



# CITY OF TROUTDALE

"Gateway to the Columbia River Gorge"

## AGENDA

### JOINT MEETING - CITY COUNCIL & TROUTDALE SOLID WASTE COMMUNITY ENHANCEMENT PROGRAM ADVISORY COMMITTEE – REGULAR MEETING

Troutdale City Hall - Council Chambers  
219 E. Historic Columbia River Hwy. (Lower Level, Rear Entrance)  
Troutdale, OR 97060-2078

**Tuesday, February 23, 2016 – 7:00PM**

1. **PLEDGE OF ALLEGIANCE:** Lead by Boy Scout Troop 174
2. **ROLL CALL and AGENDA UPDATE**
3. **PROCLAMATION:** Proclaiming February 2016 as Scout Month  
*Mayor Daoust*
4. **PUBLIC COMMENT:** Public comment is limited to comments on non-agenda items. *Remarks shall be limited to 5 minutes for each speaker unless a different time is allowed by the Mayor. The Mayor and Council should avoid immediate and protracted response to citizen comments.*
5. **REPORT:** An updated from Metro Councilor Shirley Craddick
6. **COUNCIL JOINED BY METRO COUNCILOR CRADDICK TO CONVENE AS "Troutdale Solid Waste Community Enhancement Program Advisory Committee" (CEPC)**  
*Erich Mueller, Finance Director*
  - A. Committee Roll Call
  - B. Motion – Adopt Enhancement Area Boundary
  - C. Motion – Adopt CEPC By Laws
  - D. Motion – Adopt CE Program Guidelines
  - E. Motion – Adopt CE Application, Agreement, and Calendar
  - F. Motion – Adjourn CEPC only and continue with Council Agenda
7. **RESOLUTION:** A resolution declaring a vacancy on the City Council and designation a procedure to appoint a person to fill the vacancy  
*Ed Trompke, City Attorney*

Mayor

Doug Daoust

City Council

David Ripma

Eric Anderson

Larry Morgan

Glenn White

Rich Allen

John Wilson

City Manager

Craig Ward

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8. **MOTION:** A motion authorizing the City Manager to Develop Agreements to create a shared Recreation Program with Fairview and Wood Village based on basic initial understandings. Craig Ward, City Manager

9. **RESOLUTION:** A resolution adjusting the Storm Sewer Utility Fee and rescinding Resolution No. 2287. Steve Gaschler, Public Works Director

10. **RESOLUTIONS:** Resolutions approving City financial statements and receiving Annual Audit Report:

10.1 A resolution approving the City's financial statements and Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2015.

10.2 A resolution accepting the Report of Independent Certified Public Accountants on the audited financial statements of the City for the Fiscal Year ended June 30, 2015, the Auditor's Communication to the Governing Body (SAS No. 114), and the OAR 162.10.000 required communication. Erich Mueller, Finance Director

11. **RESOLUTION:** A resolution approving the use of not less than \$150,000 of the Lease Revenue from Multnomah County to reduce Property Tax Levy for the Police Facility Bonds. Erich Mueller, Finance Director

## 12. STAFF COMMUNICATIONS

## 13. COUNCIL COMMUNICATIONS

## 14. ADJOURN



Doug Daoust, Mayor

Dated: 2/18/16

City Council Regular Meetings will be replayed on Comcast Cable Channel 30 and Frontier Communications Channel 38 on the weekend following the meeting - Saturday at 2:30pm and Sunday at 9:00pm.

Further information and copies of agenda packets are available at: Troutdale City Hall, 219 E. Historic Columbia River Hwy. Monday through Friday, 8:00 a.m. - 5:00 p.m.; on our Web Page [www.troutdaleoregon.gov](http://www.troutdaleoregon.gov) or call Sarah Skroch, City Recorder at 503-674-7258.

The meeting location is wheelchair accessible. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to: Sarah Skroch, City Recorder 503-674-7258.



# CITY OF TROUTDALE PROCLAMATION



## SCOUT MONTH - FEBRUARY 2016

**WHEREAS:** *The month of February marks the 106th anniversary of the Boy Scouts of America; and*

**WHEREAS:** *Scouting was founded in England by British war veteran Lord Baden-Powell in 1907 and introduced to the United States three years later by Ernest Seton, Daniel Beard, and James West.*

**WHEREAS:** *Scouting's purpose is to provide positive experiences to help young people mature and to prepare them to become responsible and caring adults. Scouting is based on a unique and dynamic relationship between youth, adult leaders, and organizations in their communities. The result is a program of exciting and meaningful activities that helps youth pursue their special interests, grow, develop leadership skills, and become good citizens; and*

**WHEREAS:** *The first Scouting Troop in Troutdale was started over 65 years ago. Sponsored by the Lions Club, the Troop was given the number 174. Currently there are several Boy Scout Troops, a few Venturing Crews and several Cub Scout Packs in and around the city of Troutdale.*

**WHEREAS:** *Many Scouts and their parents have volunteered their time to Troutdale and countless other communities. They participate in Scouting For Food which includes going door to door to collect food for others in need, they support Summerfest by participating as color guard in the parade and assisting the vendors set-up and take-down their booth, and they place flags in downtown Troutdale on major holidays and special occasions. In 2015, for their Eagle Projects, Scout Caleb Pettengill created a walkway between Corbett High School and Corbett Middle School and Scout Nicholas Leonard constructed and installed nesting boxes at a nearby park. These Eagle projects helped to improve areas of the community and involved scouts, family members, friends, and others giving many hours of their time for these projects; and*

**WHEREAS:** *Boy Scouts will continue to contribute to numerous other city and school functions which enhance the livability of Troutdale;*

**NOW, THEREFORE,** *on behalf of the Troutdale City Council, and myself, it is with great pleasure that I proclaim the month of February 2016 "Scouting Month" in the City of Troutdale.*

*Dated this 23<sup>rd</sup> day of February 2016*

*Doug Daoust, Mayor*





# CITY OF TROUTDALE

## Community Enhancement Program Committee



### STAFF REPORT

**SUBJECT / ISSUE:** Organizational Meeting of the Community Enhancement Program Committee (CEPC) establishing By-Laws, Program Guidelines and other administrative matters.

**MEETING TYPE:**  
City Council Regular Mtg.

**MEETING DATE:** February 23, 2016

**STAFF MEMBER:** Erich Mueller  
**DEPARTMENT:** Finance

**ACTION REQUIRED**  
Motion

**ADVISORY COMMITTEE/COMMISSION RECOMMENDATION:**  
Not Applicable

**PUBLIC HEARING**  
No

**Comments:**

**STAFF RECOMMENDATION:** Initiate the Committee and Program through approval of the proposed Motions

- EXHIBITS:**
- A. Proposed CEPC Motions
  - B. By-Laws of the CEPC
  - C. CE Program Guidelines
  - D. CE Project Application, Agreement and schedule

**Subject / Issue Relates To:**

- Council Goals
  Legislative
  Other:

Organizational tasks required under the IGA with Metro for the Troutdale Solid Waste Community Enhancement Program Advisory Committee.

**Issue / Council Decision & Discussion Points:**

- ◆ Implementation of IGA obligations for the Troutdale CEP
- ◆ Implement prior policy determinations for CEP

Reviewed and Approved by City Manager:

## **BACKGROUND:**

Updates to the Metro Code Chapter 5.06-Solid Waste Community Enhancement Program (CEP) resulted in the Troutdale Transfer Station located at 869 NW Eastwind Drive, will be subject to the Solid Waste Community Enhancement Fee beginning July 1, 2015.

The purpose of the CEP is to rehabilitate and enhance the area around the facility from which the fees are collected through funding eligible enhancement project grants, and to reduce the volume and toxicity of waste disposed through source reduction, reuse, recycling, and composting.

The Troutdale Solid Waste Community Enhancement Program Advisory Committee, (CEPC) was established by resolution by the Troutdale City Council, Resolution No. 2289 on June 9, 2015, and by Intergovernmental Agreement with Metro, Contract No. 933298.

## **ACTIONS NEEDED TONIGHT:**

This is first official meeting of the CEPC and the recommended motions to accomplish the required administrative responsibilities are listed in Exhibit A.

The CEPC needs to:

- Establish the enhancement area boundary
- Adopt the CEPC bylaws
- Approve the CE Program Guidelines
- Approve the project application package providing a process for soliciting projects, and at a subsequent CEPC meeting, selecting for funding community enhancement projects.

During the work session of June 30, 2015 a number of policy determinations were made which resulted in the attached exhibits.

## **SUMMARY:**

Approval of the recommended motions will allow for the solicitation of project applications which, in accordance with the proposed schedule, the CEPC will review June 14, 2016 for funding consideration in July 2016.

Community Enhancement Program Committee

Recommended Motions:

*I move that the **boundary** of the Troutdale Community Enhancement Program shall be the entire City of Troutdale, in addition to the properties immediately adjacent to the City.*

=====

*I move to adopt the Troutdale Solid Waste Community Enhancement Program Advisory Committee **By-Laws** in substantial conformity with Exhibit B.*

=====

*I move to adopt the Community Enhancement Program **Guidelines** in substantial conformity with Exhibit C.*

=====

*I move to adopt the Community Enhancement project **application**, agreement and calendar in substantial conformity with Exhibit D.*

=====

*I move to Adjourn CEPC only and resume City Council Meeting Agenda.*

**Troutdale Solid Waste Community Enhancement Program  
Advisory Committee**

**BYLAWS**

**ARTICLE I – NAME**

Troutdale Solid Waste Community Enhancement Program Advisory Committee. Working title shall be Community Enhancement Program Committee (CEPC).

**ARTICLE II – AUTHORIZATION**

Established by resolution by the Troutdale City Council, Resolution No. 2289 on June 9, 2015, and by Intergovernmental Agreement with Metro, Contract No. 933298.

**ARTICLE III – PURPOSE**

Administer the Community Enhancement Program funded by the Metro fee at the Troutdale Transfer Station.

**ARTICLE IV – BOUNDARY**

The boundary of the Troutdale Community Enhancement Program is the entire City of Troutdale, in addition to the properties immediately adjacent to the City.

**ARTICLE V – RESPONSIBILITIES/OBJECTIVES**

- A. Establishment of the enhancement area boundary.
- B. Creation of committee bylaws
- C. Development of a process for soliciting and selecting community enhancement projects.
- D. Compliance with the eligibility criteria set forth in Metro's Solid Waste Community Enhancement Program Section 5.06.070 and the goals set forth in Section 5.06.080 and creation of additional criteria and goals where needed.

- E. Annually review enhancement program revenue estimates provided by Metro staff and propose how these funds will be allocated for the upcoming fiscal year or funding cycle.
- F. Presentation of an annual report to the Metro and City Council on all projects approved for funding.
- G. Maintenance of complete and accurate records related to the administration of the program, submitted to Metro annually.

## **ARTICLE VI – ORGANIZATION AND STRUCTURE**

### **Section 1. Membership**

- A. Membership of the Troutdale CEPC shall consist of the Mayor and all City Councilors and the Metro Councilor whose district includes the City if the Metro Councilor chooses to be a committee member. If the Metro Councilor decided not to be a member of the CEPC, the City Council will be the committee.

### **Section 2. Officers**

- A. The Mayor and the Metro Councilor will be co-chairs of the CEPC if the Metro Councilor chooses to serve as co-chair.
- B. The duties and powers of the officers of the Troutdale Community Enhancement Program Committee shall be as follows:

#### Chair or Co-Chairs

- Preside at all meetings of the Committee
  - Development of a written agenda in sufficient time to allow for distribution to Committee prior to any regular meeting.
  - Call special meetings of the Committee in accordance with the bylaws;
  - See that all actions of the Committee are properly taken;
- C. The City of Troutdale will provide all administrative support to the CEPC to include:
    - Keep summary minutes of all meetings;
    - Give or serve all notices required by law or required in the CEPC Bylaws;
    - Prepare the agenda of all meetings of the CEPC;
    - Be custodian of CEPC records;

## **ARTICLE VII - MEETING PROCEDURES AND QUORUM**

- A.** The CEPC shall hold meetings as needed to administer the program as determined by the Chair or Co-Chairs, or upon written request of three committee members. All meetings shall be held in the City of Troutdale, Oregon, or at such other place as the Chair or Co-Chairs shall determine. The meeting notice will include the date, time, location and agenda for the meeting. Notice of a meeting shall be given to each committee member. Such notice may be given either verbally, in writing, or electronic notice such as email, when given directly to the member at least twenty-four hours before such meeting; otherwise notice shall be given in writing by sending it to the business or home address of the member at least forty-eight hours before such meeting. Presence of any member at any meeting shall be deemed to be a waiver of notice of such meeting.
- B.** Summary minutes shall be taken for all meetings and shall be available for viewing by anyone, on request. Minutes are to be distributed to all members and others expressing an interest in receiving them.
- C.** CEPC Meetings shall be publicized in accordance with the Oregon public meetings law.
- D.** A majority of current membership entitled to vote shall constitute a quorum for the transaction of business.
- E.** Robert's Rules of Order shall guide the CEPC in all cases not otherwise provided for in these rules. All final determination of procedure shall be the responsibility of the Chair or Co-Chairs.
- F.** All members of the CEPC shall be voting members of the committee. In the case of a tie vote, the motion fails.
- G.** A report of the CEPC activities shall be made to City Council and Metro annually.

## **ARTICLE VIII - AMENDING BYLAWS**

Amendments to these bylaws may be recommended at a meeting of the CEPC called for that purpose, provided that written or electronic notice such as email has been sent to each member at least ten (10) days before the meeting. The notice shall state the amendments that are proposed to be made in the bylaws.

## TROUTDALE COMMUNITY ENHANCEMENT PROGRAM GUIDELINES

The Troutdale Solid Waste Community Enhancement Program Advisory Committee, (CEPC) was established by resolution by the Troutdale City Council, Resolution No. 2289 on June 9, 2015, and by Intergovernmental Agreement with Metro, Contract No. 933298.

### A. Committee Responsibilities

The Committee shall:

1. Establish an enhancement area boundary.
2. Create bylaws.
3. Develop a process for soliciting and selecting solid waste community enhancement projects.
4. Comply with the eligibility criteria and goals set forth in the Metro Code and create additional criteria and goals where needed.
5. Review enhancement program revenue estimates annually and propose how funds will be allocated for the upcoming fiscal year or funding cycle.
6. Present an annual report to the Metro Council on all projects approved for funding.
7. Maintain complete and accurate records related to the administration of the program and submit records to Metro annually.

### B. Project Eligibility Criteria

A project must meet the following criteria to be eligible for funding:

1. The project must be located in the solid waste community enhancement area boundary as specified by the solid waste community enhancement committee or the project must benefit individuals or programs located inside the solid waste community enhancement area boundary.
2. The project applicant must be:
  - a. A neighborhood association, or other non-profit organization, including but not limited to charitable and community organizations with 501(c)(3) through (7) and (10) statuses under the Internal Revenue Service; or

- b. A school or institution of higher learning; or
  - c. A local government, local government advisory committee, department or special district provided that they include documented support from the local government executive officer.
3. The project must not be used to replace any other readily available source of federal, state, local or regional funds.
4. The project must not promote or inhibit religion.
5. The project must not discriminate based on race, ethnicity, age, gender, or sexual orientation.
6. If the project is located on private land, the project application must establish a clear public benefit and must document landowner permission.

C. Project Goals

Projects shall meet one more of the following goals:

1. Improve the appearance or environmental quality of the community.
2. Reduce the amount or toxicity of waste.
3. Increase reuse and recycling opportunities.
4. Result in rehabilitation or upgrade of real or personal property owned or operated by a nonprofit organization having 501(c) status under the Internal Revenue Code.
5. Result in the preservation or enhancement of wildlife, riparian zones, wetlands, forest lands and marine areas, and/or improve the public awareness and the opportunities to enjoy them.
6. Result in improvement to, or an increase in, recreational areas and programs.
7. Result in improvement in safety.
8. Benefit youth, seniors, low income persons or underserved populations.
9. Enhance art and culture within the City.

D. Requests for Reconsideration

An applicant that did not receive funding may request reconsideration as follows:

1. Applicant shall send request for reconsideration to the committee Chair within 15 days of receiving the notice of denial of application.
2. The committee Chair will distribute the reconsideration request to committee members within 10 days of receipt of reconsideration request.
3. The committee Chair will convene a special meeting under Article VII of the Bylaws to consider the request.
4. The committee may grant the request for reconsideration only if a majority of the full committee agrees to reconsideration.
5. The committee shall inform the applicant of its decision within 10 days of the meeting referenced in paragraph 3.

E. Administrative Obligations

The City on behalf of the CEPC shall undertake the significant administrative reporting and compliance burdens required under the IGA. Including the following:

1. The City shall create a separate program accounting for receipt of the funds collected under Section 3. The City shall ensure that funds are expended only for projects chosen by the committee, and for program expenses.
2. Development and operation and revisions of the annual process for soliciting and selecting community enhancement projects.
3. Review for completeness and qualification requirement of grant application packets.
4. Ongoing grant recipient spending and completion monitoring and reporting.
5. Public Meeting Law requirements for the CEPC including meeting notices, minutes, and packet materials.
6. Annually review enhancement program revenue estimates provided by Metro staff and propose how these funds will be allocated for the upcoming fiscal year or funding cycle.

7. Presentation of an annual report to the Metro and City Council on all projects approved for funding.
8. Maintenance of complete and accurate records related to the administration of the program, submitted to Metro annually.

F. Specific Project Application, Evaluation and Timeline Procedures

The CEPC shall establish, subject to annual revision, specific grant application procedures, evaluation process and annual process timeline.

- Grant application procedures shall include application forms, instructions, required grant agreement, exit/project completion reporting and preliminary qualification requirements.
- Evaluation process shall include scoring forms for CEPC members, and funding limitations including matching funds requirements.
- The annual timeline shall include key dates including application deadline, preliminary qualification period, CEPC evaluation and award meetings, funding distribution.

G. Funding Allocation and Administration

- The CEPC intends to allocate 50% of the annual grant funding available to project applications for works of art.
- Unused funding allocation for works of art may carry over for use in subsequent years.
- Projects shall be funded up front upon award of the grant with expense documentation required from the project sponsor upon project completion.

## TROUTDALE COMMUNITY ENHANCEMENT PROGRAM

The Community Enhancement Program is an exciting opportunity for citizens to participate in projects that improve quality of life for our Troutdale community.

The program is open to non-profit groups, organizations, or City advisory committees. The Troutdale Community Enhancement Program Committee (CEPC) encourages you to apply for project funding and help us enhance our community.

Fill out the attached application and we look forward to reviewing your proposal.

### PROJECT APPLICATION INSTRUCTIONS

#### 2016-2017 Funding Cycle Timeline:

The following is the process schedule for the Community Enhancement Projects Grant Program:

#### 2016

March 1 – April 29 Application window for project proposals

April 29 Applications must be completed and returned to City Hall, by 5 pm.

June 14 CEPC will hold meeting to hear sponsor presentation of proposed project. Meeting will be held in the Council Chambers. Presentations should be limited to 4 minutes after which the committee will ask questions.

July 1 Contracts for awarded projects will be distributed to Sponsors. Contracts must be executed by September 30, 2016, or grant is forfeited.

#### ***Who can apply for funding?***

Project proposals are accepted from non-profit organizations, neighborhood associations, schools, local government, and local government advisory committees. Qualifying non-profits can include a wide range of organizations including but not limited to service clubs, chambers of commerce, charitable and other community organizations.

#### ***What kinds of projects can be funded?***

Projects submitted for funding must be located in the City of Troutdale and must be used to directly benefit Troutdale and its neighborhoods, and meet one or more of the Community Enhancement Program (CEP) goals.

### ***CEP Goals:***

Projects/programs must meet one or more of the following goals:

1. Increase the attractiveness or market value of residential, commercial or industrial areas.
2. Enhance new or existing wildlife, riparian, wetlands, forests or river areas.
3. Preserve or increase recreational areas and programs within the City.
4. Improve safety within the City.
5. Result in significant improvement in the cleanliness of the City.
6. Increase recycling efforts or provide a reduction in solid waste.
7. Increase employment or economic opportunities for City residents.
8. Provide work or training opportunities to benefit youth, seniors and low-income residents.
9. Enhance art and culture within the City.

### ***Project Criteria:***

The project must meet all the applicable criteria (use the following as your checklist):

1. The Troutdale grant applications must fund projects/programs within the boundaries of the City of Troutdale.
2. Priority consideration will be given to projects/programs that best enhance or rehabilitate areas most severely impacted by the Troutdale Transfer facility.
3. Projects/programs may be funded in part or in full.
4. Applicants must submit a letter of support from affected parties within the geographical boundary of the grant project (e.g. neighborhood association; business association; or government entity).
5. Applicants must submit a letter of acknowledgement from each City Department that could be affected by the project.
6. Any local government applicant must submit a letter of support from a private or non-profit partnership.
7. An applicant must submit approval from an affected property owner or jurisdiction.
8. An applicant must submit project plans to applicable City Departments and submit written acknowledgment that the project meets requirements set forth by the City. Documentation should be included in the application packet.
9. Grant applicants must attend the grant review meeting to be eligible.
10. Some proposals may require liability insurance.
11. Funds will not be provided in a manner that unconstitutionally promotes or inhibits a religious establishment.

12. A person authorized to represent the organization will enter into a formal agreement on behalf of the sponsoring organization.
13. Applicants must meet due dates for any additional information requested by staff in order for the application to be deemed complete.
14. The Troutdale Enhancement Committee shall provide an open public process for project/program review and recommendation.
15. The enhancement fund shall not substitute for projects/programs funded by other sources.
16. Projects/programs shall have the following requirements for an additional funding source, either in-kind or actual dollars,, (matching funds) and prior to making application for a Troutdale Enhancement grant. The additional funding source shall be documented within the application.

<b>Additional Funding %</b>	<b>Total Project Cost</b>	<b>Additional Matching Funding</b>
• 10%	up to \$4,999	(\$1 to \$500)
• 20%	from \$5,000 to \$9,999	(\$1,000 to \$2,000)
• 30%	from \$10,000 to \$19,999	(\$3,000 to \$6,000)
• 40%	from \$20,000 to \$39,999	(\$8,000 to \$16,000)
• 50%	from \$40,000 to \$74,999	(\$20,000 to \$37,500)
• 75%	from \$75,000 or more	(\$56,250 plus)

***Completion/Exit Report:***

In order to receive final payment for the awarded grant, and be considered for future Community Enhancement grants, the project coordinator must submit a two-page Exit Report within thirty (30) days of completing the grant project. The exit report must include:

- A brief description of the project/program.
- A description of the accomplishments.
- A final budget.
- Measures of performance (i.e. number of people served, effect of the project/program on the City).
- Narrative stating how the funds were spent.
- Listing of additional sponsors of the project/program.
- Before and after photos of the project.
- Any promotional material samples (advertisements, flyers, posters, etc...). Please mention the Community Enhancement Grant as a project/program sponsor on all promotional materials.

### ***Selection Process and Basic Contracting Information:***

- Staff will review all applications. Those which do not meet the guidelines and/or goals will be eliminated. Proposals deemed incomplete will be given a due date to provide missing items. If the due date is not met, the proposal will be rejected.
- The CEPC will rank the eligible applications against the funding goals.
- Selection of projects/programs to fund will be based on the ranking of applications against the goals for funding and applicants' demonstrated ability to successfully implement the proposed project/program.
- Committee recommendations will be made and the slate of awards will be announced at the grant funding meeting.
- All applicants will be notified of the CEPC final action.
- Funds for projects/programs will only be available from July 1 to June 30 of that fiscal year. A request for extension must be submitted by February of that fiscal year.
- Successful applicants will be required to enter into a Project Sponsor Agreement which outlines the responsibilities of both parties. Applicants should note that liability insurance may be required.
- The applicant agrees to hold the City of Troutdale, Metro and the CEPC harmless from the applicant's actions.
- Neither Metro nor the City of Troutdale is responsible for any costs incurred in preparing an application/proposal.
- Funds will not be provided in a manner that unconstitutionally promotes or inhibits a religious establishment.
- Projects will be reimbursed for expenses incurred only between July 1 and June 30 of each fiscal year.
- Prior to applying an applicant is responsible for verifying where City fees and/or permits may be required for a project. City permit fees may have a major impact on the project budget. It is up to the applicant to determine what fees or permits are required prior to grant submission. Most importantly, if the project results in any changes or improvement to a property or building, contact planning the department to determine if a Planning or Building Permit is required for the project.

