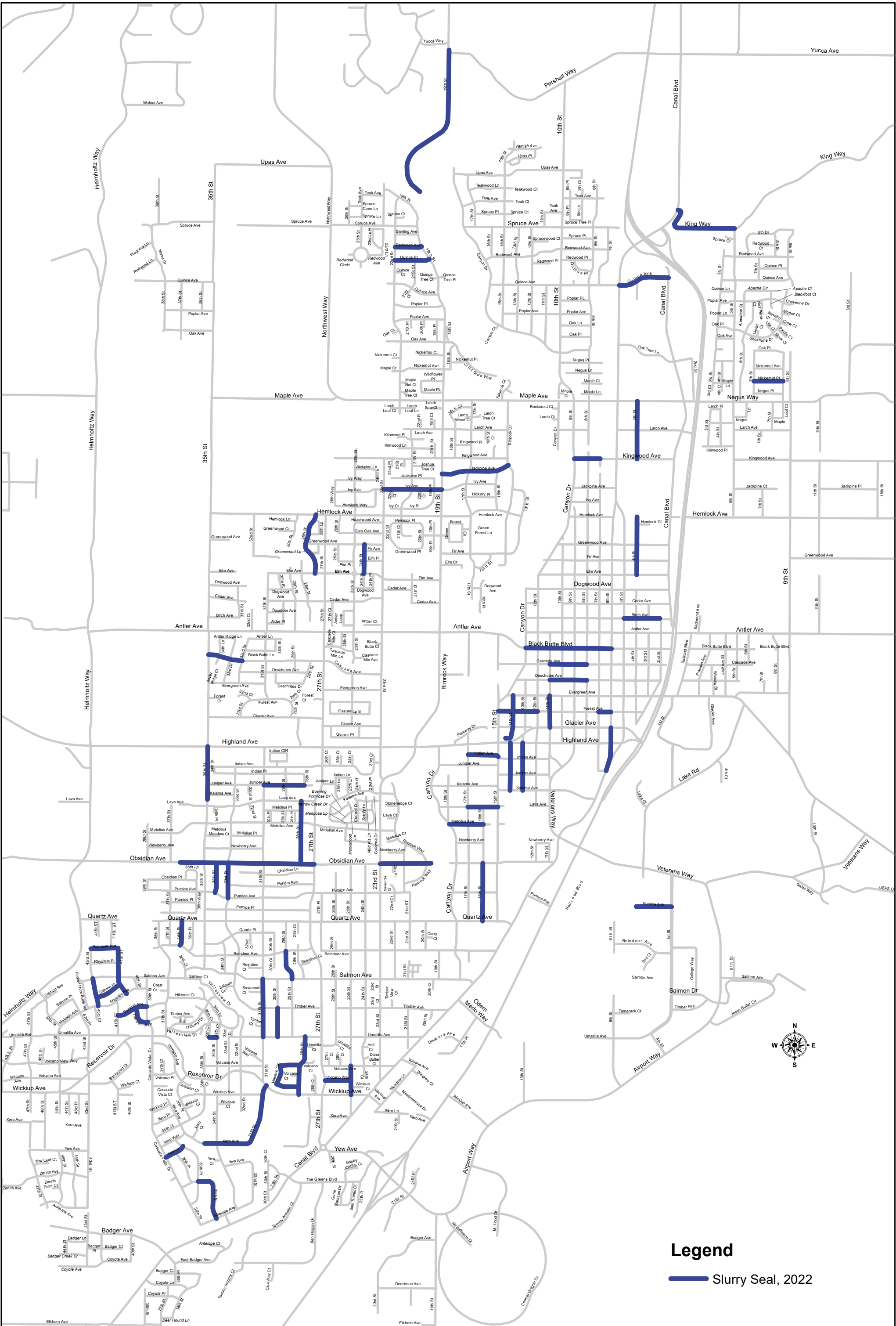
Alternative Courses of Action:

1. Approve the contract.

2. Request additional information.
3. Reject all bids for the 2022 Type III Slurry Seal Project.

Recommendation / Suggested Motion:

"I move to award the 2022 Type III Slurry Seal Project to Doolittle Construction in the not to exceed amount of \$475,000 and authorize the City Manager to sign the contract."



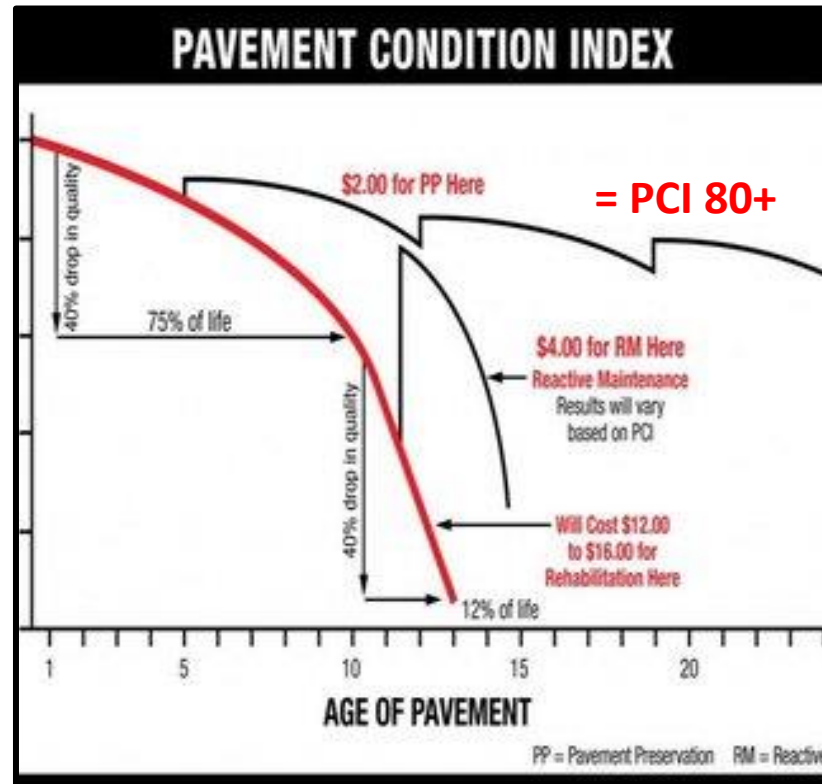


2022 PAVEMENT MAINTENANCE PROJECTS AWARD OF CONTRACTS

LIQUID ROADS
SLURRY SEAL
OVERLAY

CITY COUNCIL MEETING

MARCH 29, 2022



**PREVENTATIVE TREATMENT TO
EXTEND PAVEMENT LIFE**

**CITY INVESTS AROUND \$1M/YEAR
TO MAINTAIN STREETS**

WHY/WHAT

TREATMENT METHODS

SLIDE / 3



OVERLAY



SLURRY SEAL



LIQUID ROADS

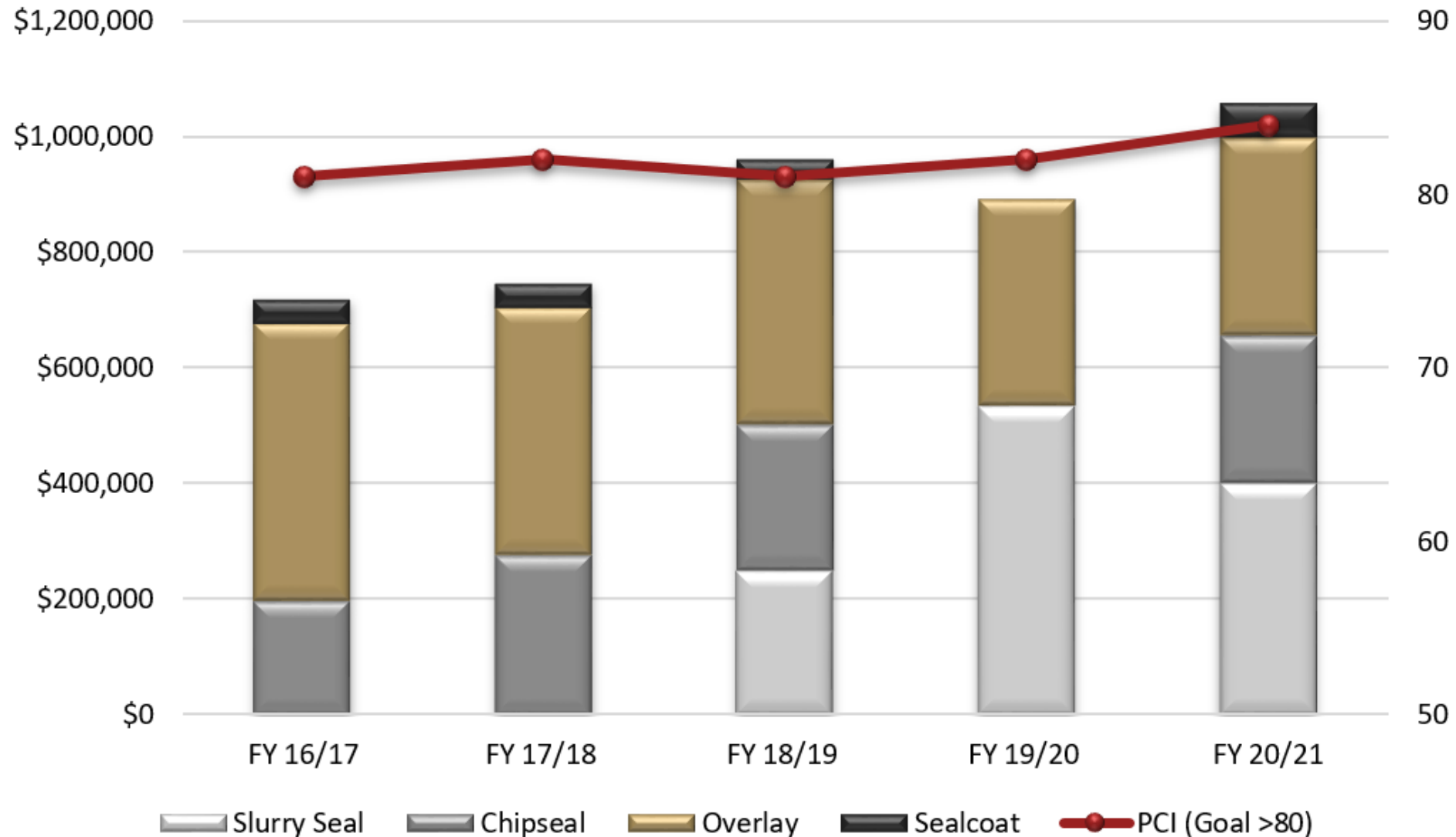


CHIP SEAL



INVESTMENT HISTORY

Street System Maintenance





LIQUID ROADS CONTRACT SUMMARY

2022 LIQUID ROADS PROJECT

BIDS RECEIVED (3):

BID AMOUNT:

★ **CENTRAL OREGON ASPHALT SEALING** **\$109,995.00***

TRI COUNTY PAVING, LLC

\$136,000.00

SIERRA SANTA FE CORPORATION

\$199,905.00

ESTIMATE

\$123,000

***NTE AMOUNT OF \$110,000 ESTABLISHED FOR CONTRACT VALUE**

PROJECT COMPLETION DATE:

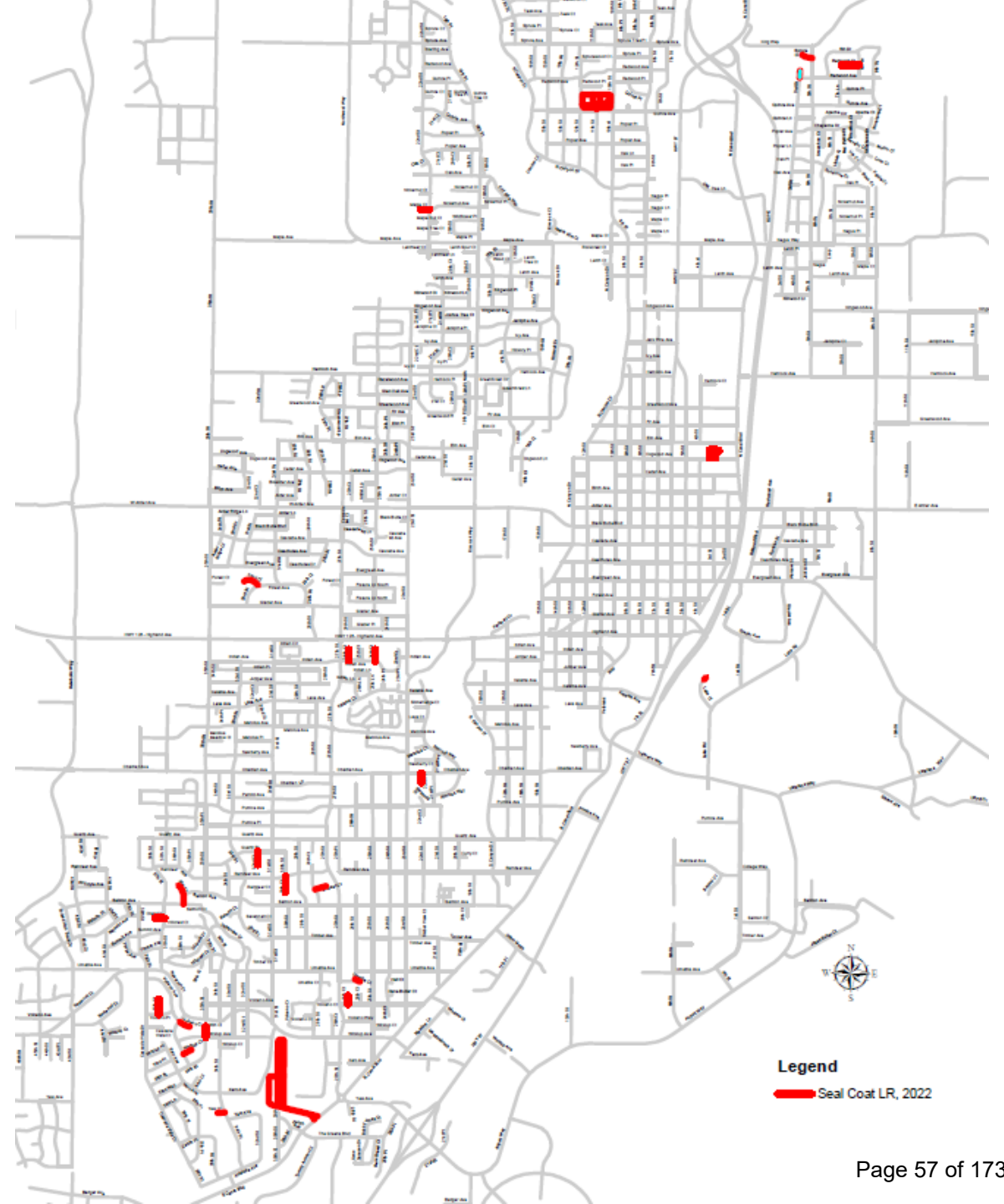
AUGUST 26, 2022

2022 WORKSCOPE AND LOCATIONS

SLIDE / 6

LIQUID ROADS

- 61% Streets, 39% Parks and Facilities
- 2.5 Mile of Liquid Roads





2022 TYPE III SLURRY SEAL PROJECT

BIDS RECEIVED (3):

★ **DOOLITTLE CONSTRUCTION**

VSS INTERNATIONAL, INC

INTERMOUNTAIN SLURRY SEAL

ESTIMATE

BID AMOUNT:

\$469,010.23 *

\$528,325.00

\$658,070.00

\$571,000.00

***NTE AMOUNT OF \$475,000 ESTABLISHED FOR CONTRACT VALUE**

PROJECT COMPLETION DATE:

AUGUST 26, 2022

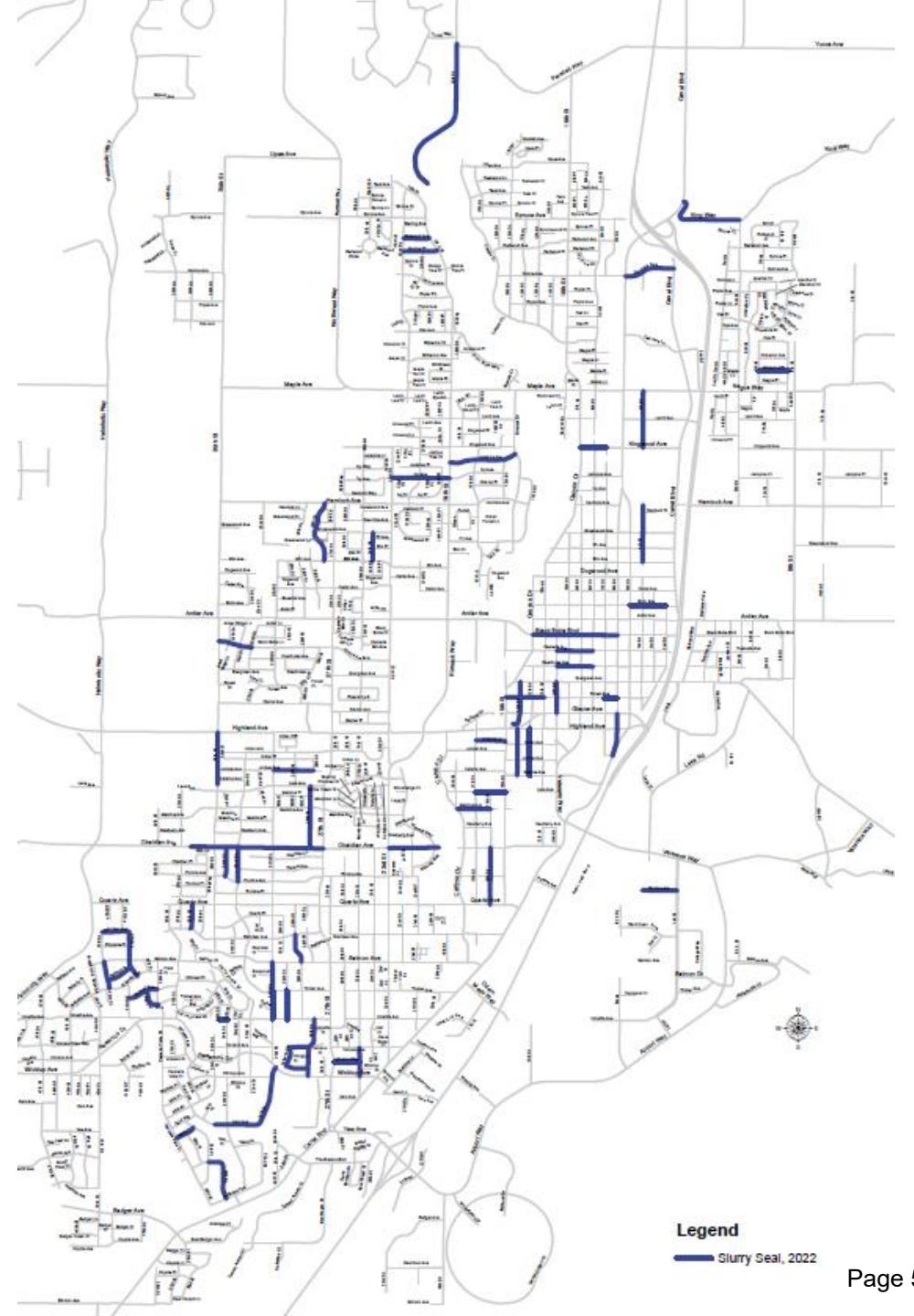
SLURRY SEAL CONTRACT SUMMARY

2022 WORKSCOPE AND LOCATIONS

SLIDE / 8

TYPE III SLURRY SEAL

- Type III Slurry Seal
- Application
- 8 Miles of Treatment





2022 OVERLAY PROJECT

BIDS RECEIVED (3):



TRI COUNTY PAVING LLC

KNIFE RIVER CORPORATION-NORTHWEST

HIGH DESERT AGGREGATE INC

ESTIMATE

BID AMOUNT:

\$544,000.00

\$546,290.25

\$590,026.00

\$420,000.00

***NTE AMOUNT OF \$450,000 ESTABLISHED FOR CONTRACT VALUE**

PROJECT COMPLETION DATE:

AUGUST 26, 2022

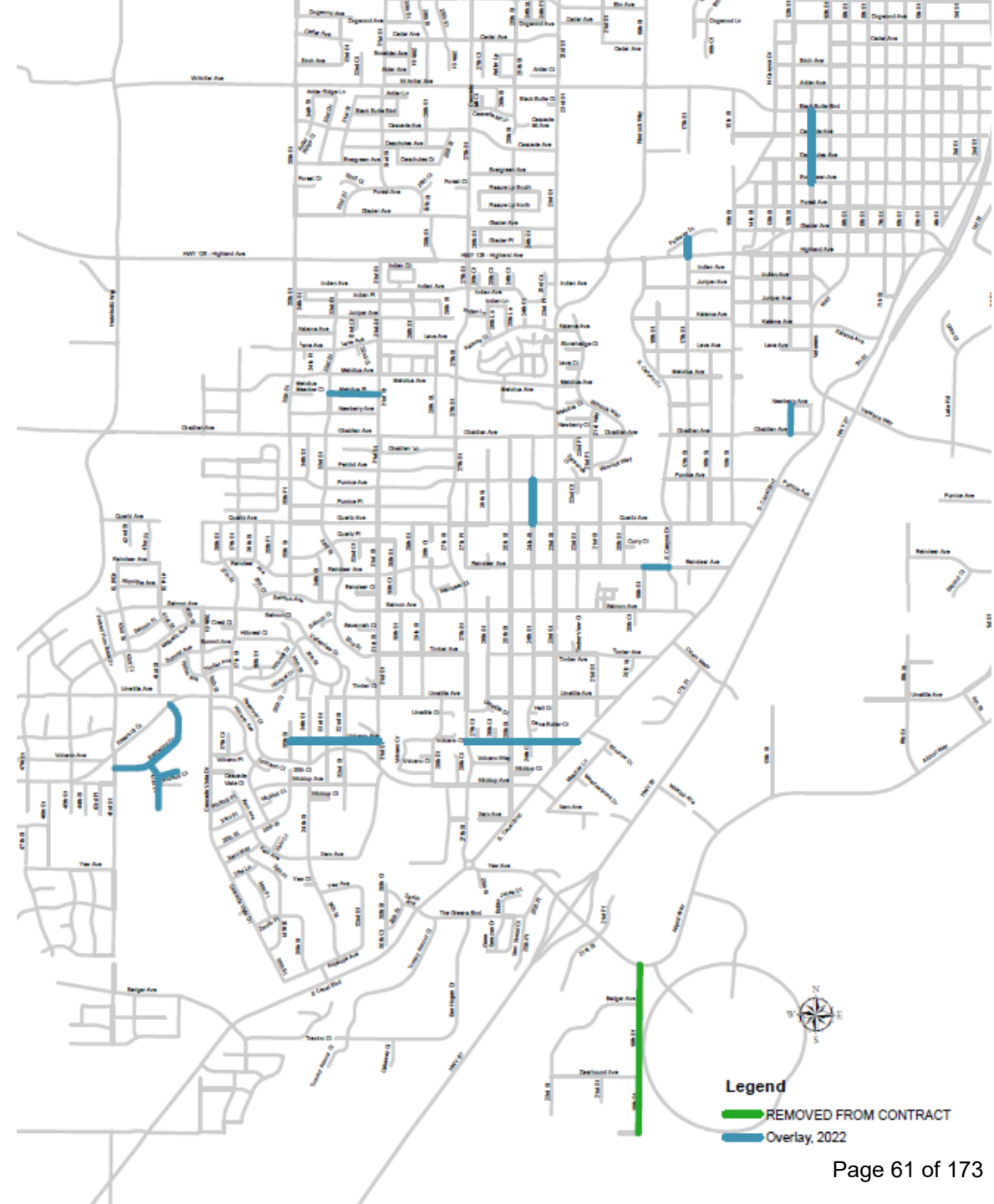
**OVERLAY
CONTRACT
SUMMARY**

2022 WORKSCOPE AND LOCATIONS

SLIDE / 10

OVERLAY

- Pavement Removal
- 1.53 Miles of Overlay
- Taper Grind at the Curb



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QUESTIONS?



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STAFF REPORT

DATE: March 29, 2022
TO: Redmond City Council
Keith Witcosky, City Manager
THROUGH: Bill Duerden, Public Works Director
John Roberts, Deputy City Manager
FROM: Brad Haynes, Street Operations Manager
SUBJECT: 2022 Overlay Project Bid Award to Tri-County Paving, LLC; \$450,000

Addresses Council Goal:

3.A.: Endeavor to adequately maintain the City's roads, utility infrastructure, parks and pedestrian/bicycle infrastructure.

Report in Brief:

This item requests City Council award the 2022 Overlay Project to Tri-County Paving, LLC in the not to exceed amount of \$450,000.

Background:

The City maintains approximately 190 miles of roadway valued at more than \$150 million. Each year, the City invests a substantial amount of resources into maintaining and improving this asset through a variety of surface treatments including crack sealing, seal coats, slurry seals, and overlays.

The City uses a computerized pavement management program and a third-party consultant to assist with prioritizing streets for treatment in order to maintain a Pavement Condition Index rating in the low 80s (Good Condition). Approximately 1.53 miles of City streets have been identified for overlay treatment as indicated on the attached map.

Discussion:

The City formally advertised and procured construction services per Oregon Revised Statutes Section 279C for bids over \$100,000. Three bids were received and publicly read on March 2, 2022 from the following contractors:

<u>Contractor</u>	<u>Bid Amount</u>
1. Tri-County Paving, LLC	\$544,000.00
2. Knife River Corp	\$546,290.25
3. High Desert Aggregate & Paving	\$590,026.00

Tri-County Paving, LLC was the lowest responsible bidder. The bid was substantially more than the City estimate of \$420,000. The scope of the project was reduced (see attached map) and a contract value not to exceed \$450,000 is established to remain within the available budget. Notice of Intent to Award was issued on March 7, 2022. This project has a completion date of August 26, 2022.