# TROUTDALE COMMUNITY ENHANCEMENT PROGRAM

## Application for Funds July 1, 2016 through June 30, 2017

Title of Project: \_\_\_\_\_

Applicant Organization: \_\_\_\_\_ = *Project "Sponsor"*

Is this a Non-Profit Organization? Y/N \_\_\_\_\_ Federal Tax ID Number \_\_\_\_\_

Contact Person: \_\_\_\_\_ Daytime Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_, State: \_\_\_\_\_ Zip: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_, Title: \_\_\_\_\_

(The person authorized to represent and contract for the organization must sign the application)

### Summary Funding Request

Grant Amount Requested:	\$	\$0.00
+ Matching Funds (Cash):	\$	\$0.00
+ In-Kind Matching Funds	\$	\$0.00
= Total Cost of Project:	\$	\$0.00

\*\*\*Complete the budget detail below first.

### Proposed schedule

Project Start Date: \_\_\_\_\_ Project Completion Date: \_\_\_\_\_

**Project Description** (a short description of the proposed program or project including for what purpose or how the CEP funds will be used): How will the community benefit by your project?

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Estimate how many residents will benefit if this project is funded. \_\_\_\_\_

What is the geographic area of the City where the project will take place? . \_\_\_\_\_

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**Project Goals**

Identify and describe how your proposal meets one or more of the goals for funding (check those below that apply and describe by item number below).

<input type="checkbox"/>	1. Increase attractiveness/market value of residential, commercial or industrial areas.	<input type="checkbox"/>	6. Increase recycling efforts to provide a reduction in solid waste.
<input type="checkbox"/>	2. Enhance new or existing wildlife, riparian, wetlands, forests or river areas.	<input type="checkbox"/>	7. Increase employment or economic opportunities for City residents.
<input type="checkbox"/>	3. Preserve or increase recreational areas and programs within the City.	<input type="checkbox"/>	8. Rehabilitate or upgrade the market value of housing or commercial property.
<input type="checkbox"/>	4. Improve safety within the City.	<input type="checkbox"/>	9. Provides work or training opportunities to benefit youth, seniors and low-income residents.
<input type="checkbox"/>	5. Result in significant improvement in the cleanliness of the City.	<input type="checkbox"/>	10. Enhance art and culture within the City.

List by item number above and describe how the project meets the each goal.

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Explain how this project meets one or more of the project eligibility criteria listed in the instruction section above.

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**PROJECT MANAGEMENT**

Provide a brief narrative outlining the major tasks and projected time schedule for completing of each task.

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Describe prior experience managing similar projects.

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What community resources will be used as support for this project (i.e. community, city- owned property, city departments, transportation services or other civic groups)?

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Does this project require coordination with other public and private organizations? Has the necessary coordination been completed? If yes, please describe.

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List anticipated project milestones and dates (e.g. groundbreaking, significant facility improvements, large gatherings of volunteers, public meetings, conferences, special activities and events).

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An exit report will be included as part of the agreement. Describe the measurements you will use to assess the program/project effectiveness. In other words, how will the effectiveness of the program/project be tracked and evaluated (i.e. number of people served; improvements and/or beautification; number of volunteers attracted; amount of area cleaned or rehabilitated, etc.)? Be sure to describe project goals, changes and noticeable benefits that will come about as a result.

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**PROJECT BUDGET**

Total Estimated Costs: \_\_\_\_\_

How were these costs estimated (quotes catalog, previous projects, etc.)? \_\_\_\_\_

**Breakdown estimated costs by source:**

	CEP	Sponsor	Other #1	Other #2
Labor Cost				
Supplies				
Capital				
Materials				
Other				
Total				

% of Total Budget provided by Sponsor: \_\_\_\_\_%

Include the totals on page 1 of the application.

List sources of support for in-kind matching support (e.g. volunteer hours and donations). In order to estimate the value of donated volunteer time, use \$23.07. (This is the value of volunteer labor time as of 1/12/14, according to the Independent Sector and The Bureau of Labor Statistics).

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**COMMUNITY ENHANCEMENT PROJECT SPONSOR AGREEMENT**

THIS AGREEMENT is made and entered into by and between the City of Troutdale ("City") and «SPONSOR» ("Sponsor"). The City has designated «PROJECT» as a "Community Enhancement Project". The project will be completed as proposed in your application. **If the Project did not receive total funds requested, necessary revisions to the proposed project are described in B1 below.**

Upon execution of this agreement, the parties agree as follows:

- A. The City agrees to grant the Sponsor \$«AMT\_APPROVED» to assist in completing the Community Enhancement Project.
  
- B. The Sponsor agrees to:
  - 1. Complete all improvements and activities within the specified time as described in Sponsor's application with the following revisions, if any, due to partial funding:
  - 2. Provide all necessary administrative support to manage the project.
  - 3. Provide upon request by the City any receipts, documents, or contracts showing use of the \$«AMT\_APPROVED» in grant money.
  - 4. Provide the City with a report upon completion of the project. The report should include activities completed and indicate how the grant money has been spent. Any unspent grant money shall be remitted back to the City.
  - 5. Hold the City harmless and indemnify City from any claims or causes of action of whatever nature that may arise out of Sponsor's administration of the Community Enhancement proposal.
  
- C. If the sponsor fails to comply with all the provisions in this agreement within the designated time, the Sponsor shall remit back to the City the full \$«AMT\_APPROVED» of grant money. The deadline for completing the Community Enhancement Project may be extended upon mutual agreement by the City and the Sponsor. Such extension shall be approved in writing.
  
- D. If Sponsor fails to execute and return contract to City by September 30, 2016, grant is forfeited.

Signed this        day of \_\_\_\_\_, 2016.

City of Troutdale

«SPONSOR»

By \_\_\_\_\_

By \_\_\_\_\_

City Manager, or Designee

Authorized Person To Execute Contract

## **RESOLUTION NO.**

### **A RESOLUTION DECLARING A VACANCY ON THE CITY COUNCIL AND DESIGNATING A PROCEDURE TO APPOINT A PERSON TO FILL THE VACANCY**

#### **THE TROUTDALE CITY COUNCIL FINDS AS FOLLOWS:**

1. Whereas, on January 26, 2016 City Councilor Eric Anderson submitted a written resignation from his position, to be effective March 31, 2016; and,
2. Whereas, Section 27 of the City Charter provides that a vacancy on council is created upon the resignation of a councilor; and
3. Whereas, the resignation of Councilor Anderson became irrevocable January 29, 2016, as provided in ORS 236.325(5), creating a vacancy on council after the effective date of Councilor Anderson's resignation; and
4. Whereas, Section 28 of the City Charter states that " A vacancy in the office of councilor shall be filled by appointment by a majority of the council;" and,
5. Whereas, council is permitted to select a person to fill the vacancy before the effective date of the resignation under ORS 236.325(3), which selection will be effective after the effective date of resignation; and
6. Whereas, Section 28 of the City Charter declares that the term of a newly appointed councilor commences when the person is appointed and qualified; and
7. Whereas, the public interest would benefit by prompt replacement of the resigning councilor with no break in service;

#### **NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TROUTDALE**

Section 1. That the irrevocable resignation of Councilor Anderson creates a vacancy on Council effective April 1, 2016, which council is required to fill.

Section 2. Council will accept applications submitted in writing to the office of the City Clerk, on a form provided by the City, commencing at 8:00 am on Wednesday, February 10, 2016, and ending at 4:30 pm on Tuesday, February 23, 2016.

Section 3. Council will conduct interviews of all applicants at a special meeting of the City Council at 5:30 pm on Tuesday February 23, 2016 in the council chambers. Applicants will be asked to step out and not listen to answers of other applicants prior to the interview

of the applicant. Council will then interview each applicant in the following manner: each councilor and the mayor will ask one question of that councilor's choosing, but will ask the same question of each applicant, to insure fairness.

Section 4. Council will then proceed to select one applicant as the successor to Councilor Anderson, to be sworn in as a councilor after the position becomes vacant, and the applicant has qualified. The council may choose any procedure, including proceeding directly to a vote, or narrowing the number of applicants under consideration prior to selecting a successor on February 23, 2016.

Section 5. The person selected as successor councilor shall be sworn and commence serving at the first meeting of council after March 31, 2016.

**YEAS:**  
**NAYS:**  
**ABSTAINED:**

\_\_\_\_\_  
**Doug Daoust, Mayor**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Sarah Skroch, City Recorder**

**Adopted:**



# CITY OF TROUTDALE



## STAFF REPORT

**SUBJECT / ISSUE:** A Motion Authorizing the City Manager to Develop Agreements to Create a Shared Recreation Program with Fairview and Wood Village Based on Basic Initial Understandings

**MEETING TYPE:**  
City Council Regular Mtg.

**MEETING DATE:** Feb. 23, 2016

**STAFF MEMBER:** Craig Ward  
**DEPARTMENT:** Executive

**ACTION REQUIRED**  
Motion

**ADVISORY COMMITTEE/COMMISSION RECOMMENDATION:**  
Not Applicable

**PUBLIC HEARING**  
No

**Comments:**

**STAFF RECOMMENDATION:** Authorize negotiations to develop agreements to develop a shared Recreation Program with Fairview and Wood Village based on Basic Initial Understandings

**EXHIBITS:**

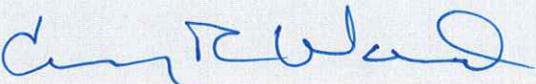
- A. Fairview's 3 Cities Recreation Concept Paper

**Subject / Issue Relates To:**

- Council Goals                       Legislative                       Other:

**Issue / Council Decision & Discussion Points:**

- ◆ Should the staff pursue in good faith development of agreements with Fairview and Wood Village to create a shared and expanded recreation program based on the Basic Initial Understandings?
- ◆ What basic understandings may be necessary, in addition to or substituting for the Basic Initial Understandings?
- ◆ Should staff develop other information for Council's use at this time?

Reviewed and Approved by City Manager: 

## BACKGROUND:

As the Council is aware, city staff was directed to work with representatives of the cities of Fairview and Wood Village to “consider” sharing, and potentially expanding, Troutdale’s long-standing recreation program. To that end, the City of Fairview developed the attached exhibit “Fairview’s 3 Cities Recreation Concept Paper” that framed initial discussions, but is proposed to be revised in rough accordance with the following “Basic Initial Understandings”:

1. Until modified by an executed Memorandum of Understanding (MOU) or Intergovernmental Agreement among the 3 cities to establish and fund an “expanded program”, the **existing** program, managed by Mollie King, will remain Troutdale’s responsibility with minimal 2016/17 changes except:
  - A. The distribution of the Recreation Guide will be immediately expanded to include Fairview, with Fairview reimbursing Troutdale for the additional printing and mailing costs. Wood Village already receives the Guide, as they have been mailed to all households within Troutdale and Wood Village’s common zip code.
  - B. The name of the Recreation Guide will be revised in the Spring/Summer 2016 edition to be labelled “**3 Cities Recreation**”, if issues such as elimination of non-resident fees for Fairview and Wood Village residents can be addressed immediately to the satisfaction of all partners. Otherwise, the current fee structure will be preserved.
  - C. Program offerings may be expanded for the Fall 2016 Guide if Troutdale’s current vendors are capable of providing additional classes/programs for the same per unit costs. If the vendors have the capacity and desire to provide additional classes in Fairview or Wood Village facilities, the facilities for such additional classes will be made available at no cost to the vendor or Troutdale.
  - D. In order to avoid undue burden of the financial processing to accommodate expanded classes, **only on-line registration** will be supported for all programs, starting with the next (Spring/Summer 2016) offerings.
  - E. During Full/ Winter 2016 Registration Fairview will offer an onsite registration event (use Troutdale’s on-line registration process and provide assistance in doing so if desired)
  
2. An **expanded** 3 Cities Recreation Program MOU will be developed with costs to be shared by the partners (Troutdale, Fairview and Wood Village) at the ratios of 40/40/20, respectively.
  - A. The new shared program, roughly based on Fairview’s 3 Cities Recreation Concept Paper, will take months to develop before classes are ready to accept registrations.
  - B. The new shared program will be governed by a board of directors equally representing each partner.
  - C. A full-time Director will be hired to develop the new program. The Director position may begin by the summer of 2016 and the new program may be ready for rollout by winter 2016/17, though spring of 2017 is more feasible.

- D. Startup costs are estimated at \$140, 000, which the partner’s 2016/17 annual budgets will reflect (\$56,000 each for both Troutdale and Fairview, and \$28,000 for Wood Village).
- E. Registration revenues are hoped to eventually match expenses such that the new program will eventually be self-sustaining, but that will depend on registrations and it is unlikely that revenues will build in 2016/17 to match expenses. Whether or not the net annual return of the expanded program is positive or negative, net ending year balances are to be returned to the partners according to the agreed ratios.
- F. Fairview will hire, house and support new program staff.

**SUMMARY:**

If these understandings are authorized, negotiations among Troutdale, Fairview and Wood Village will continue with the mutual goal of expanding Troutdale’s long-standing recreation program to serve all three cities. Initially, the **existing** program will remain Troutdale’s responsibility with minimal 2016/17 changes except that the distribution of the Recreation Guide will be expanded to include Fairview and Wood Village, and the title of the Recreation Guide will be revised in the next edition to read “**3 Cities Recreation**”, and **only on-line registration** will be supported for all programs. A longer term **expanded** 3 Cities Recreation Program will also be developed, with costs to be shared by the three cities in rough accordance with Fairview’s 3 Cities Recreation Concept Paper, as may be mutually amended.

**Current Year Budget Impacts**    Yes (*describe*)    N/A  
 Initial fiscal impacts assume that Fairview will reimburse Troutdale for the additional costs of printing and mailing the Recreation Guide to Fairview households.

**Future Fiscal Impacts:**    Yes (*describe*)    N/A  
 Longer-term financial impacts are roughly expected to cost Troutdale up to \$56,000 in FY 2016/17, with some offsetting revenues depending on the timing, extent and success of the expanded program.

**Community Involvement Process:**    Yes (*describe*)    N/A

# DRAFT

## Mission Statement:

To provide personal, social and recreational programs to teens in a safe and positive environment that will enhance personal and social skills, teach responsibility and leadership, and promote individual self-esteem.

## Executive Summary:

When many of us were young, Recreation was the time we spent outside with our friends until the street light came on. Today, Kids are mostly indoors playing computer games or just staring at the wall because outdoors has become unsafe for unsupervised playing. Today we have the chance to create a deeply meaningful opportunity for the children of our cities by pooling our meager resources and replicating what other communities are doing to lift their children up.

The recreation program will consist of primarily a three city IGA that equitably shares the cost of hiring 1.5 FTE to act as directors of the overall program. The programs themselves are based off private franchised models and are designed to be low cost, inclusive and self-sustaining. The program seeks to leverage local partnerships, local labor and provide broad range local economic benefits.

Recreation programming has many community benefits. Four of those benefits were identified as priority in development of a three city model. Juvenile crime activity, Youth graduation rates, Health and Wellness, Local economic stimulation.

**Juvenile crime activity** is becoming an ever increasing problem in East County. In the recent Multnomah County comprehensive Gang assessment report, recreation programming was cited as a solution for reducing juvenile crime. (1) In the report, gang members and their parents highly cited recreation opportunities as ways to reduce negative outcomes. Additional studies (2), (3), (4)

**Youth Graduation rates:** Reynolds High school graduation rate was 63% (2014) . For most kids in our educational system a "stick" works great. They come from family or upbringings that have reinforced what they need to do to achieve. However in a growing number of our youth they need a "carrot". An extra-curricular program of some sorts that motivates an adolescent to achieve through the reward of programming. Recent studies show disturbing trends about children who regularly come home to an empty house: higher than average dropout rate, drug abuse, truancy and depression. One study concluded (5):

*The participation in afterschool programs helped all participants feel better about themselves in a variety of ways. Self-worth stood out as a major factor and had a direct relationship with their actions related to school on a wide scale. They became more involved in school, took more interest in their schoolwork, felt more socially relevant,*

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*made more friends with common interests, felt more confident, and were generally happier at school. All of these factors related directly to the student's possible success as a whole in school and the likelihood of that student graduating high school.*

Other studies found similar findings (6), (3)

**Health and Wellness:** According to the Surgeon General, "Engaging in regular physical activity is one of the most important things that people of all ages can do to improve their health." National obesity statistics are sobering, with more than two-thirds of adults and nearly one in three children considered overweight or obese. Fairview is a HEAL city. HEAL is Health Eating, Active Living. (8) A recreation program goes a long way to achieving the goals of HEAL. The physical and physiological health benefits of recreation programming are numerous. (7) (9) Reduces obesity and controls weight, Boosts immune systems, less prone to injury, Builds self-esteem, reduces stress, increases energy and alertness.

**Economic benefits:** One of the drawbacks of using franchised recreation providers is that the money collect does not stay in the local economy. The goal of three city recreation is to hire local teachers and responsible students to teach basic skills to our local kids. Majority of the money raised and expended on the program will stay in East County and benefit the local economy. Studies have indicated the many economic benefits of a robust recreation program. Increases in livability, increases in property values, Healthier more productive labor and recreation tourism. (10) , (11) , (12)

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## **History:**

In Fairview, Recreation has long been a goal of council. The Parks and Recreation Committee (PRAC) has long pondered how a city of our size could adequately fund recreation programming sustainably. The recent efforts of the Springwater Parks & Recreation District group have revitalized the discussion in East County. The Springwater group paints as fairly bleak picture of a fragmented, chaotic and largely unknown East County recreation program system.

As Springwater made it pitch to the city councils of three cities a common theme emerged. While the city councils were not overly interested in a district concept, They were very interested in finding ways to work together to provide better recreation opportunities to their residents. From these talks, the idea of a 3C's Recreation program was born.

Troutdale has the only city sponsored functioning recreation program in East County. To Troutdale's credit, they have been able to maintain their program even during poor economic times by using out of area franchise contract recreation providers. One of the big concerns we are attempting to address is that Franchise recreation providers are expensive for the city's residents, They don't target that economically disadvantaged residents and give little back to the community as a result of their programs. The planned recreation program seeks to use the private franchise business model to target the residents that need the recreation opportunities the most.

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**Objectives:**

- Create a 3 city IGA for the creation and management of recreation programming.
  - Enter into partnership agreement with the Reynolds School District for facilities use and recreation promotion
  - Create a 3 city board of directors made up of City managers and 1 elected official from each council and a Reynolds school District representative. (7 members)
  - Find and purchase recreation management software
  - Create an a basic summer program with a target launch of summer 2016
  - Keep the target price for recreation programs to \$35 per session
  - Begin the task of reaching out to area stakeholders and find ways to incorporate and expand recreation opportunities.
- 

**Funding:**

As a hybrid private/public model the cost of the 1.5 FTE, estimated at \$100,000/year will be shared by the 3 cities at a \$40/\$20/\$40 split.

Initial investment of for advertising and supplies: \$

Recreation Programs are designed to following a criteria:

- Pay local coaches \$15- \$20/hour
- Cover the expenses of a part-time program Supervisor
- Cover the cost of facilities maintenance, advertising and supplies

Revenue: (Clinics)

\$35 (per child) x 10 (minimum class size) = \$350 (per class)

Expenses:

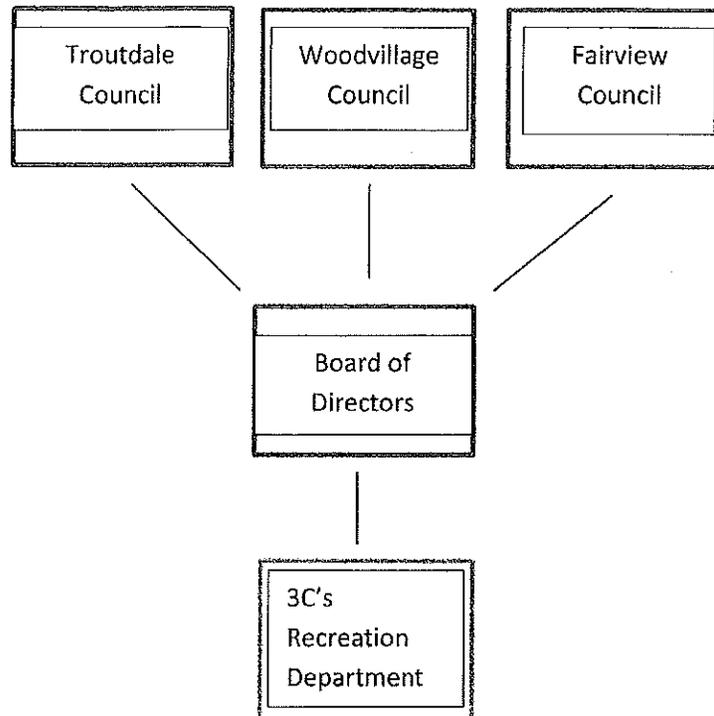
\$15/hr (per coach, per 10 kids) x 8 hrs (8 sessions per class) = \$120.00

\$10 T-Shirt (participation swag) x 10 = \$100.00

Excess (profit) = \$130.00 per class

- Advertising, Printing and Mailing (minimal, city newsletters, School district handouts)
  - Facilities rental & Maintenance (minimal, Most parks and Facilities are already owned & maintained)
  - Insurance (minimal, carrier policy)
  - Recreation management software (usually a fee per registration)
- 

**Structure:**



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**Current services:**

City of Troutdale currently runs a year-round program. Wood Village and Fairview have worked up agreements to charge Wood Village and Fairview residents Troutdale resident rates. From Aug 2014 – Aug 2015, 1116 kids have participated in Troutdale’s year round program. Of those, 130 were from Gresham, 29 from Wood Village and 11 from Fairview.

Gresham, Fairview, Wood Village do not have recreation programming.

Fragments of recreation programs dot East County. YMCA, Boys and Girls club (opening in Rockwood), Mt Hood Community College, Reynolds youth soccer club, Reynolds aquatic swim lessons, etc.. The nearest recreation center is the East Portland Recreation center & Pool on 106<sup>th</sup> / Stark

Reynolds School district has approximately 7012 students in the grade school/middle school system. Of those, 3752 attend schools in the three cities. 62% of those students are classified as economically disadvantaged.

Comparing franchised services is difficult as each jurisdiction negotiates individual rates based on a formula of city requirements and “kick back’s” for promotion and facilities use. The pros of contracting out recreation services is that the city is absolved of liability and responsibility, The Cons of contracting out recreations is their expensive, they don’t target the disadvantaged , lack of control and resources don’t stay in East County.

**Customer Base:**

The service area is difficult to define. Are we going to create a two tiered resident/Non-resident pricing structure or are we service the children of the Reynolds School District. Those that attend schools in the three cities do not necessarily live in the three cities. Reynolds School District elementary and middle school population is @ 7012, of those 3752 students attends schools located in the three cities. 62% of the Reynolds School District is economically disadvantaged. In 2008 Gresham conducted a recreation needs assessment (13). Assuming the attitudes of the residents are similar in East County. 80% of residents did not feel teen recreation needs were being met.

As noted above, From Aug 2014 – Aug 2015, 1116 kids have participated in Troutdale’s year round program. Of those, 130 were from Gresham, 29 from Wood Village and 11 from Fairview. It is a conservative estimate that when this program is running year round, we can see upwards of 2500 + engagements in recreation programs within the three cities.

**Area stakeholders:**

- Reynolds School District (Facilities, maintenance, developed communication structure)
- Multnomah County (Health, At risk youth)
- Multnomah County Sheriff (have historically supported and participated in at-risk youth basketball)
- YMCA
- Home Forward
- Reynolds Youth Soccer Club
- Reynolds Youth Football Association
- Boys and Girls clubs

**Reference material:**

- (1) Multnomah county comprehensive gang assessment.  
<https://multco.us/file/34749/download>
- (2) The Benefits of recreational programming on Juvenile Crime reduction:  
[http://www.nccu.edu/formsdocs/proxy.cfm?file\\_id=2907](http://www.nccu.edu/formsdocs/proxy.cfm?file_id=2907)

- (3) The Rationale for Recreation Services for Youth:  
[http://www.nrpa.org/uploadedFiles/nrpa.org/Publications\\_and\\_Research/Research/Papers/Witt-Caldwell-Full-Research-Paper.pdf](http://www.nrpa.org/uploadedFiles/nrpa.org/Publications_and_Research/Research/Papers/Witt-Caldwell-Full-Research-Paper.pdf)
- (4) The Role of Recreation in Preventing Youth With Disabilities From Coming Into Contact With the Juvenile Justice System and Preventing Recidivism  
<http://cecp.air.org/juvenilejustice/docs/Role%20of%20Recreation.pdf>
- (5) Role of an Afterschool Program on Students graduating High School:  
<http://digitalcommons.liberty.edu/cgi/viewcontent.cgi?article=1688&context=doctoral>
- (6) Afterschool opportunities: <http://dropoutprevention.org/effective-strategies/after-school-opportunities/>
- (7) The Health and Social Benefits of Recreation  
[http://www.parks.ca.gov/pages/795/files/health\\_benefits\\_081505.pdf](http://www.parks.ca.gov/pages/795/files/health_benefits_081505.pdf)
- (8) Healthy Eating Active Living (HEAL) <http://www.healcitiesnw.org/>
- (9) Role of Parks and Recreation on Health and Wellness <http://www.nrpa.org/About-NRPA/Position-Statements/Role-of-Parks-and-Recreation-on-Health-and-Wellness/>
- (10) Measuring the Economic Value of Recreation, Programs and Parks:  
<http://www.mparks.org/Portals/0/Resource-Center/Justifying%20Parks%20and%20Recreation/Economic%20Impact/Guide%20to%20Measuring%20Economic%20Value%20of%20Parks%20and%20Recreation%20-%20MRPA.pdf>
- (11) The Economic Impact of Local Parks:  
[https://www.gocolumbiamo.com/ParksandRec/About\\_Us/documents/2015-Economic-Impact-Study-Summary.pdf](https://www.gocolumbiamo.com/ParksandRec/About_Us/documents/2015-Economic-Impact-Study-Summary.pdf)
- (12) The Economic Benefits of Denver's Park and Recreation System  
<http://cloud.tpl.org/pubs/ccpe-denver-park-value-report.pdf>
- (13) 2008 Gresham recreation needs assessment  
[file:///C:/Users/Brian/Downloads/Community%20Needs%20Assessment%20\(4\).pdf](file:///C:/Users/Brian/Downloads/Community%20Needs%20Assessment%20(4).pdf)



# CITY OF TROUTDALE



## STAFF REPORT

**SUBJECT / ISSUE:** A resolution adjusting the storm sewer utility fee and rescinding resolution No. 2287.

**MEETING TYPE:**  
City Council Regular Mtg.

**MEETING DATE:** February 23, 2016

**STAFF MEMBER:** Steve Gaschler  
**DEPARTMENT:** Public Works

**ACTION REQUIRED**  
Resolution

**ADVISORY COMMITTEE/COMMISSION RECOMMENDATION:**  
Not Applicable

**PUBLIC HEARING**  
No

**Comments:**

**STAFF RECOMMENDATION:** Approve the proposed rate increase and adopt the respective resolution. Approve rate cap removal explanation letter.

**EXHIBITS:**

- A. Proposed storm sewer rate cap removal explanation letter
- B. FCS March 18, 2014 presentation
- C. Currently Capped Storm Sewer Accounts and 2015 Capped Accounts Removed

**Subject / Issue Relates To:**

- Council Goals                       Legislative                       Other (describe)  
*Maintain stability in Public Works Funds*

**Issue / Council Decision & Discussion Points:**

- ◆ Financial Consulting Services (FCS) presentation to Council March 2014 demonstrating the need to increase storm sewer rates and remove the rate cap.
- ◆ 2013-14 Budget allocating the full cost of material and supply's to the storm sewer. Prior to this year these costs were being carried by the sanitary sewer and street funds.
- ◆ City storm sewer utility fees have not kept pace with increasing costs.
- ◆ The City's General Fund is currently budgeted to transfer \$202,000 for 2015-16. If the cap is not removed or modified a similar transfer will be required for 2016-17 budget.

Reviewed and Approved by City Manager:

- ◆ Water quality requirements and watershed stewardship programs are increasing the expense of providing storm water management systems and services.
- ◆ The proposed rate increase per residential user is very small and well within a reasonable level for rate payers' means.
- ◆ Removing the rate cap establishes equity between residential and nonresidential in storm sewer rates.

## **BACKGROUND:**

The Troutdale Municipal Code establishes Storm Sewer utility fees and authorizes the City Council to adjust the amount of the fees by Resolution. Costs of personnel, materials, services, capital projects and reimbursements to other funds continue to increase. Additionally, the City needs to build capital reserves to cover the cost of anticipated future capital costs that will be needed to maintain, upgrade and rehabilitate components of the storm sewer system as they age and degrade, and as required water quality retrofitting projects become necessary. The storm sewer utility faces a dramatic revenue shortfall in FY 16-17 at current rates.

Concurrent with the preparation of the FY 2014-15 budget, staff hired FCS to perform a storm sewer economic and financial analysis. At a March 18, 2014 work session, the draft storm sewer economic and financial analysis was presented to the City Council. One key finding of that analysis is that the current storm sewer rates were found to be immediately inadequate. The current rate structure, specifically capping billable impervious area at 6.2 equivalent residential units, large nonresidential customers at the expense of residential and small business customers, limits the marginal revenue provided by a rate increase and does not provide sufficient funding for the utility. At the work session, Council requested two additional scenarios be evaluated: specifically removing the cap immediately and phasing out the cap and having a flat \$1.00 per month increase to the monthly utility fee for residential users.

At the May 27, 2014 Council Meeting, staff presented the three options and accompanying analyses that the Council requested. At that meeting, staff recommended increasing the base rate by 4% and removal of the cap. The Council considered these options and elected to increase the base rate by 4%, but left the cap at \$25.27, with the intent of revisiting the matter at a future date.

At the April 2015 Budget Committee meetings, staff proposed a 4% increase in the base rate and removal of the cap. The Budget Committee chose not to endorse that proposal, and instead developed and endorsed a recommendation to the City Council that the base rate increase of 4% be coupled with a doubling of the rate cap from \$25.27 to \$50.54. These increases alone did not provide the necessary funding to cover all storm water fund expenses for the coming year. The Committee therefore further recommended that that shortfall be made up by a contribution from the General Fund, which is estimated at approximately \$216,000. The recommended funding mechanisms together are just enough to cover the fund's expenses for the coming year, but leaves no projected ending balance nor a sufficient funding plan for ensuing years. Staff recommended that the City Council revisit storm water rates and financial analysis in the first half of FY 2015-16 to develop a sustainable funding plan for the utility's future years.

Increasing the base rate by 4% will increase costs to single family residential customers of \$0.18 per month, or \$2.16 per year.

The City has approximately 4,600 customer accounts. Approximately 99 customer accounts pay the current storm sewer utility fee rate cap of \$50.54 per month. On July 1, 2015, 127 customers' accounts were removed from the rate cap when it was increased to \$50.54. Abolishing the rate cap will eliminate the need to transfer general fund resources to the storm sewer fund.

**PROS & CONS:**

Pros:

- This rate increase, coupled with a contribution from the General Fund, would provide sufficient funding to sustain the utility for FY16-17.
- The rate increases are restrained and quite modest for the residential customer. The combined monthly average residential cost for water, sewer and storm water will be 1.07% of median household income, well below the 2.5% affordability threshold.
- Removing the rate cap would eliminate the need for support from the General Fund, and restore rate equity between residential and nonresidential customers.

Cons

- Increased fees to residents and businesses.

<b>Current Year Budget Impacts</b> <input type="checkbox"/> Yes ( <i>describe</i> ) <input checked="" type="checkbox"/> N/A
<b>Future Fiscal Impacts:</b> <input checked="" type="checkbox"/> Yes ( <i>describe</i> ) <input type="checkbox"/> N/A
Increases revenue as described above
Eliminates \$216,000 transfer from the general fund in FY16-17
<b>City Attorney Approved</b> N/A <input type="checkbox"/> Yes
<b>Community Involvement Process:</b> <input type="checkbox"/> Yes ( <i>describe</i> ) <input checked="" type="checkbox"/> N/A

# Exhibit A

2/23/16 Council Mtg. – Item #9

Proposed Letter for Rate Cap Removal

March 1, 2016

Troutdale Business Name

RE: Storm Sewer Fee Increase Takes Effect July 1

## Troutdale's Storm Sewer Program

The City of Troutdale is committed to providing sustainable quality services and environmental protection while practicing fiscal responsibility. The City's storm sewer utility is charged with providing floodwater management that protects life, property and livability while sustaining, enhancing, and promoting water health in our community by reducing the discharge of storm sewer pollutants to our streams and aquifers to the maximum extent practicable.

## The Need for a Rate Increase

The costs for personnel, materials, services, and capital projects for Troutdale's storm sewer program continue to increase. Also, the City needs to build reserves to cover the cost to maintain, rehabilitate, retrofit and upgrade aging components of the storm sewer system. Last year, Troutdale City Council had to transfer \$200,000 out of the General Fund to cover the storm sewer fund shortfall.

An independent financial analysis of the storm sewer fund pointed to our rate schedule cap for non-residential customers as one reason for the shortfall. Prior to July 1, 2015 all Troutdale businesses over 6 equivalent residential units (16,200 square feet of impervious surface) were capped at a rate of \$25.27 per month *regardless* of the amount of impervious surface. The effect was a shopping center with acres of impervious surface paid the same fee as a small business or 6-unit apartment complex. City Council took action last year to increase the rate cap to help relieve the funding gap.

## Calculating Your New Rate

Last July, your business was mailed a notice regarding the increase of the rate cap from \$25.26 to \$50.54. Effective July 1, 2016 the storm sewer rate cap will be removed entirely, and the fee charged to all non-residential storm water accounts will be based on actual impervious surface measured. This rate increase will complete the process of aligning rates with actual runoff produced.

Our records show your property has XXX equivalent residential units of impervious surface. (One ERU equals 2,700 square feet). Based on this measurement, effective July 1, 2016, your monthly storm sewer fee will increase to \$XXX, (XX ERU X \$4.61). The total storm sewer utility fee *may* be reduced by individual property owners who take steps to reduce storm flows (see attachment for details).

## Questions?

If you believe we have incorrectly determined your impervious area, or you have questions, please contact Travis Hultin P.E. at: [travis.hultin@troutdaleoregon.gov](mailto:travis.hultin@troutdaleoregon.gov) or 503-674-7265.

Sincerely

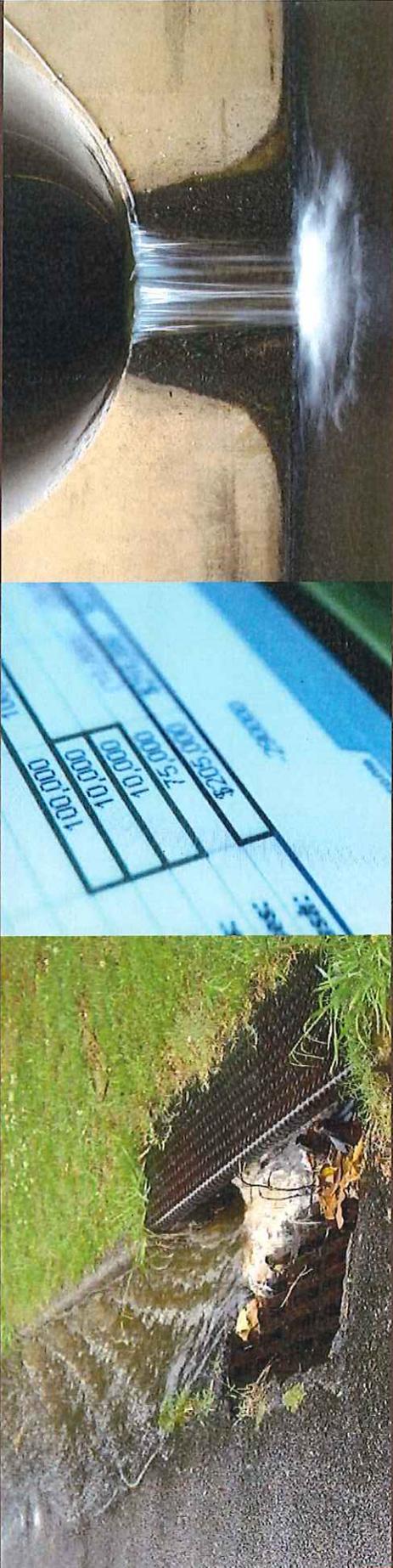
Steve Gaschler  
Public Works Director

## **Attachment to storm sewer rate cap letter.**

### **From Troutdale Municipal Code, Chapter 12.06 Storm Sewer System**

**The storm sewer utility fee may be reduced by individual mitigation efforts, as follows:**

- A. The responsible party must request, in writing, a reduction in the storm sewer utility fee based upon mitigation actions taken to reduce the effect of storm water flow from the property.
- B. The request must include the following minimum information:
  - (1) The calculated storm water run-off from the area in question prior to its development.
  - (2) The calculated additional storm water run-off from the area in question after its development without mitigation.
  - (3) The calculated additional storm water run-off from the area in question after its development with mitigation.
  - (4) Drawings or other suitable details of the mitigation method(s) employed.
- C. In determining storm water run-off, a 25-year event of 24-hour intensity shall be used.
- D. Upon review and approval of the user's request, the Public Works Director may grant a reduction in the storm sewer utility fee equal to the percent reduction in additional storm water run-off achieved by the mitigation effort but in no event shall the reduction be more than 70% of the fee without mitigation.
- E. The full amount of the storm sewer utility fee shall be charged until a request for reduction is received and approved.
- F. The decision of the Public Works Director may be appealed to the City Manager. Such appeal must be in writing and submitted with 30 days after the decision is made by the Director. The appeal must state the particular matter in dispute, the reason(s) for differing with the Director, and the specific relief sought.



**City of Troutdale,  
Oregon**

**March 18, 2014**

# **Storm Sewer Rate and SDC Study**

**City Council Work Session**

*Presented by*

**John Ghilarducci**

**Amy Pepper**



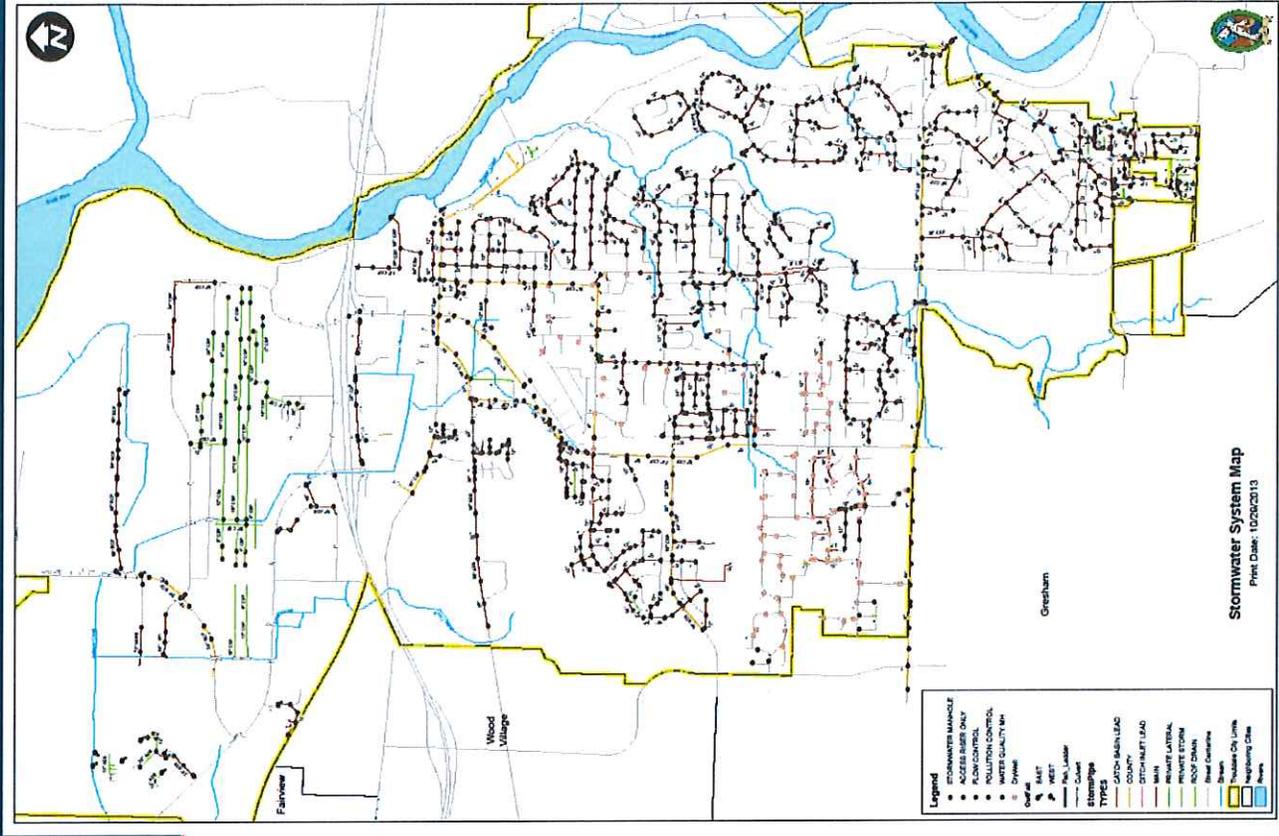
4380 SW Macadam Avenue, Suite 220, Portland, OR 97239 ■ 503-841-6543

# Presentation Outline

1. Stormwater program
  - System characteristics
  - Services provided
  - Sample projects
2. Rate study
  - Background
  - Key assumptions
  - Key findings
  - Rate Scenarios
  - Comparable rates
3. SDC study
  - Background
  - SDC calculation summary
  - Comparable SDCs

# Stormwater System

- 37.0 miles of main lines
- 4,560 system users
- 126 drywells
- 1,204 catch basins
- 14 vegetated water quality facilities



# Stormwater Program

- Governing regulations
  - Clean Water Act
    - Regulates discharges to streams/rivers
    - NPDES Permit issued to City in 2007
  - Sandy River Total Maximum Daily Load (TMDL)
    - Beaver Creek water quality limited for bacteria
  - Safe Drinking Water Act
    - Regulates discharges to drywells
    - Applied for WPCF permit in 2010

# Stormwater Program

- Program Components
  - Public education and outreach
    - Brochures, *Champion* Articles, workshops
  - Public involvement/participation
    - Website, Spring Cleanup event
  - Illicit discharge detection and elimination
    - Mapping, outfall inspection
  - Construction site stormwater runoff control
    - Erosion control
  - Post-construction stormwater management
    - Master Planning, Treatment standards
  - Pollution prevention in municipal operations
    - Catch basin cleaning, street sweeping, drywell cleaning

# Stormwater Facility Rehabilitation

- Vegetated facilities routinely maintained annually (vegetation/trash removal)
- Periodically (every 5-10 years), facilities need more extensive maintenance



*Strawberry Meadows  
Detention Facility,  
Rehab in June 2013*

# North Evans Outfall Rehabilitation

- Construction expected in 2014 to repair existing outfall
  - Located along slopes of Beaver Creek
  - Base has partially eroded away
  - Outfall has shifted



# Rate Background

## What should rates do?

- Generate sufficient revenues to sustain the utility.
- Charge for services provided.
- Recover costs equitably.
- Achieve City objectives.
  - Permit compliance
  - Flood Management
  - Environmental Protection

# Rate Background

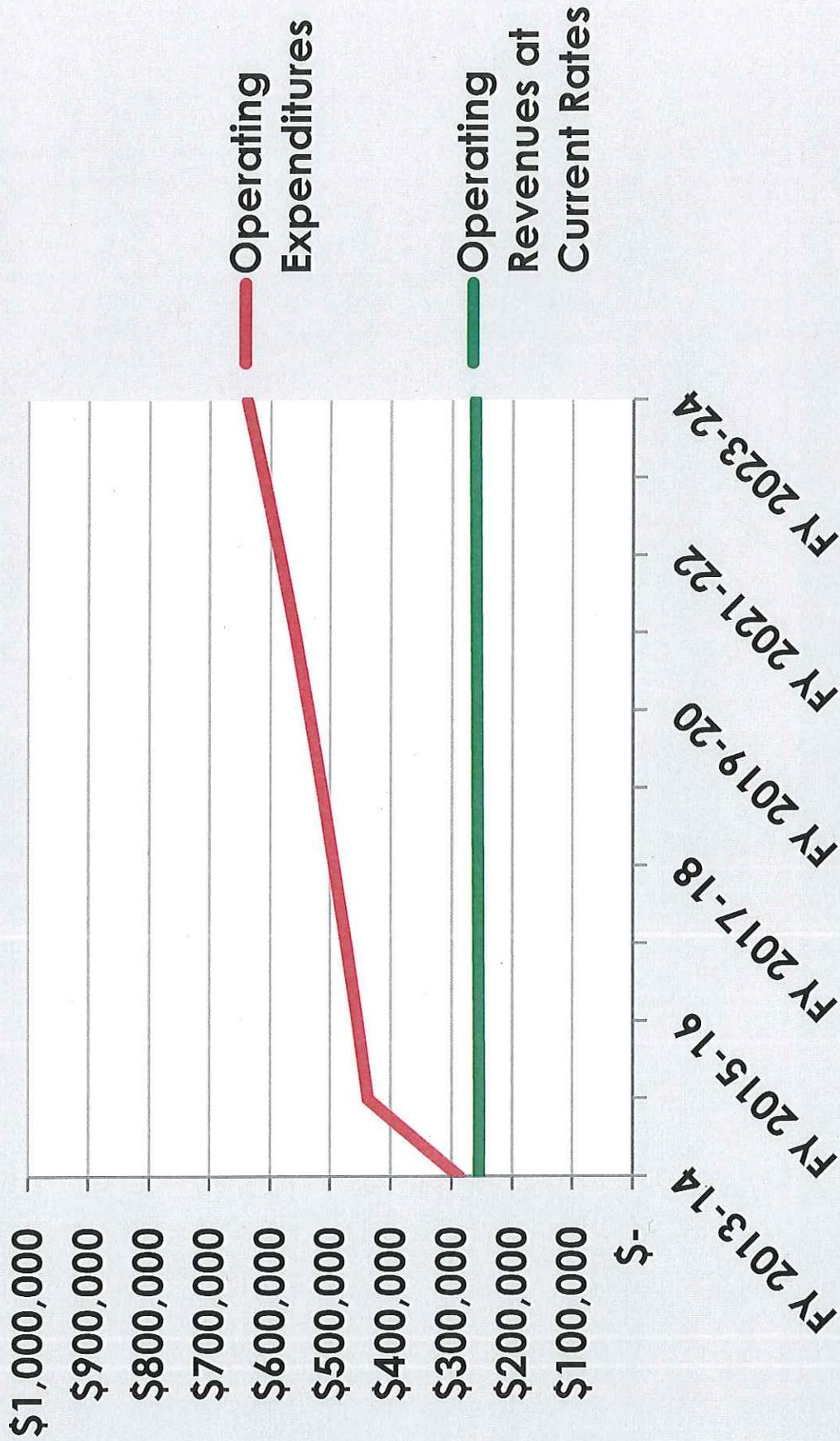
## Current Rate Structure

- Equivalent residential unit (ERU) = 2,700 square feet of impervious surface area
- \$4.10 per month per ERU
- Cap of \$25.27 per month
- Customers do not pay for more than 0.38 acres (6.2 ERUs), regardless of actual impervious surface area

# Key Assumptions

- Annual cost escalation
  - 3.0% for salaries and wages
  - 10.0% for benefits
  - 3.0% for materials and services
  - 4.0% for capital outlay
- Customer growth of 0.25% per year
- Operating fund maintains 30-45 days of expenditures

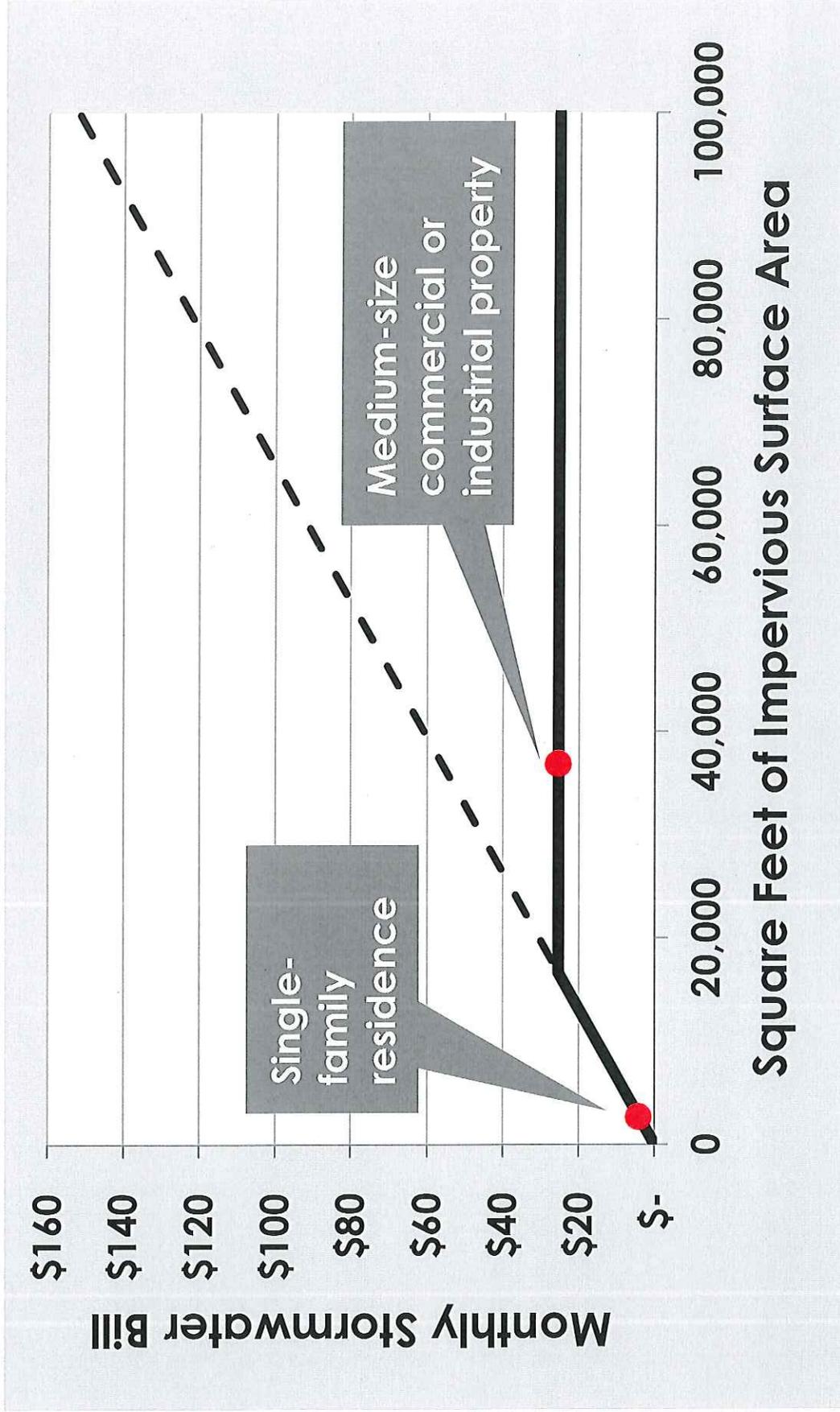
# Forecast at Current Rates



## Key Findings

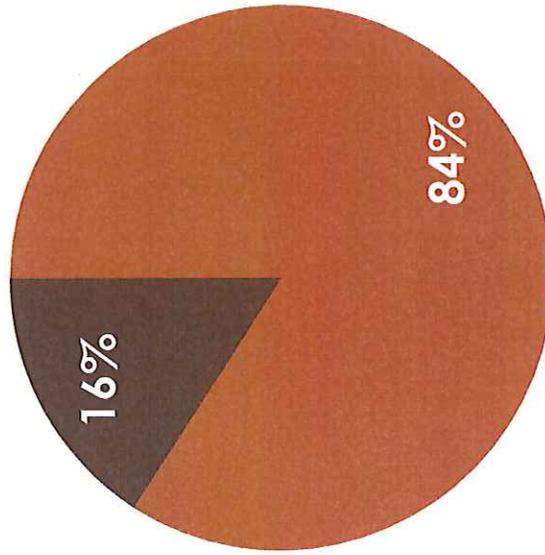
- Capital fund balance is adequate for near-term projects.
  - \$2 million in Storm Sewer Improvement Fund
- Change in budgeting practices will impact operating expenditures.
  - \$364,475 in fiscal year 2013-14
  - \$547,373 in fiscal year 2014-15
  - Reduces expenditures in wastewater utility
- Rate cap inequitable to residential customers and small business.