Fiscal Impact:

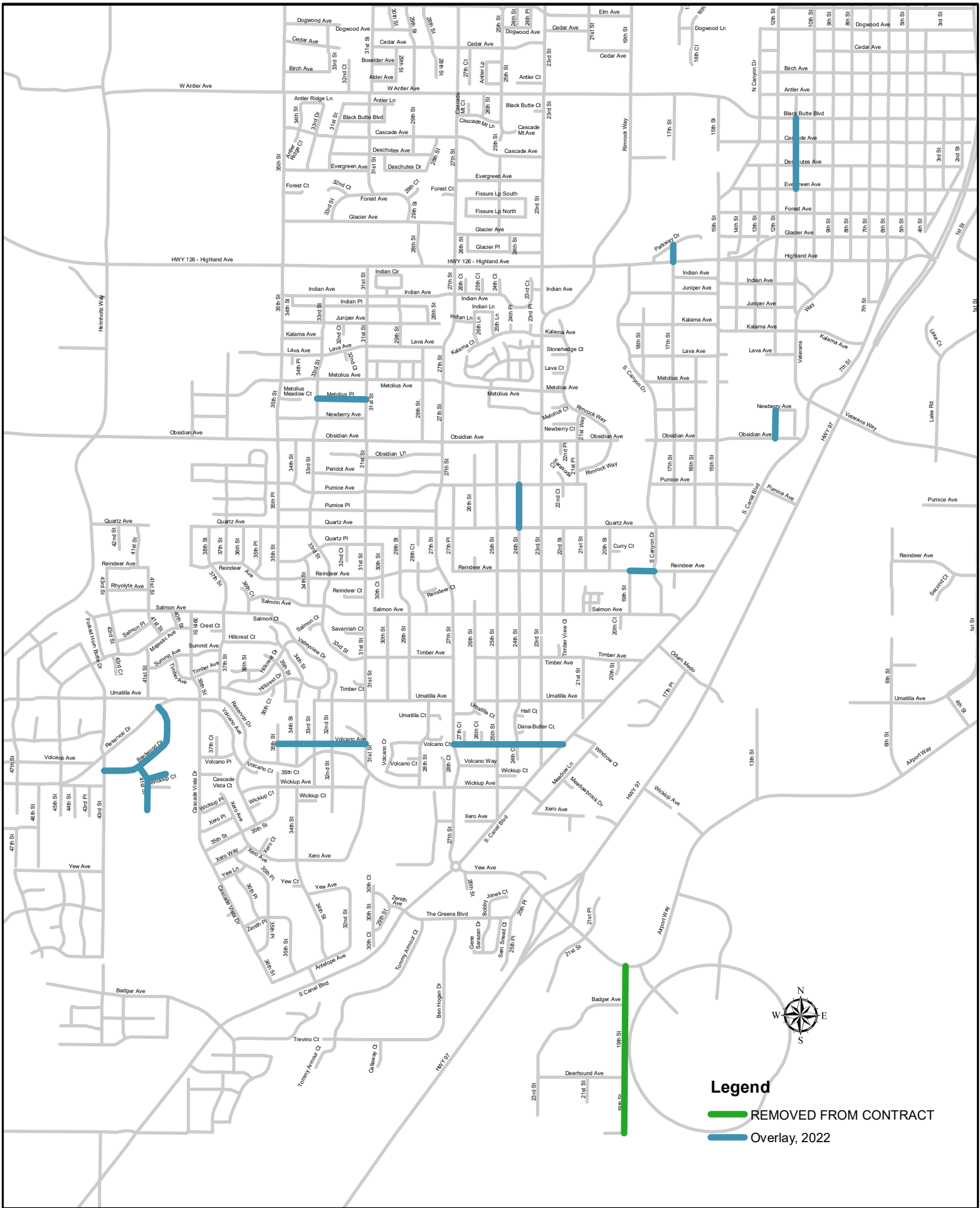
The FY 2021/22 budget includes \$1.95 million for the Transportation Infrastructure Maintenance Sub-Fund (22161). With the award of the Liquid Roads, Slurry Seal, and Overlay contracts (at this meeting) the Transportation Infrastructure Maintenance Sub-Fund is projected to exceed budget by about \$46,000 (2.4% over budget). This overage can be covered by accumulated personnel savings in the Transportation Fund, therefore a formal budget adjustment is not necessary.

Alternative Courses of Action:

1. Approve the contract.
2. Request additional information.
3. Reject all bids for asphalt overlay work.

Recommendation / Suggested Motion:

"I move to award the 2022 Overlay Project to Tri-County Paving, LLC in the not to exceed amount of \$450,000 and authorize the City Manager to sign the contract."



2022 OVERLAY CONTRACT CITY OF REDMOND, OR

CITY OF REDMOND

716 SW EVERGREEN AVENUE

REDMOND OREGON 97756

PH. 541.923.7710

REVIEWED BY BJ	SCALE 1" = 300'
DESIGNED BY MJC	DRAFT DATE March 17, 2022

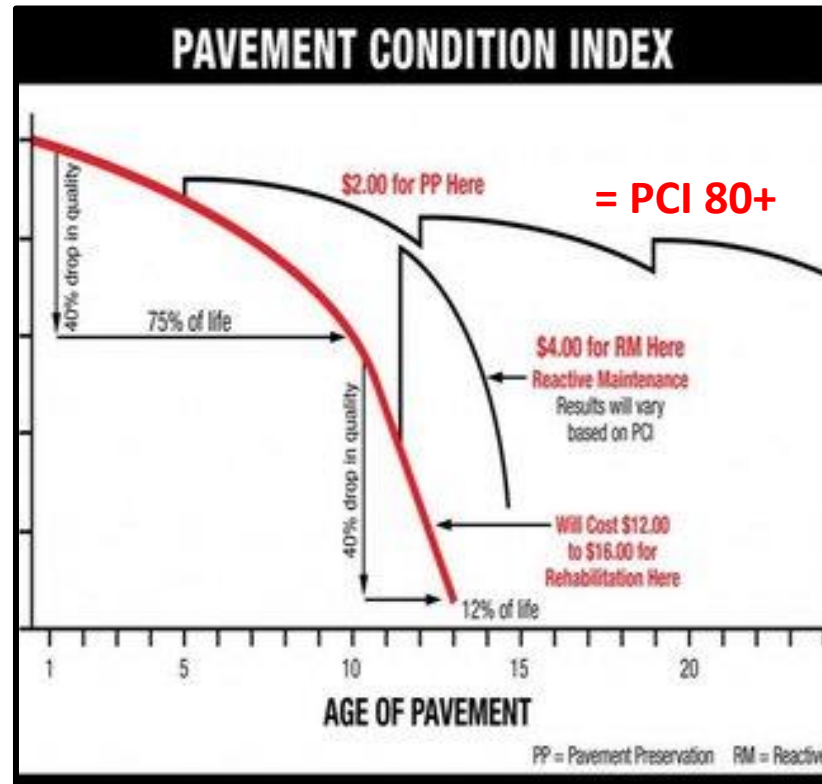


2022 PAVEMENT MAINTENANCE PROJECTS AWARD OF CONTRACTS

LIQUID ROADS
SLURRY SEAL
OVERLAY

CITY COUNCIL MEETING

MARCH 29, 2022



**PREVENTATIVE TREATMENT TO
EXTEND PAVEMENT LIFE**

**CITY INVESTS AROUND \$1M/YEAR
TO MAINTAIN STREETS**

WHY/WHAT

TREATMENT METHODS

SLIDE / 3



OVERLAY



SLURRY SEAL



LIQUID ROADS

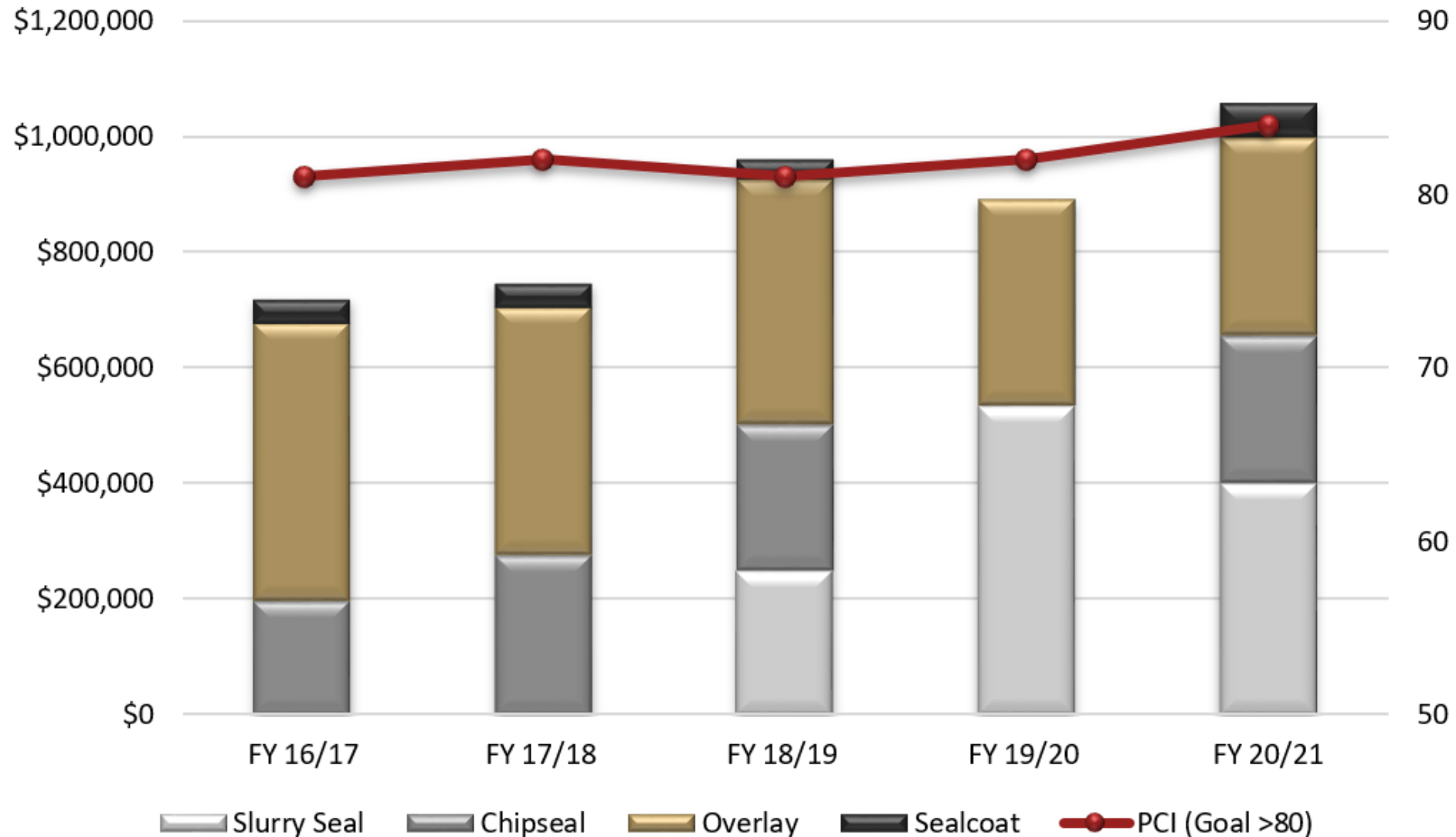


CHIP SEAL



INVESTMENT HISTORY

Street System Maintenance





LIQUID ROADS CONTRACT SUMMARY

2022 LIQUID ROADS PROJECT

BIDS RECEIVED (3):

BID AMOUNT:

★ **CENTRAL OREGON ASPHALT SEALING** **\$109,995.00***

TRI COUNTY PAVING, LLC

\$136,000.00

SIERRA SANTA FE CORPORATION

\$199,905.00

ESTIMATE

\$123,000

***NTE AMOUNT OF \$110,000 ESTABLISHED FOR CONTRACT VALUE**

PROJECT COMPLETION DATE:

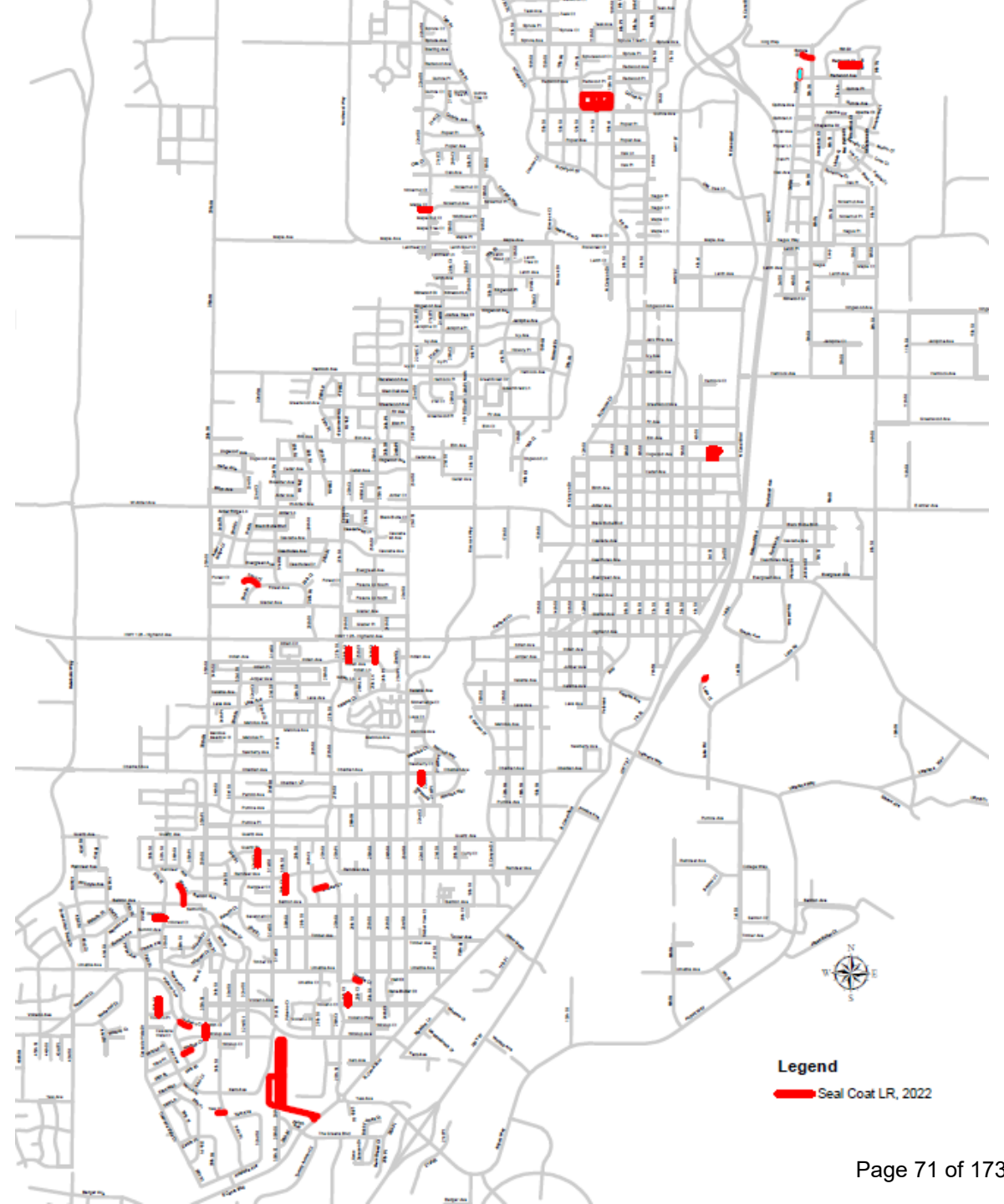
AUGUST 26, 2022

2022 WORKSCOPE AND LOCATIONS

SLIDE / 6

LIQUID ROADS

- 61% Streets, 39% Parks and Facilities
- 2.5 Mile of Liquid Roads





2022 TYPE III SLURRY SEAL PROJECT

BIDS RECEIVED (3):

★ **DOOLITTLE CONSTRUCTION**

VSS INTERNATIONAL, INC

INTERMOUNTAIN SLURRY SEAL

ESTIMATE

BID AMOUNT:

\$469,010.23 *

\$528,325.00

\$658,070.00

\$571,000.00

***NTE AMOUNT OF \$475,000 ESTABLISHED FOR CONTRACT VALUE**

PROJECT COMPLETION DATE:

AUGUST 26, 2022

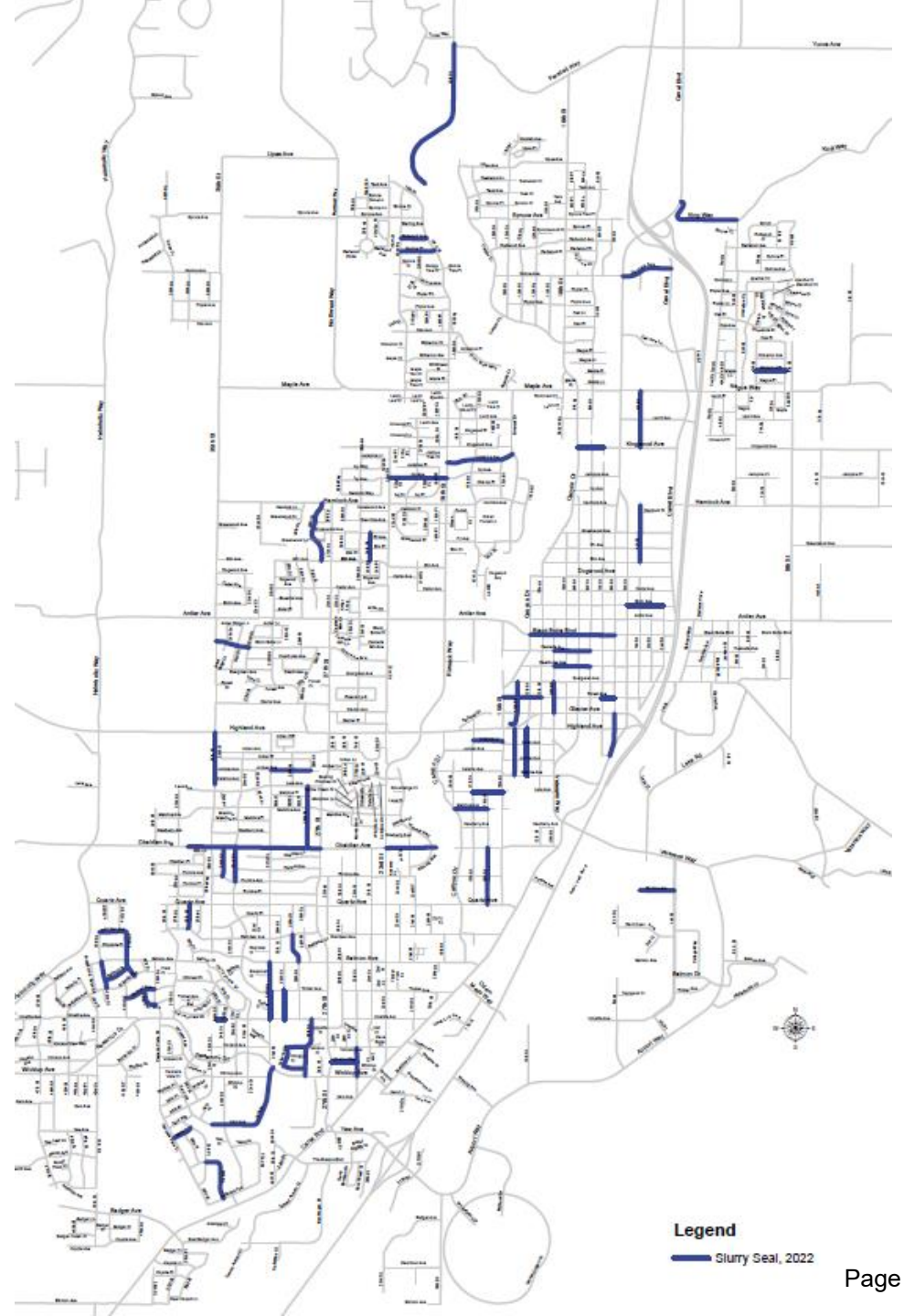
**SLURRY SEAL
CONTRACT
SUMMARY**

2022 WORKSCOPE AND LOCATIONS

SLIDE / 8

TYPE III SLURRY SEAL

- Type III Slurry Seal
- Application
- 8 Miles of Treatment





2022 OVERLAY PROJECT

BIDS RECEIVED (3):



TRI COUNTY PAVING LLC

KNIFE RIVER CORPORATION-NORTHWEST

HIGH DESERT AGGREGATE INC

ESTIMATE

BID AMOUNT:

\$544,000.00

\$546,290.25

\$590,026.00

\$420,000.00

***NTE AMOUNT OF \$450,000 ESTABLISHED FOR CONTRACT VALUE**

PROJECT COMPLETION DATE:

AUGUST 26, 2022

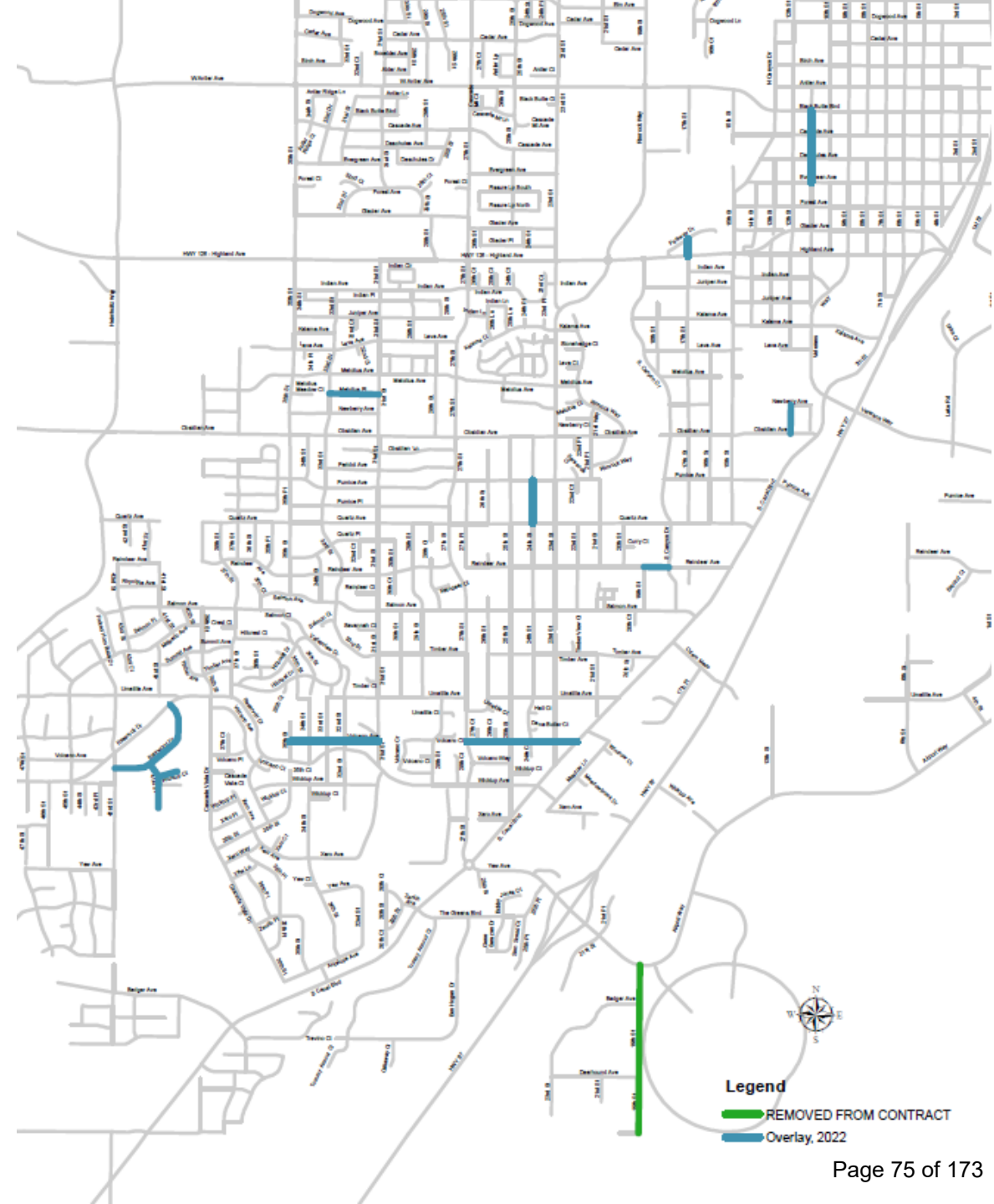
**OVERLAY
CONTRACT
SUMMARY**

2022 WORKSCOPE AND LOCATIONS

SLIDE / 10

OVERLAY

- Pavement Removal
- 1.53 Miles of Overlay
- Taper Grind at the Curb



The logo is a circular seal. It features a dark outer ring. Inside this is a lighter ring with a serrated, sunburst-like edge. The word "REDMOND" is written in a serif font along the top arc of this inner ring, and "THE HUB" is written along the bottom arc. In the center of the seal is a stylized sunburst or gear-like pattern. Overlaid on the center of the seal is the word "QUESTIONS?" in a large, white, sans-serif font.

QUESTIONS?



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: March 29, 2022
TO: Redmond City Council
THROUGH: Keith Witcosky, City Manager
Jason Neff, Chief Financial Officer
FROM: Brooks Slyter, Accounting & Financial Reporting Director
SUBJECT: Award Audit Service Contract to Dickey & Tremper, LLP: Approximately \$255,000.

Addresses Council Goal:

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

Report in Brief:

This action requests Council award the Audit Services Contract to Dickey & Tremper, LLP.

This contract covers services through the completion of the audit for the fiscal years ending June 30, 2022, through June 30, 2024, with three optional one-year extensions.

Each single year would be for an amount not to exceed \$77,060 plus \$5,395 per single audit major program, increasing each year by the greater of 3% or CPI as defined in the proposal. The total three-year contract is estimated in the range of \$255,000.

Background:

All municipal corporations, as defined in ORS 297.405, are required to have their accounts and fiscal affairs audited annually in accordance with generally accepted auditing standards as promulgated by the American Institute of Certified Public Accountants (AICPA). Additionally, all entities that expend more than \$750,000 in federal funds are subject to a financial and compliance audit as required by the Single Audit Act.

The City's previous six-year contract with Dickey and Tremper, LLP expired with the completion of the FY20/21 audit. The City issued a Request for Proposals (RFP) for Professional Audit Services to select a qualified firm to provide audit services for the City of Redmond and the Redmond Urban Renewal Agency. The City received a single response to the RFP from Dickey & Tremper, LLP.

Discussion:

With Dickey & Tremper, LLP being the only respondent to the RFP, staff inquired of seven other audit firms to understand the reasons they did not respond. Most firms responded that they did not have enough staff availability to take on our audit during the peak audit months or at all, and knew their cost proposals would be too expensive and not competitive with our previous auditors cost proposal.

Other reasons included unwillingness to travel, the firms having other commitments from other pending proposals, and not wanting to invest the significant work in preparing a proposal when unsure the City would be willing to change auditors.

City staff recommends awarding the contract to Dickey & Tremper, LLP for a three-year term, plus three optional one-year extensions for a total contract length not to exceed six years. As the City's past auditors, they are familiar with the City's organizational structure, staff, and operations and they have the technical qualifications and experience to meet the requirements of the audit. Dickey & Tremper, LLP have performed the City's past audits with integrity, professionalism, extensive knowledge, and independence, and have been thorough in their assessment of risk, approach, and testing to complete the audits in an effective and timely manner. Dickey & Tremper, LLP have provided good service and communication and we expect audit efficiencies will be gained by continuing with Dickey & Tremper, LLP.

Fiscal Impact:

The Dickey & Tremper, LLP proposal to perform audit services and financial statement preparation included an overall cost increase of 24% from the prior year. These increases are due to increased complexity, activity, and audit requirements. Based on the response from other firms that did not submit proposals, the cost from Dickey & Tremper, LLP is less than what we could expect from another firm.

The expected annual audit costs are detailed in the table below-

Description	FY2020/21 Actual	FY2021/22 Expected	FY2022/23 (Estimated 3% increase)	FY2023/24 (Est. 3% increase)
City of Redmond	\$53,005	\$67,530	\$69,560	\$71,640
Urban Renewal	\$8,700	\$9,530	\$9,810	\$10,110
Single Audit, per major Program	\$4,950	\$5,395	\$5,560	\$5,730
Total	\$66,655	\$82,455	\$84,930	\$87,480
			Total Estimated Contract Award	\$254,865

Alternative Courses of Action:

1. Award audit contract to Dickey & Tremper, LLP and authorize the City Manager to sign the contract.
2. Request additional information.
3. Do not approve the contract award.

Recommendation / Suggested Motion:

Action #1: "I move to authorize the City manager to sign a three-year contract with three optional one-year extensions for professional audit services to Dickey & Tremper, LLP in an amount not to exceed \$77,060 plus \$5,395 per single audit major program, and increasing each year by the greater of 3% or the Consumer Price Index as defined in the proposal."



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

March 10, 2022

City of Redmond
Attn: Kelly Morse, City Recorder
411 SW 9th Street
Redmond, OR 97756

We are pleased to have the opportunity to submit our proposal to provide audit services to the City of Redmond, Oregon and the City of Redmond Urban Renewal Agency. The objective of our audit will be to conduct an examination of the financial statements, required supplementary information, and supplemental schedules in accordance with auditing standards generally accepted in the United States of America, Governmental Auditing Standards, the laws of Oregon, the Uniform Grant Guidance, Passenger Facility Charge Audit Guide, and the Single Audit Act, if applicable. This examination will serve as a basis for our firm to render an opinion on the fair presentation of the financial statements of the governmental activities business-type activities, each major fund, and the aggregate remaining fund information in conformity with accounting principles generally accepted in the United States of America. We will also express an opinion on the required supplementary information, the combining individual nonmajor fund financial statements and other schedules, Schedule of Passenger Facility Charges and the Schedule of Expenditures of Federal Awards in relation to the basic financial statements taken as a whole.

As an experienced auditing firm, we have the ability and staffing necessary to complete the engagement outlined in your request for proposal in an effective and efficient manner. Dickey and Tremper, LLP, is the best candidate to select as your independent auditing firm for the following reasons:

- We specialize in providing audit services to cities similar to Redmond and most of our municipal audits include an audit of their related Urban Renewal District.
- Our main Audit Partner will be directly responsible for all aspects of your audit and will be onsite for the audit planning and fieldwork portions of your audit providing the highest level of audit experience.
- Our office has experience working with various governmental accounting software programs, including Springbrook, Caselle, Sunguard HTE and Tyler Technologies and has been through numerous software conversions, including the City's.
- We have over 50 years combined experience working with, and auditing, cities, urban renewal agencies, school districts, and other governmental and non-profit organizations, including several of similar size and scope of services.
- We also have over 20 years of experience performing Single Audits and Passenger Facility Charge audits for multiple entities.
- Our experienced personnel are available throughout the year to provide needed services.

- It is our practice to provide a total service approach and follow-up for each audit engagement.

In addition to the above, our firm has served as the City's auditors for several years. This experience will enable us to provide a much more thorough, efficient, and cost effective audit than most firms. As a recent auditor of the City, we have an in-depth knowledge of the City. The City of Redmond is a complicated city, and it will take a new auditor two to three years to obtain a similar level of knowledge. We also have a long history of the City's financial information, know the City's staff and their capabilities, and since we would not have to spend as much time getting to know the City, we can perform the audit more efficiently than a new firm.

Although we recently performed the audit of the City, we believe that we can continue to bring a fresh look every year. Professional standards continued to change in the last few years. These standards require that we approach every audit with 'Professional Skepticism', and that we incorporate a degree of unpredictability each year. Long-term auditors can have a plan for rotational emphasis of audit staff and procedures, which allow the audit procedures to be much more thorough.

Rob Tremper, CPA, CVA, Partner is the person submitting the proposal and person to contact as the authorized representative for the firm. The firm is licensed to practice in the State of Oregon and both partners hold a municipal auditor's license. The firm is also independent and has no conflict of interest with regard to any other work performed for the City or Urban Renewal Agency. Contact information is as follows:

Robert Tremper, CPA, CVA, Partner
110 SE First Street
Pendleton, OR 97801
(541) 276-6862
Rtremper@dickeyandtremper.com

Thank you for including our firm in the selection process for the City and Urban Renewal Agency's auditing services. Our firm agrees to perform all of the work outlined in the City's RFP within the time periods established by the City. Our compliance can only be guaranteed with the timely cooperation of the staff of the City. Our proposal is a firm and irrevocable offer to provide audit services. However, our proposal, as included, will expire ninety days from March 13, 2022, if not accepted.

Sincerely,

Dickey and Tremper, LLP

A handwritten signature in blue ink that reads "Robert Tremper, CPA". The signature is written in a cursive, flowing style.

Robert Tremper, CPA, CVA
Audit Partner

ATTACHMENT B
Oregon Statutory (ORS) Certifications
(Must be signed and included with Proposal)

We Hereby Certify to comply with Title VI of the Civil Rights Act of 1964, with Section V of the Rehabilitation Act of 1973, and with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations. **We Certify** also that we shall comply with the Americans with Disabilities Act of 1990, as amended by the ADA Amendments Act (ADAAA) of 2008 and any subsequent amendments (42 U.S.C. § 12101, et seq.) (Pub L No. 101-336), ORS 659A, and all regulations and administrative rules established pursuant to those laws. **We Certify**, in the performance of any contract issued from any proposal related to these documents, we will in all respects adhere to the City of Redmond's policy of non-discrimination.

We Certify that we have not and shall not discriminate against a subcontractor in awarding a subcontract because the subcontractor is a minority, women or emerging small business enterprise certified under ORS 200.055 or a business enterprise that is owned or controlled by or that employs a disabled veteran, as defined in ORS 408.225.

We Certify that we, and our subcontractors, if any, and all employers working under this agreement are subject employers under the Oregon Workers' Compensation Law, and shall comply with ORS 656.017, which requires them to provide Workers' Compensation coverage for all of their subject workers, unless such employers are exempt under the law.

We Certify that we accept all the terms and conditions contained herein and in the event of a forthcoming contract containing these same terms and conditions we would agree without exception. Any exception to these terms and conditions will be made a minimum of five (5) working days before the proposal deadline.

We Certify that we X ARE ARE NOT (mark one) a "Resident Bidder" as defined by ORS 279A.120. As defined in ORS 279A.120, "Resident Bidder" means a bidder that has paid unemployment taxes or income taxes in this state in the twelve calendar months immediately preceding submission of the bid, has a business address in this state, and has stated in the bid whether the bidder is a "Resident Bidder".

If not a Resident Bidder as defined in ORS 279A.120, please indicate state of residence: N/A .

Contractor Robert Franzen, CPA Date 3/10/2022
(Authorized Official)

Exceptions to the above Certifications. The Contractor will cross out those items they cannot certify to and then list the reasons for the exception (use additional pages if necessary):

**CITY OF REDMOND, OREGON
PROPOSAL FOR AUDITING SERVICES
JUNE 30, 2022**

**CONTACT PERSON:
ROBERT TREMPER, CPA, CVA**

**110 SE FIRST STREET
PO BOX 1533
PENDLETON, OREGON 97801**

**WEBSITE: www.dickeyandtremper.com
EMAIL: rtremper@dickeyandtremper.com**

**TELEPHONE: (541) 276-6862
FAX: (541) 276-9040**

PREPARED BY:



**DICKEY AND TREMPER, LLP
CERTIFIED PUBLIC ACCOUNTANTS AND
BUSINESS ADVISORS**

March 10, 2022

**Federal EIN: 20-0350998
State BIN: 1199410-3**

**CITY OF REDMOND, OREGON
PROPOSAL FOR AUDITING SERVICES
TECHNICAL PROPOSAL
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ACCOMPANYING INFORMATION:

Peer Review Letter

Audit Services Attachment A – Cost Proposal

Key Staff Resumes

EXPERIENCE, TECHNICAL AND OTHER QUALIFICATIONS

1. OFFICE LOCATION AND STAFFING

Dickey and Tremper, LLP is a local firm organized as a limited liability partnership. Our firm was formerly Jim A. Dickey, P.C. and prior to that, an office of Yergen and Meyer, LLP, a regional accounting firm with eight offices located in the states of Oregon and Washington and one of the one hundred largest public accounting firms in the United States.

We have been located in Pendleton since 1951. Our clientele is highly diversified and includes representation in essentially all types of commercial businesses, non-profits and governmental entities. To maintain and strengthen our professional standards, we highly encourage emphasis on professional development and training. Accordingly, our staff continually participates in numerous formal professional development programs. Staffing assignments are planned to provide a broad range of experience to all staff members.

Our professional objective is to provide the finest quality of services on a timely basis. We endeavor to build a warm relationship, which continues throughout the year rather than an association limited to year-end contact. We are dedicated to a high quality practice of public accounting. We realize that we have professional, civic, and social responsibilities to our clients and our staff. These responsibilities are met through our quality control programs and continuing professional education.

Our office in Pendleton will perform your entire audit. Our staff presently includes two partners who are licensed Municipal Auditors, three senior accountants, and staff accountants. Tentative planning indicates a need for three to five professional staff to be assigned various aspects of the audit. All of our firm personnel are employed on a full time basis.

Tentative planning indicates our audit partner, Rob Tremper, will be responsible for 100% of the services outlined in our proposal, and will be onsite for all aspects of the audit. Rob has extensive experience in auditing and drafting the financial statements for the City of Redmond and its component units. However, our staff also includes a second partner, audit senior, and other professional staff accountants that can assist on the engagement, as needed.

2. GOVERNMENTAL AUDIT EXPERIENCE LISTING

Our office has a very good reputation and client retention rate, which is a positive result of the high quality of services we provide. A list five of the governmental audits and their respective Urban Renewal agencies performed in the last few years are as follows:

Government Entity		Years Served
City of Redmond	*	**21
City of Redmond Urban Renewal		**21
City of Fairview		14
City of Fairview Urban Renewal Agency		2
City of Pendleton	*	21
City of Pendleton Urban Renewal		16
City of La Grande	*	8
La Grande Urban Renewal Agency		8
City of Sisters		14
City of Sisters Urban Renewal		14

* Subject to Single Audit requirements

** Years before and after a 2 year break in service

The City of Redmond, City of Fairview, and City of Sisters, have issued Annual Comprehensive Financial Reports, and received the Certificate of Excellence for Financial Reporting. We have assisted with the financial statement preparation, audit services and provided technical assistance to all of the clients above. In addition, we have performed Single Audits and Passenger Facility Charge audits for the City of Redmond and City of Pendleton and other agreed upon procedures for the City of Pendleton.

The list above was limited to five recent clients, as specified in the request for proposal and excludes several cities, schools and other entities that we perform audit services, financial statement services, and Single Audit services for.

3. PEER REVIEW PROCESS

Our firm has participated in the peer review process as required by Government Auditing Standards, and has always received an unqualified/pass rating, with no letters of comments. These peer reviews have included governmental agencies. We have included a copy of our latest peer review letter, as required by Government Auditing Standards, in accompanying information.

4. PROFESSIONAL EXPERIENCE

The staff we expect to be assigned to your audit is introduced below. There may be additional support staff assigned to your audit, but the professional staff listed below will always supervise them. All senior members of our professional staff have significant municipal and non-profit auditing experience, and have met, or exceeded, continuing education standards set by the United States General Accounting Office, as well as the Oregon State Board of Accountancy.

We expect the audit team members assigned to your audit to include the audit partner, Rob Tremper, CPA, CVA; partner, Mark Dickey, CPA, CVA; senior accountant, Cindy Shurtz, senior accountant Jason Short, and one or two additional

professional staff accountants. Audit partner, Rob Tremper will be responsible for the successful and timely completion of the audit. He will be onsite for all aspects of the audit and direct and coordinate audit planning, field audit performance, and reviews of audit working papers and reports. Partner, Mark Dickey will provide additional quality assurance and will be involved in the review of audit workpapers and reports and may be involved in portions of the audit fieldwork. The senior accountants and staff accountants will be involved in interim procedures, and year-end audit procedures, under the direct supervision of the audit partner. We also expect that the audit partner and senior accountant will be assigned to your audit for the duration of the contract.

Robert F. Tremper, CPA, CVA, Partner, OR License #10029, Municipal License #1294, is in charge of audits for our firm, and will be available to you whenever needed. He will have the final responsibility for our relationship with the City, including informing management of significant developments, which may affect the City. Rob will be responsible for the successful and timely completion of the audit. He will direct and coordinate the audit planning, field audit performance, and reviews of audit working papers and reports. In addition, Rob is a “hands on partner”, and will be onsite for all aspects of the audit.

Rob has been with our firm since graduating, with honors, from Pacific University in 1999. Rob is a licensed municipal auditor, Certified Public Accountant, and Certified Valuation Analyst, and has over twenty-two years municipal and non-profit auditing experience including: implementing GASB Statements, performing Single Audits, performing Passenger Facility Charge audits, preparing Annual Comprehensive Financial Reports, and auditing an assortment of state and federal program requirements. Rob has direct experience in overseeing and performing audits of several cities similar to the City of Redmond and regularly performs audit services in Central Oregon from our office located in Pendleton. Significant audits performed in Central Oregon in the last several years include: City of Redmond, City of Redmond Urban Renewal Agency, City of Sisters, City of Sisters Urban Renewal Agency, City of Madras, and Madras Redevelopment Commission. Rob specializes in directly providing audit services to medium sized cities and urban renewal agencies and has a long list of excellent references. This experience includes assisting in software conversions and implementation of numerous GASB statements.

The audit partner will also be the project manager and will be available and committed to your project. Rob will be onsite to manage the project and coordinate communications with the City during both the interim and final audit fieldwork and will be available by phone and email at other times during the year.

Rob is a member of the American Institute of Certified Public Accountants, and the National Association of Certified Valuation Analysis. Rob is also the Partner in Charge of our affiliation with the Government Audit Quality Center and has been asked to be a presenter at the Municipal Auditing Conference. Rob contributes to the local community by participating as a board member of the Pendleton Youth Wrestling Association. Rob also volunteers at the annual Pendleton Round-Up and provides services to various non-profit organizations at no cost or for highly discounted fees.

Rob will be on-site for 100% of the interim work and 100% of the fieldwork.

Mark D. Dickey, CPA, CVA, Partner OR License #8705, Municipal License #1269, is an Oregon State University graduate, Certified Public Accountant, and licensed municipal auditor with over twenty-two years of public accounting experience and eight years of experience in the banking industry. Mark is in charge of quality assurance and tax compliance for our firm and a Certified Valuation Analyst, as well as having In-Charge responsibilities for various engagements. Mark also performs second partner review for municipal and non-profit audits and performs external peer reviews under the AICPA Peer Review program.

Mark has extensive experience in providing quality assurance and will be involved in the review of audit workpapers and reports and may be involved in portions of the audit fieldwork. He has received specialty training in governmental accounting and auditing, performing Single Audits under the Uniform Grant Guidance, and providing peer review services.

Mark is a member of the American Institute of Certified Public Accountants, the National Association of Certified Valuation Analysts, Oregon Society of Certified Public Accountants, and a board member of the Oregon Board of Accountancy Peer Review Committee. Mark is a past member of the Pendleton Rotary Club Board and Directors and Treasurer for the Pendleton Air Museum.

Jason Short, CPA OR License #16414, is a Senior Staff Accountant at our firm and is working towards his Oregon Municipal Auditor license. Jason started with our firm in September 2020 and has a bachelor's degree in business with a concentration in accounting from Central Washington University. Jason also has six years of experience providing accounting services in private industry, which has translated well to his public accounting responsibilities. Jason assisted in the planning, performance, financial reporting, and wrap up of numerous engagements in the past two years and has experience on several engagements similar to the City of Redmond. Jason has performed in-charge responsibilities for several smaller engagements and has received extensive continuing education on governmental accounting, governmental financial statements, auditing, and other subjects.

Jason will be available and committed to your project and is expected to be onsite during most aspects of the engagement. He will be directly supervised by the audit partner.

Cindy Shurtz, is a Senior Staff accountant at our firm. Cindy started with our firm in September 2021 and has a bachelor's degree in business with a concentration in accounting from Eastern Oregon University. Cindy also has ten years of experience providing accounting services in private industry, which has translated well to her public accounting responsibilities. Cindy has taken one section of the CPA exam and passed on her first attempt. Cindy served as an audit assistant for the June 30, 2021 City of Redmond and Redmond Urban Renewal Agency audit and was involved in the audit fieldwork and financial statement preparation sections of the engagement. She also assisted in audit fieldwork and reporting for numerous other cities and school districts and received extensive continuing education on governmental accounting, governmental financial statements, auditing, and other subjects.

Cindy will be available and committed to your project and is expected to be onsite during most aspects of the engagement. She will be directly supervised by the audit partner.

Other Professional Staff Accountants are college graduates with an emphasis in accounting and are CPA candidates. They have prior experience auditing governmental and non-profit clients, performing single audits and testing compliance with Oregon Local Budget Law. They have been through continuing education that emphasizes governmental and non-profit auditing and accounting, as required by the State of Oregon and will be directly supervised by the audit partner and senior accountants.

5. PROPOSED SUB-CONTRACTORS

We have no proposed sub-contractors at the time of proposal.

6. PROFESSIONAL INDEPENDENCE STANDARDS

We are aware of, and comply with, the Sarbanes Oxley laws and regulations, AICPA standards, and the Yellow Book standards relating to client independence. Our firm's internal control documentation requires that we complete an extensive checklist and evaluation to assure that we are independent. It is our policy to avoid any situations that may give a perception that our firm is not independent.

To further ensure compliance with independence standards, we provide a draft copy of all proposed adjustments and reports to management for their review and approval prior to issuance of the final report. Any additional services required beyond the scope of our audit are normally performed as an agreed-upon-procedure to ensure continued independence.

7. LIABILITY INSURANCE COVERAGE

In accordance with the City's requirements; Dickey and Tremper, LLP maintains \$2,000,000 of professional liability insurance and includes the City as an additional insured.

8. COMPLAINTS OR DISCIPLINARY ACTION BY OVERSIGHT AGENCIES

Our office has never received complaint or disciplinary communications from any state or federal oversight agency related to our audit practice. Our audit workpapers are reviewed by the Oregon Secretary of State, Audit's Division, periodically on a random basis. The results of these visits have only resulted in constructive suggestions and comments, which we have incorporated. Our office also has no judgments, pending or expected litigation or other real or potential financial reversals that might affect the viability or stability of the Firm. In addition, we have not had a contract termination for default and have a reputation of providing high quality and thorough audit services.

9. POTENTIAL ENGAGEMENT DIFFICULTIES

Each engagement provides unique challenges and potential difficulties. Significant challenges encountered in the past include items such as: a lack of records to support accounts receivable, accounts payable, or capital assets; revenues or expenses outside of the expected amounts; incomplete cash reconciliations; and missing records.

The resolution of difficulties and required assistance from your staff varies for each situation. For example, alternative procedures may be used to reconstruct the detail of account balances. Some of these procedures may include review of subsequent payments or receipts, review of source documents, or reconciliation of the current subsidiary ledgers to the amount reported at year-end. In this type of instance, we would expect City staff to print reports detailing the subsequent payments or receipts, and may inquire of them of the items that substantiate the balance. In addition, we would also expect City staff to be available to supply source documents to substantiate the balances or activity.

The resolution of other difficulties could be as simple as obtaining contact information for a grantor or lender and making a phone call, or obtaining grant agreements and applications.

If significant difficulties or indications of fraud are discovered, we would discuss the situation with management to determine what additional procedures may be necessary. In extreme situations where the difficulties involve actions of management, which can not be resolved, the issue may be discussed with a higher level of management or with the City Council directly.

We would make all efforts to meet the timeline as listed in the request for proposal. To meet the deadlines listed in the proposal, the auditing services fieldwork should be scheduled during October. The City can assist to expedite the fieldwork by having all schedules requested for the audit at the beginning of the fieldwork.

SCOPE OF AUDITOR SERVICES

10. SPECIFIC AUDIT APPROACH

It is our practice to provide a total services approach for each audit engagement. Our firm is experienced with preventing and detecting fraud and assessing internal controls. In addition, Dickey and Tremper, LLP maintains its own high quality control standards. As a result, our firm provides a higher level of auditing services than you would receive from most firms.

The quality control of our audit work has resulted in an extensive audit program that has been tailored for the auditing standards generally accepted in the United States of America, the laws of Oregon, the Uniform Grant Guidance, the Single Audit Act, the Passenger Facility Charge audit guide, the Compliance Supplement, and generally accepted auditing procedures as prescribed in the AICPA Industry Audit Guides – Audits of Governmental Agencies and Single Audits. As audit tools, we use Practitioners Publishing Company (PPC) manuals, checklists and auditing programs along with various authoritative sources. We also use PPC Smart Practice

Aids to customize our audit programs for each audit engagement and to address specific risks of the audit. Additional computer resources include spreadsheet programs, word processing programs, and Creative Solutions Audit Software and Pro System FX Engagement.

As a normal part of the audit, we will request an electronic trial balance, which we will import into our software to check for data integrity, help in review of the financial statements, and to streamline the audit process. Rob Tremper, Mark Dickey, Jason Short and other professional staff accountants all have experience auditing various accounting systems. Other methods will be used to test authorization and security measures. Should we find that these other methods are not satisfactory, we have computer specialists available to assist.

We would work closely with your staff to complete the audit in an effective and efficient manner. We would request that your staff provide various schedules and reconciliations such as: balanced trial balances for all funds, bank reconciliations, property tax reconciliation, detailed reconciliations of accounts payable and receivable, and various other reconciliations and schedules. A listing of items requested to be prepared by your staff will be delivered and discussed prior to the audit fieldwork. We also request that your staff be available for questions, and to provide supporting documentation for transactions chosen for testing. Our initial plan is to be in your office for three days in June or July to complete the preliminary fieldwork and planning, and two weeks in October or November to complete the audit fieldwork. Our general audit procedures are comprised of several phases, as follows:

Planning: Initially, we inquire of you regarding your system of internal control, various aspects of your business transactions, your accounting systems, and other matters of information. We may also request to perform site visits to several locations within the City. We build an organized permanent file of reference material so that we don't have to repeat the same questions year after year. From this we organize the general approach to the audit and set our risk assessments. Whenever possible, this phase begins prior to the end of your fiscal year. In accordance with the Risk Assessment Standards, we will also tailor our audit programs and procedures to respond to any significant risk factors. It is our intention to begin the audit fieldwork as soon as reasonably possible. We would work with your staff to schedule the fieldwork and planning conferences at a time, which is agreeable to all parties.

Analytical review procedures will be used as required by generally accepted auditing standards. We will analytically review the records for unusual relationships, variances from year to year and current year budget amounts, and to aid in identifying areas requiring further analysis. We will then assess materiality levels and develop our final plan for the engagement. The results of the analytical review and planning will assist us in determining the extent of substantive testing deemed necessary, and allow us to complete the audit in an effective and efficient manner.

In addition, we will perform a fraud risk assessment, as required by auditing standards. This assessment will include inquiry of the City's management and other employees, a brainstorming session by the audit team, and assessments of the

City's programs and activities. Additional procedures may be added in response to significant risk factors. We will also approach the audit with "professional skepticism" and update the fraud risk assessment during each segment of the audit if additional risks are encountered.

During the planning stage, we also assess any changes in legal requirements related to the audit and request information on new grants or programs affecting the City.

Pre-Audit Conference: Prior to beginning fieldwork, we will meet with management and staff to discuss the audit schedule, listing of schedules to be prepared, the audit plan, and any other important matters.

Tests of Controls: During the second phase of the audit, we may perform detailed tests of a sample of transactions to determine the general reliability of the information produced by the system. Based on the results of these tests, our overall audit strategy is reviewed and adjusted as appropriate. We may also perform an inventory observation close to fiscal year-end and perform numerous test counts.

Compliance Audit: Single Audit procedures are normally performed during both the preliminary and testing phases of the audit. We have developed processes to ensure the compliance section of the audit is thoroughly planned and includes testing of all direct and material compliance requirements in an effective and efficient manner. We start with obtaining knowledge of the entities specific programs and assessing risks applicable to each program. Once the major programs are determined, we obtain an in depth understanding of the program compliance requirements and internal controls and perform detailed testing of all significant areas through sampling and other procedures.