# Impact of Rate Cap



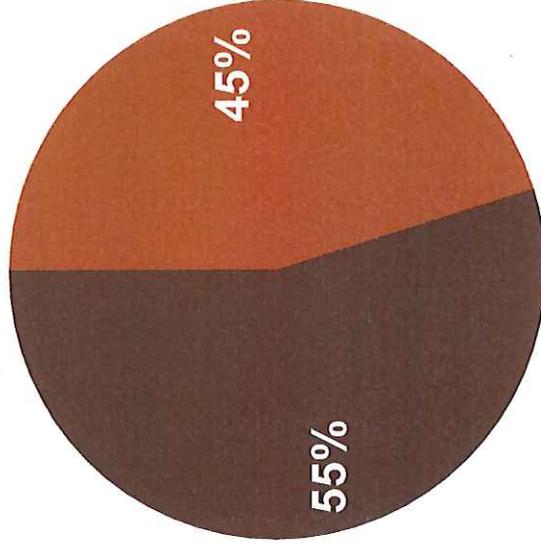
# Impact of Rate Cap

### Revenue Profile with Cap



■ SFR ■ All Other

### Revenue Profile No Cap Proportion of Impervious Surface Area



■ SFR ■ All Other

# Rate Scenarios

1. Baseline
  - Full funding of depreciation for asset replacement
  - Rate cap escalates proportionally with rates.
2. Phased-In Reinvestment
  - Four-year phase-in of system reinvestment
  - Rate cap escalates proportionally with rates.
3. Phased-Out Rate Cap
  - Raise cap for three years.
  - Remove cap in fourth year.
4. Double Phasing
  - Phase in system reinvestment
  - Phase out cap

# Rate Scenarios

## Baseline

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Revenues</b>										
Rate Revenues Under Existing Rates	\$ 250,000	\$ 250,625	\$ 251,252	\$ 251,880	\$ 252,509	\$ 253,141	\$ 253,774	\$ 254,408	\$ 255,044	\$ 255,682
Non-Rate Revenues	5,177	5,180	5,385	5,438	5,608	5,633	5,988	6,566	6,601	6,620
<b>Total Revenues</b>	<b>\$ 255,177</b>	<b>\$ 255,805</b>	<b>\$ 256,636</b>	<b>\$ 257,317</b>	<b>\$ 258,117</b>	<b>\$ 258,774</b>	<b>\$ 259,761</b>	<b>\$ 260,974</b>	<b>\$ 261,645</b>	<b>\$ 262,301</b>
<b>Expenses</b>										
Cash Operating Expenses	\$ 459,748	\$ 479,003	\$ 499,346	\$ 520,858	\$ 543,628	\$ 567,753	\$ 593,294	\$ 619,556	\$ 647,395	\$ 676,989
New Debt Service	-	-	-	-	-	-	38,093	38,093	38,093	38,093
Rate-Funded System Reinvestment	242,258	244,421	260,539	260,539	274,525	287,951	316,683	319,806	323,789	326,499
<b>Total Expenses</b>	<b>\$ 702,006</b>	<b>\$ 723,425</b>	<b>\$ 759,884</b>	<b>\$ 781,396</b>	<b>\$ 818,153</b>	<b>\$ 855,704</b>	<b>\$ 948,069</b>	<b>\$ 977,454</b>	<b>\$ 1,009,276</b>	<b>\$ 1,041,580</b>
<b>Annual Rate Adjustment</b>	<b>179.00%</b>	<b>4.90%</b>	<b>4.90%</b>	<b>4.90%</b>	<b>4.90%</b>	<b>4.90%</b>	<b>4.80%</b>	<b>3.00%</b>	<b>2.90%</b>	<b>2.90%</b>
Cumulative Rate Adjustment	179.00%	192.67%	207.01%	222.06%	237.84%	254.39%	271.40%	282.54%	293.64%	305.05%
Rate Revenues After Rate Increase	\$ 697,500	\$ 733,507	\$ 771,372	\$ 811,192	\$ 853,068	\$ 897,106	\$ 942,517	\$ 973,220	\$ 1,003,947	\$ 1,035,644
Net Cash Flow After Rate Increase	671	15,262	16,873	35,234	40,523	47,035	436	2,331	1,271	683
Monthly Rates per ERU	\$ 11.44	\$ 12.00	\$ 12.59	\$ 13.20	\$ 13.85	\$ 14.53	\$ 15.23	\$ 15.68	\$ 16.14	\$ 16.61

# Rate Scenarios

## Phased-In Reinvestment

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Revenues</b>										
Rate Revenues Under Existing Rates	\$ 250,000	\$ 250,625	\$ 251,252	\$ 251,880	\$ 252,509	\$ 253,141	\$ 253,774	\$ 254,408	\$ 255,044	\$ 255,682
Non-Rate Revenues	5,177	5,186	5,286	5,285	5,385	5,633	5,988	7,160	7,193	7,215
<b>Total Revenues</b>	<b>\$ 255,177</b>	<b>\$ 255,811</b>	<b>\$ 256,537</b>	<b>\$ 257,165</b>	<b>\$ 257,895</b>	<b>\$ 258,774</b>	<b>\$ 259,761</b>	<b>\$ 261,568</b>	<b>\$ 262,237</b>	<b>\$ 262,896</b>
<b>Expenses</b>										
Cash Operating Expenses	\$ 450,248	\$ 471,811	\$ 495,034	\$ 519,036	\$ 542,955	\$ 568,350	\$ 595,379	\$ 621,610	\$ 649,463	\$ 679,070
New Debt Service	-	-	-	-	-	-	77,821	77,821	77,821	77,821
Rate-Funded System Reinvestment	60,565	122,211	195,404	260,539	274,525	287,951	316,683	319,806	323,789	326,499
<b>Total Expenses</b>	<b>\$ 510,813</b>	<b>\$ 594,022</b>	<b>\$ 690,438</b>	<b>\$ 779,574</b>	<b>\$ 817,479</b>	<b>\$ 856,300</b>	<b>\$ 989,882</b>	<b>\$ 1,019,237</b>	<b>\$ 1,051,073</b>	<b>\$ 1,083,390</b>
<b>Annual Rate Adjustment</b>	<b>103.00%</b>	<b>15.90%</b>	<b>15.90%</b>	<b>12.80%</b>	<b>8.10%</b>	<b>8.00%</b>	<b>8.00%</b>	<b>2.80%</b>	<b>2.80%</b>	<b>2.80%</b>
Cumulative Rate Adjustment	103.00%	135.28%	172.69%	207.59%	232.50%	259.11%	287.83%	298.69%	309.86%	321.33%
Rate Revenues After Rate Increase	\$ 507,500	\$ 589,663	\$ 685,128	\$ 774,756	\$ 839,605	\$ 909,041	\$ 984,218	\$ 1,014,306	\$ 1,045,313	\$ 1,077,269
Net Cash Flow After Rate Increase	1,864	827	(24)	467	27,511	58,374	324	2,229	1,433	1,093
Monthly Rates per ERU	\$ 8.32	\$ 9.65	\$ 11.18	\$ 12.61	\$ 13.63	\$ 14.72	\$ 15.90	\$ 16.35	\$ 16.80	\$ 17.27

# Rate Scenarios

## Phased-Out Rate Cap

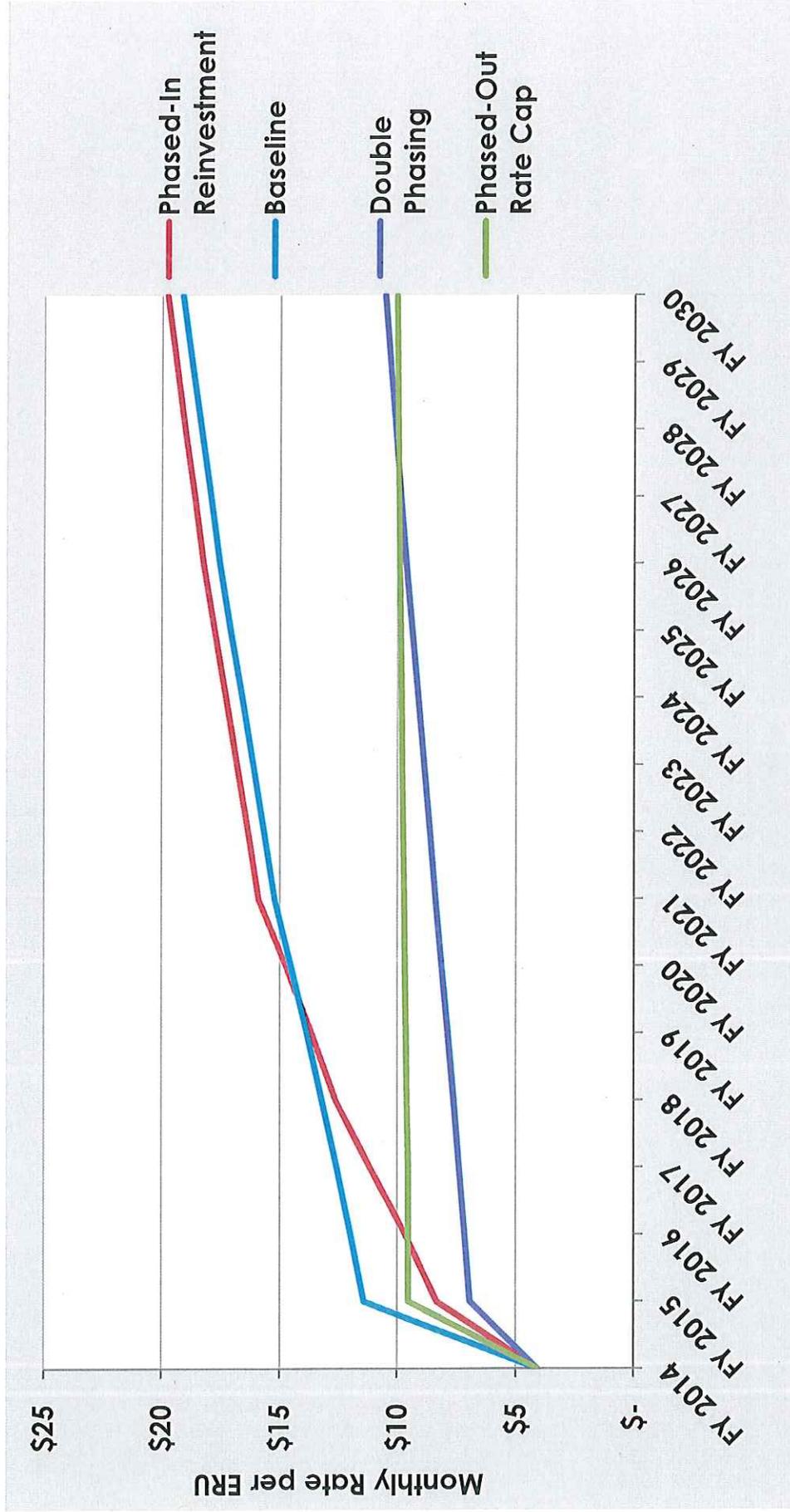
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Revenues</b>										
Rate Revenues Under Existing Rates	\$ 300,101	\$ 344,905	\$ 394,801	\$ 469,060	\$ 470,232	\$ 471,408	\$ 472,587	\$ 473,768	\$ 474,952	\$ 476,140
Non-Rate Revenues	5,177	5,181	5,424	5,444	5,621	5,647	6,008	6,054	6,100	6,148
<b>Total Revenues</b>	<b>\$ 305,278</b>	<b>\$ 350,085</b>	<b>\$ 400,225</b>	<b>\$ 474,504</b>	<b>\$ 475,854</b>	<b>\$ 477,055</b>	<b>\$ 478,594</b>	<b>\$ 479,822</b>	<b>\$ 481,052</b>	<b>\$ 482,288</b>
<b>Expenses</b>										
Cash Operating Expenses	\$ 459,753	\$ 482,416	\$ 506,665	\$ 535,089	\$ 556,177	\$ 578,459	\$ 602,092	\$ 627,182	\$ 653,852	\$ 682,230
Rate-Funded System Reinvestment	242,258	244,421	260,539	260,539	274,525	287,951	316,683	319,806	323,789	326,499
Additions Required for Fund Balance	774	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$ 702,786</b>	<b>\$ 726,837</b>	<b>\$ 767,203</b>	<b>\$ 795,628</b>	<b>\$ 830,702</b>	<b>\$ 866,410</b>	<b>\$ 918,774</b>	<b>\$ 946,988</b>	<b>\$ 977,641</b>	<b>\$ 1,008,728</b>
<b>Annual Rate Adjustment</b>	<b>132.46%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.50%</b>	<b>0.50%</b>	<b>0.40%</b>	<b>0.40%</b>	<b>0.40%</b>	<b>0.40%</b>	<b>0.40%</b>
Cumulative Rate Adjustment	132.46%	132.46%	132.46%	133.62%	134.79%	135.73%	136.67%	137.62%	138.57%	139.52%
Rate Revenues After Rate Increase	\$ 697,609	\$ 801,759	\$ 917,746	\$ 1,095,819	\$ 1,104,052	\$ 1,111,239	\$ 1,118,473	\$ 1,125,754	\$ 1,133,083	\$ 1,140,459
Net Cash Flow After Rate Increase	774	80,102	155,967	305,636	278,971	250,475	205,707	184,820	161,542	137,879
Monthly Rates per ERU	\$ 9.53	\$ 9.53	\$ 9.53	\$ 9.58	\$ 9.63	\$ 9.66	\$ 9.70	\$ 9.74	\$ 9.78	\$ 9.82
Cap on Monthly Bill	\$ 175.00	\$ 350.00	\$ 700.00	No cap						

# Rate Scenarios

## Double Phasing

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Revenues</b>										
Rate Revenues Under Existing Rates	\$ 298,956	\$ 341,526	\$ 389,185	\$ 469,060	\$ 470,232	\$ 471,408	\$ 472,587	\$ 473,768	\$ 474,952	\$ 476,140
Non-Rate Revenues	5,177	5,178	5,321	5,437	5,621	5,647	6,008	6,920	6,957	6,975
<b>Total Revenues</b>	<b>\$ 304,133</b>	<b>\$ 346,705</b>	<b>\$ 394,506</b>	<b>\$ 474,497</b>	<b>\$ 475,854</b>	<b>\$ 477,055</b>	<b>\$ 478,594</b>	<b>\$ 480,688</b>	<b>\$ 481,910</b>	<b>\$ 483,114</b>
<b>Expenses</b>										
Cash Operating Expenses	\$ 450,165	\$ 472,146	\$ 495,843	\$ 523,913	\$ 546,098	\$ 569,581	\$ 594,466	\$ 620,718	\$ 648,543	\$ 678,123
New Debt Service	-	-	-	-	-	-	60,388	60,388	60,388	60,388
Rate-Funded System Reinvestment	60,565	122,211	195,404	260,539	274,525	287,951	316,683	319,806	323,789	326,499
<b>Total Expenses</b>	<b>\$ 510,729</b>	<b>\$ 594,356</b>	<b>\$ 691,247</b>	<b>\$ 784,452</b>	<b>\$ 820,623</b>	<b>\$ 857,532</b>	<b>\$ 971,536</b>	<b>\$ 1,000,911</b>	<b>\$ 1,032,720</b>	<b>\$ 1,065,009</b>
<b>Annual Rate Adjustment</b>	<b>69.20%</b>	<b>3.20%</b>	<b>3.20%</b>	<b>3.20%</b>	<b>3.20%</b>	<b>3.20%</b>	<b>3.20%</b>	<b>2.90%</b>	<b>2.80%</b>	<b>2.80%</b>
Cumulative Rate Adjustment	69.20%	74.61%	80.20%	85.97%	91.92%	98.06%	104.40%	110.33%	116.22%	122.27%
Rate Revenues After Rate Increase	\$ 505,834	\$ 596,354	\$ 701,320	\$ 872,304	\$ 902,468	\$ 933,675	\$ 965,962	\$ 996,460	\$ 1,026,921	\$ 1,058,314
Net Cash Flow After Rate Increase	282	7,176	15,394	93,289	87,466	81,790	434	2,469	1,158	280
Monthly Rates per ERU	\$ 6.94	\$ 7.16	\$ 7.39	\$ 7.62	\$ 7.87	\$ 8.12	\$ 8.38	\$ 8.62	\$ 8.86	\$ 9.11
Cap on Monthly Bill	\$ 125.00	\$ 250.00	\$ 500.00	No cap	No cap	No cap				

# Rate Scenarios



# Rate Scenarios

## Sample Non-Residential Bills

	School	Small Business	Medium Business	Large Business
Square feet of impervious surface	136,600	15,678	36,940	1,945,364
Current monthly stormwater fee	\$ 25.27	\$ 23.83	\$ 25.27	\$ 25.27
Monthly stormwater fee in FY 2014-15				
Baseline	\$ 70.50	\$ 66.49	\$ 70.50	\$ 70.50
Phased-In Reinvestment	\$ 51.30	\$ 48.38	\$ 51.30	\$ 51.30
Phased-Out Rate Cap	\$ 175.00	\$ 55.40	\$ 130.52	\$ 175.00
Double Phasing	\$ 125.00	\$ 40.32	\$ 95.00	\$ 125.00
Monthly stormwater fee in FY 2017-18				
Baseline	\$ 81.38	\$ 76.75	\$ 81.38	\$ 81.38
Phased-In Reinvestment	\$ 77.73	\$ 73.30	\$ 77.73	\$ 77.73
Phased-Out Rate Cap	\$ 485.07	\$ 55.67	\$ 131.18	\$ 6,908.05
Double Phasing	\$ 386.13	\$ 44.32	\$ 104.42	\$ 5,499.00

# Comparable Rates

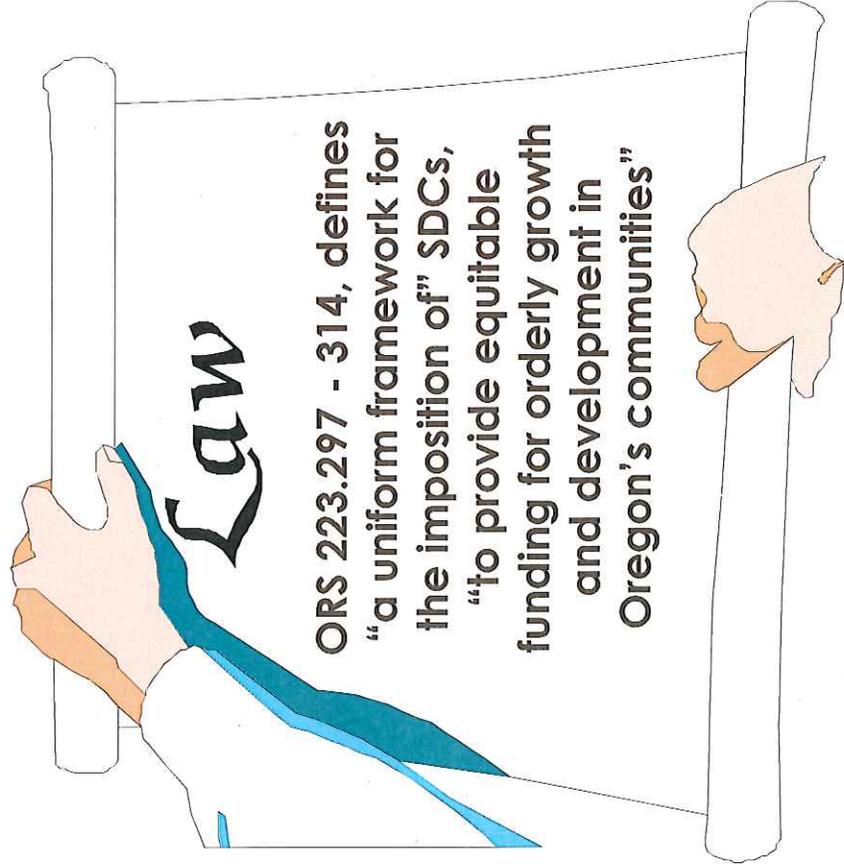
City	Monthly Sewer Rate for Single-Family Residence
Sherwood	\$ 13.77
Milwaukie	\$ 13.05
<b>Troutdale (proposed, baseline)</b>	<b>\$ 11.44</b>
Cornelius	\$ 10.90
Gresham	\$ 9.84
<b>Troutdale (proposed, phased out rate cap)</b>	<b>\$ 9.53</b>
Fairview	\$ 8.78
Oregon City	\$ 8.55
<b>Troutdale (proposed, phased in system reinvestment)</b>	<b>\$ 8.32</b>
Forest Grove	\$ 7.00
<b>Troutdale (proposed, double phasing)</b>	<b>\$ 6.94</b>
West Linn	\$ 5.58
Wilsonville	\$ 5.10
<b>Troutdale (current)</b>	<b>\$ 4.10</b>
Canby	-
Gladstone	-

Source: City websites and staff

Notes:

- Streets, roads, and highways in Troutdale are exempt from rate.
- Runways and taxiways at Troutdale Airport are exempt from rate.
- Canby and Gladstone are considering stormwater rate.

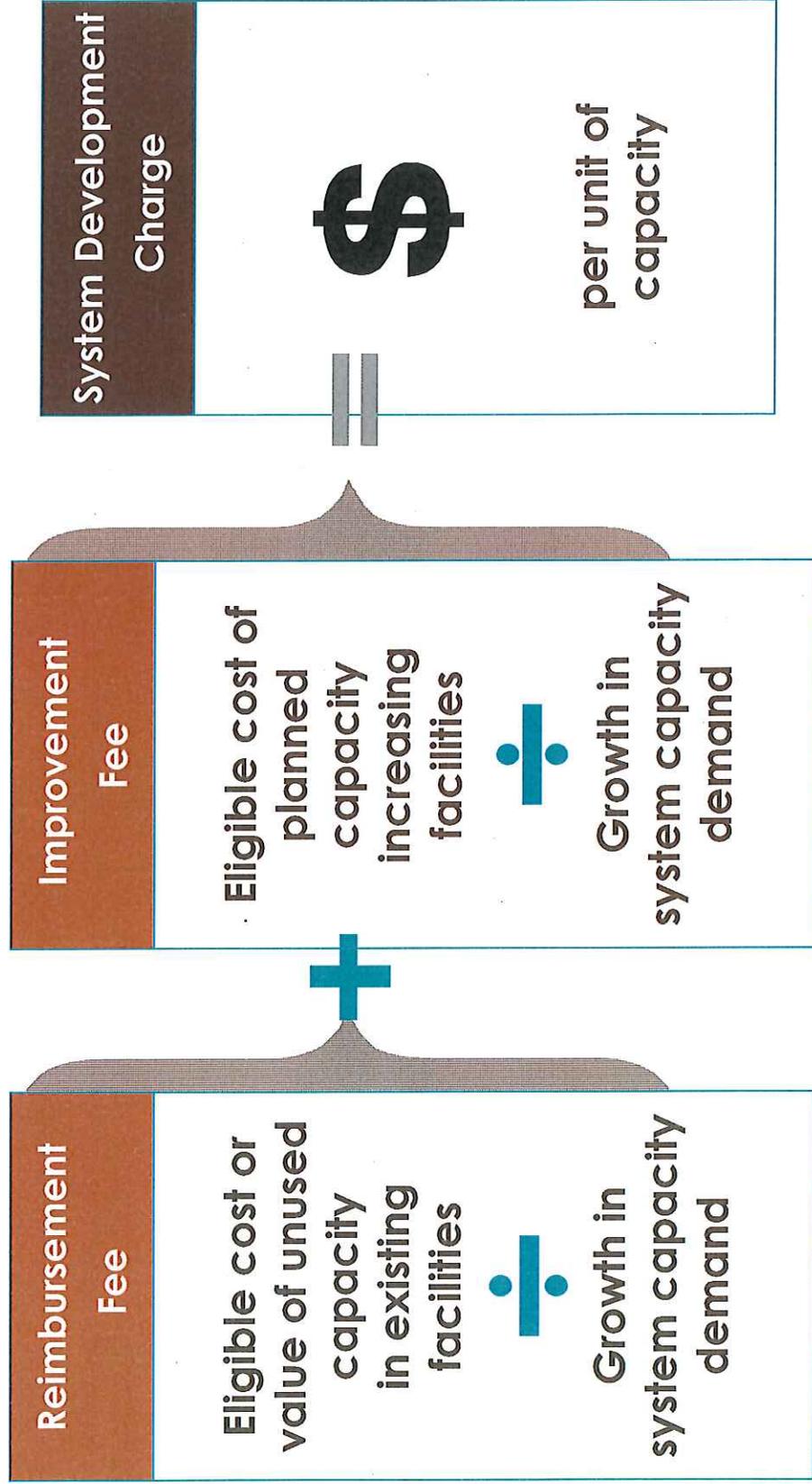
# SDC Background: Law



## Key Characteristics

1. SDCs are one-time charges, not ongoing rates.
2. SDCs are for capital only, in both their calculation and in their use.
3. Properties which are already developed do not pay SDCs unless they “redevelop” or expand.
4. SDCs include both future and existing cost components.
5. SDCs are for general facilities, not “local” facilities.

# SDC Background: Calculation



# SDC Calculation Summary

Reimbursement Fee	Cost Basis	Unit Basis ERUs
<b>Net Reimbursement Fee Cost Basis</b>	<b>\$ 312,923</b>	
Growth to End of Planning Period		3,635
<b>Reimbursement Fee</b>		<b>\$ 86</b>
<b>Improvement Fee</b>		
Total Capital Improvement Projects	\$ 6,855,543	
less: Cost of Existing Deficiencies	(2,982,283)	
Capacity Expanding CIP	\$ 3,873,260	
less: Existing SDC Fund Balance	(2,005,721)	
<b>Net Cost Basis for Improvement Fee</b>	<b>\$ 1,867,539</b>	
Growth to End of Planning Period		3,635
<b>Improvement Fee</b>		<b>\$ 514</b>
<b>Total System Development Charge</b>		
Reimbursement Fee		86
Improvement Fee		514
SDC Subtotal		600
plus: Administrative Cost Recovery	3.29%	20
<b>Total SDC</b>		<b>\$620</b> per ERU

# Comparable SDCs

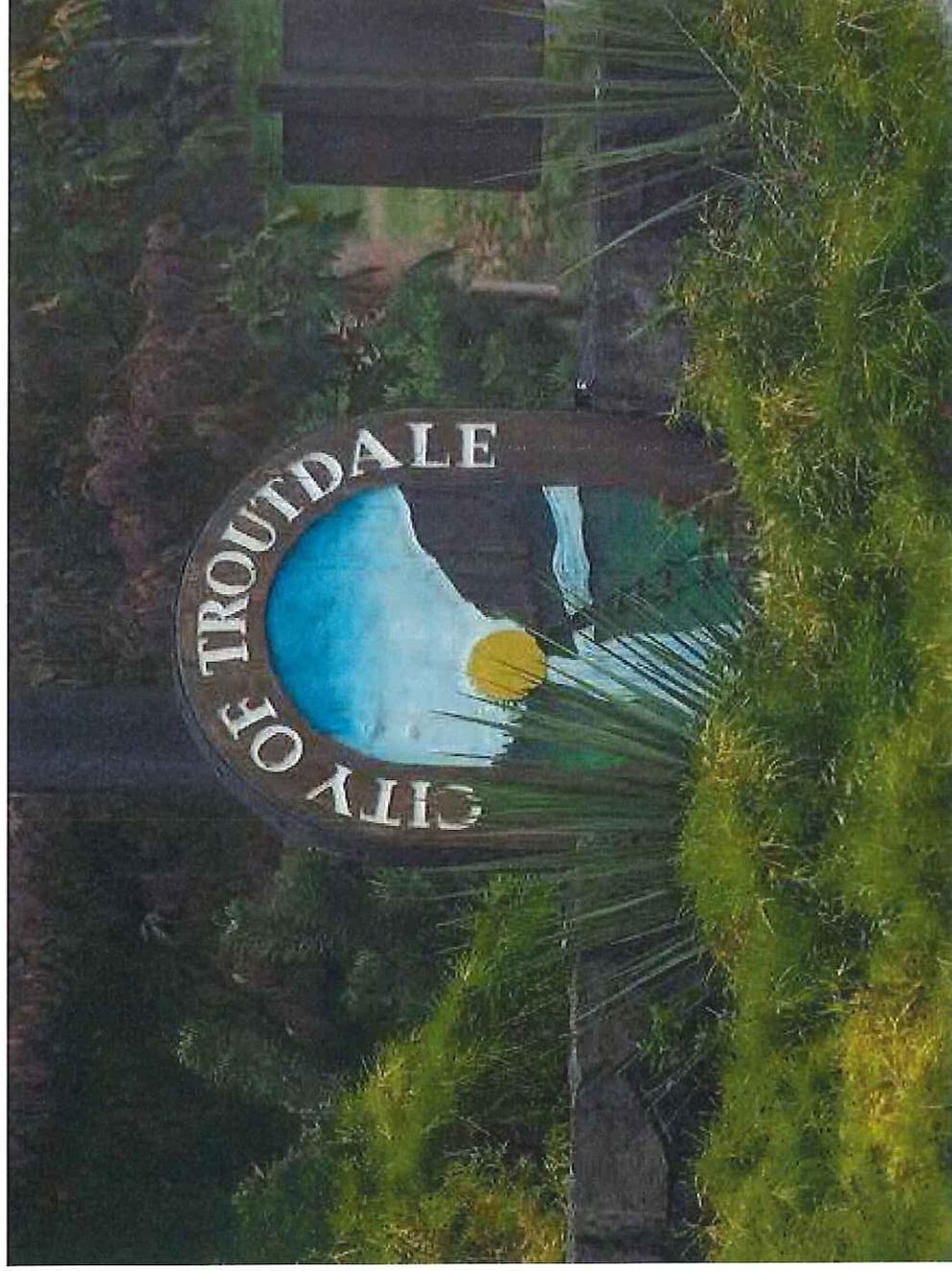
City	Storm Sewer SDC for Single-Family Residence
West Linn	\$ 1,083
Wilsonville	\$ 1,068
Cornelius	\$ 985
<b>Troutdale (current)</b>	<b>\$ 920</b>
Gresham	\$ 824
Milwaukie	\$ 765
Oregon City	\$ 755
Sherwood	\$ 624
<b>Troutdale (proposed)</b>	<b>\$ 620</b>
Forest Grove	\$ 500
Fairview	\$ 461
Canby	\$ 161
Gladstone	\$ -

Source: City websites and staff

Notes:

In Troutdale, 1 ERU = 2,700 sq. ft.

# Questions and Discussion



## Currently Capped Storm Water Accounts

#	Cust No	Service Address	Sq Ft Imp Srf	Cap	Proposed FY 16-17 Rate	New Fee
1	10830-01	2511 S TROUTDALE ROAD	31,306	50.54	0.00171	53.53
2	27310-01	1700 SW 257TH AVENUE	31,437	50.54	0.00171	53.76
3	44720-01	1347 SW EDGEFIELD MDWS COURT	33,491	50.54	0.00171	57.27
4	42850-01	1184 NW FRONTAGE ROAD	34,212	50.54	0.00171	58.50
5	27610-02	1108 NW FRONTAGE ROAD	34,490	50.54	0.00171	58.98
6	20380-04	472 NW PERIMETER WAY	34,500	50.54	0.00171	59.00
7	20610-01	1260 NW FRONTAGE ROAD	36,214	50.54	0.00171	61.93
8	44020-01	879 NW CORPORATE DRIVE	36,940	50.54	0.00171	63.17
9	44010-01	935 NW CORPORATE DRIVE	36,940	50.54	0.00171	63.17
10	38250-01	1868 NW COMMERCE CT	37,213	50.54	0.00171	63.63
11	20580-01	2670 NW GRAHAM CIRCLE	37,776	50.54	0.00171	64.60
12	42280-01	540 SW HALSEY STREET	38,585	50.54	0.00171	65.98
13	44030-01	819 NW CORPORATE DRIVE	39,894	50.54	0.00171	68.22
14	27410-01	1625 NW SUNDIAL ROAD	45,192	50.54	0.00171	77.28
15	20320-01	1123 NW GRAHAM ROAD	45,996	50.54	0.00171	78.65
16	42130-01	1000 NW GRAHAM ROAD	46,609	50.54	0.00171	79.70
17	20510-02	2176 NW MARINE DRIVE	48,086	50.54	0.00171	82.23
18	37010-01	234 SW KENDALL COURT	49,470	50.54	0.00171	84.59
19	27680-02	3611 NW MARINE DRIVE	49,882	50.54	0.00171	85.30
20	44970-02	1891 NW COMMERCE COURT	51,053	50.54	0.00171	87.30
21	42640-03	2483 SW CHERRY PARK ROAD	51,625	50.54	0.00171	88.28
22	27290-02	1002 NW FRONTAGE ROAD	52,755	50.54	0.00171	90.21
23	44210-01	1049 NW CORPORATE DRIVE	53,578	50.54	0.00171	91.62
24	38530-01	2050 NW MARINE DRIVE	55,125	50.54	0.00171	94.26
25	47300-01	1774 NW COMMERCE COURT	55,151	50.54	0.00171	94.31
26	35820-01	845 NW DUNBAR AVENUE	55,800	50.54	0.00171	95.42
27	42270-01	1700 W COLUMBIA HWY	55,953	50.54	0.00171	95.68
28	38560-01	26701 SE STARK STREET	55,994	50.54	0.00171	95.75
29	27330-01	1535 NW SUNDIAL ROAD	56,932	50.54	0.00171	97.35
30	45490-01	25691 SE STARK STREET BLDG 2	57,066	50.54	0.00171	97.58
31	20550-02	940 NW DUNBAR AVENUE	59,728	50.54	0.00171	102.13
32	36160-01	2041-2055 SW 257TH AVENUE	59,780	50.54	0.00171	102.22
33	44550-01	1092 NW CORPORATE DRIVE	60,655	50.54	0.00171	103.72
34	44570-01	982 NW CORPORATE DRIVE	60,655	50.54	0.00171	103.72
35	41080-03	496 SW 257TH AVENUE	62,885	50.54	0.00171	107.53
36	42560-02	2503 SW CHERRY PARK ROAD	66,486	50.54	0.00171	113.69
37	12990-03	532-536-538 S BUXTON ROAD	67,176	50.54	0.00171	114.87
38	27380-02	3601 NW MARINE DRIVE	68,589	50.54	0.00171	117.29
39	44640-02	1201 SW CHERRY PARK ROAD	74,829	50.54	0.00171	127.96
40	11490-01	620 W COLUMBIA HWY	75,000	50.54	0.00171	128.25
41	14400-03	1323 SW CHERRY PARK ROAD	75,330	50.54	0.00171	128.81
42	20600-01	1610 NW FRONTAGE ROAD	75,836	50.54	0.00171	129.68
43	35810-01	576 SW HALSEY STREET	78,550	50.54	0.00171	134.32
44	20500-02	2360 NW MARINE DRIVE	82,550	50.54	0.00171	141.16
45	27670-02	477 NW PHOENIX DRIVE	82,875	50.54	0.00171	141.72
46	11090-01	1027 NE HARLOW ROAD	83,146	50.54	0.00171	142.18
47	33870-01	911 NW EAST WIND DRIVE	85,813	50.54	0.00171	146.74
48	24320-01	1515 SW CHERRY PARK ROAD	87,500	50.54	0.00171	149.63

## Currently Capped Storm Water Accounts

49	39760-01	2430 NW MARINE DRIVE	91,089	50.54	0.00171	155.76
50	13870-01	648 SE HARLOW AVENUE	91,750	50.54	0.00171	156.89
51	42170-02	2441 SW CHERRY PARK RD BLDG 4	93,949	50.54	0.00171	160.65
52	45020-01	700 SW HALSEY STREET	94,459	50.54	0.00171	161.52
53	20690-02	2408 SW HALSEY STREET	96,057	50.54	0.00171	164.26
54	20590-02	999 NW FRONTAGE ROAD	99,068	50.54	0.00171	169.41
55	23140-02	1032 NW DUNBAR AVE	102,829	50.54	0.00171	175.84
56	22970-01	624 SW HALSEY STREET	106,000	50.54	0.00171	181.26
57	27550-01	1500 NW GRAHAM ROAD	109,125	50.54	0.00171	186.60
58	41190-03	3265 SW SUNDIAL AVENUE	118,650	50.54	0.00171	202.89
59	20530-01	798 NW DUNBAR AVENUE	119,217	50.54	0.00171	203.86
60	11080-03	302 NE 257TH WAY	121,293	50.54	0.00171	207.41
61	24370-03	1590-1610-1620 NW PERIMETER	122,500	50.54	0.00171	209.48
62	27490-01	2575 NW GRAHAM CIRCLE	128,251	50.54	0.00171	219.31
63	23260-01	24999 SE STARK STREET	129,000	50.54	0.00171	220.59
64	3570-01	501 SE SWEETBRIAR LANE	136,600	50.54	0.00171	233.59
65	27690-03	2500 NW MARINE DRIVE	143,185	50.54	0.00171	244.85
66	23270-02	24635 SE STARK STREET	155,636	50.54	0.00171	266.14
67	42230-01	2801 SW LUCAS AVENUE	165,107	50.54	0.00171	282.33
68	35760-01	869 NW EAST WIND DRIVE	181,300	50.54	0.00171	310.02
69	22980-01	1701 NW SUNDIAL ROAD	184,849	50.54	0.00171	316.09
70	27700-02	839 SW LIVINGSTON PLACE	189,000	50.54	0.00171	323.19
71	20560-02	1960 NW MARINE DRIVE	189,462	50.54	0.00171	323.98
72	27140-02	955 NW FRONTAGE ROAD	195,180	50.54	0.00171	333.76
73	20420-03	920 NW PERIMETER WAY	195,534	50.54	0.00171	334.36
74	50760-01	725 NW DUNBAR AVE - KILN	196,456	50.54	0.00171	335.94
75	27650-01	2126 SW HALSEY STREET	211,737	50.54	0.00171	362.07
76	35590-01	2283 SW STURGES LANE	212,163	50.54	0.00171	362.80
77	45180-02	3324 NW MARINE DRIVE	218,112	50.54	0.00171	372.97
78	27240-01	1650 NW SUNDIAL ROAD	222,555	50.54	0.00171	380.57
79	38360-01	1459 NW SUNDIAL ROAD	225,614	50.54	0.00171	385.80
80	42090-01	2501 SW CHERRY PARK ROAD	239,713	50.54	0.00171	409.91
81	20400-01	270 NW GRAHAM ROAD	272,063	50.54	0.00171	465.23
82	20360-06	325 NW PERIMETER WAY	272,800	50.54	0.00171	466.49
83	41670-01	2334 SW 29TH STREET	276,723	50.54	0.00171	473.20
84	35570-04	2770 NW ROGERS CIRCLE	296,779	50.54	0.00171	507.49
85	27200-01	725 NW DUNBAR AVENUE	300,465	50.54	0.00171	513.80
86	46490-01	639 SW 257TH AVENUE	342,948	50.54	0.00171	586.44
87	25300-01	843 SW CRESTVIEW WAY	352,366	50.54	0.00171	602.55
88	33390-04	26940 SE STARK STREET	375,115	50.54	0.00171	641.45
89	27710-02	633 E COLUMBIA HWY	382,528	50.54	0.00171	654.12
90	20390-01	1491 NW GRAHAM ROAD GSA	392,627	50.54	0.00171	671.39
91	27530-01	450 NW 257TH WAY	426,497	50.54	0.00171	729.31
92	45320-01	25101 SE STARK STREET	428,556	50.54	0.00171	732.83
93	23080-02	400 NW FRONTAGE ROAD	461,406	50.54	0.00171	789.00
94	20630-01	1698 SW CHERRY PARK ROAD	462,710	50.54	0.00171	791.23
95	34590-02	2021 NW SUNDIAL ROAD	523,950	50.54	0.00171	895.95
96	36250-01	2767 NW ROGERS CIRCLE	645,534	50.54	0.00171	1,103.86
97	27180-01	790 NW FRONTAGE ROAD	675,000	50.54	0.00171	1,154.25
98	20470-01	1220 NW PERIMETER WAY	1,377,758	50.54	0.00171	2,355.97
99	20570-01	2460 NW SUNDIAL ROAD	2,444,655	50.54	0.00171	4,180.36

## 2015 Storm Water Accounts Cap Removed

#	Service Address	City	State	SQ Ft	Multiplier 2015	New Rate
1	102 W COLUMBIA HWY	TROUTDALE	OR	782	0.00164	\$1.28
2	645 E COLUMBIA HWY	BORING	OR	810	0.00164	\$1.33
3	2915 SW HEWITT PLACE	PORTLAND	OR	900	0.00164	\$1.48
4	902 E COLUMBIA HWY	TROUTDALE	OR	1,663	0.00164	\$2.73
5	501 W COLUMBIA HWY	NEWBERG	OR	1,917	0.00164	\$3.14
6	2470 SW HALSEY STREET	PORTLAND	OR	1,927	0.00164	\$3.16
7	233 E COLUMBIA HWY	TROUTDALE	OR	2,090	0.00164	\$3.43
8	205 E COLUMBIA HWY	TROUTDALE	OR	2,096	0.00164	\$3.44
9	135 E COLUMBIA HWY	BORING	OR	2,157	0.00164	\$3.54
10	191 E COLUMBIA HWY	TROUTDALE	OR	2,240	0.00164	\$3.67
11	177 E COLUMBIA HWY	CAMAS	WA	2,265	0.00164	\$3.71
12	161-163-165-167 E COLUMBIA HWY	RANCO MIRAGE	CA	2,271	0.00164	\$3.72
13	147-149-151-153 E COLUMBIA HWY	BORING	OR	2,272	0.00164	\$3.73
14	119-121 E COLUMBIA HWY	TROUTDALE	OR	2,327	0.00164	\$3.82
15	303-305 E COLUMBIA HWY	TROUTDALE	OR	2,403	0.00164	\$3.94
16	25675 SE STARK STREET	SPOKANE	WA	2,540	0.00164	\$4.17
17	359 E COLUMBIA HWY	TROUTDALE	OR	2,544	0.00164	\$4.17
18	317-319-321 E COLUMBIA HWY	TROUTDALE	OR	2,559	0.00164	\$4.20
19	331 E COLUMBIA HWY	TROUTDALE	OR	2,597	0.00164	\$4.26
20	202 W HIST COLUMBIA RIVER HWY	TROUTDALE	OR	2,620	0.00164	\$4.30
21	26745 SE STARK STREET	TROUTDALE	OR	2,700	0.00164	\$4.43
22	1465 SW CHERRY PARK ROAD	COLUMBUS	OH	2,700	0.00164	\$4.43
23	1283 E HIST COLUMBIA RIVER HWY	TROUTDALE	OR	2,700	0.00164	\$4.43
24	302 E COLUMBIA HWY	TROUTDALE	OR	2,703	0.00164	\$4.43
25	110 E COLUMBIA HWY	TROUTDALE	OR	2,762	0.00164	\$4.53
26	26814 SE STARK STREET	TROUTDALE	OR	2,800	0.00164	\$4.59
27	2825 S TROUTDALE ROAD	SPOKANE	WA	2,852	0.00164	\$4.68
28	202 SE DORA AVENUE	TROUTDALE	OR	3,000	0.00164	\$4.92
29	1500 NW PERIMETER WAY	PORTLAND	OR	3,069	0.00164	\$5.03
30	371-373-375-377 E COLUMBIA HWY	FAIRVIEW	OR	3,093	0.00164	\$5.07
31	302 SE HARLOW AVENUE	CORBETT	OR	3,099	0.00164	\$5.08
32	105-107 E COLUMBIA HWY	PORTLAND	OR	3,139	0.00164	\$5.15
33	343-345-347 E COLUMBIA HWY	TROUTDALE	OR	3,153	0.00164	\$5.17
34	247-249-253-255 E COLUMBIA HWY	TROUTDALE	OR	3,155	0.00164	\$5.17
35	226 E COLUMBIA HWY	TROUTDALE	OR	3,182	0.00164	\$5.22
36	201 SE DORA AVENUE	VANCOUVER	WA	3,200	0.00164	\$5.25
37	261-263-275-277 E COLUMBIA HWY	TROUTDALE	OR	3,213	0.00164	\$5.27
38	385-387-389-391 E COLUMBIA HWY	TROUTDALE	OR	3,280	0.00164	\$5.38
39	251-253 SW EDGEFIELD COURT	GRESHAM	OR	3,545	0.00164	\$5.81
40	105-109-111-113 W COLUMBIA HWY	TROUTDALE	OR	3,600	0.00164	\$5.90
41	289 E COLUMBIA HWY	TROUTDALE	OR	3,683	0.00164	\$6.04
42	2555 SW CHERRY PARK ROAD	GRESHAM	OR	3,696	0.00164	\$6.06
43	97-99-101-103 W COLUMBIA HWY	GRESHAM	OR	3,817	0.00164	\$6.26
44	905 SW HALSEY STREET	SPOKANE	WA	3,877	0.00164	\$6.36
45	2160 SW HALSEY STREET	TROUTDALE	OR	3,950	0.00164	\$6.48