Testing Phase: After the audit has been thoroughly planned, we will determine which areas to focus our substantive testing and additional tests of transactions. Our substantive testing may include the testing of year-end balances for significant accounts and for accounts identified during the analytical review process. Our tests may also include the use of confirmations from entities the City conducts business with; a detailed review of selected accounts, the use of specialized auditing programs modified for pertinent requirements, analytical procedures, and may include testing a sample of individually significant items.

Post-Audit Conference: Prior to leaving the field and as any issues arise, we will meet with management to review constructive recommendations for improvements, propose adjustments to the financial records, discuss the timeline for preparation of the auditor reports, and to communicate other important matters. We will meet again with management for a final exit conference, if necessary, after allowing management time to review drafts of the various reports for the engagement.

Reports and Letters: When the audit fieldwork is completed, we will coordinate with your staff to prepare the financial statements, management letter and all other required reports for the engagement. We will prepare drafts of the Financial Statements, Independent Auditor's Report, AU-C 260 Report summarizing certain matters required by professional standards to be communicated to those charged with governance, AU-C 265 report summarizing significant deficiencies or material weaknesses, and Independent Auditor's Report Required by Oregon State

Regulations. We will also prepare drafts of the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, Independent Auditor's Report on Compliance for Each Major Program and Passenger Facility Charge Program and on Internal Control Over Compliance Required by the Uniform Guidance and the Passenger Facility Charge Audit Guide, and Schedule of Findings and Questioned Costs for the City. We will also prepare the Federal Audit Clearing House Data Collection Form and Independent Auditor's Report on Summary of Revenues and Expenditure for the Oregon Audits Division. These drafts will be provided to the City to review and discuss prior to issuance of the final reports.

Technical Review: The review process takes place during every phase of the audit. The Audit Partner will review the workpapers and reports to ensure that all audit procedures and report preparations meet the proper and appropriate standards. Upon completion of the audit all financial reports will be proofread, mathematically checked, and reviewed for compliance with our firm policies and all legal and reporting standards. A copy of the audit report is then sent to a second reviewer. We will also provide a draft copy of the report, management letter, and any adjusting entries to City personnel for their final review and approval. This process assures additional quality to you, our client, and compliance with independence standards applicable to governmental entities.

Council Presentation: We will present a report each year to the City Council related to the audit of the basic financial statements. The report will summarize certain matters required by professional standards to be communicated to the governing body and other matters that are deemed important to the audit and City operations.

Working Paper Retention: We will retain all working papers and reports for a minimum of seven years following the completion of the audit, unless notified by the City of the need to extend the retention period. The workpapers will also be made available upon request to the City of Redmond, State or Federal Granting Agencies, Oregon Secretary of State Audits Division, and parties designated by the federal or state government or by the City of Redmond as part of an audit quality review process.

Subsequent Years Preparation and Training: We try to keep most aspects of the audit consistent from year to year. This includes the information we request from City staff and the staff we assign to this audit. However, auditing standards require that we incorporate some unpredictability into our audit steps. To accomplish this, we may rotate our emphasis from year to year and rotate staff, as needed, to give a fresh look at the audit. We expect that the senior audit staff will notify the City's staff of any unexpected changes.

11. USE OF CITY PERSONNEL

We will prepare a listing of documents that could be prepared prior to fieldwork. These documents will be the basis for our audit workpapers and normally include items such as the Schedule of Expenditures of Federal Awards, bank statements and reconciliations, budget information, significant contracts, summary of long-term

debt, confirmations, and various other schedules substantiating account balances and activity. In the event difficulties arise, we will contact the staff for further explanation. For example, alternative procedures may be used to reconstruct the detail of account balances. Some of these procedures may include review of subsequent payments or receipts, review of source documents, or reconciliation of the current subsidiary ledgers to the amount reported at year-end. In this type of instance, we would expect City staff to print reports detailing the subsequent payments or receipts, and may inquire of them of the items that substantiate the balance. In addition, we would also expect City staff to be available to supply source documents to substantiate the balances or activity.

In addition, it is our understanding that the City will prepare the final closing of the books and provide the auditors with a trial balance by fund. The time requirements of your staff to provide the items requested for audit should be similar to the requirements in past audits. We would also request that your staff be available for questions and requests for additional items during the preliminary and final audit fieldwork.

If significant difficulties or indications of fraud are discovered, we would discuss the situation with management to determine what additional procedures may be necessary. In extreme situations where the difficulties involve actions of management, which cannot be resolved, the issue may be discussed with a higher level of management or with the City Council directly.

12. AUDIT TIMELINE

A tentative schedule to complete the audit of the City within the specified deadlines is as follows:

Interim Fieldwork and Planning	June or July
Confirmation Preparation and Mailing	Mail on June 30
Audit Fieldwork	October or November
Draft Audit Reports and Management Letter	By November 30
Final Audit Reports and Management Letter	By December 15

13. CONSTRUCTIVE SUGGETIONS

As an important by-product of this audit approach, we may develop constructive recommendations for improvements in internal controls, managerial systems, and accounting systems. We will review any recommendations with management during the course of our examination, which will facilitate early implementation of accepted recommendations. Significant matters and recommendations will be summarized and submitted, in the form of a management letter or as part of the AU-C 260 letter, to the City council and management. Our office is available to work with your staff to answer periodic and incidental telephone or other inquiries at no additional charge.

14. REFERENCES

Our office has a very good reputation and client retention rate, which is a positive result of the high quality of services we provide. In addition to discussing our audit and report preparation with your staff, you may also contact the City of Sisters, City of Pendleton, City of Fairview, and City of La Grande.

The contact information for each entity is below. If you need any further references, please let us know.

City of Redmond	Brooks Slyter	(541) 923-7735
City of Sisters	Joe O'Neil	(541) 549-6022
City of Pendleton	Linda Carter	(541) 966-0331
City of Fairview	Lesa Folger	(503) 674-6247
City of La Grande	Heather Rajkovich	(541) 962-1316

COMPENSATION

15. COST FOR AUDITING SERVICES

A detailed breakdown of the cost for auditing services and hours for each entity is listed in Attachment A and summarized on the following pages.

Costs with Auditor Preparation of ACFR	Maximum Fee June 30, 2022
City of Redmond	
Base Audit Fee	\$ 55,105
Financial Statement Preparation	11,135
Passenger Facility Charge audit	1,290
Single Audit Fee* (\$5,395 per major program)	5,395
Total City of Redmond	<u>\$ 72,925</u>
City of Redmond Urban Renewal Agency	
Base Audit Fee	\$ 5,720
Financial Statement Preparation	3,810
Total City of Redmond Urban Renewal Agency	<u>\$ 9,530</u>
* Assumes 1 major program	

The above fees include travel and out-of-pocket expenses and Single Audit compliance for one major program. In the event that the City is required to comply with additional major programs, we expect our additional fees to be \$5,395 per major program, dependent upon the requirements of the specific program. Audit fees for the years ending June 30, 2023 and 2024 will be based based on the fee for the year ended June 30, 2022, increased equal to the change in the overall consumer price

index for the West Urban Region when compared to June 30, 2022 or by 3%, whichever is greater. The increase is estimated below at three percent per year.

The following detailed fees are for Audit Services for the City of Redmond, including a breakdown for the financial statement preparation:

HOURS- Fiscal Year Ended June 30, 2022							
	Financial Statement Audit Hours	Single Audit Hours	PFC Program Audit Hours	ACFR Preparation Hours	Total Hours	Hourly Rate	Total Cost FY 2022
Key Personnel							
Engagement Partners	145	25	6	14	190	\$ 215	\$ 40,850
Engagement Senior	120	-	-	65	185	125	23,125
Engagement Staff	60	-	-	-	60	95	5,700
Total Labor:					435		69,675
Travel and out of pocket expenses							3,250
							<u>\$ 72,925</u>
FEE- Fiscal Years Ending June 30,							
					2022	2023	2024
Financial Statement Audit					\$ 55,105	\$ 56,760	\$ 58,460
Financial Statement Preparation					11,135	11,470	11,810
Passenger Facility Charge Audit					1,290	1,330	1,370
Single Audit (per major program)					5,395	5,560	5,730
Total Audit Services Costs					<u>\$ 72,925</u>	<u>\$ 75,120</u>	<u>\$ 77,370</u>

The following detailed fees are for Audit Services for the City of Redmond Urban Renewal Agency, including a breakdown for the financial statement preparation:

HOURS- Fiscal Year Ended June 30, 2022					
	Financial Statement Audit Hours	AFR Preparation Hours	Total Hours	Hourly Rate	Total Cost FY 2022
Key Personnel					
Engagement Partners	16	8	24	\$ 215	\$ 5,160
Engagement Staff	24	22	46	95	4,370
Total Labor:			70		9,530
Travel and out of pocket expenses (included with City)					-
					<u>\$ 9,530</u>
FEE- Fiscal Years Ending June 30,					
			2022	2023	2024
Financial Statement Audit			\$ 5,720	\$ 5,890	\$ 6,070
Financial Statement Preparation			3,810	3,920	4,040
Total Audit Services Costs			<u>\$ 9,530</u>	<u>\$ 9,810</u>	<u>\$ 10,110</u>

The above fees are based on anticipated cooperation from your personnel and the assumption that major unexpected circumstances will not be encountered during the fieldwork. If significant additional time is found to be necessary or if any substantial

changes are made in the accounting system, City operations, or scope of our original engagement, we would meet with you to determine the effect on the year's fees, prior to the beginning of our fieldwork, or soon after point of discovery.

OTHER INFORMATION

16. ADDITIONAL SERVICES

It is our practice to provide a total service approach and follow-up for each audit engagement and we welcome inquiries from your staff. We will also make suggestions to the City on improving internal control, administrative procedures and financial processes. Our office is available to work with your staff to answer periodic and incidental telephone inquiries at no additional charge.

If any significant additional services, special requests, or reports broadening the scope of the engagement are required, we will meet with the City's management to negotiate the maximum additional fees and the specific hourly rates of personnel necessary to provide the requested services prior to performing the additional services. In most cases, these additional services will be billed at our standard hourly rates, which are currently \$215 for Partners, \$125 for Senior Accountants, and \$95 for Staff Accountants. Travel and out-of-pocket expenses will be negotiated dependent upon timing of the requested services and the nature of the services.

Our firm is experienced in providing additional services to local government units. These types of services are normally performed by the Partners or senior staff in the firm, and we have performed a number of management consulting engagements in the past. With changes to independence standards, we are limited in the ability to provide some services, but try to design additional services as Agreed Upon Procedures, if possible. These consultations have included:

- Design of extensive chart of accounts for an entity with approximately twenty individual funds, with provisions for cost accounting.
- Implementation of GASB Statements and assistance with compiling fixed asset and infrastructure data.
- Assessing and designing internal control systems.
- Agreed Upon Procedures to test franchise fee payments and fuel tax revenues.
- Agreed Upon Procedures for testing of System Development Charges expenditures and revenues, and maintenance of restricted funds.
- Agreed Upon Procedures to test transient room tax revenues reported by local hotels
- Agreed Upon Procedures to test compliance with conservation measures and energy efficiency
- Agreed Upon Procedures for landfill financial assurance and recertification
- Assistance pertaining to valuation of "side accounts" related to issuance of PERS pension obligation bonds.
- Assistance in preparation of corrective action plans.
- Reconciliation of cash accounts and activity recorded in the general ledger.

- Evaluation of software programs and installation of selected software.
- Computer trouble-shooting, to include hardware and software maintenance.
- Compliance with Oregon Budget Laws and procedures and the preparations of annual budgets.
- Capital asset accounting and depreciation schedules.
- Interviewing and providing recommendations for accounting applicants.
- Evaluation of financing options.
- Fraud investigation and substantiation.

17. NEW ACCOUNTING AND AUDIT REQUIREMENTS

Our firm is experienced in interpreting and implementing the requirements of various GASB Statements and other changes in accounting and audit requirements. This experience includes assisting in implementation of GASB Statements, Uniform Grant Guidance, and changes to auditing standards. The largest change in the past few years for many entities was implementation of the Uniform Grant Guidance related to Single Audits and new programs and evolving guidance related to COVID-19. We performed several audits under the Uniform Grant Guidance and assisted management on implementing the requirements related to the reporting in the Schedule of Expenditures of Federal Awards and Summary of Prior Audit Findings. We also reviewed major systems and tested controls as they relate to the Uniform Grant Guidance and made suggestions to management for improvements in these areas. For cities that were already expecting a Single Audit, there were no additional fees to implement the changes.

There are also changes in auditing standards that will be implemented for the June 30, 2022 audits, which will affect the engagement letter, auditor communication with those charged with governance, planning of the engagement, auditor reports, consideration of fraud, and other matters. We have already considered these additional requirements and have included ongoing time requirement in our proposal.

The Governmental Accounting Standards Board has issued GASB Statements through number 98, some of which will be applicable or implemented in the upcoming years. We have worked closely with various entities to implement major statements by informing clients of newly issued statements, providing technical advice for implementation, researching the proper reporting of new items, and reviewing the implementation of the statement. The statements that may have a significant effect in the next few years include:

- GASB Statement No. 97, Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.
- GASB Statement No. 96, Subscription Based Information Technology Arrangements.
- GASB Statement No. 87, Leases.
- GASB Statement No. 72, Fair Measurement and Application.

Most of the statements are not going to require a significant additional amount of work at the audit level, but additional procedures are expected to review the City's information related to GASB 87 for Leases and GASB Statement 96 related to

subscription based information technology arrangements. Both of these will constitute a major shift in accounting for these transactions. Most cities are already building a database of lessee and lessor contracts and significant requirements and we have met with a debt and lease management software company for governments and non-profits that will make a good partner in implementing some of the procedures. We expect the transition to these statements to go pretty smooth and are not proposing any additional audit fees to implement the new requirements.

At the present time, there are no new accounting or audit requirements that we are proposing additional fees for. However, GASB continues to issue statements and if there are significant changes that will require additional fees, we would meet with management to discuss the new requirements and negotiate the additional charges before performing additional services.

18. URBAN RENEWAL EXPERINCE

Our firm has considerable experience preparing financial statements for Urban Renewal Agencies. Most of the City audits we perform include the preparation of financial statements for Urban Renewal Agencies. We have prepared financial statements for the City of Sisters Urban Renewal Agency, Columbia Gateway Urban Renewal Agency (City of The Dalles), the Pendleton Development Commission, the Madras Redevelopment Commission, Milton-Freewater Urban Renewal Agency, City of La Grande Urban Renewal Agency, and the city of Redmond Urban Renewal Agency for several years.

19. GFOA CERTIFICATE OF ACHIEVEMENT IN FINANCIAL REPORTING EXPERIENCE

Our firm has substantial experience with the requirements of the GFOA Certificate of Achievement in Financial Reporting, and has the ability to assist the City to continue to qualify for this award. We have assisted the City of Redmond to achieve the Certificate for several years.

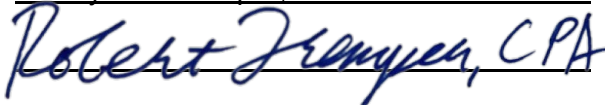
Our clients presently receiving the GFOA Certificate of Achievement in financial Reporting include your City, the City of Sisters, and the City of Fairview.

20. SINGLE AUDIT AND PASSENGER FACILITY CHARGE AUDIT

Our professional staff has experience and expertise in auditing various federal, state, country and local grants and programs. Most of our governmental and non-profit clients participate in federal and state programs subject to the "Single Audit Act". Through our experience with grants and programs with other clients, and our experience as your prior auditor, we are familiar with the auditing and reported requirements for the specific programs that may affect the City. This experience includes over 20 years of Passenger Facility Charge and Airport Improvement Program audits for multiple cities.

We appreciate this opportunity and would be happy to discuss our proposal with you at your convenience. Our proposal, as presented, is a firm and irrevocable offer for ninety days from March 13, 2022.

I hereby certify that the undersigned is authorized to represent the firm stated below and empowered to submit this bid, and if selected, authorized to sign a contract with the City of Redmond and City of Redmond Urban Renewal Agency, for the services identified in the Request for Proposal.

Firm Name: Dickey and Tremper, LLP
Signature: 
Printed Name Robert Tremper, CPA, CVA
Title: Audit Partner
Date: March 10, 2022
Email Address: rtremper@dickeyandtremper.com



Report on the Firm's System of Quality Control

June 15, 2021

To the Members of Dickey and Tremper, LLP
and the Peer Review Committee of the Oregon Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Dickey and Tremper, LLP (the firm) in effect for the year ended December 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included an engagement performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Dickey and Tremper, LLP in effect for the year ended December 31, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Dickey and Tremper, LLP has received a peer review rating of *pass*.

Petersen CPAs & Advisors, PLLC

Petersen CPAs and Advisors, PLLC

Attachment A

Not to Exceed Cost for Proposed Audit Service Schedule

In accordance with the Request for Proposal for Professional Auditing Services issued by the City of Redmond, Oregon, the firm referenced below hereby submits the following hourly fee quotation, hours proposed for all positions to be assigned to the audit, and total cost proposal for the City of Redmond and Redmond Urban Renewal Agency:

City of Redmond

Fiscal Year Ended June 30, 2022

Key Personnel	Financial Statement Audit Hours	Single Audit Hours, Per Major Program	Passenger Facility Charge (PFC) Program	ACFR Preparation, if offered	Total Hours	Hourly Rate	Total Cost	Additional Fees* (if applicable)
Engagement Partners	145	25	6	14	190	\$ 215	\$ 40,850	\$ -
Engagement Manager	-	-	-	-	-	\$ -	\$ -	\$ -
Engagement Senior	120	-	-	65	185	\$ 125	\$ 23,125	\$ -
Engagement Staff	60	-	-	-	60	\$ 95	\$ 5,700	\$ -
Clerical/Support Staff	-	-	-	-	-	\$ -	\$ -	\$ -
Subtotal	325	25	6	79	435		\$ 69,675	
-								
Other Costs (Travel, printing, supplies, materials, etc., Add more lines as needed)								
1	Estimated travel and out of pocket expenses						\$ 3,250	\$ -
2							\$ -	\$ -
3							\$ -	\$ -
Total Other Costs							\$ 3,250	
Total Cost Proposal							\$ 72,925	

* Additional Fees - The City of Redmond expects to receive technical assistance, as needed, from the audit firm throughout the fiscal year that may include inquiries regarding accounting, reporting and internal control issues. If fees related to this technical assistance are not included in the firm's financial statement audit fee, please include them here.

Additional Notes: The above fees include travel and out-of-pocket expenses and Single Audit compliance for one major program. In the event that the City is required to comply with additional major programs, we expect our additional fees to be \$5,395 per major program, dependent upon the requirements of the specific program. Audit fees for the years ending June 30, 2023 and 2024 will be based based on the fee for the year ended June 30, 2022, increased equal to the change in the overall consumer price index for the West Urban Region when compared to June 30, 2022 or by 3%, whichever is greater. Similar hours are expected to complete the engagements.

Attachment A

Not to Exceed Cost for Proposed Audit Service Schedule

Redmond Urban Renewal Agency

Fiscal Year Ended June 30, _____

Key Personnel	Financial Statement Audit Hours	Annual Financial Statement Preparation, if offered	Total Hours	Hourly Rate	Total Cost
Engagement Partners	16	8	24	\$ 215	\$ 5,160
Engagement Manager	-	-	-	\$ -	\$ -
Engagement Senior	-	-	-	\$ 125	\$ -
Engagement Staff	24	22	46	\$ 95	\$ 4,370
Clerical/Support Staff	-	-	-	\$ -	\$ -
Subtotal	40	30	70		\$ 9,530
-					
Other Costs (Travel, printing, supplies, materials, etc., Add more lines as needed)					
1	Costs included with City				\$ -
2					\$ -
3					\$ -
Total Other Costs					\$ -
Total Cost Proposal					\$ 9,530

Additional Notes: Audit fees for the years ending June 30, 2023 and 2024 will be based based on the fee for the year ended June 30, 2022, increased equal to the change in the overall consumer price index for the West Urban Region when compared to June 30, 2022 or by 3%, whichever is greater. Similar hours are expected to complete the engagements.

Attachment A

Not to Exceed Cost for Proposed Audit Service Schedule

Note: The firm may use a substitute form as long as the required hourly fee quotation, hours and totals are detailed in the same format and are clearly identified.

Check if using a substitute form

☐

I hereby certify that the undersigned is authorized to represent the firm stated below, and empowered to submit this bid, and if selected, authorized to sign a contract with the City of Redmond, for the services identified in the Request for Proposal.

Firm Name:

Dickey and Tremper, LLP

Signature:

Robert Tremper, CPA

Printed Name

Robert Tremper, CPA, CVA

Title:

Partner

Date:

10-Mar-22

RESUME
ROBERT TREMPER, CPA, CVA, PARTNER

EDUCATION

Graduated Cum Laude from Pacific University in 1999 with a B.A. in Business Administration, with an accounting focus; and a minor in Computer Science;

CERTIFICATIONS

Certified Public Accountant (CPA), State of Oregon 2001;
Municipal Auditor (MA), State of Oregon 2001;
Certified Valuation Analyst (CVA), National Association of Certified Valuation Analysts (NACVA) 2003

ACCOUNTING WORK EXPERIENCE

January 1, 2004 to present – Audit Partner, Dickey and Tremper, LLP. In charge of our firm's audit practice including: audit planning, field audit performance, reviews of audit working papers and reports, implementing new accounting and auditing standards, performing Single Audits, and supervising staff. Other duties include: budgeting and planning, financial statement preparation and review, personal and business income tax services, bankruptcy support, litigation support, business valuations, pension plan administration, office management, and governmental and business consulting.

July 1, 1999 to December 31, 2003 – Staff Accountant, Jim A. Dickey, P.C. focusing in audits, tax, bankruptcy, litigation support, business valuations, pension plans, and consulting

CONTINUING EDUCATION, PROFESSIONAL ASSOCIATIONS AND CIVIC ACTIVITIES

- Member AICPA (American Institute of Certified Public Accountants)
- Member OSCP (Oregon Society of Certified Public Accountants)
- Member NACVA (National Association of Certified Valuation Analysts)
- Partner in charge of our affiliation with the Government Audit Quality Center.
- Recertify every two years for the CPA and MA designations to maintain current knowledge. 80 hours of CPE required biannually, which normally focuses on governmental accounting and auditing, implementing GASB statements, and Single Audits.
- Recertify every three years for the CVA designation to maintain current knowledge.
- Additional professional training administering pension plans
- Board member of the Pendleton Youth Wrestling Association.

GOVERNMENTAL AUDIT EXPERIENCE

Over 22 years of audit experience and available to audit clients whenever it's needed. Have the final responsibility for our relationship with audit clients, including informing management of significant developments and the successful and timely completion of audits. Experience includes interpreting and implementing the requirements of required GASB Statements and clarity standards. Experience also includes litigation support and performance of significant fraud investigations.

MARK D. DICKEY, CPA, CVA
Partner

CIRRICULUM VITAE

EDUCATION

Portland State University 1992, Post-Baccalaureate in accounting.
Oregon State University 1982, Bachelor of Science in Business Administration, with a major of Finance and a minor in Psychology.

PROFESSIONAL CERTIFICATIONS

- Certified Public Accountant, State of Oregon -1997
- Municipal Auditor, State of Oregon - 2000
- Certified Valuation Analyst, National Association of Certified Valuation Analyst – 2003
- AICPA / OSCPA Peer reviewer – 2011

WORK EXPERIENCE

2004 to Current – Partner, Dickey and Tremper, L.L.P. Duties include: Administration of office operations, Tax partner responsible for the oversight of the completion and preparation of tax clients, preparation and review of individual, business and various non-profit income and information tax returns. Perform and assist with non-profit and municipal audits, preparation and review of financial statements, litigation support, business valuations and business consulting.

July 1999 to December 31, 2003 – Tax Manager, Jim A. Dickey, P.C. Duties included: Assist with the office administration. Supervisory oversight of the processing of tax clients, preparation and review of individual, business and various non-profit income and information tax returns. Perform and assist with non-profit and municipal audits, preparation and review of financial statements.

1982 to 1991 – Banking, consumer and commercial loan officer. Duties included: Business development for consumer and commercial loan clientele, write-up and service loan portfolio.

CONTINUING EDUCATION, PROFESSIONAL ASSOCIATIONS AND CIVIC ACTIVITIES

- Continuing Professional Education (CPE) for CPA, Eighty hours of related course study on a bi-annual basis.
- National Association of Certified Valuation Analyst (CVA), Requires three recertification requirements: 1. Thirty-six hours of CPE in Business Valuations, Litigation, or Fraud support; 2. Completed NACVA's knowledge of current developments; 3. Participate in one of NACVA's Quality Enhancement Programs or submit a case performed for review.
- AICPA Peer Review annual CPE

- American Institute of Certified Public Accountants, AICPA
- Oregon Society of Certified Public Accountants, OSCP
- National Association of Certified Valuation Analyst, NACVA
- Served on the Board of Directors for the Pendleton, Oregon chapter of Rotary International.
- Board of Director of the Pendleton Air Museum
- OSCP Review Acceptance Board (RAB) and Peer Reviewer

GOVERNMENTAL AUDIT EXPERIENCE

- Been involved for twenty-two years as a secondary partner reviewer and quality control reviewer when applicable, as well as supervisory role and field work as necessary.

March 22, 2022

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

We are pleased to confirm our understanding of the services we are to provide the City of Redmond for the years ended June 30, 2022, 2023, and 2024, with an optional renewal clause for the years ended June 30, 2025, to 2027.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements, of the City of Redmond as of and for the years ended June 30, 2022, 2023, and 2024, and should the city choose to exercise the renewal clause, for the years ended June 30, 2025 to 2027. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City of Redmond's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the city of Redmond's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

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

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

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

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objective also includes reporting on--

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

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In

addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

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

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

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

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that

are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

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

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

Other Services

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

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary

ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.^{ff} At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

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

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

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to [include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles.^{hh} You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to [include the

audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

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

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

Engagement Administration, Fees, and Other

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

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

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

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

documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

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

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

The fee for the audit of the City of Redmond's financial statements for the year ended June 30, 2022, is \$67,530 including financial statement preparation, Passenger Facility Charge audit, and travel and out-of-pocket expenses. In the event the City is required to comply with the Single Audit Act, we expect our additional fees to be \$5,395 per major program, dependent upon the requirements of the specific program. This fee includes our consulting for information required to prepare for submission of the financial statements toward the "Certificate of Achievement for Excellence in Financial Reporting". Audit fees for the years ending June 30, 2023 and 2024 will be based on the fee for the year ended June 30, 2022, increased equal to the change in the overall consumer price index for the West Urban Region when compared to June 30, 2022 or by 3%, whichever is greater. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation and will be subject to a late payment fee of 1 1/2% (18% APR) on unpaid balances after 30 days. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit and that no bookkeeping services will be required. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

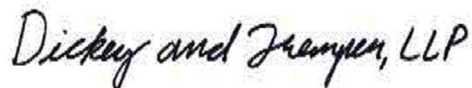
Reporting

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to Governing Body and Management of the City of Redmond. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

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

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

Very truly yours,

A handwritten signature in black ink that reads "Dickey and Tremper, LLP". The signature is written in a cursive, flowing style.

Dickey and Tremper, LLP

RESPONSE:

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

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____



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March 22, 2022

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

We are pleased to confirm our understanding of the services we are to provide the City of Redmond Urban Renewal Agency for the year ended June 30, 2022, 2023, and 2024, with an optional renewal clause for the years ended June 30, 2025 to 2027.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, each major fund, and the disclosures, which collectively comprise the basic financial statements of City of Redmond Urban Renewal Agency, as of and for the years ended June 30, 2022, 2023, and 2024, and should the URA choose to exercise the renewal clause, for the years ended June 30, 2025 to 2027. Accounting standards generally accepted in the United States of America (GAAS) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement City of Redmond Urban Renewal Agency's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to City of Redmond Urban Renewal Agency's RSI in accordance with GAAS. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles (GAAP) and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis

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

1) Supplementary budgetary schedules

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

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

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

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

service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

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

Other Services

We will also prepare the financial statements of City of Redmond Urban renewal Agency in conformity with accounting principles generally accepted in the United States of America based on information provided by you. In addition, we will assist in preparing reconciliations to the accrual basis and may propose audit adjustments.

We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period

presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

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

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

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

Engagement Administration, Fees, and Other

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

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

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

The fee for the audit of the City of Redmond Urban Renewal Agency's financial statements for the year ended June 30, 2022, is \$9,530 including financial statement preparation, travel, and out-of-pocket expenses. Audit fees for the years ending June 30, 2023 and 2024 will be based on the fee for the year ended June 30, 2022, increased equal to the change in the overall consumer price index for the West Urban Region when compared to June 30, 2022 or by 3%, whichever is greater. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and

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

Reporting

We will issue written reports upon completion of our audit of City of Redmond Urban Renewal Agency's financial statements. Our reports will be addressed to Board of Directors and Management of the City of Redmond. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

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

Very truly yours,



Dickey and Tremper, LLP

RESPONSE:

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

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____



CITY OF REDMOND

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REDMOND, OR 97756
541.923.7710
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info@redmondoregon.gov
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STAFF REPORT

DATE: March 29, 2022
TO: Mayor and City Council
THROUGH: Keith Witcosky, City Manager
John Roberts, Deputy City Manager
FROM: Jackie Abslag, CDD Programs Coordinator
SUBJECT: Special Event Street Closure for the Redmond Run on June 18, 2022

Addresses Council Goal:

6.E. Community Enhancement and Participation: Provide needed support to ensure parades, community events and other event related street closures are organized and managed properly.

Report in Brief:

This item requests City Council approve a street closure for the Public Assembly Permit for the Redmond Run, scheduled for June 18, 2022. Permit issuance is dependent upon all fees and other terms and requirements being met.

Background:

Specific special events that apply to the City for permits, which involve closure of any portion of 5th and 6th Streets, require approval from Council. These streets serve as the spine of Redmond's primary commercial and downtown corridor and closure could have unanticipated impacts. Therefore, any request for closure is viewed as meriting Council discussion and action, as it provides an opportunity for greater public awareness and for the general public and stakeholders to provide input.

All businesses that will be impacted on 6th Street were notified of this meeting and invited to participate.

Discussion:

Public assembly permit applications are reviewed for compliance with the City Code to ensure public safety, transportation, parking, sanitation, trash removal, marketing, fire protection, medical services and public notice concerns are addressed. Each application is routed to impacted City departments and partner agencies for comments. Fees are established per the City Fee Schedule to recover City costs for supporting the event.

The Redmond Run permit requests closure of SW 6th Street from Black Butte Boulevard to Evergreen Avenue. The duration of the closure will be from 5:00 a.m. through 10:00 a.m. on the morning of Saturday, June 18, 2022. There is a 5K that will start at 9:00 a.m., a 10K race starting at 9:15 a.m. and a half marathon starting at 9:30 a.m.. All races will start under the arch and finish in Centennial Park. The Redmond Street Festival is also scheduled to use Centennial Park that weekend and will open at 10:00 a.m. on that Saturday.

There will be two detour options around the street closure:

- 1) 5th Street will remain open for northbound traffic.
- 2) 7th Street will remain open for north and southbound traffic.

A map is attached that visually conveys how the event will control access, traffic and detours. The event organizer, Lay It Out Events, has contracted with Traffic Control Consultants, a certified traffic control company that will set up/tear down the street closure. Public Works has approved the traffic control plan that was submitted.

Below is a matrix of items evaluated per City Policy CM 101 (governing Special Events):

Review Item from Policy	Staff Assessment
Who benefits or is adversely impacted by the event – business frontage, general community, special event organizer.	<i>Benefits: Business frontage, general community, and special event organizer.</i>
The opportunities/benefits (increased pedestrian traffic; increased exposure, etc.) and impacts (restricted or reduced access, etc.) to the general area where the event is being held.	<i>Opportunities: Increased pedestrian traffic, increased exposure for businesses on frontage, community gathering.</i> <i>Impacts: Restricted access to four primary blocks in downtown Redmond on SW 6th on Saturday morning.</i>
Whether or not there is another event with a scheduled street closure on the same street or in the same general area during the same month.	<i>The Redmond Street Festival is currently scheduled for Centennial Park, and will open at 10:00 a.m. the same day.</i>
If at all possible, avoid closing 5 th or 6 th streets more than twice a month; avoid closures on consecutive weekends; and aside from use of designated Festival Streets, avoid street closures which affect the same general area.	<i>No other event currently closes 5th or 6th streets in June 2022.</i>
Suggested minimum attendance for street closure durations are recommended per the following: If the event is between 4 – 12 hours, then at least 500 people should be expected. If the event is between 12 – 24 hours, then at least 1000 people should be expected. If the event is greater than 24 hours, then at least 2500 people should be expected.	<i>The request is for 5 hours and at least 600 participants are anticipated. Race start times are 5K at 9 a.m., 10K at 9:15 a.m. and the half marathon will start at 9:30 a.m.</i>
Whether or not the event is for a non-profit organization or for a private commercial organization and the overall community benefit of the event.	<i>Event is sponsored by a private commercial business; 600 participants are anticipated to visit the downtown core during this morning event.</i>
All permit requirements, in accordance with the City Manager's discretion, by the Redmond City Code have been met.	<i>All requirements have been met.</i>

Fiscal Impact:

Fees per the City of Redmond Fee Schedule are established to help recover a portion of City costs for supporting events and are as follows:

Permit Fee: Street Closure	\$200.00
Public Works Fee- Traffic Control	\$000.00 Organizer is hiring their own Traffic Consultant
Deposit (Deposit is refundable after the event)	\$250.00
TOTAL:	\$450.00

Alternative Courses of Action:

1. Approve the Public Assembly Permit for the Redmond Run.
2. Request more information.
3. Deny the Public Assembly Permit.

Recommendation / Suggested Motion:

"I move to approve the Public Assembly Permit for the Redmond Run, maintaining the fee schedule as shown."

**REDMOND RUN
STREET CLOSURES
JUNE 18, 2022
5AM-10AM**

KEY

Type III barricade with Road Closed sign 

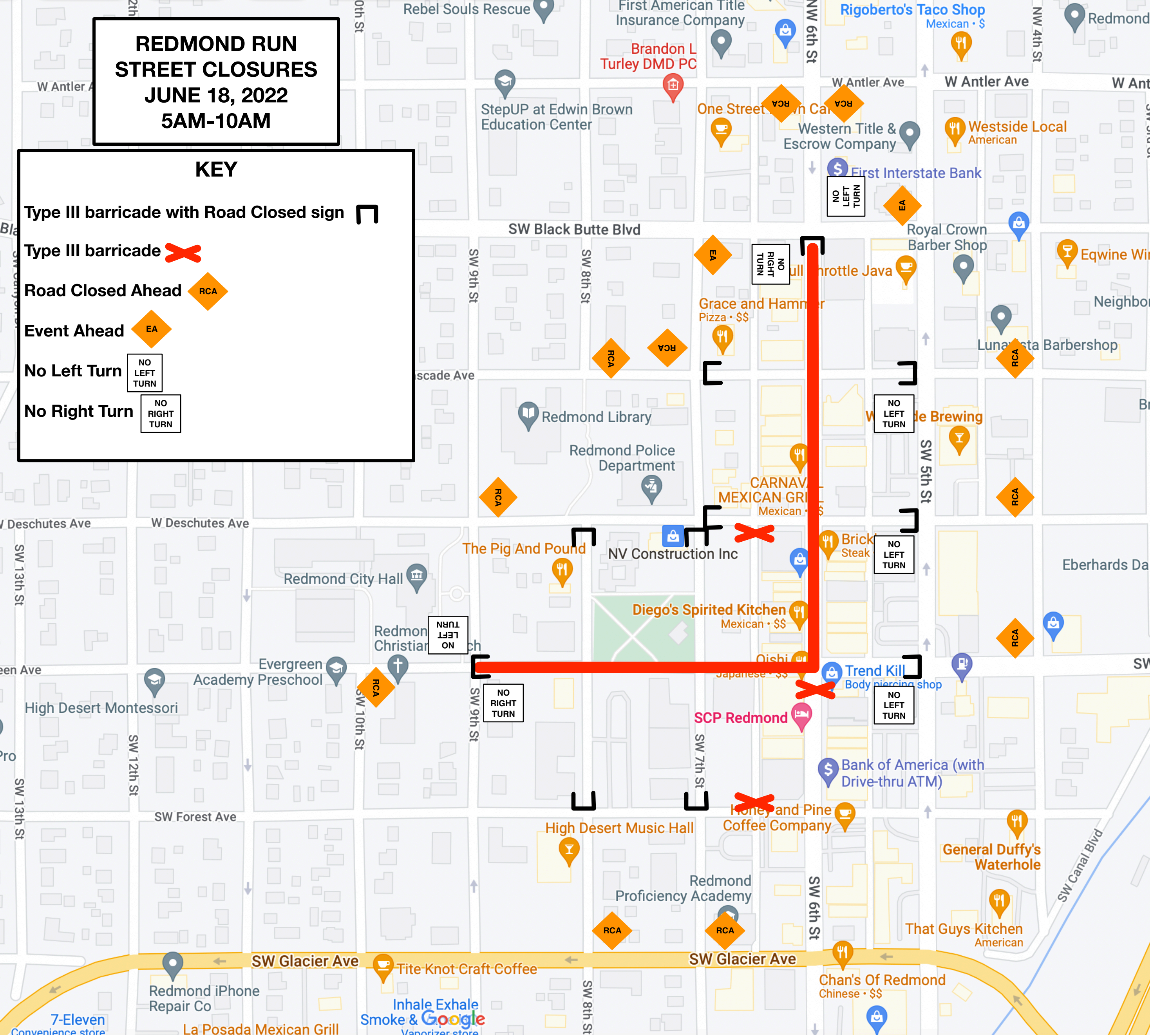
Type III barricade 

Road Closed Ahead 

Event Ahead 

No Left Turn 

No Right Turn 





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STAFF REPORT

DATE: March 29, 2022
TO: Redmond City Council
THROUGH: Keith Witcosky, City Manager
FROM: Jason Neff, Chief Financial Officer
SUBJECT: Investment Policy - Approval of Material Changes

Addresses Council Goal:

Sustain Operations: 1C - Explore opportunities to augment revenue to support existing operations. 1D – Establish and adhere to best practice and sound financial policies.

Report in Brief:

The City of Redmond's Investment Policy was originally approved by City Council in 2011 and it must be re-adopted (approved) annually. In January 2022, material changes to the City's Investment Policy were presented to the Oregon Short Term Fund (OSTF) Board. Staff is seeking City Council approval of these changes to the policy.

Background:

In 2011, the City of Redmond developed an Investment Policy (the Policy) to establish the investment objectives, delegation of authority, standards of prudence, eligible investments and transactions, internal controls, reporting requirements, and safekeeping and custodial procedures necessary for the prudent management and investment of City resources. The Policy was reviewed by the Oregon Short Term Fund (OSTF) Board in 2011 and allowed for maturities longer than 18 months.

In January 2022, changes to the Policy were presented to the OSTF Board. The OSTF reviewed the Policy and made additional recommendations which have been incorporated to the attached policy revisions.

Discussion:

The attached updated policy complies with sections of the Oregon Revised Statutes (ORS) that govern the investment of public funds. Changes to the Policy better align it with ORS and provide the City additional opportunities to purchase securities with maturities beyond three years, but no longer than five years. While the attached policy shows all of the changes, below are the material revisions:

Authorized securities, minimum rating requirements. Changes being made to the Policy's list of authorized securities include allowing for A rated Oregon corporate bonds when the issuer complies with ORS 294.035(i) paragraph (C), and allowing for A- rated Oregon municipal obligations, as allowed by ORS 294.035(b). By making these edits, the City's Policy will be more in line with ORS and the City will increase its investment opportunities. The City recognizes that lowering the minimum credit rating for certain investment types, as permitted by ORS, opens the portfolio up to the potential of additional credit risk. The City, along with its investment advisor, PFM Asset Management ("PFMAM"), will continue to mitigate this risk by carefully evaluating all issuers prior to purchase, and by continuing to monitor all issuers while they are in the City's portfolio. PFMAM maintains a list of approved issuers and has in place a very diligent and thorough process to add issuers to its approved list of issuers; all issuers are monitored on a regular basis.

With the changes described above, the City is permitting securities with credit ratings below AA-, and so the credit quality table, as included in the *Credit Quality Requirements* section of the Policy, has been expanded. However, the minimum weighted average portfolio credit quality requirement remains unchanged at AA.

Maximum maturities. The Policy is also being edited to extend the maximum maturity limit of corporate bonds and municipal obligations from three years to five years. Along with this, as shown in the *Maturity Limits and Liquidity Requirements* section of the Policy, the portfolio's weighted average final maturity maximum is being extended from 18

months to 2.5 years and the maturity table is being deleted. The City will continue to maintain appropriate levels of liquidity to meet our cash needs.

Fiscal Impact:

Approval of the policy allows for the continuation of the City's investment strategy.

Alternative Courses of Action:

1. Approve the investment policy as presented.
2. Do not accept / approve the policy.
3. Take no Action and Request more information.

Recommendation / Suggested Motion:

"I move to approve the City of Redmond investment policy FIN 111 - Investments."

CITY OF REDMOND	
INVESTMENTS	NUMBER: FIN 111
EFFECTIVE DATE: SEPTEMBER 14, 2021 MARCH 29, 2022	APPROVAL: CITY COUNCIL

PURPOSE

Incorporated on July 6, 1910, the City of Redmond, Oregon (the City) is located on the eastern side of Oregon's Cascade Mountain Range. It is considered the geographical heart of Central Oregon as it offers easy access to a multitude of recreational opportunities. The City operates under a Council/Manager form of government which consists of six City Council members, a Mayor, and the City Manager who serves the Council. The City's Department Directors then report to and are supervised by the City Manager. The average investable balance (not including instances of bond proceeds) of the City's portfolio ranges from \$~~56-70~~ million - \$~~69-90~~ million.

The purpose of this Investment Policy (the Policy) is to establish the investment objectives, delegation of authority, standards of prudence, eligible investments and transactions, internal controls, reporting requirements, and safekeeping and custodial procedures necessary for the prudent management and investment of the funds of the City.

This Policy has been adopted by the City Council of Redmond, Oregon on September 14, 2021.

SCOPE

The provisions of this Policy shall apply to all investable funds of the City as accounted for in the Comprehensive Annual Financial Report and which includes the City's short-term operating funds and capital funds including bond proceeds and bond reserve funds. Investments of employees' retirement funds, deferred compensation plans, and other funds held by trustees are not covered by this Policy; however, all funds are subject to Oregon law.

Except for restricted and excluded funds (which includes sufficient operating cash), all excess cash shall be pooled into one account for investment purposes. The net investment income derived from the pooled investment account shall be allocated to the contributing funds in accordance with generally accepted accounting principles.

For purposes of this Policy the terms investment program and portfolio shall be interchangeable and shall refer to all of the City's investable balances as defined in the Authorized Securities and Transactions section of this policy.

OBJECTIVES

FIN 111.1

The City's funds shall be invested in accordance with all cited City, State, and Federal regulations, and in a manner designed to accomplish the following objectives, which are listed in priority order:

- Preservation of capital and protection of investment principal.
- Maintenance of sufficient liquidity to meet operating requirements that are reasonably anticipated.
- Diversification to avoid incurring unreasonable risks regarding specific security types or individual financial institutions.
- Attainment of a market value rate of return throughout budgetary and economic cycles.

DELEGATION OF AUTHORITY

The ultimate responsibility and authority for the investment of City funds resides with the City Council. The City Council hereby designates the City Manager or his/her designee as the Investment Officer vested with responsibility for managing the City's investment program and for implementing this Policy. The Investment Officer shall invest City funds in accordance with ORS Chapter 294, Public Financial Administration, and with Policy. This Policy shall constitute a "written order" from City Council per ORS 294.035. The Investment Officer may further delegate the authority to conduct investment transactions and to manage the operation of the investment portfolio to other specifically authorized staff members. No person may engage in an investment transaction except as expressly provided under the terms of this Policy.

The Investment Officer shall establish procedures and internal controls for the operation of the City's investment program, designed to prevent loss of public funds due to fraud, error, misrepresentation, and imprudent actions.

The City may engage the non-discretionary support services of outside investment advisors with respect to its investment program, so long as it can be demonstrated that these services produce a net financial advantage or necessary financial protection of the City's financial resources. External investment advisors shall be licensed with the State of Oregon Division of Finance and Corporate Securities (OFCS) and are subject to Oregon Revised Statutes and the provisions of this Policy.

STANDARDS OF PRUDENCE

The standard of prudence to be used for managing the City's assets is the prudent person rule which states that "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

The overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The City recognizes that no investment is totally without risk and that the investment activities of the City are a matter of public record. Accordingly, the City recognizes that within a diversified portfolio, losses sometimes occur, and such losses shall be considered within the context of the overall portfolio's return, provided that

adequate diversification has been implemented and that the sale of a security before maturity is in the best long-term interest of the City.

The City's Investment Officer and staff acting in accordance with this Policy, written procedures, and ORS 294 and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price change or other loss in accordance with ORS 294.047, provided that these losses are reported as soon as practical to the Investment Officer and action is taken to control adverse developments. Losses that are sustained in the City's portfolio shall be charged against current investment earnings.

ETHICS AND CONFLICTS OF INTEREST

City investment staff involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or create the appearance of an impairment of their ability to make impartial investment decisions. City investment staff involved in the investment process and investment officials shall disclose in writing to the Investment Officer any financial interests they have in financial institutions that conduct business with the City and they shall subordinate their personal investment transactions to those of the City.

Employees shall comply with ORS 244.040 (Code of Ethics), ORS 244.120 (Methods of Handling Conflicts), GARS Article 3.15 (Standards of Conduct), any amendments to these provisions, and any Code of Ethics applicable to employees that the City may adopt in the future.

INTERNAL CONTROLS AND COMPLIANCE

The Investment Officer shall establish and maintain a system of written internal controls consistent with this Policy designed to prevent the loss of public funds due to fraud, error, misrepresentation or imprudent actions by third parties or by employees of the City. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. Written internal controls shall be reviewed and tested at least annually by an independent auditor or upon any extraordinary event such as turnover of key personnel or the discovery of inappropriate activity.

The policies set forth in this document shall be adhered to and monitored on a monthly basis. Any instance which is deemed to be out of compliance with this Policy shall be brought back into compliance as soon as prudently feasible.

ACCOUNTING METHOD

The City shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP) relating to investment accounting. The accounting principles are those contained in the pronouncements of authoritative bodies including but not necessarily limited to, the Governmental Accounting Standards Board (GASB); the American Institute of Certified Public Accountants (AICPA); and the Financial Accounting Standards Board (FASB).

SAFEKEEPING AND CUSTODY

Custodian banks shall be selected on the basis of their ability to provide services for the City's account and the competitive pricing of their safekeeping related services. The City shall execute a written Safekeeping Agreement with each custodian bank prior to utilizing that bank's safekeeping services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis in accordance with ORS 294.145 (4) and (5). It is the intent of the City that all purchased securities be perfected in the name of the City. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All securities purchased by the City and all securities purchased under the terms of a City approved Master Repurchase Agreement shall be delivered by either book entry or physical delivery and shall be held in third-party safekeeping by a City approved custodian bank, its correspondent bank or the Depository Trust Company (DTC).

All fed-wireable book entry securities shall be held in the Federal Reserve System in a customer account or trust account at the custodian bank which names the City as the customer. All physical delivery securities shall be held by the custodian bank's correspondent bank. DTC eligible securities shall be held in the custodian bank's participant account at the DTC.

COLLATERALIZATION

All bank deposits, time deposits, certificates of deposit, and savings accounts held in bank depositories which exceed the amounts insured by one or more agencies of the United States Government shall be collateralized in accordance with the provisions of Oregon Revised Statutes Chapter 295.

Per ORS Chapter 295, it is the responsibility to the State Treasurer to ensure that public funds are collateralized appropriately by the public depositories holding the deposits.

Collateral for repurchase agreements shall be limited in maturity and priced in compliance with ORS 294.035 (D)(j). See Item 8 of the Authorized Securities and Transactions section of this Policy.

AUTHORIZED FINANCIAL INSTITUTIONS, BROKER/DEALERS, INVESTMENT ADVISERS, AND DEPOSITORIES

1. **Broker/dealers** and other authorized financial institutions shall be selected by the Investment Officer on the basis of their expertise in public cash management and their ability to provide service for the City's account. It shall be the policy of the City to purchase securities only from approved institutions and firms. Additions or deletions to the list shall be made at the Investment Officer's discretion.

To be eligible, a firm must meet at least one of the following criteria:

- Be recognized as a Primary Dealer by the Federal Reserve Bank of New York or have a Primary Dealer within its holding company structure; or
- Report voluntarily to the Federal Reserve Bank of New York; or

FIN 111.4

- Qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (Uniform Net Capital Rule.)

Approved broker/dealers and the firms they represent shall be licensed to do business in the State of Oregon and, as such, are subject to the provisions of the Oregon Revised Statutes. Approved broker/dealers shall submit proof of registration in the State of Oregon, both for the firm and for the designated representative. Further, the broker/dealer representative shall submit evidence of holding the Financial Industry Regulatory Authority (FINRA) Series 6 or 7 license and either the Series 63 or Series 66 license. License requirements are per the Oregon Division of Finance and Corporate Securities.

Approved broker/dealers and banks shall be required to submit and annually update a City approved Broker/Dealer Information Request form, including the firm's most recent audited financial statements, and which the Investment Officer shall maintain on file. In the event that an external investment advisor is not used in the process of recommending a particular transaction for the City's portfolio, authorized broker/dealers shall attest in writing that they have received a copy of this Policy.

A periodic review of all authorized broker/dealers and their respective authorized registered representatives will be conducted by the Investment Officer. Factors to consider would be: pending investigations by securities regulators, significant changes in net capital, pending customer arbitration cases, and regulatory enforcement actions.

Commented [AK1]: New language

If the City utilizes an external investment adviser, the adviser is authorized to transact with its own approved Broker-Dealer list on behalf of the City. The adviser will perform all due diligence for the Brokers-Dealers on its approved list.

2. Investment Advisers. The City may engage the services of an external investment adviser to assist in the management of the City's investment portfolio. All investment transactions executed by the external investment adviser on behalf of the City must be consistent with this Policy and be pre-approved by the Investment Officer.

Commented [AK2]: Edits to this section are new

A list will be maintained of approved external investment advisers selected by the Investment Officer using a fair selection process. ~~An annual review of all external investment advisers shall be conducted by the Investment Officer to determine their continued eligibility with the requirements below.~~ All investment advisers shall:

- Be registered with the Securities and Exchange Commission (SEC) or licensed by the State of Oregon; (Note: Investment adviser firms with assets under management > \$100 million must be registered with the SEC, otherwise the firm must be licensed by the state of Oregon).
- Be registered in the State of Oregon, and hold all necessary licenses and authorizations to provide investment management services.
- ~~bc.~~ Have certified that all of the representatives of the investment adviser who conduct investment transactions on behalf of this entity have read, understood and agreed to comply with this Policy.

An annual review of all external investment advisers shall be conducted by the Investment Officer to determine their continued eligibility with the requirements above. Other factors to

consider when reviewing would be: pending investigations by securities regulators, significant changes in net capital, pending customer arbitration cases, and regulatory enforcement actions.

3. Direct Issuers. The City may purchase Commercial Paper from direct issuers even though they are not on the approved broker/dealer list as long as they meet the criteria outlined in item 4 of the Authorized Securities and Transactions section of this Policy.

AUTHORIZED SECURITIES AND TRANSACTIONS

All investments of the City shall be made in accordance with Oregon Revised Statutes: ORS 294.035 (Investment of surplus funds of political subdivisions; approved investments), ORS 294.040 (Restriction on investments under ORS 294.035), ORS 294.135 (Investment maturity dates), ORS 294.145 (Prohibited conduct for Custodial Officer), ORS 294.805 to 294.895 (Local Government Investment Pool), and ORS 294.052 (Investment by municipality of proceeds of bonds). Any revisions or extensions of these sections of the ORS Chapter shall be assumed to be part of this Policy immediately upon being enacted.