## 2015 Storm Water Accounts Cap Removed

46	436-438 SE 4TH STREET	GRESHAM	OR	4,081	0.00164	\$6.69
47	448-450 SE 4TH STREET	PORTLAND	OR	4,229	0.00164	\$6.94
48	442-444 SE 4TH STREET	PORTLAND	OR	4,270	0.00164	\$7.00
49	344 W COLUMBIA HWY	SOUTH SAN FRANCISCO	CA	4,370	0.00164	\$7.17
50	1230-1232-1234 W COLUMBIA HWY	HUNTINGTON BEACH	CA	4,375	0.00164	\$7.18
51	2611 S TROUTDALE ROAD	TROUTDALE	OR	4,576	0.00164	\$7.50
52	1214-1216-1218 W COLUMBIA HWY	DAMASCUS	OR	5,204	0.00164	\$8.53
53	146 W COLUMBIA HWY	TROUTDALE	OR	5,350	0.00164	\$8.77
54	237-39-41 SW EDGEFIELD COURT	WEST LINN	OR	5,387	0.00164	\$8.83
55	2941-43-45-47 SE HEWITT PLACE	GRESHAM	OR	5,586	0.00164	\$9.16
56	2077 W COLUMBIA HWY	GRESHAM	OR	5,900	0.00164	\$9.68
57	1344-1346-1350 W COLUMBIA HWY	PORTLAND	OR	6,131	0.00164	\$10.05
58	25603 SE STARK STREET BLDG 6	KIRKLAND	WA	6,140	0.00164	\$10.07
59	236-38-40 SW EDGEFIELD COURT	MILWAUKIE	OR	6,236	0.00164	\$10.23
60	1289-1293-1297-1301 SW HALSEY	WEST LINN	OR	6,240	0.00164	\$10.23
61	108 E COLUMBIA HWY	TROUTDALE	OR	6,328	0.00164	\$10.38
62	246 W COLUMBIA HWY	BEAVERTON	OR	6,400	0.00164	\$10.50
63	1208 E COLUMBIA HWY	GRESHAM	OR	6,490	0.00164	\$10.64
64	3002 SW HEWITT PLACE	PORTLAND	OR	6,715	0.00164	\$11.01
65	2908 SW HEWITT PLACE	PORTLAND	OR	6,770	0.00164	\$11.10
66	403 SE 2ND STREET	BORING	OR	6,874	0.00164	\$11.27
67	226 W Hist Columbia River Hwy	TROUTDALE	OR	7,180	0.00164	\$11.78
68	925 SW 28TH STREET	PORTLAND	OR	7,655	0.00164	\$12.55
69	432 W COLUMBIA HWY	TROUTDALE	OR	7,701	0.00164	\$12.63
70	2839 SW HEWITT PLACE	PORTLAND	OR	7,740	0.00164	\$12.69
71	2930 SW HEWITT PLACE	PORTLAND	OR	7,970	0.00164	\$13.07
72	822 SW 29TH WAY	PORTLAND	OR	7,992	0.00164	\$13.11
73	834 SW 29TH WAY	PORTLAND	OR	8,415	0.00164	\$13.80
74	24697 SE STARK STREET	TROUTDALE	OR	8,436	0.00164	\$13.84
75	123 SW 21ST STREET	PORTLAND	OR	8,804	0.00164	\$14.44
76	3019 SW HEWITT PLACE	PORTLAND	OR	8,940	0.00164	\$14.66
77	600 SW CHERRY PARK ROAD	GRESHAM	OR	9,140	0.00164	\$14.99
78	336 E HISTORIC COLUMBIA RIVER HWY	TROUTDALE	OR	9,368	0.00164	\$15.36
79	3035 SW HEWITT PLACE	PORTLAND	OR	9,748	0.00164	\$15.99
80	903 E COLUMBIA HWY	TROUTDALE	OR	9,837	0.00164	\$16.13
81	1023 NW GRAHAM ROAD	TROUTDALE	OR	10,125	0.00164	\$16.61
82	846 SW 29TH WAY	PORTLAND	OR	10,769	0.00164	\$17.66
83	1540 SW 257TH AVENUE	TROUTDALE	OR	11,344	0.00164	\$18.60
84	1325 E COLUMBIA HWY	TROUTDALE	OR	11,439	0.00164	\$18.76
85	25627 SE STARK STREET BLDG 1	KIRKLAND	WA	11,600	0.00164	\$19.02
86	3101 SW 257TH AVENUE BLDG 3	KIRKLAND	WA	11,950	0.00164	\$19.60
87	183-201 W COLUMBIA HWY	VANCOUVER	WA	13,668	0.00164	\$22.42
88	878 NW DUNBAR AVENUE	BORING	OR	14,759	0.00164	\$24.20
89	921 S BUXTON ROAD	TROUTDALE	OR	15,678	0.00164	\$25.71
90	24601 SE STARK STREET	MILWAUKIE	OR	15,970	0.00164	\$26.19
91	27400 SE STARK STREET	TROUTDALE	OR	16,192	0.00164	\$26.55
92	2151 SW 257TH AVENUE	GRESHAM	OR	16,432	0.00164	\$26.95

## 2015 Storm Water Accounts Cap Removed

93	840 E COLUMBIA HWY	GRESHAM	OR	16,500	0.00164	\$27.06
94	411 E COLUMBIA HWY	TROUTDALE	OR	17,100	0.00164	\$28.04
95	25699 SE STARK STREET	SPOKANE	WA	17,760	0.00164	\$29.13
96	1047-1061 S BUXTON AVENUE	ARCADIA	CA	17,880	0.00164	\$29.32
97	911 NW GRAHAM ROAD	HILLSBORO	OR	18,371	0.00164	\$30.13
98	2800 SW 257TH AVENUE	TROUTDALE	OR	19,170	0.00164	\$31.44
99	2541 SW CHERRY PARK ROAD	PORTLAND	OR	19,279	0.00164	\$31.62
100	3040 SW CORBETH LANE	MILWAUKIE	OR	20,000	0.00164	\$32.80
101	560 NW PHOENIX DRIVE	EUGENE	OR	20,143	0.00164	\$33.03
102	2103 SW 257TH AVENUE	LAKE OSWEGO	OR	20,400	0.00164	\$33.46
103	25737 SE STARK STREET	SPOKANE	WA	20,689	0.00164	\$33.93
104	1851 NW GRAHAM ROAD	TROUTDALE	OR	20,690	0.00164	\$33.93
105	3001 S TROUTDALE ROAD	PORTLAND	OR	21,100	0.00164	\$34.60
106	2350 SW 257TH AVENUE	TROUTDALE	OR	22,591	0.00164	\$37.05
107	1906 SW HALSEY STREET	TROUTDALE	OR	22,830	0.00164	\$37.44
108	348 SW CHERRY PARK ROAD	TROUTDALE	OR	23,382	0.00164	\$38.35
109	1350 NW PERIMETER WAY	PORTLAND	OR	24,000	0.00164	\$39.36
110	2533 SW CHERRY PARK ROAD	OMAHA	NE	24,362	0.00164	\$39.95
111	3000 SW CORBETH LANE	GRESHAM	OR	25,000	0.00164	\$41.00
112	366 NW FRONTAGE ROAD	TROUTDALE	OR	25,000	0.00164	\$41.00
113	25117 SE STARK STREET	COLUMBUS	OH	25,308	0.00164	\$41.51
114	756 E COLUMBIA HWY	TROUTDALE	OR	25,546	0.00164	\$41.90
115	25135 SE STARK STREET	SAN FRANCISCO	CA	26,039	0.00164	\$42.70
116	27938 SE STARK STREET	TROUTDALE	OR	26,190	0.00164	\$42.95
117	24463 SE STARK STREET	GRESHAM	OR	27,148	0.00164	\$44.52
118	1091 NW CORPORATE DRIVE	PORTLAND	OR	27,486	0.00164	\$45.08
119	557 NW PHOENIX DRIVE	SPOKANE	WA	28,876	0.00164	\$47.36
120	647 SW CHERRY PARK ROAD	TROUTDALE	OR	29,100	0.00164	\$47.72
121	981 NW CORPORATE DRIVE	PORTLAND	OR	29,340	0.00164	\$48.12
122	818 NW GRAHAM ROAD	TROUTDALE	OR	29,996	0.00164	\$49.19
123	116 SE 8TH STREET	PORTLAND	OR	30,000	0.00164	\$49.20
124	1620 SW 257TH AVENUE	VANCOUVER	WA	30,078	0.00164	\$49.33
125	2469 SW CHERRY PARK ROAD	CHARLOTTE	NC	30,201	0.00164	\$49.53
126	1075 W COLUMBIA HWY	TROUTDALE	OR	30,388	0.00164	\$49.84
127	521 SW HALSEY STREET	CORBETT	OR	30,710	0.00164	\$50.36

## **RESOLUTION NO.**

### **A RESOLUTION ADJUSTING THE STORM SEWER UTILITY FEE AND RESCINDING RESOLUTION NO. 2287**

#### **THE TROUTDALE CITY COUNCIL FINDS AS FOLLOWS:**

1. Section 12.06.030 of the Troutdale Municipal Code establishes a storm sewer utility fee and authorizes the Council to adjust the amount of the fee by Resolution.
2. The current storm sewer utility fee was set by Resolution No. 2287 dated May 26, 2015 and effective July 1, 2015.
3. The storm sewer utility fee should be increased 4.0% (from \$4.43 per ERU to \$4.61 per ERU) to cover increasing costs of operation, maintenance and capital projects associated with the storm sewer system.

#### **NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TROUTDALE**

Section 1. The monthly storm sewer utility fee shall be \$4.61 per equivalent residential unit. All residential users are deemed to have an assumed average 2,700 square feet of impervious surface and therefore have a monthly storm sewer fee of \$4.61.

Section 2. Non-residential users shall be charged for their actual impervious surface at \$4.61 per ERU.

Section 3. The storm sewer utility fee shall not be imposed for impervious surface owned and maintained by the City nor for the impervious surface of a public street, road, or highway nor upon the runways or taxiways of a public airport.

Section 4. The storm sewer utility fee may be reduced by individual mitigation efforts, as follows:

- A. The responsible party must request, in writing, a reduction in the storm sewer utility fee based upon mitigation actions taken to reduce the effect of storm water flow from the property.
- B. The request must include the following minimum information:
  - (1) The calculated storm water run-off from the area in question prior to its development.
  - (2) The calculated additional storm water run-off from the area in question after its development without mitigation.
  - (3) The calculated additional storm water run-off from the area in question after its development with mitigation.

- (4) Drawings or other suitable details of the mitigation method(s) employed.
- C. In determining storm water run-off, a 25-year event of 24-hour intensity shall be used.
  - D. Upon review and approval of the user's request, the Public Works Director may grant a reduction in the storm sewer utility fee equal to the percent reduction in additional storm water run-off achieved by the mitigation effort but in no event shall the reduction be more than 70% of the fee without mitigation.
  - E. The full amount of the storm sewer utility fee shall be charged until a request for reduction is received and approved.
  - F. The decision of the Public Works Director may be appealed to the City Manager. Such appeal must be in writing and submitted with 30 days after the decision is made by the Director. The appeal must state the particular matter in dispute, the reason(s) for differing with the Director, and the specific relief sought.

Section 5. Resolution No. 2287 is rescinded effective July 1, 2016.

Section 6. This resolution is effective July 1, 2016.

**YEAS:**  
**NAYS:**  
**ABSTAINED:**

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**Doug Daoust, Mayor**

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**Sarah Skroch, City Recorder**

**Adopted: February 23, 2016**



# CITY OF TROUTDALE



## STAFF REPORT

**SUBJECT / ISSUE:** A Resolution approving the Financial Statements and the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015.

**MEETING TYPE:**  
City Council Regular Mtg.

**MEETING DATE:** February 23, 2016

**STAFF MEMBER:** Erich Mueller  
**DEPARTMENT:** Finance

**ACTION REQUIRED**  
Resolution

**ADVISORY BOARD/COMMISSION RECOMMENDATION:**  
Not Applicable

**PUBLIC HEARING**  
No

Comments:

**STAFF RECOMMENDATION:** Adopt the recommended Resolution approving the Financial Statements and CAFR for fiscal year 2014- 2015.

**EXHIBITS:**

**A:** Comprehensive Annual Financial Report (CAFR)

**Subject / Issue Relates To:**

Council Goals                       Legislative                       Other (describe)  
Approving the financial statements and the CAFR satisfies compliance with ORS 297.425

**Issue / Council Decision & Discussion Points:**

- ◆ The CAFR is the City’s presentation of its financial statements for external reporting purposes, and facilitates the monitoring and accountability responsibilities of the City Council for oversight of the City’s fiscal affairs.
- ◆ City Management is primarily and ultimately responsible for the fairness of the presentation of the basic financial statements.
- ◆ The Council’s approval of the City’s CAFR will complete the audit for the fiscal year ended June 30, 2015.

**BACKGROUND:**

The CAFR for the fiscal year ended June 30, 2015 contains the City’s official financial statements which were subject to audit by an independent certified public accounting firm.

Reviewed and Approved by City Manager:

The CAFR comprises three basic sections: the introductory section which provides general information on the government's structure, the financial section that provides information on each individual fund, and the statistical section which provides a broad range of financial and demographic information useful in assessing a government's economic condition.

The *minimum* level of Generally Accepted Accounting Principles (GAAP) compliant financial reporting for state and local governments requires a complete set of basic financial statements, including accompanying note disclosures, and certain required supplementary information (RSI).

The City has chosen to exceed the minimum GAAP requirement by completing the broader framework of a CAFR. The City participates in the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program. The most recent GFOA certificate is on page (v) of the attached CAFR.

The City has successfully obtained the GFOA Certificate of Achievement for Excellence in Financial Reporting for the past 25 consecutive years, and with this report now in review by GFOA, anticipates a 26th successful year. Of the 38,000 municipal governments across the country, Troutdale is among the only 3,500 which obtain the Certificate of Achievement for Excellence in Financial Reporting Program.

The Statistical Section (beginning on page 85 of the report) includes useful information for the Council, management, citizens and financial partners of the City. Historical data is presented for assets, fund balances, assessed values, property taxes, debt, demographics and city internal functions. This information helps the reader understand where the city has been and where it is going.

#### **PROS & CONS:**

- A.** Approving the financial statements and the CAFR as prepared by staff satisfies compliance with the Municipal Audit Law, ORS 297.425.
- B.** Not approving the financial statements and the CAFR fails to comply with the Municipal Audit Law, ORS 297.425 creating negative consequences for City's banking relationships and credit rating, and increased liability.

**Exhibit A**

2/23/16 Council Mtg. – Item #10.1

**CITY OF TROUTDALE  
OREGON**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the year ended June 30, 2015

SUBMITTED BY

FINANCE DEPARTMENT

Erich Mueller

**CITY OF TROUTDALE  
TROUTDALE, OREGON**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2015**

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**CITY OF TROUTDALE, OREGON**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDING JUNE 30, 2015**

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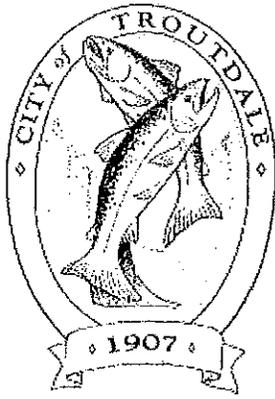
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# **INTRODUCTORY SECTION**

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# CITY OF TROUTDALE

*"Gateway to the Columbia River Gorge"*

December 22, 2015

TO THE HONORABLE MAYOR DOUG DAOUST, MEMBERS OF THE CITY COUNCIL, AND CITIZENS OF THE CITY OF TROUTDALE, OREGON

The Finance Department is pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Troutdale, Oregon for the fiscal year ended June 30, 2015. State law requires that every local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. We believe the City's internal control structure adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions. To the best of our knowledge and belief, the enclosed data is accurate in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City selected the accounting firm of Pauly, Rogers and Co., P.C. to conduct the independent financial audit. The auditor rendered an unqualified ("clean") opinion on the City of Troutdale financial statements for the year ended June 30, 2015. The independent auditor's report is located at the front of the Financial Section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## **CITY PROFILE**

The City of Troutdale is located in northwestern Oregon, in the eastern part of the Portland metropolitan area, in Multnomah County. It is comprised of approximately six square miles and has a population of 16,020.

Troutdale was incorporated in 1907 and operates under the provisions of its own charter adopted in 1994 and applicable State law. The City operates under the Council-Manager form of government. Policy making and legislative authority are vested in the City Council which consists of a Mayor and six Council members. The Mayor is elected to a four-year term; the Council members are elected at large by the citizens of Troutdale with each Councilor serving a four-year term. The City Council provides community leadership and develops policies to guide the City by setting goals, passing ordinances and adopting resolutions, appointing advisory committees, authorizing contracts, adopting budgets, and hiring the City Manager, City Attorney and City Judge.

The City Manager is the administrative head of the City responsible for carrying out the policies and ordinances of the Council, managing the day-to-day operations of the City and appointing department heads.

The City provides a full range of services as authorized in its charter and ordinances. This includes police protection, contract fire service, street construction and maintenance, water, sanitary and storm sewers, parks, land use planning and zoning, public improvements, building inspections, code enforcement, municipal court, recreation programs and general administrative services.

The City's annual budget is prepared in accordance with the provisions of Oregon Local Budget Law. The budgeting process includes citizen input through various stages of preparation, public hearings, and adoption of the final budget by the City Council. Additional resources not anticipated in the adopted budget may be added through the use of a supplemental budget. A supplemental budget requires hearings before the public, publication in newspapers, and formal adoption by the City Council. Original and supplemental budgets may be modified by the use of appropriation transfers with required approval by the City Council.

This annual budget serves as the foundation for the City of Troutdale's financial planning and control. Budgetary control is maintained and appropriated at the department or program level in the general operating fund and public services fund while all other funds are maintained and appropriated by major category of expense, such as personnel services, materials and services, capital outlay, debt service, and transfers. The operating contingency account is appropriated separately in each fund.

For additional statistics and information about the City of Troutdale please refer to the Statistical Section of this report.

## **ECONOMIC CONDITION AND OUTLOOK**

The economy has generally maintained over the past year with an expected 2.5% GDP in 2015 following a 2.4% rate in 2014. The improvement in consumer sentiment provides some encouragement to the outlook. Corporate profits have maintained but growth has flattened since the 2014 banner year. Both home prices and unemployment have continued to improve, with auto sales, while export manufacturing is slowing due to emerging markets weakness.

The ongoing economic recovery has impacted the Portland metropolitan area with positive but modest job growth during the past year. Both construction activity and business tax collections continue to improve from the 2008 financial crisis levels.

The certified population of Troutdale was recently updated to reflect census results bring total residents to 16,020. Improvement in the new commercial construction from no activity in the prior year and a slight uptick in residential property activity both point to an improving real estate market. There is renewed interest in Troutdale Reynolds Industrial Park (TRIP) site, in addition to an expansion project to the successful FedEx facility. Building permit revenues for construction in Troutdale continued to recover from \$292,000 in the prior year to \$343,000, and the value of new residential property starts remained at about \$1.1million.

The City of Troutdale receives a portion of the business income tax collected by Multnomah County. The tax paid to the County equals 1.45% of net business revenues. The County shares 10% of the collections with the City of Troutdale, City of Gresham, City of Wood Village and City of Fairview. The tax is distributed based on population and assessed values. Troutdale received \$875,000 in the current year, an increase of \$85,000 or 11%, representing continuing recovery of businesses.

The City's location in the Portland metropolitan area provides citizens with many diverse employment opportunities. The unemployment rate for the Portland metropolitan area was 5.4% in June 2015, and has move down from 6.1% a year prior. The national average of 5.3% is slightly less than the Oregon State unemployment rate of 5.5%.

Troutdale has a diversified economic base. The City is home to one of the Port of Portland's three general aviation airports. The vibrancy of Troutdale is apparent with its easy access to the Port of Portland's international airport and Interstate 84 with two major travel center trucking stops, three motels, one hotel/resort and recreational vehicle park. Troutdale is home to light manufacturing, regional transportation trucking facilities, residential care facilities, factory outlet stores and state of the art shopping centers. A community college and major hospital facility border the south corporate boundary of Troutdale.

Troutdale's strategic location at the eastern edge of the Portland metropolitan area, the western gateway to the Columbia River Gorge National Scenic Area and the Sandy River Recreation Area, allows Troutdale to offer a combination of urban and rural lifestyles to its residents as well as attracting tourists and providing extensive services to commercial travelers.

The City faces longer term financial impact items which include City Hall replacement, capped property tax increases, increasing health care and retirement costs, and limited acreage for residential development.

See the Management's Discussion and Analysis (MD&A) section for additional discussion of economic factors affecting the City.

## **MAJOR FINANCIAL INITIATIVES**

***Urban Renewal Agency for the City of Troutdale*** – In January 2006 the City Council established the Urban Renewal Agency for the City of Troutdale (Agency). In May 2006 the Troutdale voters approved the Troutdale Riverfront Renewal Plan. The goal of the Agency is to fund public improvements and spur private development in the Troutdale Riverfront area. The goal of the district is to promote the optimum development of the site. The City owned land that housed the former sewage treatment plant is one specific property the City would like to see redeveloped. Anticipated development in the district includes a mix of retail, business, and residential housing. The City also plans to provide public improvements to the area including transportation access improvements, a riverfront park, public plaza, public parking and a pedestrian bridge to the Town Center area. The Agency budget appropriation was provided by the City during the 2015 fiscal year and was included as a component unit in the City's financial statements.

***Contracted Law Enforcement Services*** – During the past year the City and the Multnomah County Sheriff's Office (MCSO) negotiated a ten year intergovernmental agreement (IGA) for the MCSO to provide police services in the City beginning in the coming Fiscal Year. The IGA provides for expanded law enforcement patrol supervision, expanded investigative expertise, additional service enhancements, while maintaining the city identity, providing expanding career opportunities for transferred police officers, and significantly lower cost than continuing a directly operated City police department. Excluding implementation costs, the first year estimated savings exceed \$1 million of reduced general fund costs. The IGA provides an annual cost escalation formula driven by the MCSO labor contract cost increases, limited to a bracket of 2% to 5% increase over the preceding year, beginning with FY 2016-17 through the 2025 expiration.

***Police Department Building*** – On November 2, 2010 Troutdale voters decided it was a civic priority to construct the proposed Community Police Facility by approving \$7.5 million of dedicated property tax resources through a General Obligation Bond. In conjunction with the IGA for Law Enforcement Services with the MCSO the City also leased the Community Police Facility to Multnomah County beginning in the coming Fiscal Year. The MCSO will operate the Patrol Division from the City facility resulting in increased police presence in the City. The rental income net of landlord operational expense is planned to be applied to the annual bond payments and thereby reduce the necessary debt service levy upon City taxpayers.

**Fire & Emergency Services** – Fire protection in Troutdale has been provided through a ten year IGA with the City of Gresham which expired this reporting period. Prior to the 2005-2015 IGA Troutdale residents have paid significantly less than Gresham residents for fire services. This IGA was negotiated to narrow the cost disparity with significant fire services costs increases phased in during the first two years, followed by fixed percentage increases over the remaining eight years of the IGA term.

During the past year a negotiating committee of City Managers and elected officials proceeded to develop a successor IGA for the expiring agreement. The 2015-2025 IGA again narrows the per resident cost disparity with significant fire services costs increases phased in during the first two years, followed by fixed percentage increases over the remaining eight years of the IGA term. The first increase for FY 2015-16 totaling \$168,000 or 10%, followed by a second year increase of \$203,000 or 11% in FY 2016-17. The IGA provides an annual cost escalation formula which includes an average of CPI and labor cost increases, limited to a bracket of 2.5% to 4.5% increase over the preceding year, beginning with FY 2017-18 through the 2025 expiration.

**City Hall Building** – Addressing the structural and environmental safety issues of the City Hall building is the City's most pressing facility need. Beyond the several current structural issues, the facility lacks the necessary space for current and future needs. The current facility lacks adequate parking for citizens, contractors and staff, and adequate secure records storage space. The building was vacated with operations being distributed to several locations around the City. The City continues to review options for a longer term solution.

#### **AWARDS AND ACKNOWLEDGMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Troutdale for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the 25th consecutive year that the City has achieved this prestigious award. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the Comprehensive Annual Financial Report was a combined effort of the dedicated staff in the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. We also acknowledge the efforts of other departments who provided information that helped to make the report far more than a presentation of financial statements.

In closing, we acknowledge the City Council of Troutdale for their continued support and leadership.