The City will diversify investments across maturities, security types and institutions to avoid incurring unreasonable risks. The City has further defined the eligible types of securities and transactions as follows:

1. U.S. Treasury Obligations: Treasury Bills, Treasury Notes, Treasury Bonds, and Treasury Strips with maturities not exceeding five years from the date of trade settlement.
2. Federal Instrumentality Securities: Lawfully issued general obligations of the agencies and instrumentalities of the United States or enterprises sponsored by the United States Government and obligations whose payment is guaranteed by the United States, the agencies and instrumentalities of the United States, or enterprises sponsored by the United States Government. The maximum ownership of Federal Instrumentality Securities is 75% with no more than 25% of the portfolio held in any one issuer. Maturities may not exceed five years from date of trade settlement.
3. Corporate Bonds subject to a valid registration statement on file with the Securities and Exchange Commission or issued under the authority of section 3(a)(2) or 3(a)(3) of the Securities Act of 1933, as amended. The bonds must be issued by a commercial, industrial or utility business or issued by or on behalf of a financial institution with final maturities not exceeding three-five years from the date of trade settlement. Authorized corporate bonds shall be limited to obligations of United States dollar denominated corporations organized and operating within the United States. At the time of purchase, the debt must be rated at least AA- or the equivalent by a nationally recognized statistical ratings organization (NRSRO). Ownership of corporate bonds (including FDIC guaranteed corporate bonds) and commercial paper shall be limited to a combined total of 35% of the portfolio, with no more than 5% of the portfolio held in any one issuer or its affiliates or subsidiaries.

Notwithstanding the above paragraph, the corporate indebtedness must be rated on the settlement A or better by a NRSRO when the corporate indebtedness is: (i) Issued by a business enterprise that has its headquarters in Oregon, employs more than 50 percent of its permanent workforce in Oregon or has more than 50 percent of its tangible assets in Oregon; or (ii) Issued by a holding company owning not less than a majority interest in a qualified financial institution, as defined in ORS 294.035 paragraph (h), located and licensed

to do banking business in Oregon or by a holding company owning not less than a majority interest in a business enterprise described in this paragraph.

4. Commercial Paper issued by a commercial, industrial or utility business or issued by or on behalf of a financial institution with maturities not exceeding 270 days from the date of trade settlement. Commercial paper must be rated at least A-1 or the equivalent, at the time of purchase by ~~each a NRSRO which rates the commercial paper.~~ If the commercial paper issuer has senior debt outstanding, the senior debt must be rated at least A- or the equivalent by a NRSRO. Ownership of commercial paper and corporate bonds shall be limited to a combined total of 35% of the portfolio, with no more than 5% of the portfolio held in any one issuer or its affiliates or subsidiaries.
5. Bankers Acceptances which are (a) guaranteed by and carried on the books of a financial institution located and licensed to do banking business in the State of Oregon; or a financial institution located in the States of California, Idaho or Washington that is wholly owned by a bank holding company that owns a financial institution that is located and licensed to do banking business in the State of Oregon; (b) Bankers acceptances shall be eligible for discount by the Federal Reserve System; and (c) the institution issuing a letter of credit shall have a short-term rating of A-1 or the equivalent by one or by a NRSROs at the time of purchase. Maturities shall be limited to 180 days from the date of trade settlement and ownership of bankers acceptances shall not exceed 25% of the portfolio, with no more than 10% of the portfolio held in any one issuer.
6. State of Oregon Local Government Investment Pool organized pursuant to ORS 294.805 through 294.895. Participation in the Pool shall not exceed the maximum limit annually set by ORS 294.810. This amount is indexed semi-annually to inflation (the Portland All-urban consumer CPI) pursuant to statute. The limit may temporarily be exceeded by local governments for 10 business days due to pass-through funds.
7. Time Deposit Open Accounts, Certificates of Deposit, Checking and Savings Accounts as defined in ORS 706.008 and in insured institutions that maintain an office in Oregon. Certificates of Deposit that are purchased by the City shall be FDIC insured or collateralized in accordance with ORS 295.015 and ORS 295.018. Ownership of time certificates of deposit shall be limited to 35% of the portfolio, with no more than 10% with any one financial institution at the time of purchase, and maturities shall not exceed one year.
8. Repurchase Agreements with maturities of 90 days or less collateralized by U.S. Treasury securities with the maturity of the collateral not exceeding three years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of the City approved Master Repurchase Agreement. The purchased securities shall have an original minimum market value including accrued interest of 102% of the dollar value of the transaction, as prescribed by written policy of the Oregon Short Term Fund Board. Collateral shall be held delivery versus payment in the City's custodian bank as safekeeping agent, and the market value of the collateral securities shall be marked-to-the-market daily. Broker/dealers and Financial Institutions must have an executed Master Repurchase Agreement with the City. ~~Ownership of repurchase agreements shall be limited to 505% of the portfolio and 405% per issuer.~~

Repurchase Agreements shall be entered into only with City approved Primary Dealers reporting to the Market Reports Division of the Federal Reserve Bank of New York or firms that have a Primary Dealer within their holding company structure.

Commented [AK3]: New edits

FIN 111.7

9. Municipal Obligations of the States of Oregon, California, Idaho, and Washington: Lawfully issued debt obligations of ~~these states and their~~ the State of Oregon and its political subdivisions that have a long-term rating of ~~AA-A-~~ or an equivalent rating or better ~~by at NRSRO~~ or are rated in the highest category without any refinement or gradation for short-term municipal debt by a NRSRO.

Lawfully issued debt obligations of the States of California, Idaho, and Washington and political subdivisions of those states that have a long-term rating of AA- or an equivalent rating or better or are rated in the highest category for short-term municipal debt by a NRSRO.

Such obligations are authorized only if there has been no default in payment of either the principal or the interest of obligations of the issuing entity within five years preceding investment, ORS 294.040. Ownership of such obligations shall be limited to 25% of the portfolio, with no more than 10% of the portfolio held in any one issuer. Maturities for these obligations shall not exceed ~~three-five~~ years.

Any amendments to ORS 294.046 or the State Treasurer's statement of permitted investments for governmental entities shall be assumed to be a part of this Policy immediately upon being enacted. It is the intent of the City that the foregoing list of authorized securities is strictly interpreted. Any deviation from this list must be preapproved in writing by City Council.

CREDIT QUALITY REQUIREMENTS

The minimum weighted average credit quality of the portfolio's rated securities shall be AA or the equivalent, and the or no. ~~The target weighted average credit quality of the portfolio shall not be~~ greater than a value of three (3) using the table below. A single rating will be determined for each investment by utilizing the average rating available for the security from Standard and Poor's, Moody's Investor Services or Fitch Ratings, respectively. Individual securities shall be rated no less than ~~AA-A-~~ or the equivalent. Commercial Paper shall be rated no less than A-1 or the equivalent by a NRSRO.

Commented [AK4]: New language. Please review and edit as appropriate.

Value	Moody's Rating		S&P Ratings		Fitch Ratings	
	Long-Term	Short-Term	Long-Term	Short-Term	Long-Term	Short-Term
1	U.S. Treasury		U.S. Treasury		U.S. Treasury	
1	Federal Instrumentality		Federal Instrumentality		Federal Instrumentality	
1	Aaa	P-1	AAA	A-1 ⁺	AAA	F1 ⁺
2	Aa1		AA+		AA+	
3	Aa2		AA		AA	
4	Aa3		AA-		AA-	

FIN 111.8

<u>5</u>	<u>A1</u>		<u>A+</u>	<u>A-1</u>	<u>A+</u>	<u>F1</u>
<u>6</u>	<u>A2</u>		<u>A</u>		<u>A</u>	
<u>7</u>	<u>A3</u>		<u>A-</u>		<u>A-</u>	

Securities that have been downgraded to below the minimum ratings will be sold or held at the Investment Officer's discretion. The Investment Officer is responsible for bringing the portfolio back into compliance as soon as practicable.

PORTFOLIO DIVERSIFICATION STANDARDS

The City will diversify the investment portfolio to avoid incurring unreasonable risks, both credit and interest rate risk, inherent in over-investing in specific instruments, individual financial institutions or maturities. Nevertheless, the asset allocation in the investment portfolio should be flexible depending upon the outlook for the economy, the securities markets and the City's anticipated cash flow needs. All diversification requirements shall be calculated based on the cost value of the holdings at the time of purchase. Specific diversification requirements shall be applied to the aggregate holdings of an institution as of the date of trade settlement.

<u>Instruments:</u>	<u>Maximum % of Portfolio</u>	<u>Maximum % Per Issuer</u>
U.S. Treasury Obligations	100%	N/A
Federal <u>Agency and</u> Instrumentality Securities	75%	25%
Corporate Indebtedness/Commercial Paper	35%	5%
Banker's Acceptances	25%	10%
Local Government Investment Pool	Up to statutory limit	N/A
Time Certificates of Deposit	35%	10%
Repurchase Agreements	505%	105%
Obligations of the States of Oregon, California, Idaho, and Washington	25%	10%

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MATURITY LIMITS AND LIQUIDITY REQUIREMENTS

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. Unless matched to a specific cash flow requirement, the City shall not invest in securities maturing more than five years from the date of settlement. The weighted average final maturity of the City's portfolio shall at no time exceed ~~18 months~~ 2.5 years (30 months).

City will maintain sufficient liquidity to meet the targets in the City's Unrestricted Fund Balance Policy (FIN 119). FIN 119 requires a 60-day operating contingency and an additional cash flow requirement for the General Fund.

Commented [AK6]: New text. Edit as appropriate.

At all times, the City shall maintain the following investment amounts with regard to final maturities in the portfolio.

<u>Length of Maturity</u>	<u>Investment Amounts</u>
Under 30 days	10% minimum
Under 1 year	25% minimum
Over three years	25% maximum

COMPETITIVE TRANSACTIONS

Each investment transaction shall be competitively transacted with broker/dealers who have been authorized by the City. At least three broker/dealers shall be contacted for each transaction and their bid and offering prices shall be recorded. A record shall be maintained by the City of all bids and offerings for security transactions in order to ensure that the City receives competitive pricing.

If the City is offered a security for which there is no other readily available competitive offering, then the Investment Officer shall document quotations for comparable or alternative securities.

PROHIBITED CONDUCT

Oregon State Statutes have addressed several areas of prohibited conduct for the Investment Officer when making investments, ORS 294.145. Specifically, the Investment officer shall not:

- Make a commitment to invest funds or sell securities more than 14 business days prior to the anticipated date of trade settlement of the purchase or sale transaction; or
- Enter into any agreement to invest funds or sell securities for future delivery for a fee other than interest; or
- Lend securities to any person or institution, except on a fully collateralized basis, and except when such lending is specifically permitted under an investment policy adopted pursuant to ORS 294.135 (1)(a); or
- Pay for any securities purchased by the Investment officer until the officer has received sufficient evidence of title thereof. Evidence of title shall be consistent with modern investment, banking and commercial practices and may include physical possession, book entry and automated recordation of such title. However, the Investment Officer may instruct one or more custodian banks, as defined in ORS 295.001, to accept or

FIN 111.10

release securities as the Investment Officer considers advisable to be held in safekeeping for collection of principal and interest or other income; or

- Deliver securities to the purchaser upon sale prior to receiving payment in full. However, the Investment Officer may deliver the securities to any custodian bank, defined in ORS 295.001 upon instructions to hold the same pending receipt by the institution of full payment thereof.

INVESTING BOND PROCEEDS

The City may invest bond proceeds in compliance with ORS 294.052 (investment by municipality of proceeds of bonds), notwithstanding ORS 294.135 or 294.145 or any other law or charter provision. The City recognizes that bond proceeds may be subject to the provisions of the Internal Revenue Code, Federal Arbitrage Regulations, as amended. Due to the legal complexities of arbitrage law and the necessary immunization of yield levels to correspond to anticipated cash flow schedules, the reinvestment of such debt issuance may, upon the advice of Bond Counsel or financial advisors, deviate from the maturity limitation provisions of this Policy with written approval of the Investment Officer.

REPORTING REQUIREMENTS

On a quarterly basis, the Investment Officer shall provide an investment report listing the cost, current fair value, credit ratings and duration of investments held by the City, average interest rate and the interest rate earned by the Local Government Investment Pool, all in accordance with GASB Statements 31 and 40. The report shall include a summary of investment earnings and performance results for the period and will be used to ensure adequate portfolio diversification, both by type and maturity dates, and certify that the portfolio is currently structured according to the terms of this Policy.

PERFORMANCE EVALUATION

The Investment Officer shall establish an appropriate benchmark or benchmarks that reflect the types and/or maturities of the City's investments, including the current yield on the State of Oregon Local Government Investment Pool. It is anticipated the portfolio should attain a benchmark average rate of return over time. When comparing the performance of the City's portfolio, all fees and expenses involved with managing the portfolio shall be included in the computation of the portfolio's rate of return. Portfolio performance shall be reviewed at least quarterly.

POLICY REVISIONS**POLICY REVIEW AND ADOPTION**

Any investment held prior to the adoption of this Policy shall be exempted from the requirements of this Policy. At maturity or liquidation, such monies shall be reinvested as provided by this Policy. This Investment Policy shall be reviewed by the Investment Officer prior to being submitted to the City Council for adoption on an annual basis in accordance with ORS 294.135(a).

Commented [AK7]: Edits in this section are new

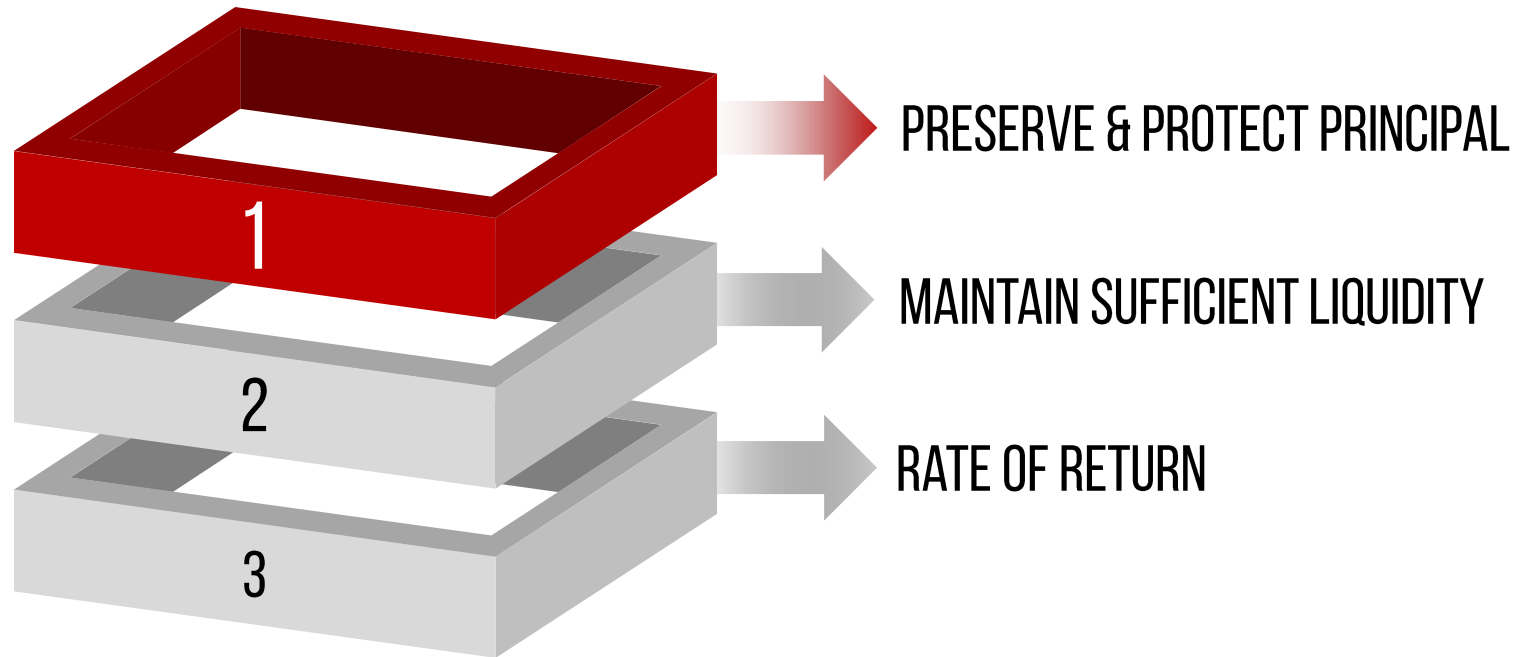


INVESTMENT POLICY APPROVAL

Redmond City Council

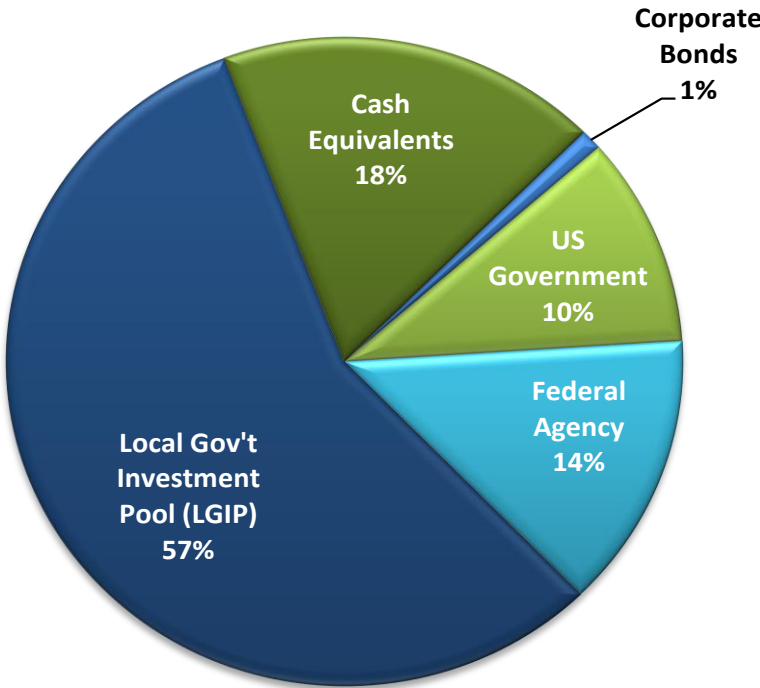
March 29, 2022

PRIORITIZED POLICY OBJECTIVES

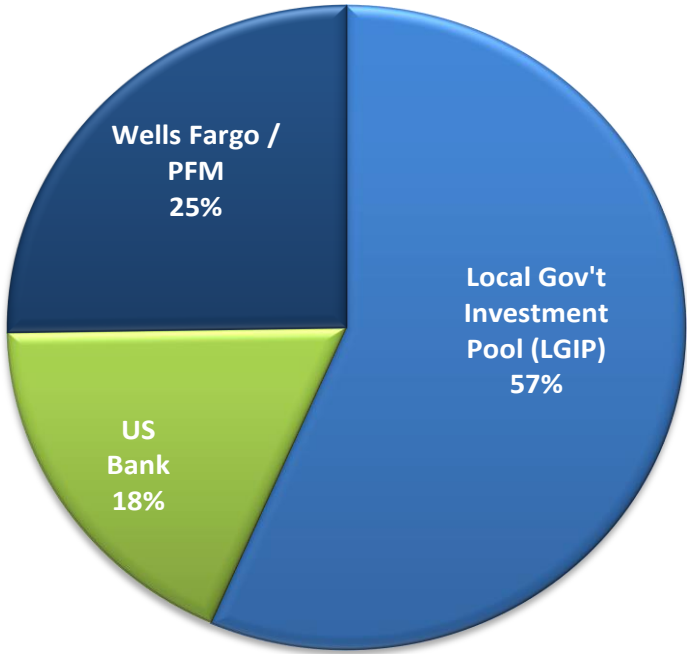


CASH & INVESTMENTS (\$91 MILLION AS OF 12/31/21)

Diversification



Accounts





INVESTMENT POLICY TIMELINE

2011



ADOPTED BY CITY COUNCIL

Included Oregon Short-Term Fund Board (OSTF) Review

2012-2021



ANNUAL RE-APPROVAL BY CITY COUNCIL

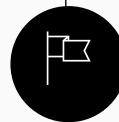
Minor changes

JANUARY
2022



OSTF REVIEW & RECOMMENDATIONS

MARCH
2022



COUNCIL APPROVAL

Material Changes



MATERIAL CHANGES

01 ALIGNMENT WITH STATE LAW (ORS)

02 AUTHORIZED SECURITIES / RATINGS

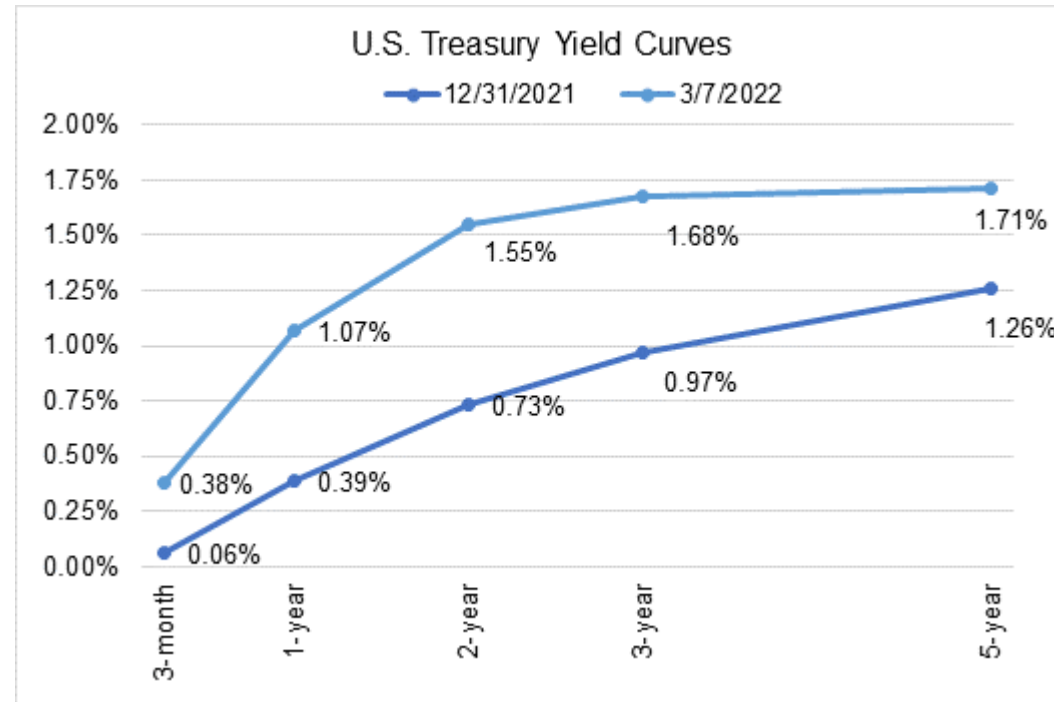
03 INCREASED MATURITY LENGTHS



WHY NOW?

RIISING OPPORTUNITY COST

01 RISING INTEREST RATES



02 RISING FUND BALANCES

- Terminal Expansion
- Redmond Wetlands Complex
- Public Safety Facility
- Urban Renewal
- Parks Development



QUESTIONS



CITY OF REDMOND

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STAFF REPORT

DATE: March 29, 2022
TO: City Council
THROUGH: John Roberts, Deputy City Manager
Keith Witcosky, City Manager
FROM: Mike Caccavano, City Engineer
SUBJECT: Initiation of Alley Vacation in Block 34, Townsite of Redmond (Centennial Park)

Addresses Council Goal:

9. Urban Renewal: Deploy resources to encourage investment and advance the goals of the City's urban renewal areas.

- Advance objectives of the Downtown Urban Renewal Plan to maintain the vitality of the downtown core; provide sufficient parking; make productive use of land; create opportunities for new development; relieve traffic problems and improve pedestrian safety; and provide new public amenities and open spaces.

Report in Brief:

This item requests City Council initiate the Right-Of-Way (ROW) vacation process for the alley in Block 34, Townsite of Redmond. The ROW is located in Centennial Park and is partially situated between the Becky Johnson Community Center (BJCC) and Patrick Building.

Background:

The subject alley is located between the BJCC (412 SW 8th Street) and the Patrick Building (708 SW Deschutes Avenue), across Deschutes Avenue from the Redmond Police Station, kitty-corner from the Deschutes Public Library (see attached map). The alleyway also runs through the City's Centennial Park, but this section is not used as an alley.

A portion of the alley between the BJCC and Patrick Building is currently used by the BJCC and Deschutes Children's Foundation as a Head-Start child care play area. The Patrick Building has recently been successfully redeveloped into eight executive suites and a coffee shop.

The alleyway and development of the BJCC daycare play area currently prevents use of the alleyway as an alley.

Discussion:

This ROW vacation request works in conjunction with a proposed Settlement Agreement between the City, Deschutes County and the owners of the Patrick Building. The agreement will be considered by the Council as a separate agenda item. If the agreement is approved, alley vacation is one of the first steps in meeting the conditions.

Vacation of ROW is a two-step process. Initiation is the first step and allows the Council to decide if they would like to proceed. If it is determined to proceed, a public hearing date is set and public notice posted. In the second step, the Council holds a public hearing and considers a ordinance to vacate the ROW.

Fiscal Impact:

There is a cost associated with redesigning the play area that is discussed in more detail in the forthcoming Settlement Agreement. The cost will be paid for with urban renewal resources.

Alternative Courses of Action:

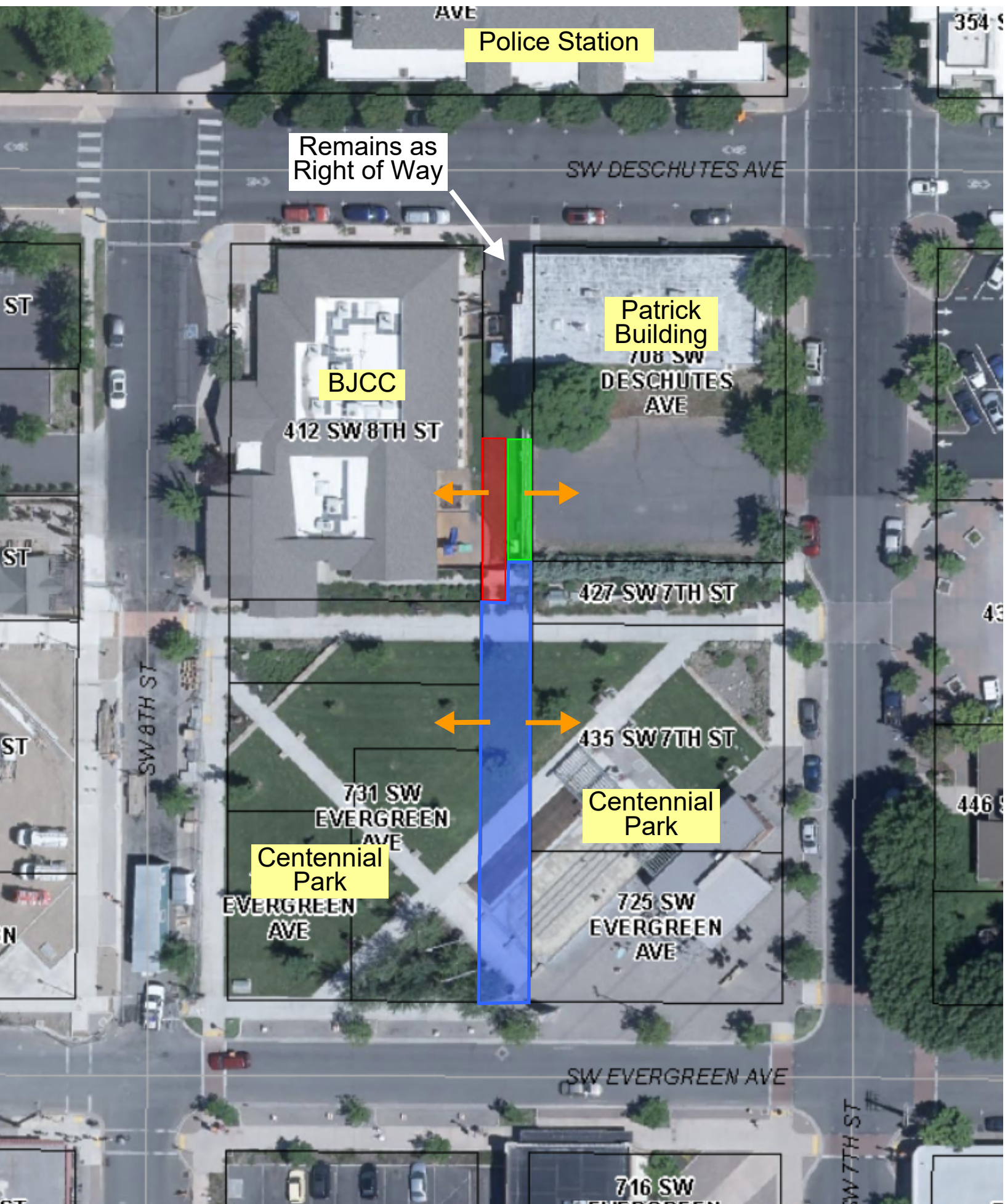
1. Initiate vacation proceedings and establish a public hearing date of April 12, 2022.
2. Do not initiate vacation proceedings.

3. Request additional information.

Recommendation / Suggested Motion:

Option #1. "I move to initiate vacation proceedings for the alley in Block 34, Townsite of Redmond and establish a public hearing date of April 12, 2022, at the regularly scheduled City Council meeting."

Proposed Alley Vacation - Block 34 Townsite of Redmond





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STAFF REPORT

DATE: March 29, 2022
TO: City Council
THROUGH: Keith Witcosky, City Manager
FROM: John Roberts, Deputy City Manager
SUBJECT: Settlement Agreement and Alley Vacation of Right-Of-Way between the Becky Johnson Community Center and the Patrick Building.

Addresses Council Goal:

9. Urban Renewal: Deploy resources to encourage investment and advance the goals of the City's urban renewal areas.

- Advance objectives of the Downtown Urban Renewal Plan to maintain the vitality of the downtown core; provide sufficient parking; make productive use of land; create opportunities for new development; relieve traffic problems and improve pedestrian safety; and provide new public amenities and open spaces.

Report in Brief:

This item requests City Council approve a Settlement Agreement (Agreement) to vacate a portion of Right-Of-Way (ROW) between the Becky Johnson Community Center (BJCC) and Patrick Building. The Agreement also commits the City to reconstructing an existing daycare play area. This Staff Report provides background information summarizing the ROW (i.e., 'alleyway') unique history warranting the needed action to vacate it and redesign of the play area, fencing and trash enclosures.

Note, there is concurrent action item to initiate the ROW vacation, which is a two-step process requiring a future public hearing in April 2022.

Background:

The subject ROW serves as a public alley between the BJCC (412 SW 8th Street) and the Patrick Building (708 SW Deschutes Avenue). The alleyway and buildings are adjacent to City-owned Centennial Park and located across Deschutes Avenue from the Redmond Police Station, kitty-corner to the Deschutes Public Library.

Locator Map identifying Subject ROW attached.

Most of the alleyway is currently used by the BJCC and Deschutes Children's Foundation as a Head Start daycare play area. The Patrick Building has been successfully redeveloped into eight executive suites and a coffee shop. The alleyway and development of the BJCC daycare play area has a history which has prevented the use of the alleyway as an alley.

Discussion:

The BJCC daycare play area is approximately 2,700 SF in size. The following chronology details the series of agreements and actions that created the existing footprint of the daycare play area, which encroaches on the Patrick Building ROW and access.

August 2008: In order to facilitate the development of Centennial Park, a Memorandum of Understanding (MOU) between the City and County was executed. The MOU exchanged County and City property to allow for both expansion of Centennial Park and a 22-space parking lot to serve the BJCC. Section 3.5 of the MOU outlined the use of the ROW (alleyway) for a "children's play area" and specified the location, required improvements and dimensions.

September 2008: The Redmond Development Group, LLC (through a managing member) authorized and approved the

City's plans to construct a play area facility for the BJCC in the subject ROW. The authorization was to continue until the City terminates the use of the alleyway as a play area facility. During the construction period, the Patrick Building was vacant, contributing to the lack of awareness that the play area would encroach on their portion of ROW.

2017: Renovations of the Patrick Building begin, with Urban Renewal gap financing assistance.
Picture attached - redeveloped Patrick Building.

September 2018: The Patrick Building ownership raised concerns about the BJCC daycare play area encroaching onto their ROW. The owners expressed the inability to use the alleyway as part of their renovations and concerns regarding vehicle circulation/through access, access to utilities and dumpsters, and the needs of future tenants. The owners made a request to the City to help remedy the encroachment of the playground on their ROW.
Picture attached - Dumpster Enclosure Blocking Alley.

2019–2021: City, County and BJCC staff worked together to redesign the daycare play area to provide needed access for the Patrick Building, while still meeting Head Start daycare play area requirements. Consensus was reached regarding the new design of the play area and location of fencing and trash enclosure.

January 2022: The Patrick Building coffee shop tenant opens.

February 2022: The Agreement was developed to resolve the dispute and other issues relating to the alleyway and said properties in question. The Agreement reflects the redesign of the daycare play area, portion of ROW to be vacated, and maintenance of the remaining portion of alleyway.

Next Steps &Timeline

The Agreement needs to be executed by the City, Deschutes County and property owners. The Agreement commits the City to complete the following tasks:

- Vacate subject portions of ROW in the alleyway.
- Remove existing daycare play area elements and fencing installed in 2008.
- Regrade and repave the alleyway.
- Construct new playground area, fencing and trash enclosure.
- City maintains the remaining portion of alleyway not vacated.

Deschutes County and Patrick Building Owners will be signing the Agreement after the City.

Fiscal Impact:

A bid process was held for the construction scope above. The accepted bid for the work is \$64,400 and will be considered for award and funding authorization by the Redmond Urban Renewal Agency. If approved, construction is set to begin by early June 2022 and complete by mid-July 2022. The bid will come before Council in April for acceptance.

There will be no impact to the City General Fund. Urban Renewal funding is available for the project through the Circulation Improvements Fund. The Fund provides resources to assist in the implementation of access improvements.

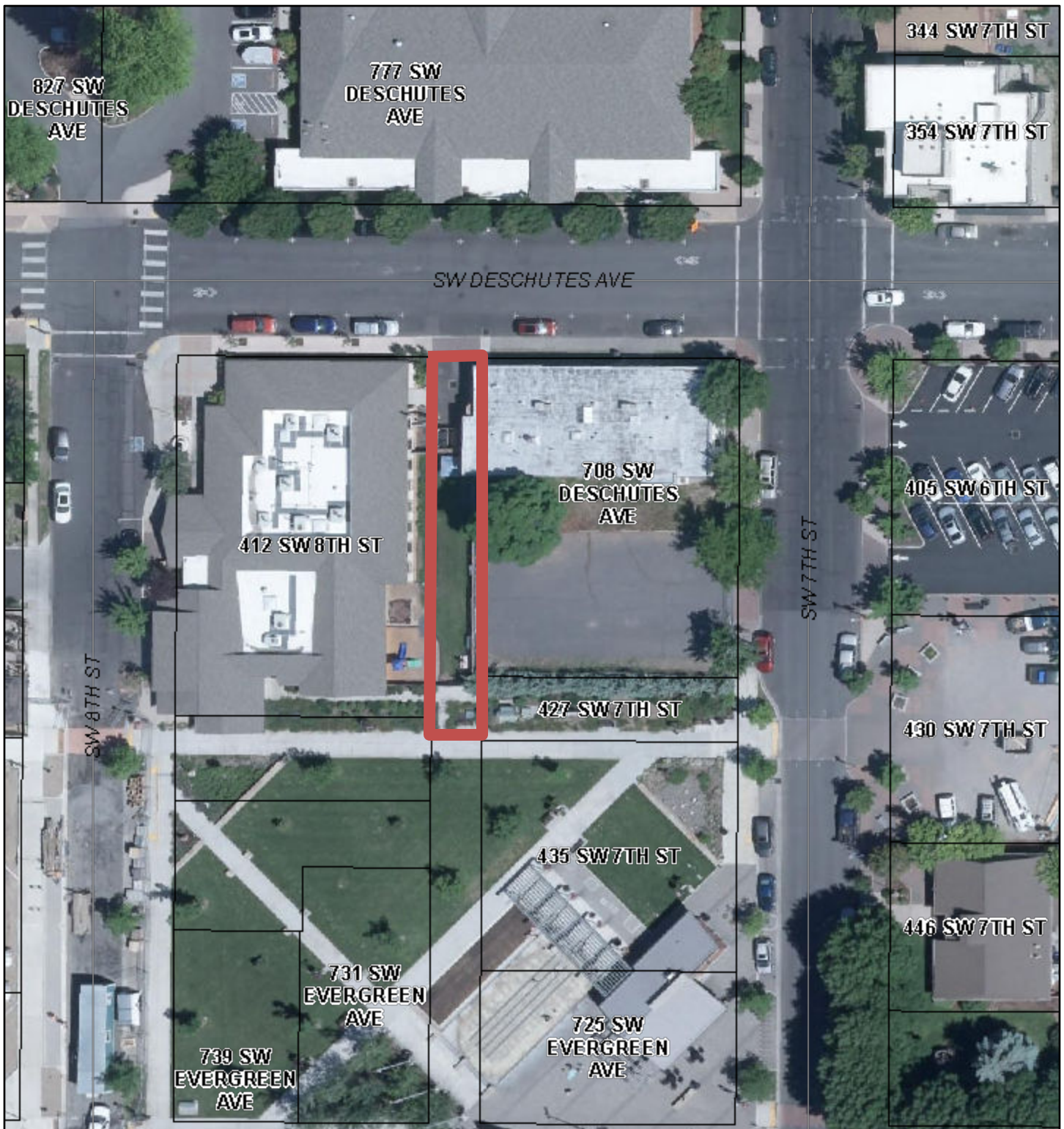
Alternative Courses of Action:

1. Approve and Settlement Agreement and subsequent ROW vacation.
2. Do not approve the Settlement Agreement.
3. Take no action and request more information.

Recommendation / Suggested Motion:

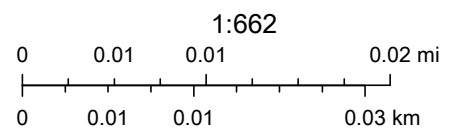
"I move to authorize the City Manager to sign the Settlement Agreement to execute vacation of a portion of Right-of-Way and construction of a new play area between the Becky Johnson Community Center and Patrick Building."

Locator Map - Subject ROW



2/25/2022, 8:33:10 AM

- █ Override 1
- REDMOND TAXLOTS
- STREET CENTERLINE
- STREET NAMES
- REDMOND URBAN RESERVE AREA
- REDMOND URBAN GROWTH BOUNDARY
- REDMOND CITY LIMITS



Picture – Redeveloped Patrick Building



Picture – Existing Trash Enclosure / Alleyway





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STAFF REPORT

DATE: March 29, 2022
TO: Redmond City Council
THROUGH: Keith Witcosky, City Manager
Jason Neff, Chief Financial Officer
FROM: Brooks Slyter, Accounting & Financial Reporting Director
SUBJECT: Ord. #2022-01 - An ordinance granting a nonexclusive telecommunication franchise to Blue Mountain Networks, LLC.

Addresses Council Goal:

1. SUSTAIN OPERATIONS: Provide or enhance current levels of operations in all facets of municipal service delivery.
3. CITY INFRASTRUCTURE: Preserve and enhance the City's infrastructure to position the City to accommodate growth. Endeavor to adequately maintain the City's roads, utility infrastructure, parks and pedestrian/bicycle infrastructure

Report in Brief:

This item requests City Council approve a five-year non-exclusive telecommunications franchise agreement with Blue Mountain Networks, LLC.

Background:

The City of Redmond was approached by Blue Mountain Networks, LLC to enter into a franchise agreement with the City of Redmond. Blue Mountain provides high-speed internet, voice and data services to residential and business customers in 29 communities in Oregon and Washington.

Discussion:

This ordinance is a five-year non-exclusive telecommunications franchise agreement granting Blue Mountain Networks, LLC the authority to operate in the City's rights of way to provide telecommunication services while maintaining the City's development standards. The agreement is set to automatically renew for two successive terms of five years each unless terminated.

Fiscal Impact:

The actual revenue to be received from this franchise is unknown at this point as it will depend on the roll out of services by Blue Mountain Networks, LLC.

Alternative Courses of Action:

1. Approve the ordinance.
2. Do not approve the ordinance.
3. Request more information

Recommendation / Suggested Motion:

"I move to have a first and second reading of Ord. #2022-01, by title only" (Voice vote)

(City Attorney will read the ordinance by title only.)

"I move to approve Ord. #2022-01." (Roll call vote)

**REDMOND ORDINANCE
ORDINANCE NO. 2022-01**

AN ORDINANCE GRANTING A NONEXCLUSIVE TELECOMMUNICATION FRANCHISE TO BLUE MOUNTAIN NETWORKS LLC, AN OREGON LIMITED LIABILITY COMPANY.

WHEREAS, Blue Mountain Networks, LLC, an Oregon limited liability company is a telecommunications provider seeking to provide telecommunication services in the City of Redmond;

WHEREAS, providing telecommunication services requires the installation, operation and maintenance of facilities within the public rights of ways within the City of Redmond;

WHEREAS, the City of Redmond desires to set forth the terms and conditions by which Blue Mountain Networks, LLC, an Oregon limited liability company shall use the public rights of way within the City of Redmond;

WHEREAS, the City of Redmond and Blue Mountain Networks, LLC, an Oregon limited liability company desire to enter into a franchise agreement and have reached agreement on the terms of that franchise agreement.

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

This Telecommunications Franchise Agreement ("Agreement") is between the City of Redmond, an Oregon municipal corporation ("City") and Blue Mountain Networks, LLC, an Oregon limited liability company ("Franchisee").

Section 1. Definitions.

Any terms defined in the Redmond Code and not in this Agreement have the meaning provided by the Redmond Code.

"Effective Date" means thirty days from council approval, or the date on which each party has signed this Agreement, whichever is later.

"Facilities" means the conduits, cables, optic fibers, poles, wires, vaults, fixtures, aboveground and underground lines, antennas, support mast and mounts, amplifiers, receivers, equipment cabinets, through bolts, washers, nuts, power supply cabinets, power meters, grounding or bond wires, enclosures, cabinets, battery back-up units, and other physical components and related equipment of Franchisee's Telecommunication System that are in compliance with applicable laws, rules and regulations as required by Section 3.

"Fiscal Year" means the 12-month reporting period that begins on July 1st and ends on June 30th.

"Gross revenue" means and includes recurring revenues received by the Franchisee for the provision of telecommunications services, either directly by the Franchisee or indirectly through a

reseller, if any, to customers of such services consumed wholly or in part within the City. Gross Revenue shall not include:

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

To the extent the Franchisee provides services through facilities in City rights of way other than through telecommunication facilities, the definition of "gross revenues" means any revenue received from sources within the City limits by the Franchisee; including revenue from the use, rental or lease of operating facilities of the Franchisee and from the provision of services by the Franchisee.

"Telecommunications System" means all Facilities owned, operated or used by Franchisee to provide telecommunication services, including voice, data and audio and video transmission services, and located in rights-of-way administered by the City.

Section 2. Grant of Authority.

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

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

Section 3. Compliance with Laws, Rules and Regulations.

Franchisee shall comply with all applicable federal, state and City laws, rules and regulations, including but not limited to the Redmond Development Code, other provisions or revisions of the Redmond Code, and City ordinances. The locations and methods of installation and maintenance of all Franchisee's Facilities shall be subject at all times to regulation by the City (including City's ordinances, standards and specifications, and regulations on street cuts and use of rights-of-way or public easements).

Franchisee must obtain right-of-way permits prior to installation or construction of Facilities. Franchisee must develop, site, construct, install, and at all times maintain and operate all Facilities in accordance with telecommunications industry standards and City standards and specifications,

including but not limited to Redmond Development Code and as directed by the City Engineer in accordance with the Redmond Code.

Section 4. Franchisee Liability, Indemnification of City, and Insurance.

- A. Liability and Indemnification. Franchisee will defend, indemnify, and hold the City, its officers, agents, employees and volunteers harmless against all liability, claims, losses, demands, suits, fees and judgments (collectively known as "claims") that may be based on, or arise out of damage or injury, including death, to persons or property caused by or resulting from any act or omission sustained in connection with the performance of this Agreement or by conditions created thereby or based upon violation of any statute, ordinance or regulation. This indemnification does not apply to claims caused by the negligence or willful misconduct of the City, its officers, agents, employees and volunteers. Franchisee agrees that it is not an agent of the City and is not entitled to indemnification and defense under ORS 30.285 and ORS 30.287.
- B. Insurance. Franchisee must maintain, at Franchisee's expense during the term of this Agreement, commercial general liability covering bodily injury and property damage in an amount of \$2 million per occurrence and \$4 million general aggregate; commercial automobile insurance \$2 million combined single limit per accident which limits may be met by any combination of primary and excess or umbrella insurance. The insurance policies obtained by Franchisee shall be primary and non-contributory. Franchisee shall defend, indemnify, and hold City, its officers, employees and volunteers harmless for any claims resulting from negligence or intentional misconduct of Franchisee and its employees in performance of this Agreement, even if not covered by, or in excess of insurance limits.

Commercial general liability coverage must include by blanket additional insured endorsement, the City, its officers, employees and volunteers as additional insureds as their interest may appear under this Agreement with respect to Franchisee's work or services conducted under this Agreement. Upon receipt of notice from its insurers, Franchisee will give the City 30 days' written notice of any cancellation of any required coverage. Any failure to comply with this provision will not affect the insurance coverage provided to City.

Franchisee must maintain workers' compensation insurance as required by ORS Chapter 656 and meeting the statutory requirements therein.

Franchisee must ensure that each contractor and subcontractor obtains and maintains substantially the same insurance as required of Franchisee before performing work.

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

As evidence of the insurance coverage required by this Agreement, Franchisee must provide a certificate of insurance and blanket additional insured endorsement from the

carrier(s). This Agreement will not be in effect until the required certificate and blanket additional insured endorsement have been received and approved by City, which reasonable approval may not be withheld or delayed. Renewal certificates and blanket additional insured endorsements will be provided to City upon receipt by Franchisee. The City may terminate this Agreement for failure to maintain the required insurance.

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

Section 5. Performance Bond.

Before commencing any work in any right-of-way administered by the City, Franchisee may be required to provide a performance bond in the amount of \$100,000, or a lesser amount as agreed to in writing by the City as being sufficient to assure proper restoration of any street, sidewalk or other surface disturbed by Franchisee. Franchisee must keep the bond in full force and effect during any activities that disturb the surface of any rights-of-way and for a period of at least one year after restoration of rights-of-way. The bond may be withdrawn one year after restoration of rights-of-way but must be restored prior to any further action that would disturb any street, sidewalk, or other surface. The bond must be issued by surety authorized to do business in the state of Oregon and with a Best's rating of A- VII or higher.

City may, in the event of any construction which is likely to be substantially greater than \$100,000, or in the event the City's cost to complete or repair the construction upon Franchisee's failure to perform the same would be greater than \$100,000, as reasonably determined by the City, require the amount of the performance bond to be increased. The performance bond is subject to increase each time Franchisee applies for permits to perform work within the city of Redmond. Franchisee must provide to City all necessary documentation demonstrating Franchisee's cost estimation in a format reasonably acceptable to City.

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

- A. Use. Franchisee must conduct its operations under this Franchise, including installation, construction, operations, and maintenance of its Facilities, in compliance with all lawful governmental regulations and in a safe, competent, and skillful manner so as not to present a danger to the public or City. Franchisee must construct, install, maintain and operate its Facilities in designated City rights- of-way consistent with industry standards and in City's commercially reasonable satisfaction, in compliance with all City ordinances, rules, standards and specifications, policies and regulations, in a manner so as to interfere as little as practicable with traffic and other use of rights of way, and to cause minimum interference with the rights or reasonable convenience of property owners who adjoin any

of the rights of way, including existing and future City services. All work in City right-of-way requires a permit and a traffic plan that is fully compliant with the City of Redmond Design Standards and Specifications, prior to the start of any work.

- B. Construction. Prior to beginning construction, Franchisee must obtain all necessary land use approvals and permits. When construction is complete, Franchisee must provide the City Engineer as-built drawings with a map showing the location of installed Facilities in City rights-of-way as required by City codes, standards and specifications, and building requirements. The City Engineer may require additional information on the as-built drawings.
- C. Restoration. In case of any disturbance of pavement, sidewalk, driveway, or other surface by Franchisee, Franchisee must, at its own cost and expense and in compliance with the City's standards and specifications, promptly replace and restore all paving, sidewalk, driveway, landscaping or surface of any street or alley disturbed, reasonable wear and tear excepted. Franchisee warrants all restoration work for a period of one year from completion of the work. If Franchisee fails to make restoration as required by this section within a reasonable timeframe following written notice from City to Franchisee, or if the restoration fails within the one year warranty period, City may cause the repairs to be made at the expense of Franchisee. If Franchisee fails to reimburse the City for any costs incurred under this section within 45 days' of demand for reimbursement and such failure is not a result of a good faith dispute between City and Franchisee, City may refuse to issue additional permits.
- D. Notification. Franchisee must comply with the requirements of Oregon Utility Notification Law and implementing rules and regulations.
- E. Relocation. City may require Franchisee to relocate its Facilities. If the removal or relocation of Facilities is caused directly by an identifiable development of property or other third-party project and the removal or relocation of Facilities is expected to occur within the area to be developed, or is made for the convenience of other third-party, Franchisee may charge the expense of removal or relocation to the developer or other third-party. Franchisee will be solely responsible for enforcing collection from the developer or other third-party.

If the removal or relocation of Facilities results from City's need to provide public facilities, a City-funded project, or is otherwise requested by City or is made for the purpose of improving a street to City standards or other improvement for the benefit of the public, Franchisee will remove or relocate its Facilities at Franchisee's expense within one hundred twenty (120) days after notification by City. For any relocation required under this section, City will make a reasonable effort to provide Franchisee with a mutually agreeable alternate location for its Facilities within City rights-of-way, or allow Franchisee to temporarily remove or relocate its Facilities for the duration of the City Project and allow Franchisee the opportunity to replace its Facilities in the same or similar location after completion of the City project, consistent with City approval for Franchisee's location of the Facility. In the event that City receives third party funding for a City project or

improvement to a City street that covers Franchisee's expenses, City will remit payment to Franchisee from the third-party funding for reimbursement for Franchisee's relocation expenses.

In cases of capital improvement projects undertaken by City where overhead utility are converted to underground installations, Franchisee must convert above-ground Facilities to underground, at Franchisee's expense, if requested to do so by City, except to the extent Franchisee's Facilities must remain above-ground to operate. City agrees to comply with provisions of applicable law when requiring such conversion and to do so in a non-discriminatory manner.

- F. Placement of Facilities. Franchisee will not knowingly place its Facilities where they will interfere with any existing or future City utility, gas, electric, or telephone fixture or power, sanitary sewer, storm sewer, or water facility. Franchisee must consult with City Engineer prior to placement of Facilities, and will comply with all City ordinances, policies, rules, and regulations in connection with its placement of Facilities. Whenever all existing electric utilities, cable facilities and telecommunications facilities are located underground within a public right-of-way in the City, Franchisee must also locate or relocate its Facilities underground to the extent possible.
- G. Temporary Rearrangement of Facilities. Franchisee must, consistent with City policies, ordinances, rules, and regulations, arrange to temporarily raise, lower, or otherwise move its Facilities to permit the moving of buildings or other objects if the person or entity wishing to move the building or other object makes a reasonable arrangement to reimburse Franchisee for its expenses in rearranging its Facilities. Nothing in this section precludes City from requiring Franchisee to move its Facilities at Franchisee's expense when public convenience requires the move.

Section 7. Transfer of Franchise.