Respectfully Submitted,



Craig R. Ward  
City Manager



Erich R. Mueller  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Troutdale  
Oregon**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

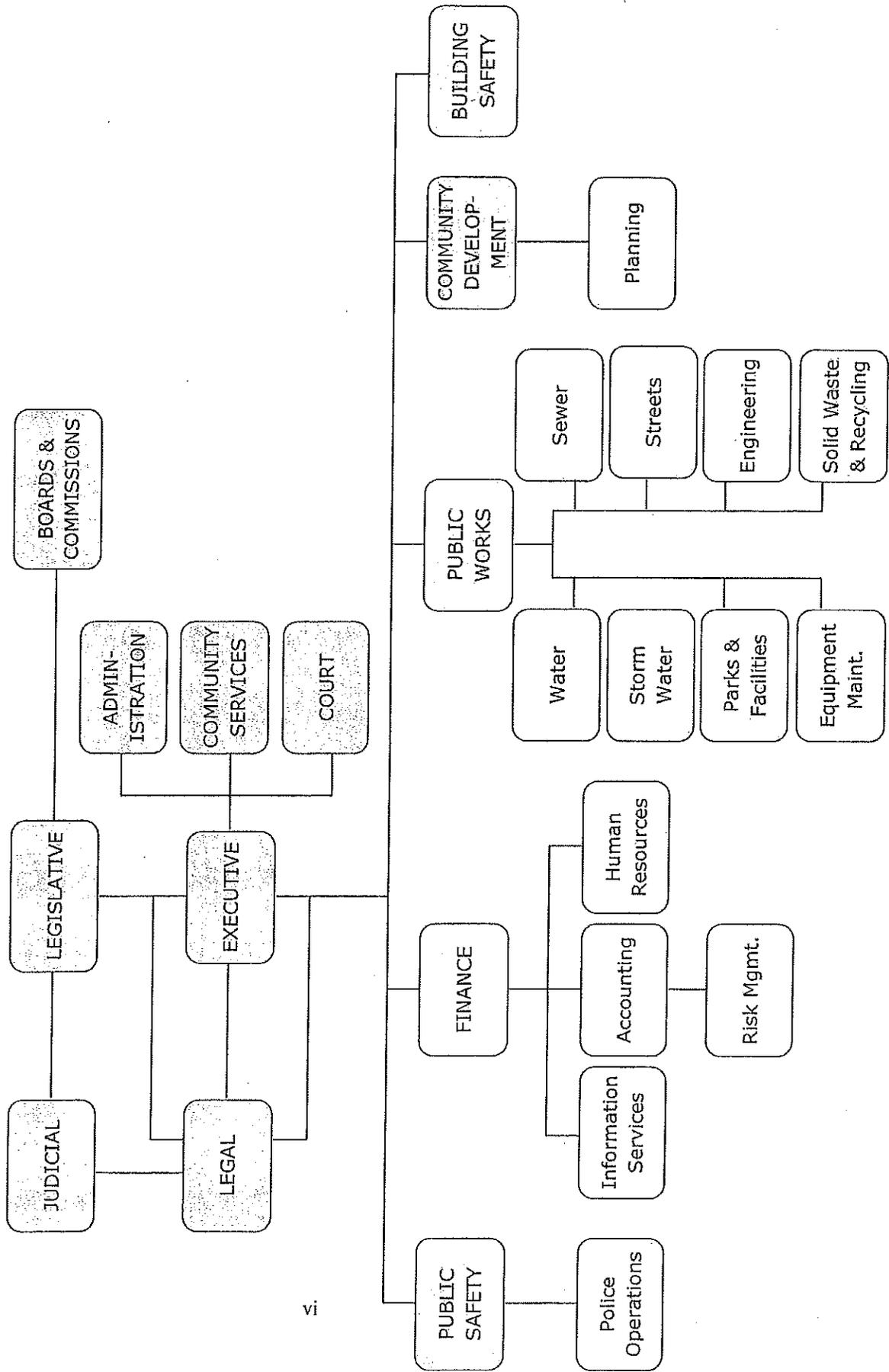
**June 30, 2014**

Executive Director/CEO

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# City of Troutdale

## Organization Chart by Function



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**City of Troutdale, Oregon**

**PRINCIPAL OFFICIALS AS OF JUNE 30, 2015**

**ELECTED OFFICIALS:**

Term Expires

**MAYOR**

Doug Daoust

December 31, 2016

**COUNCIL MEMBERS**

David Ripma

December 31, 2018

Eric Anderson

December 31, 2016

Larry Morgan

December 31, 2018

Glenn White

December 31, 2016

Rich Allen

December 31, 2018

John Wilson

December 31, 2016

**APPOINTED OFFICIALS:**

**CITY MANAGER**

Craig Ward

**FINANCE DIRECTOR**

Erich Mueller

**LEGAL COUNSEL**

Ed Trompke

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All may be reached at:

219 E. Historic Columbia River Hwy  
Troutdale, OR 97060-2078  
(503) 665-5175

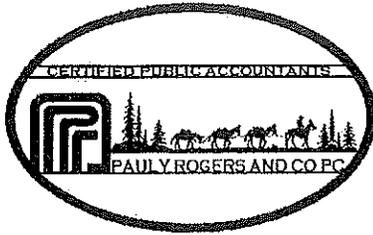
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**FINANCIAL  
SECTION**

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

December 22, 2015

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

## **INDEPENDENT AUDITORS' REPORT**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troutdale, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troutdale, as of June 30, 2015, and the respective changes in financial position and budgetary comparisons for the general fund and street fund, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

The City adopted the provisions of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date, for the year ended June 30, 2015. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

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

The introductory section, the statistical section, and the other information, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Report on Other Legal and Regulatory Requirements**

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 22, 2015, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Tara M. Kamp, CPA  
PAULY, ROGERS AND CO., P.C.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This narrative provides an overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. It focuses on the year's financial activities, significant changes in the City's financial position, budget changes and variances from the approved budget, as well as economic factors affecting the City. We encourage readers to consider the information presented here in conjunction with the additional information provided in the Letter of Transmittal and the Basic Financial Statements included in this report.

### FINANCIAL HIGHLIGHTS

- The assets of the City exceed its liabilities at the close of the fiscal year by \$55.3 million (*net position*). Of this amount, \$6.2 million (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position decreased \$0.8 million during the year. Due primarily from the GASB 68 restated beginning net position and somewhat offset by minimal investment in capital outlay and effective cost controls marginally higher than budgeted revenues.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$9.3 million, an increase of \$0.6 million due to reductions in budgeted expenditures. \$3.5 million of the ending fund balance is available to meet the City's ongoing obligations to citizens and creditors. (*unassigned fund balance*).
- At year-end, the unassigned fund balance for the General Fund was \$4.1 million or 45% of total general fund expenditures during the year. The limited change in the ending fund balance for the General Fund is attributable to decreased capital outlay and reductions in budgeted expenditures.
- The City's capital assets net of depreciation decreased by \$2.6 million due to limited capital outlay and routine depreciation and equipment disposals. Long-term debt decreased by \$1.4 million through scheduled debt payments.

### OVERVIEW OF FINANCIAL STATEMENTS

The City's annual financial report consists of several sections. Taken together they provide a comprehensive financial look at the City. The components of the report include the following:

- **Management's Discussion and Analysis (MD&A).** This section of the report provides financial highlights, overview and economic factors affecting the City. The MD&A is intended to explain the significant changes in financial position and differences in operations between the current and prior years.
- **Basic Financial Statements.** This section consists of government-wide financial statements, fund financial statements and notes to the financial statements. The first several statements are highly condensed and present a government-wide view of the City's finances. Within this view, all City operations are categorized and reported as either governmental or business-type activities. Governmental activities are principally supported

by taxes and intergovernmental revenues while business-type activities recover all or a significant portion of their costs through user fees and charges. Governmental activities include basic services such as public safety, transportation, community development and general government. Business-type activities are water, sewer, storm sewer, and public services. The government-wide statements include the Statement of Net Position and the Statement of Activities.

- The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snap-shot view of the assets the community owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts.
  - The Statement of Activities focuses on gross and net costs of city programs and the extent to which such programs rely upon general tax and other revenues. This Statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
  - Fund financial statements focus separately on major government funds and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The City's major governmental funds are presented in their own column and the remaining funds are combined into a column titled "Other Governmental Funds". Budgetary comparison statements are presented for the General Fund and the Street Fund (the sole major special revenue fund). Statements for the City's proprietary funds follow the governmental funds and include net position, revenues, expenses and changes in fund net position, and cash flow.
  - The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.
- **Supplementary Information.** This section includes combining statements for non-major governmental funds and budgetary comparison schedules.
- Combining Statements. Major funds are included within the Basic Financial Statements, whereas non-major funds are presented here. These statements include balance sheets and statements of revenues, expenditures and changes in fund balances.
  - Budgetary Comparisons. Budgetary information for all funds, except the General Fund and Street Fund, which are presented within the Basic Financial Statements, are presented here.
  - Capital Assets and Other Financial Schedules complete the Financial Section of the report.
- **Statistical Section.** Trend information and demographics.
- **Reports by Independent Certified Public Accountants.** Supplemental communication on city compliance and internal controls as required by Oregon statutes.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Statement of Net Position

Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Table 1 provides a summary of net position at fiscal year-end and is a condensed version of the statement of net position.

**Table 1**  
**City of Troutdale, Oregon**  
**Summary of Net Position**  
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Cash and investments	\$ 9.5	\$ 8.6	\$ 5.6	\$ 5.4	\$ 15.1	\$ 14.0
Other assets	2.0	0.9	0.9	0.5	2.9	1.4
Capital assets	18.4	19.7	33.4	34.7	51.8	54.4
Total assets	29.9	29.2	39.9	40.6	69.8	69.8
Other liabilities	1.5	1.3	1.3	1.3	2.8	2.6
Long-term debt outstanding	7.3	7.7	2.4	3.5	9.7	11.2
Total liabilities	8.7	8.9	3.7	4.8	12.4	13.7
Deferred Inflows of Resources	1.5	-	0.5	-	2.0	-
Net Position:						
Net investment in capital assets	11.0	11.7	29.9	30.0	40.9	41.7
Restricted	5.8	5.5	2.4	2.3	8.2	7.8
Unrestricted	2.8	3.1	3.4	3.5	6.2	6.6
Total net position	\$ 19.6	\$ 20.2	\$ 35.7	\$ 35.8	\$ 55.3	\$ 56.1

(Note: Prior year was not restated for GASB 68 as the information was not available.)

The City's assets exceeded liabilities by \$55.3 million at the close of the fiscal year, a \$0.8 million decrease from the prior year, primarily due to the GASB 68 restatement for the significant net pension liability which was somewhat offset by the delay in many capital projects and cautious budget expenditures. The majority of the City's net position reflect investment in capital assets (e.g., land, buildings, equipment and infrastructure) less any related outstanding debt used to acquire those assets. Net position invested in capital are non-liquid assets that cannot be used to meet current operating cash flow needs of the City. Investments include buildings and equipment used to provide city services and infrastructure benefiting the community, including roads, curbs and sidewalks, and water, sewer and waste water systems.

Restricted net position are subject to external restrictions on how they may be used. These restricted net position include system development charges (SDC) collected from developers to pay the cost of infrastructure expansion as needed to meet the demands of population growth, and taxes and other collections limited to repayment of debt. The modest increase in construction activity has generated SDC fees increasing restricted net position.

The remainder of the net position, referred to as unrestricted, may be used to meet the ongoing obligations of the government to citizens and creditors.

### Statement of Activities

Table 2 provides a summary of the primary sources and uses and the resulting change in net position for the City. The information is condensed from the statement of activities.

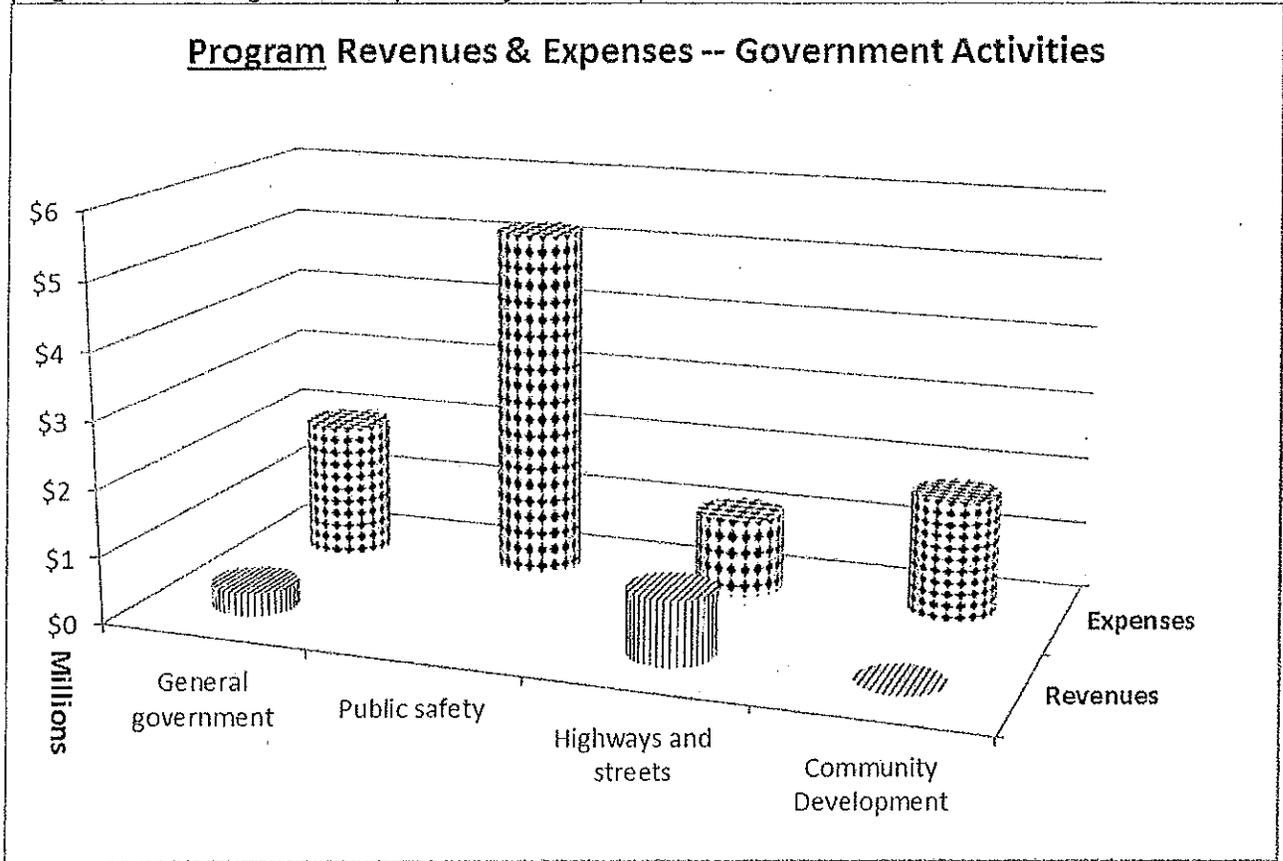
**Table 2**  
**City of Troutdale, Oregon**  
**Summary of Changes in Net Position**  
**(in millions)**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 0.3	\$ 0.3	\$ 5.4	\$ 5.2	\$ 5.8	\$ 5.6
Operating grants and contributions	1.0	0.9	-	-	1.0	0.9
Capital grants and contributions	0.0	0.1	0.0	4.2	0.1	4.2
General revenues:						
Property taxes	4.9	4.4	1.4	1.5	6.3	5.8
Franchise and other taxes	2.4	2.2	-	-	2.4	2.2
Other receipts	2.8	2.8	0.1	0.1	2.9	2.9
Total revenues	<u>11.3</u>	<u>10.7</u>	<u>7.0</u>	<u>11.0</u>	<u>18.3</u>	<u>21.6</u>
Expenses:						
General government	2.0	1.9	-	-	2.0	1.9
Public safety	5.2	5.4	-	-	5.2	5.4
Highways and streets	1.2	1.4	-	-	1.2	1.4
Solid waste/recycling	0.0	0.0	-	-	0.0	0.0
Community development	1.8	1.8	-	-	1.8	1.8
Interest on long-term debt	0.0	0.0	-	-	0.0	0.0
Water	-	-	1.7	1.9	1.7	1.9
Sewer	-	-	3.1	3.3	3.1	3.3
Storm sewer	-	-	0.6	0.5	0.6	0.5
Public services	-	-	1.1	1.1	1.1	1.1
Total expenses	<u>10.2</u>	<u>10.5</u>	<u>6.5</u>	<u>6.8</u>	<u>16.7</u>	<u>17.2</u>
Increase (decrease) in net position	1.1	0.2	0.5	4.2	1.6	4.4
Net position, beginning	18.5	20.1	35.2	31.6	53.8	51.7
Net position, ending	<u>\$ 19.7</u>	<u>\$ 20.3</u>	<u>\$ 35.7</u>	<u>\$ 35.8</u>	<u>\$ 55.3</u>	<u>\$ 56.1</u>

(Note: Prior year was not restated for GASB 68 as the information was not available.)

During the fiscal year, the City's total net position decreased by \$0.8 million. Business Type activities decreased \$0.1 million and the Governmental activities \$0.7 million decrease.

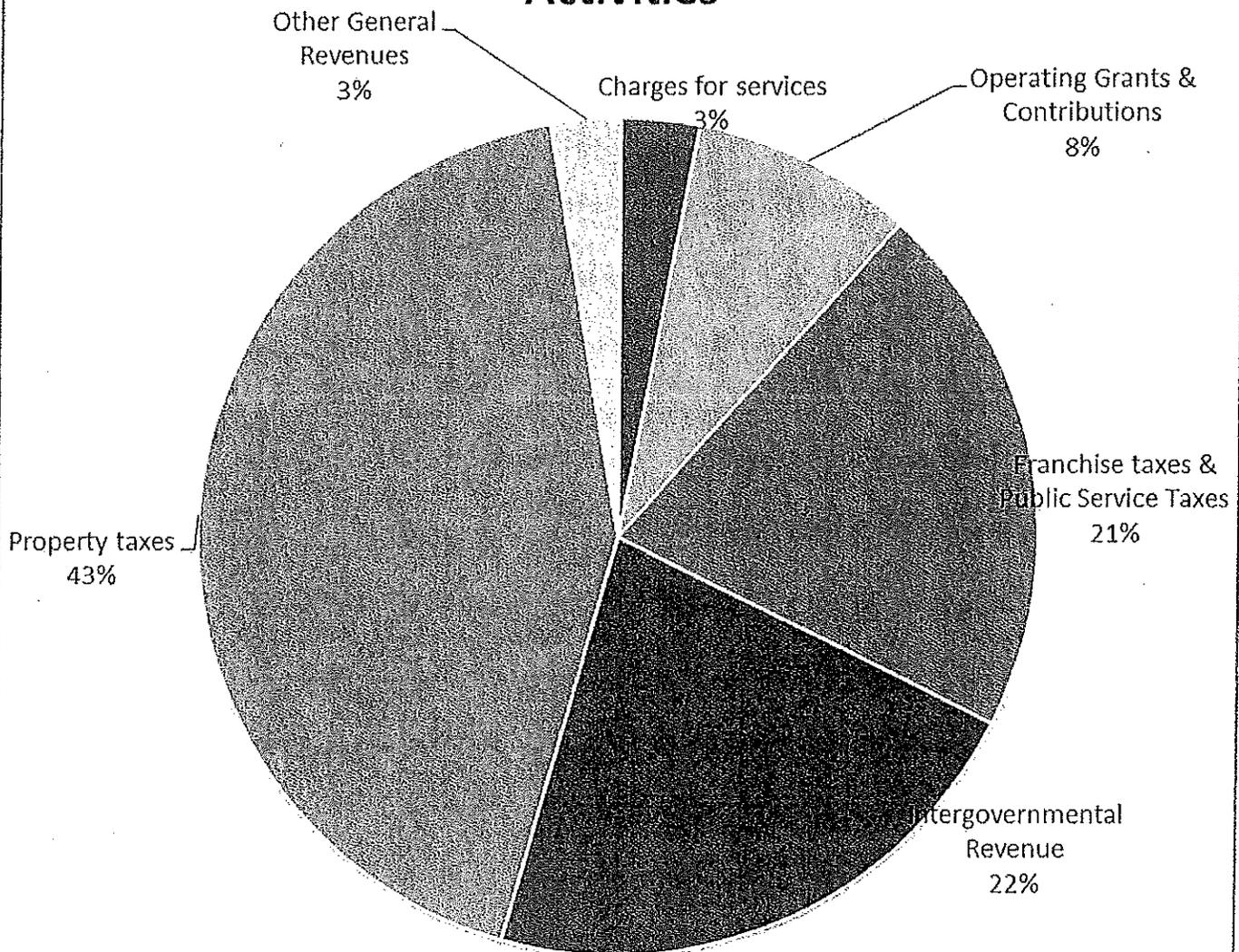
The following graph shows the expenses of each governmental function compared to the program revenues generated specifically from its operations.



General government support services (administration, legal, human resources, financial, and computer information services) generate some revenues but are primarily funded from charges to the direct operating functions they support. The public safety function (police, fire and emergency services) generates program revenues as well, but property taxes and other General Fund revenues fund the majority of its costs. The highways and streets program is responsible for maintenance and construction of transportation systems, with funding provided by gas tax revenues. Community development services include building permit, planning and zoning, parks maintenance, and facilities maintenance functions. The building permit program covers total service costs with user permit fees. The planning and zoning and parks and facilities maintenance functions cover some program costs with user fees, but property taxes and other General Fund revenues fund the majority of their costs.

The graph below is a visual representation of the various sources of revenues used to support governmental activities.

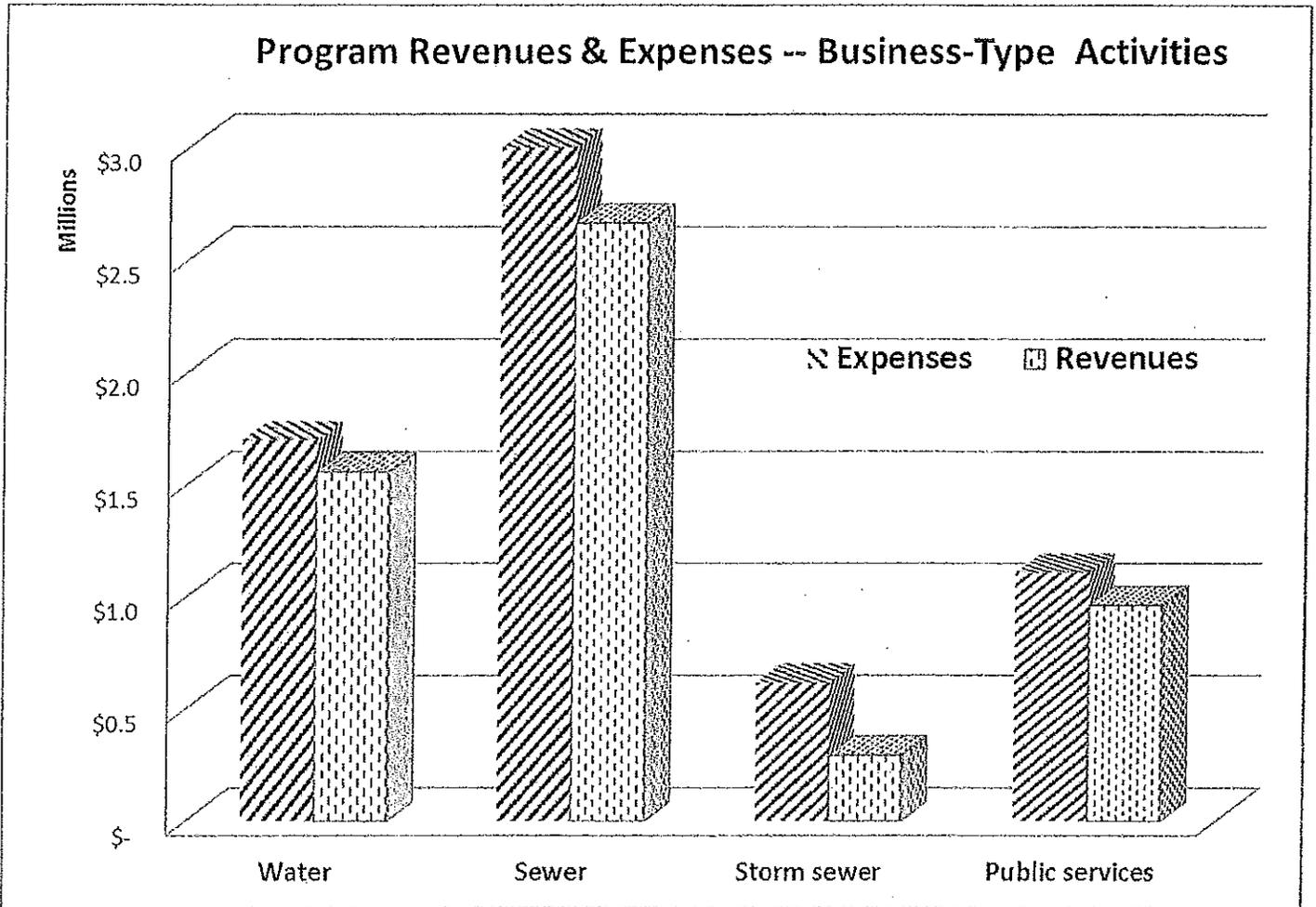
## Revenues by Source -- Governmental Activities



Governmental revenues modestly increased from the prior year. The majority of governmental revenues (86%) include property taxes, franchise fees and intergovernmental revenues. 3% of revenues are from user fees and charges for services, with 8% from operating and capital grants and 3% other revenues. The increase in governmental revenues from the economic recovery reflected in County Business Income Tax receipts and State Shared Revenues.