Franchisee may not sell, assign, dispose of, or transfer in any manner whatsoever any interest in this Franchise or in the Facilities authorized by this Agreement, or any part of the Facilities, without prior written approval of City, which approval will not be unreasonably withheld. The City may impose reasonable conditions on any such approval, including but not limited to the requirement that the transferee acknowledge in writing and agree to be bound by the terms of this Agreement. If the City does not provide a written transfer decision within sixty (60) days of receiving the request, Franchisee's transfer will be considered approved by City. City has the right to collect from Franchisee City's actual administrative costs associated with processing a transfer request. Use of Franchisee's Facilities by third parties shall not constitute an assignment or transfer of privileges for purposes of this Agreement. Notwithstanding the foregoing, no City approval is required but notice shall be provided for any assignment, disposal, or transfer of this Franchise or the Facilities to an affiliate of Franchisee or its parent company.

Section 8. City Rights in Franchise.

- A. City Supervision and Inspection. City has the right to supervise all construction or installation of Franchisee's Facilities subject to the provisions of this Agreement and make such inspections as it finds necessary to ensure compliance with governing laws, ordinances, rules, and regulations.
- B. Termination or Abandonment of Agreement. Upon any termination of this Agreement, all Facilities installed or used by Franchisee must be removed by Franchisee at Franchisee's expense within one hundred twenty (120) days after such termination, and the property upon which the Facilities were used restored by Franchisee to the condition it was in before installation.
- C. Co-location. Franchisee must offer the City the opportunity to co-locate City conduit and lines in trenches dug by Franchisee in City rights-of-way and may charge City only any incremental additional costs incurred in making the trenches available for City use.

Section 9. Franchise Fee.

- A. Franchisee shall pay monthly or, quarterly, if under \$10,000 per quarter, to City a Franchise fee equal to the sum of 3% of Company's gross revenues received from telecommunications service providers who re-sell their use of the facilities to third parties within the corporate limits of City, plus 7% of Company's gross revenues received from ultimate consumers of the facilities who do not re-sell their use of the facilities to third parties within the corporate limits of City. Company also may at its option deduct uncollectible accounts of customers within the corporate limits of City from these gross revenues.

The intention of the parties in charging different fees for telecommunications service providers and ultimate consumers is to prevent any end user from paying a permit or franchise fee to City more than once for the same use of the facilities, while at the same time charging a fair amount for the use of City's rights of way.

- B. The Franchise Fee required by this section is due and payable within 60 days after the end of each applicable calendar month. Any payment not made when due will bear interest at the rate of 9% per annum, compounded monthly, from the date due until paid. Together with each payment of the Franchise Fee, Franchisee will submit a Telecommunications Franchise Fee Percentage Reporting Form in the form of Exhibit A.
- C. City's acceptance of any payments due under this section shall not be considered a waiver by City of any breach of this franchise agreement.
- D. Except to the extent prohibited by Federal or State law, the Franchise Fee is in addition to any permit fee required to comply with Section 3.

Section 10. Franchisee Records and Reports.

- A. Franchisee shall keep accurate books of financial accounts throughout the term of this Franchise Agreement and for six years after the expiration or termination of this Agreement. Franchisee shall produce all books and records directly concerning its Gross Revenues and other financial information deemed necessary by City for purposes of calculation of the franchise fee for inspection by City, upon 30 days' written notice, during normal working hours. City may require periodic reports from Franchisee relating to its operation within City.
- B. City shall have the right during the term of this Franchise Agreement or within 180 days after expiration or termination of the franchise to audit Franchisee's records for the period of three years prior to the audit. If the audit reveals underpayment of 3% or more, the City may expand the audit to cover up to 6 years. The audits shall be undertaken by a qualified person or entity selected by City. The cost of the audit shall be borne by City, unless the results of the audit reveal an underpayment of more than 3% of the franchise fee for the period audited. In the case of underpayment of 3% or more, the full cost of the audit shall be paid by Franchisee. Franchisee shall immediately pay the amount of the underpayment as determined by the audit to City together with 9% annual interest from the date the payment should have been made to the date the payment is actually made.
- C. Any audit information obtained by City under these provisions shall be kept confidential to the maximum extent allowed by Oregon law, except that this obligation shall not prevent the City from introducing audit results in any forum where enforcement of the provisions of this Franchise Agreement is at issue.

Section 11. Permit and Inspection Fees.

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

Section 12. Enforcement and Termination of Agreement for Violation.

- A. Default. Time of payment and performance are of the essence in the Agreement. The following are events of default:
 - a. Default in Payment. The failure of Franchisee to pay City when due any amounts required by the Agreement pursuant to Section 9 and such failure continues for a period of 15 days after the postmark date of Licensee's notice of its failure to pay.
 - b. Default in Other Covenants. The failure of Franchisee to perform any of the covenants and conditions required by this Agreement to be kept and performed by Franchisee, and such failure continues for a period of 30 days after notice from City of such failure, or longer than 30 days if the nature of the cure requires a

longer period of time and the cure was commenced within the 30-day period. Upon the occurrence of an event of default, Franchisee must pay to City the sum of \$200 per day for each day the default continues along with any additional damages suffered by City as a result of Franchisee's default.

- B. The City may terminate this Agreement for defaults that are not cured within the time allowed by providing 30 days' notice to Franchisee of its intent to terminate. Franchisee may avoid termination by completely curing the default(s), including payment of the penalty required by Subsection A.2 of this section, unless the notice of termination is the third notice of termination within a 12-month period. Franchisee may challenge a notice of termination by providing a written protest to the City Manager within 15 business days after the postmark date of Franchisee notice of termination. The City Manager, on receipt of the protest shall either grant the protest, in which case the Agreement will remain in place, or refer the matter to the City Council for a decision. The termination will not become final until after the decision by the City Manager or City Council.

Section 13. Remedies not Exclusive; Waiver.

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

Section 14. Franchise Term.

This Franchise is granted for a term of five years beginning the Effective Date ("Initial Term") and will automatically renew for two successive terms of five years each (each a "Renewal Term") unless notice of termination is provided. Franchisee and City may terminate this Agreement at the end of the Initial Term or any Renewal Term by providing notice of termination at least 60 days prior to the end of the Initial Term or relevant Renewal Term. If notice of termination is provided, the parties may elect to negotiate a new franchise agreement in lieu of termination. In the event the City adopts code provisions, regulations or standards and specifications applicable to this Franchise or if state or federal legislation or regulation affects any provision of this Franchise, the Parties, at the request of either Party, may request renegotiation of the Franchise to reflect the changes in law or regulation.

Section 15. Severability.

If any section, subsection, sentence, clause or portion of this Agreement becomes for any reason invalid, superseded by applicable authority, or if any such portion of this Agreement is rendered unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity or constitutionality of the remaining portion thereof. If for any reason, the franchise fee is invalidated or amended by

the act of any court or governmental agency, then the highest reasonable franchise fee allowed by such court or other governmental agency shall be the franchise fee charged by this Agreement.

Section 16. Notices.

Any notice required or permitted under this Agreement shall be deemed given when received or when deposited with the United States Postal Service, postage prepaid and sent as registered or certified mail addressed as follows:

TO CITY:

Keith Witcosky
City Manager
City of Redmond
411 SW 9th St
Redmond, OR 97756

TO FRANCHISEE:

Name: _____
Attn: _____
Address: _____

With a copy to:

or to such other addresses as may be specified from time to time by either party in writing.

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

Position: Accounting and Financial Reporting Director
Name: Brooks Slyter
Email: brooks.slyter@redmondoregon.gov
Phone: 541.923.7735

and for Franchisee is:

Position: _____
Name: _____
Email: _____
Phone: _____

The primary contacts may be changed at any time by a written communication, including email, without the need for formal notice.

Section 17. Interpretation/Jurisdiction.

Interpretation of the Agreement shall be governed by laws of the State of Oregon and any legal action relating to this Agreement must be brought in the state or federal courts located in Deschutes County.

Section 18. Change of Law.

If any federal or state laws or regulations or any binding judicial interpretations thereof that govern any aspect of the rights or obligations of one or more parties under this Agreement shall change after full execution, and such change makes any aspect of such rights or obligations inconsistent with the then-effective federal or state laws, regulations or binding judicial interpretations, then the parties agree to promptly amend the Agreement as reasonably required to accommodate and/or ensure compliance with any such legal or regulatory change.

City of Redmond

Franchisee

City Manager

Authorized Representative

Printed Name

Printed Name

Date

Date



EXHIBIT A

City of Redmond Telecommunications Franchise Fee Percentage Reporting Form

Franchisee: _____

Reporting Period: _____

Description	Revenue and Fee Calculation
A. Gross Revenues-Resold	\$
B. Less: Revenues Exempt from Franchise Fees	\$
C. Other Adjustments to Gross Revenues	\$
D. Net Revenues Subject to Franchise Fees (A+B+C)	\$
E. Franchise Fee	3%
F. Total Franchise Fee for Gross Revenues-Resold (D x E)	\$
G. Gross Revenues-Not Resold	
H. Less: Revenues Exempt from Franchise Fees	\$
I. Other Adjustments to Gross Revenues	\$
J. Net Revenues Subject to Franchise Fees (G+H+I)	\$
K. Franchise Fee	7%
L. Franchise Fee for Gross Revenues-Not Resold (J x K)	\$
M. Total Franchise Fee Remitted to City of Redmond (F+L)	\$

Certification by Officer or Authorized Representative:

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

Name

Date

Title

Please remit payment to:

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

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



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: March 29, 2022
TO: City Council
Keith Witcosky, City Manager
THROUGH: John Roberts, Deputy City Manager
Bill Duerden, Public Works Director
FROM: Maria Ramirez, Parks Planner and Project Manager
Ryan Kirchner, Wastewater Division Manager
SUBJECT: Res. #2022-09 - A resolution authorizing application and acceptance of a grant of up to \$750,000 from the Oregon Parks and Recreation Department for development of the Redmond Wetlands Complex Trail System.

Addresses Council Goal:

6.G. Strive for an interconnected parks and open spaces.

Report in Brief:

This item requests City Council authorization to apply for a grant through the Oregon Parks and Recreation Department, Local Government Grant Program. As part of the Redmond Wetlands Complex, the City is developing an American with Disabilities Act (ADA) compliant trail system with complementing amenities throughout the constructed wetlands at an estimated cost of \$5,000,000. The grant will provide up to \$750,000 of the project cost.

Background:

The Local Government Grant Program is providing more than \$14 million of voter-approved Lottery funds for outdoor recreation projects in the 2022 grant cycle. Eligible projects include development and/or rehabilitation of outdoor park and recreation areas and facilities, land acquisition for park purposes, development of trails, development of bicycle recreation opportunities, and development of non-motorized water-based recreation projects that are consistent with the outdoor recreation goals and objectives contained in the 2019-2023 Statewide Comprehensive Outdoor Recreation Plan. Applications are due April 1, 2022.

In 2020, the City amended the Wastewater Facility Plan (WWFP) to assess options for expansion of treatment facilities to accommodate current and projected 20-year service needs. The amendment recommended relocating the existing Water Pollution Control Facility (WPCF) from the Dry Canyon to the City's effluent and biosolid disposal site and constructing a lagoon treatment system along with a constructed wetland treatment and disposal system (Redmond Wetlands Complex).

On March 9, 2021, Council authorized a contract with Anderson Perry and Associates, Inc. in the amount of \$1,642,498 to provide Engineering Services for the design and construction management of the Redmond Wetlands Complex. This contract included subcontractor services of a landscape architect firm, Walker Macy, to lead an effort to develop a trail concept complete with educational and cultural opportunities, public access and facilities, and connections to the surrounding area.

In February 2022, a planning effort consisting of a community survey, two public open houses, two citizen advisory committee meetings, and several workshop discussions with various stakeholder groups was used to solicit input on the design and amenities to include in the proposed trail system. A concept plan was developed from this input that includes approximately five miles of ADA compliant trails through the constructed wetland, wildlife viewing areas with interpretive signage, picnic areas with a pavilion, a restroom facility, and a demonstration garden (see attached conceptual site plan). Working in tandem with the conversion and expansion of the City's wastewater treatment process, the City aims to provide people of all ages and abilities in Redmond with a new public amenity to congregate and recreate outdoors.

Discussion:

Since 1984, the City's effluent and biosolid disposal site has been identified as a preferred location with long-range opportunities to treat wastewater, protect public health and the environment. Widely regarded as an environmentally friendly wastewater treatment alternative, the Redmond Wetlands Complex provides advantages in cost, future expansion capabilities, increased life expectancy, and an added public benefit to provide a place for Redmond residents to walk, bike, and view wildlife.

The 2019-2023 Statewide Comprehensive Outdoor Recreation Plan, Redmond Parks Master Plan, Redmond Comprehensive 2040 Plan, and Local Government Grant project scoring criteria demonstrate a heightened need to focus local efforts on:

- increasing trail connectivity to public lands,
- connecting neighborhoods through trails,
- increasing restroom facilities,
- providing wildlife viewing opportunities and places to sit and observe nature,
- fostering a healthy and active community,
- and providing more free-of-charge recreation opportunities.

The Redmond Wetland Complex Trail System addresses all the above needs. Resolution No. 2022-09 demonstrates City Council support for the project and is a requirement of the grant application.

Fiscal Impact:

The estimated design and construction cost for the Redmond Wetlands Complex is approximately \$70 million of which about \$5 million is for the trail system and other public amenities that will be included with the project. Construction is planned to start in April 2023. The Local Government Grant will reimburse up to \$750,000 of the project cost with the remainder funded primarily through DEQ financing. In the event the grant submittal is not successful, the City will revisit the scope and continue to pursue other grant opportunities.

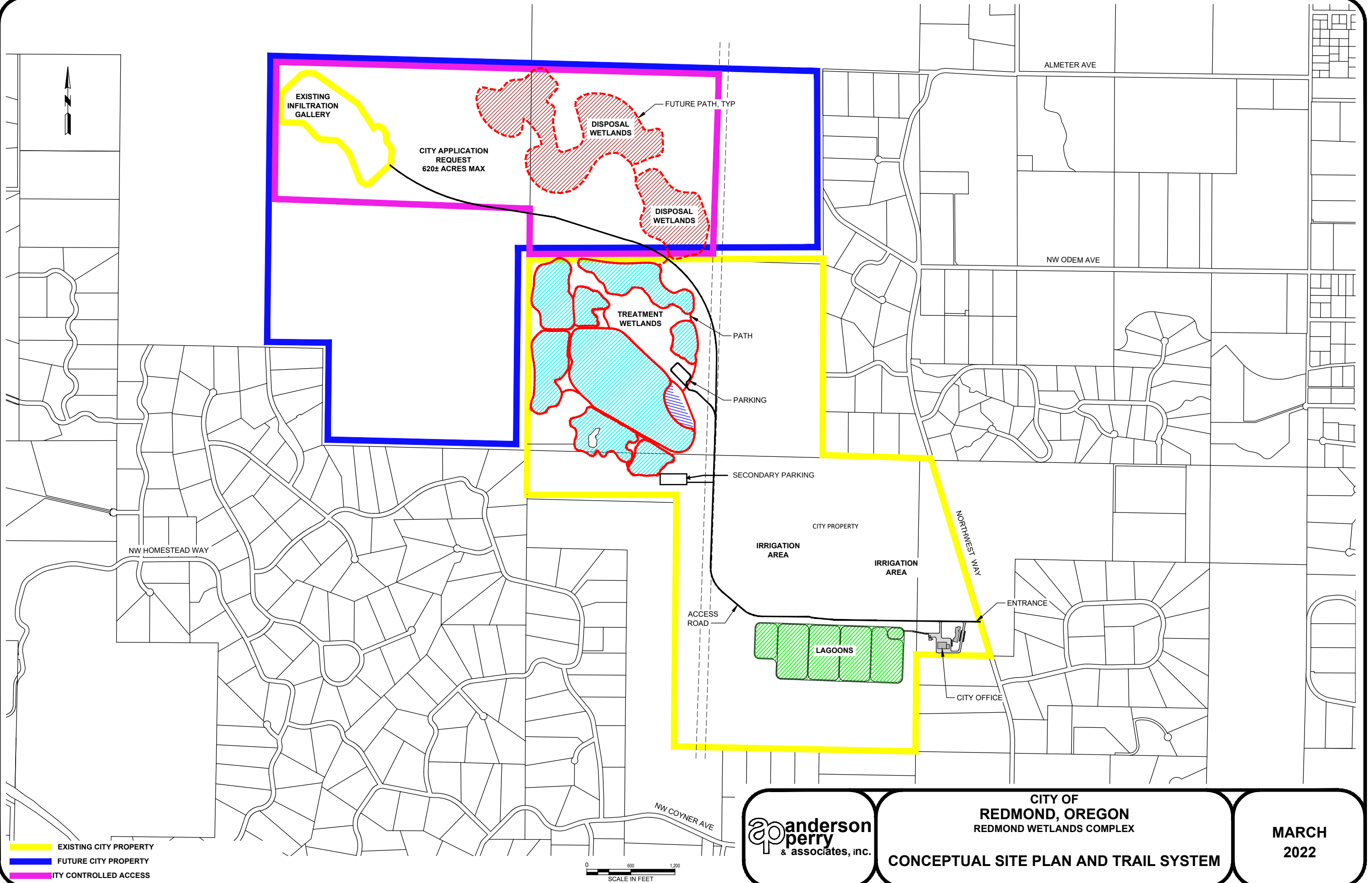
Alternative Courses of Action:

1. Adopt Resolution No. 2022-09 authorizing application and acceptance of the Redmond Wetlands Complex Trail System Grant.
2. Do not authorize the grant application.
3. Request additional information.

Recommendation / Suggested Motion:

"I move to adopt Resolution No. 2022-09 authorizing application and acceptance of the Redmond Wetlands Complex Trail System Grant."

C:\Users\kiskey\ANDERSON PERRY & ASSOCIATES\59-04 Wetlands Complex - Drawings\CAD\TRAIL SYSTEM.dwg, LAYOUT, 3/14/2022 7:34 AM, #####



ap anderson
perry
& associates, inc.

CITY OF
REDMOND, OREGON
REDMOND WETLANDS COMPLEX
CONCEPTUAL SITE PLAN AND TRAIL SYSTEM

**MARCH
2022**

**CITY OF REDMOND
RESOLUTION NO. 2022-09**

A RESOLUTION AUTHORIZING THE CITY OF REDMOND TO APPLY FOR A LOCAL GOVERNMENT GRANT FROM THE OREGON PARKS AND RECREATION DEPARTMENT FOR DEVELOPMENT OF THE REDMOND WETLANDS COMPLEX TRAIL SYSTEM AND AUTHORIZING THE CITY MANAGER TO SIGN THE APPLICATION.

WHEREAS, the Oregon Parks and Recreation Department is accepting applications for the Local Government Grant Program; and

WHEREAS, the City of Redmond desires to participate in this grant program to the greatest extent possible as a means of providing needed park and recreation acquisitions, improvements and enhancements; and

WHEREAS, the Parks Committee and City Staff have identified a new trail system at the Redmond Wetlands Complex as a high priority need for the City of Redmond; and

WHEREAS, the project will provide over five miles of an Americans with Disabilities Act compliant trail system along with complimenting amenities including two trailheads for direct access to Bureau of Land Management land, a picnic area with a restroom and covered pavilion, wayfinding and heritage interpretive signage, and wildlife viewing stations including boardwalks, overlook piers, and bench seating with shade structures; and

WHEREAS, the City of Redmond has available local matching funds to fulfill its share of obligation related to this grant application should the grant funds be awarded; and,

WHEREAS, the City of Redmond will provide adequate funding for on-going operations and maintenance of this park and recreation facility should the grant funds be awarded.

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

SECTION ONE: The City Council demonstrates its support for the submittal of a grant application to the Oregon Parks and Recreation Department for the Redmond Wetlands Complex Trail System at the Redmond Wetlands Complex.

SECTION TWO: This Resolution shall be effective following its adoption by the City Council.

ADOPTED by the City Council and **SIGNED** by the Mayor this 29th day of March 2022.

George Endicott, Mayor

ATTEST:

Kelly Morse, City Recorder



Redmond wetlands Complex Trail system – grant resolution

March 29, 2022

Presented by: Ma



Grant Resolution

PURPOSE AND BACKGROUND

PURPOSE:

Request adoption of Resolution No. 2022-09 application for the Redmond Wetlands Complex Trail System Grant.

BACKGROUND:

- 2020 amended Wastewater Facility Plan
- 2021 - 2022 planning and public outreach efforts

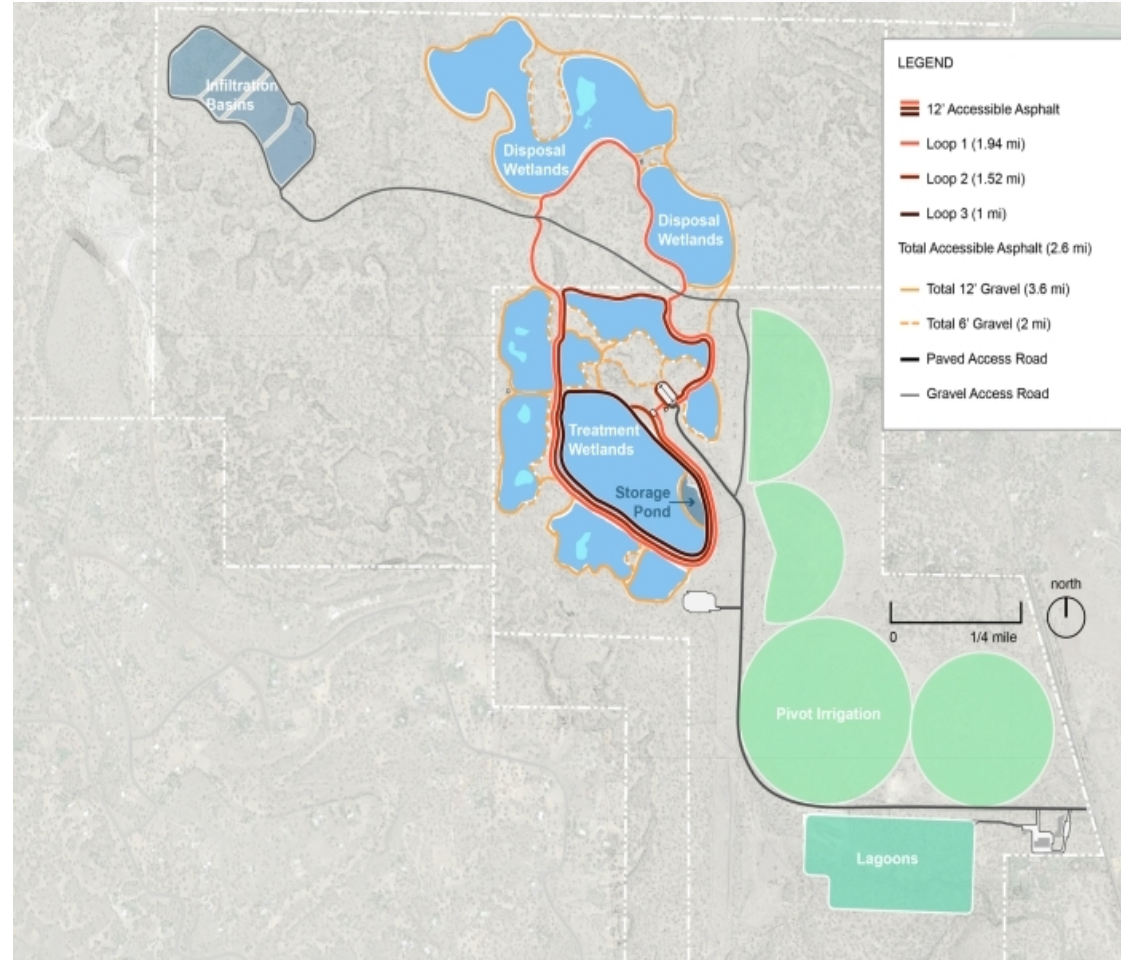
WHY NOW:

- 1984 Public Facilities Plan
- 2019-2023 Statewide Comprehensive Outdoor Recreation Plan
- 2018 Parks Master Plan & 2040 Redmond Comprehensive Plan



Park amenities

Project cost:
\$5,000,000





Grant opportunity

Slide 4

01 Oregon State Parks Local Government Grant – Due April 1, 2022

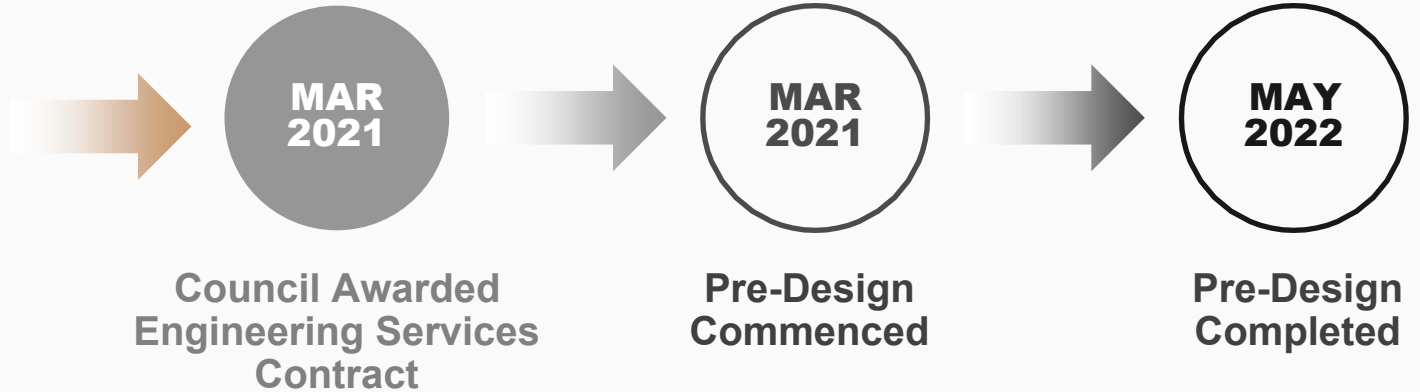
02 Requesting \$750,000 match grant for a \$5,000,000 trail system project

03 Highly competitive program – about 1/3 of applicants receive grants

04 Council approval to submit application – selection made in September



Wetlands Project



design and construction timeline





Questions ?