Governmental program expenses decreased by \$0.3 million compared to the prior year. The increase in governmental expenses is attributable to Streets maintenance weather impact delays and marginal cost changes in public safety for police compensation and the fire protection contract.

Business-type activities provided a \$0.5 million increase to the City's total net position. The following graph shows the program revenues and expenses generated by each business-type function.



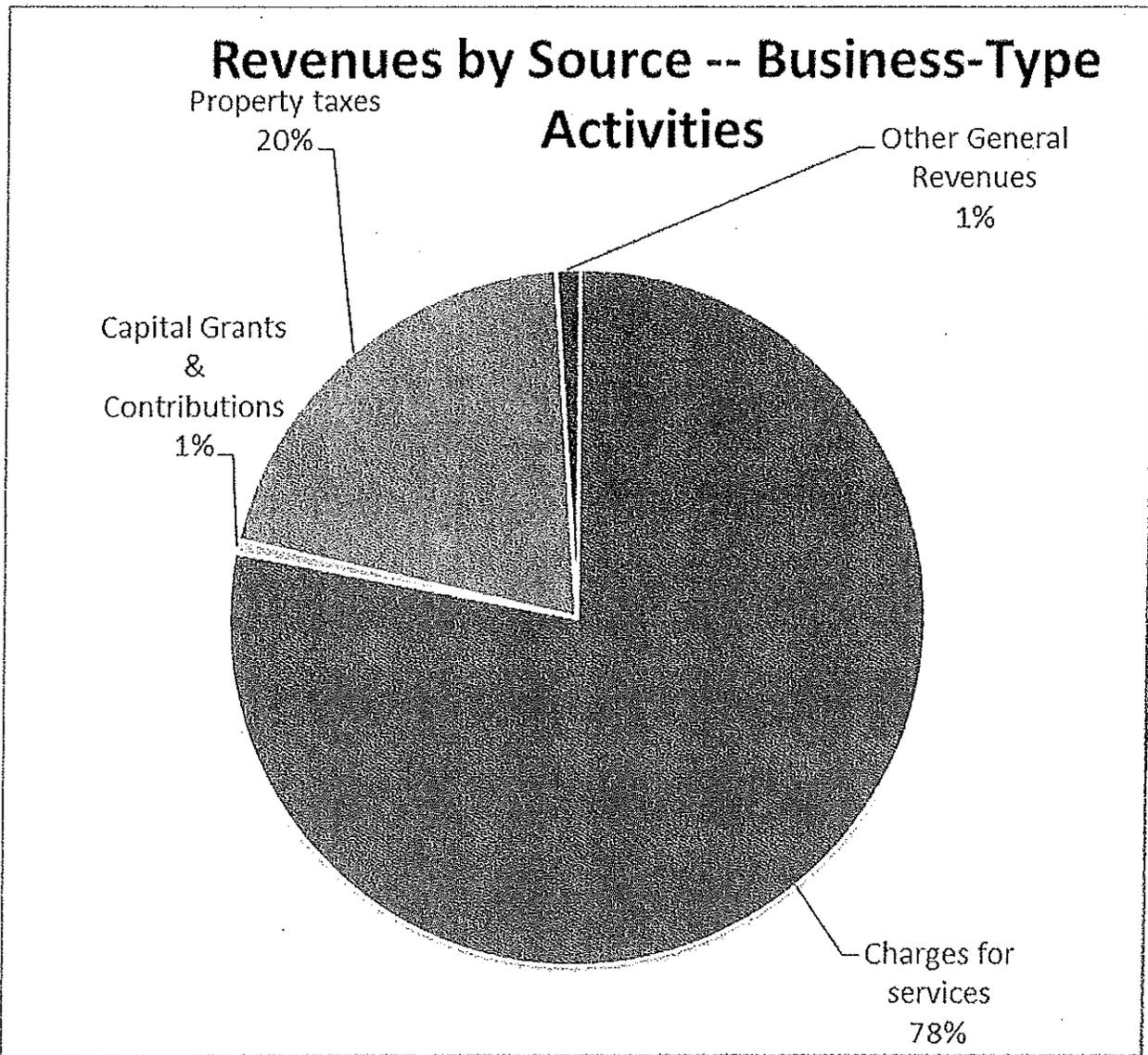
The primary source of revenue for the City operated water, sewer, and storm sewer utilities are customer user fees. Public services (Public Works management and equipment maintenance services) generate some revenues but are primarily funded from charges to the direct utility operating functions they support. Expenses in excess of program revenues represents the decrease in net position discussed above.

Total revenues decreased \$0.3 million over the prior year due to weather impact upon consumption levels, and the impact of a modest increase of the user rates for water, sewer and storm water systems, and property taxes. The City collected less than \$0.1 million in utility

systems development charges, down from the prior year FedEx sorting center parking area expansion. Charges collected for system development impact are used to pay the costs of infrastructure expansion as needed to meet the demands of population growth, including debt service on financed infrastructure construction. In prior years there had been a significant increase in these collections, which was reflected in the increase in residential development in the City. Residential development slowed down dramatically in FY 2007 and has remained at a subdued level which resulted in a low level of systems development charge collections.

City utility user fees for water, sewer and storm services decreased by \$0.3 million or 4.4% compared to the prior year. This reflects the user rate increase somewhat offset by a decrease in consumption from both economic and weather conditions.

The graph below is a visual representation of the various sources of revenues used to support business-type activities.



The majority of business-type activities revenues are generated from user fees and SDC fees from private developers.

Business-type program expenses increased by \$0.1 million or 1% compared to the prior year, primarily due to repair and maintenance projects in both the Water and Storm Sewer Management activities.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

Fund balances totaled \$45 million at June 30, 2015. A summary of fund balances follows:

**Table 3**  
**City of Troutdale, Oregon**  
**Fund Balances**

	<u>June 30, 2015</u>	restated <u>June 30, 2014</u>	<u>Change</u>
General Fund	\$ 4,078,457	\$ 3,704,929	\$ 373,528
Street Fund	1,310,305	1,123,819	186,486
Other Governmental	3,972,032	3,885,002	87,030
Water	9,446,997	9,581,421	(134,424)
Sewer	18,744,109	17,698,862	1,045,247
Storm Sewer	7,318,045	7,631,542	(313,497)
Public Services	156,715	303,182	(146,467)
Total	<u>\$ 45,026,660</u>	<u>\$ 43,928,757</u>	<u>\$ 1,097,903</u>

The general fund balance increased \$0.4 million effective cost controls marginally higher than budgeted revenues. The Street Fund deferred maintenance continued coupled with construction weather delays resulted in a temporary balance increase. The voters approved a staged local fuel tax which is expected to bring additional revenue to fund to partially slow the continual maintenance costs in excess of revenue growth in the fund. The Public Services fund experienced the planned spend down of accumulated fund balance.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The budgetary statement for the General Fund shows the original budget, final budget and actual revenues, expenditures and transfers in and out for the fiscal year. Differences between the original and amended budget were not significant. The City Council approved a resolution for the transfer of General Fund contingency appropriation authority totaling \$499,000 to various departments within the General Fund. The changes are summarized as follows:

- \$140,000 loan to the Urban Renewal Agency to cover expenditures for expenses associated with the ongoing brown field testing and analysis and professional consulting services

- \$220,000 budget contingency transfer to the Police budget to cover the overtime expenses.
- \$65,000 for legal counsel on environmental liability associated with the development process of Phase 2 of the Troutdale Reynolds Industrial Park, (TRIP site) and other legal matters and services.
- \$74,000 to provide for additional personnel expenses for Family and Medical Leave (FMLA) coverage, public artwork acquisition, file server and firewall replacements, and various other unanticipated and necessary additional expenses.
- \$22,000 budget contingency transfers to provide for unanticipated and necessary additional expenses in the Code Specialties Fund for increased permit volume in Building, Electrical and Plumbing Divisions.
- \$70,000 budget contingency transfers to provide for necessary additional expenses in the Streets Fund associated with the multi-phase street maintenance public engagement and education communications program.

Actual revenues for the year were greater than budgeted amounts by \$184,000 due primarily to greater than budgeted intergovernmental revenue. The beginning fund balance in the General Fund was \$294,000 greater than budgeted.

On the expenditure side, operations for all departments were under budget by \$865,000. Again the recession impacted development activity with budgeted spending being deferred. The other major expenditure reductions related to building improvements and other deferred capital outlays, which when combined with controlled spending across all departments, accounted for the overall reduction. Factoring out contingency budget expenditures came in 5.4% under original budget amounts.

## ***CAPITAL ASSETS AND DEBT ADMINISTRATION***

### **CAPITAL ASSETS**

As of year-end, the City had \$51.8 million (net of accumulated depreciation) invested in capital assets, as reflected in Table 4. More detailed information can be found in the notes to the financial statements.

**Capital Assets  
(Net of Depreciation)  
(in millions)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Land	\$ 3.5	\$ 3.5	\$ 1.8	\$ 1.8	\$ 5.2	\$ 5.3
Intangible assets	0.0	-	0.0	-	0.0	-
Buildings & improvements	8.3	8.5	1.5	1.6	9.8	10.1
Land improvements	1.7	2.0	0.1	0.1	1.8	2.1
Equipment	0.4	0.8	0.3	0.4	0.7	1.2
Infrastructure	4.4	4.6	29.7	30.8	34.1	35.4
Work in Progress	0.1	0.3	-	-	0.1	0.3
Total	<u>\$ 18.4</u>	<u>\$ 19.7</u>	<u>\$ 33.4</u>	<u>\$ 34.7</u>	<u>\$ 51.8</u>	<u>\$ 54.4</u>

Assets for governmental activities decreased by \$1.3 million resulting from the annual recorded depreciation and the demolition of the old police station.

Assets for business-type activities decreased by \$1.3 million net of depreciation resulting from the routine annual recorded depreciation and no significant developer constructed and donated public improvement projects.

Additional information on the City's capital assets can be found in the Capital Assets Section of the Notes to the Basic Financial Statements.

**DEBT OUTSTANDING**

Debt outstanding at year-end is summarized in Table 5. As of year-end, the City had \$10.8 million in bonds and notes outstanding. Of that amount, \$1.9 million is due within one year. Total long-term debt decreased from \$1.4 million scheduled principal debt service payments. More detailed information can be found in the notes to the financial statements.

**Table 5  
City of Troutdale, Oregon  
Outstanding Debt  
(in millions)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
C.O.P. Building Loan	\$ 0.4	\$ 0.5	\$ -	\$ -	\$ 0.4	\$ 0.5
General obligation bond WPCF	-	-	3.5	4.6	3.5	4.6
General obligation bond PD	6.9	7.1	-	-	6.9	7.1
Lease payable	-	-	-	-	-	-
Total	<u>\$ 7.3</u>	<u>\$ 7.6</u>	<u>\$ 3.5</u>	<u>\$ 4.6</u>	<u>\$ 10.8</u>	<u>\$ 12.2</u>

Moody's Investors Service has rated the City's general obligation bonds as Aa2. Other debt of the City has not been rated.

For more detailed information on the City's debt and amortization terms refer to the Long-Term Debt Section of the Notes to the Basic Financial Statements.

### ***ECONOMIC FACTORS AND RATES***

- The State's property tax regulations set permanent rates and limited growth in existing property values to a maximum of three percent per year. The assessed values for new residential and commercial construction are also adjusted to reflect the growth limitations so they receive the same tax benefit as existing properties. Troutdale's permanent tax rate is \$3.7652 per \$1,000 of tax-assessed value.
- For past few years the City had been experiencing a slowing rate of growth in property taxes, and in Fiscal Year 2013-2014 the assessed value actually decreased 0.88% from the prior year. This reporting period property values rebounded resulting in a 3.6% increase. The coming Fiscal Year 2015-2016 increased 2.6% with approximately \$117,000 of property tax revenue increase over the prior year.
- The financial markets and credit crisis resulted in substantial declines in the PERS investment portfolio during 2008 of approximately 28% loss in asset value. Under current legislation, employer contribution rates are set every two years, changing July 1 of the odd numbered year. Employer rates for this reporting period were based on the system's valuation as of December 31, 2013, and reflect the changes from the Legislature's Special Session. The Special Legislative Session actions of 2013 which reduced employer costs were ruled unconstitutional by the State Supreme Court in April 2015. Substantially higher employer rates will begin in July 1, 2017.
- The City provides fire and emergency services to its citizens through an Intergovernmental Agreement (IGA) with the City of Gresham which expired this reporting period. A new 10 year IGA was negotiated which provides for a significant cost increase phased in during the first two years, followed by an annual cost escalation formula which includes an average of CPI and labor cost increases, limited to a bracket of 2.5% to 4.5% increase over the preceding year, beginning with third year through the expiration.
- The Street Fund financial forecast indicates a declining fund balance even at a minimal preservation and maintenance level. To fund the department recommended maintenance cycle, and meet the City's goal of 100% good or better street rating in ten years, an additional \$430,000 is required annually. The City referred a local gas tax ballot measure to the voters, who subsequent to the reporting period, approved the measure. The new tax will phase in over three calendar years beginning with 2016. The actual revenue once fully implemented will narrow the funding gap for necessary street maintenance.

Additional information about the operating issues discussed above can be found in the Letter of Transmittal under the heading, "Economic Condition and Outlook".

***REQUESTS FOR INFORMATION***

The City's financial statements are designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about the report or need additional financial information, please contact the City's Finance Director at City Hall, 219 E. Historic Columbia River Hwy, Troutdale, Oregon 97060-2078.

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**BASIC  
FINANCIAL  
STATEMENTS**

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**CITY OF TROUTDALE, OREGON**  
**Statement of Net Position**  
*June 30, 2015*

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 5,440,449	\$ 3,226,039	\$ 8,666,488
Accounts receivable, net	683,843	524,836	1,208,679
Property taxes receivable	300,190	88,175	388,365
Prepaid expenses	4,050	-	4,050
Inventories	12,893	30,124	43,017
Restricted cash and investments	4,098,472	2,374,868	6,473,340
Net Pension Asset	905,873	318,889	1,224,762
Capital assets:			
Nondepreciable	3,577,553	1,784,894	5,362,447
Depreciable, net	14,833,631	31,600,694	46,434,325
Total assets	<u>29,856,954</u>	<u>39,948,519</u>	<u>69,805,473</u>
<b>LIABILITIES</b>			
Accounts payable	552,717	181,166	733,883
Accrued payroll	334,854	-	334,854
Accrued compensated absences - current	33,873	11,267	45,140
Deposits	4,100	1,261	5,361
Interest payable	23,318	11,588	34,906
Unearned revenue	3,500	-	3,500
Noncurrent liabilities:			
<i>Due within one year</i>			
Current portion of long-term debt	406,001	1,135,000	1,541,001
<i>Due in more than one year</i>			
Accrued compensated absences - long term	107,265	45,070	152,335
Noncurrent portion of long-term debt	7,266,164	2,377,559	9,643,723
Total liabilities	<u>8,731,792</u>	<u>3,762,911</u>	<u>12,494,703</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Net deferred pension asset	<u>1,476,444</u>	<u>519,742</u>	<u>1,996,186</u>
<b>NET POSITION</b>			
Net investment in capital assets	10,979,510	29,873,029	40,852,539
Restricted			
Capital Projects	5,241,478	2,374,868	7,616,346
Debt Service	652,205	-	652,205
Unrestricted	2,775,525	3,417,969	6,193,494
Total net position	<u>\$ 19,648,718</u>	<u>\$ 35,665,866</u>	<u>\$ 55,314,584</u>

The notes to the financial statements are an integral part of this statement.

CITY OF TROUTDALE, OREGON  
Statement of Activities  
For the Year Ended June 30, 2015

Functions/Programs	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities
				Total
<b>Governmental activities:</b>				
General government	\$ 2,016,349	\$ -	\$ (1,669,250)	\$ (1,669,250)
Public safety	5,235,720	-	(5,235,720)	(5,235,720)
Highway and Streets	1,166,959	950,585	(203,364)	(203,364)
Solid waste/recycling	13,375	-	(13,375)	(13,375)
Community development	1,780,461	-	(1,777,961)	(1,777,961)
Interest on long-term debt	15,454	-	(15,454)	(15,454)
Total governmental activities	10,228,318	950,585	(8,915,124)	(8,915,124)
<b>Business-type activities:</b>				
Water	1,696,706	-	-	(141,381)
Sewer	3,087,108	8,474	-	(423,379)
Storm sewer	614,969	13,350	-	(323,950)
Public services	1,108,024	19,104	-	(148,294)
Total business type activities	6,506,807	40,928	-	(1,037,004)
Total government	\$ 16,735,125	\$ 950,585	\$ (8,915,124)	\$ (9,952,128)
<b>General revenues:</b>				
Taxes				
Property taxes			4,862,600	6,272,406
Franchise taxes			1,319,304	1,319,304
Public service taxes			1,037,776	1,037,776
Interest and investment earnings			47,516	77,616
Other revenues			2,759,620	2,807,577
Total general revenues and transfers			10,026,816	11,514,679
Change in net position			1,111,692	1,562,551
Net position - beginning			18,537,026	53,752,033
Net position - ending			\$ 19,648,718	\$ 55,314,584

The notes to the financial statements are an integral part of this statement.

# **FUND FINANCIAL STATEMENTS**

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## **Major Governmental Funds**

### ***General Fund***

This fund accounts for the financial operations of the City which are not accounted for in any other fund. Principal sources of revenues are property taxes, state shared revenues, franchise fees and recovered expenditures. Primary expenditures in the general fund are made for police protection, community development, and general development.

### ***Street Fund***

This fund accounts for revenues from gasoline tax apportionments from the State of Oregon that are used for the repair and maintenance associated with streets.

### ***URA Riverfront Development Fund***

This fund accounts for the operations of the urban renewal agency. Primary resources are property taxes.

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CITY OF TROUTDALE, OREGON  
 Governmental Funds  
 Balance Sheet  
 June 30, 2015

	General Fund	Street Fund	URA Riverfront Development	Other Governmental	Total Governmental
<b>ASSETS</b>					
Cash and investments	\$ 3,929,254	\$ 1,316,176	\$ -	\$ 4,293,491	\$ 9,538,921
Accounts receivable	596,803	85,233	-	1,807	683,843
Property taxes receivable	291,537	-	-	8,653	300,190
Prepaid items	4,050	-	-	-	4,050
Interfund loan	250,000	-	-	223,000	473,000
Inventory	634	12,259	-	-	12,893
Due from	-	-	-	303,253	303,253
<b>Total assets</b>	<b>\$ 5,072,278</b>	<b>\$ 1,413,668</b>	<b>\$ -</b>	<b>\$ 4,830,204</b>	<b>\$ 11,316,150</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 246,692	\$ 103,363	\$ 17,414	\$ 185,248	\$ 552,717
Payroll liabilities	334,854	-	-	-	334,854
Deposits	-	-	-	4,100	4,100
Unearned Revenue	3,500	-	-	-	3,500
Interfund loan	133,000	-	250,000	90,000	473,000
Due to	-	-	303,253	-	303,253
<b>Total liabilities</b>	<b>718,046</b>	<b>103,363</b>	<b>570,667</b>	<b>279,348</b>	<b>1,671,424</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Taxes	276,775	-	-	8,157	283,932
<b>FUND BALANCES</b>					
Nonspendable	4,684	12,259	-	-	16,943
Restricted	-	1,298,046	-	4,595,637	5,893,683
Unassigned	4,073,773	-	(570,667)	(52,938)	3,450,168
<b>Total fund balances</b>	<b>4,078,457</b>	<b>1,310,305</b>	<b>(570,667)</b>	<b>4,542,699</b>	<b>9,360,794</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 5,072,278</b>	<b>\$ 1,413,668</b>	<b>\$ -</b>	<b>\$ 4,830,204</b>	<b>\$ 11,316,150</b>

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds 18,411,184

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Property taxes earned but unavailable 283,932

Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds. (141,138)

The net pension asset (liability) and deferred inflows and outflows related to the net pension asset is the difference between the total pension liability and assets set aside to pay benefits earned to past and current employees and beneficiaries

Net pension asset 905,873

Net deferred pension asset - deferred inflow (1,476,444)

All long term liabilities are reported in the Statement of Net Position whereas in governmental funds, long term liabilities are not due and payable in the current period and are not reported

Interest payable (23,318)

Bond payable (6,915,000)

Capital lease payable (61,144)

Loan payable (403,000)

Post-closure cost care (240,491)

Bond premium (52,530)

Net Position of Governmental Activities **\$ 19,648,718**

The notes to the financial statements are an integral part of this statement.

CITY OF TROUTDALE, OREGON  
 Governmental Funds  
 Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Year Ended June 30, 2015

	General Fund	Street Fund	URA Riverfront Development	Other Governmental	Total Governmental
<b>REVENUES</b>					
Intergovernmental	\$ 1,404,270	\$ 941,334	\$ 143,419	\$ 9,251	\$ 2,498,274
Charges for services	298,384	47	-	15,463	313,894
Property taxes	4,665,212	-	-	178,303	4,843,515
Franchise	1,127,819	-	-	191,485	1,319,304
Licenses and permits	48,715	-	-	353,221	401,936
Fines and forfeitures	295,888	-	-	-	295,888
Interest	20,044	6,863	-	20,609	47,516
Miscellaneous	929,993	-	-	34,764	964,757
Hotel/motel transient tax	577,726	-	-	-	577,726
Solid waste tax	58,114	-	-	-	58,114
Total revenues	<u>9,426,165</u>	<u>948,244</u>	<u>143,419</u>	<u>803,096</u>	<u>11,320,924</u>
<b>EXPENDITURES</b>					
Current:					
General government	2,182,269	-	-	-	2,182,269
Public safety	5,677,030	-	-	-	5,677,030
Highway and Streets	-	732,538	-	-	732,538
Solid waste/recycling	15,114	-	-	-	15,114
Community development	1,036,224	-	226,250	355,058	1,617,532
Capital outlay	-	29,220	10,855	267,229	307,304
Debt service:					
Principal	-	-	-	126,033	126,033
Interest	-	-	-	16,060	16,060
Total expenditures	<u>8,910,637</u>	<u>761,758</u>	<u>237,105</u>	<u>764,380</u>	<u>10,673,880</u>
Excess (deficiency) of revenues over (under) expenditures	516,528	186,486	(93,686)	38,716	647,044
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	142,000	142,000
Transfers out	(142,000)	-	-	-	(142,000)
Total other financing sources (uses)	<u>(142,000)</u>	<u>-</u>	<u>-</u>	<u>142,000</u>	<u>-</u>
Net change in fund balance	373,528	186,486	(93,686)	180,716	647,044
FUND BALANCES, BEGINNING	<u>3,704,929</u>	<u>1,123,819</u>	<u>(476,981)</u>	<u>4,361,983</u>	<u>8,713,750</u>
FUND BALANCES, ENDING	<u>\$ 4,078,457</u>	<u>\$ 1,310,305</u>	<u>\$ (570,667)</u>	<u>\$ 4,542,699</u>	<u>\$ 9,360,794</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF TROUTDALE, OREGON**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds to the**  
**Statement of Activities**  
*For the Year Ended June 30, 2015*

Net change in fund balances - total governmental funds \$ 647,044

*Amounts reported for governmental activities in the Statement of Activities are different because:*

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital asset additions	\$ 149,475	
Loss on disposal	(271,135)	
Less current year depreciation	<u>(1,148,218)</u>	(1,269,878)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds

Property taxes	19,085
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Loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. The repayment of the principal of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which proceeds exceeded repayments.

Principal payments	340,000	
Bond premium	3,283	
Landfill post-closure cost care	10,765	
Capital lease proceeds	(7,751)	
Capital lease payments	<u>35,252</u>	381,549

The pension expense and the changes in deferred inflows and outflows related to the Net Pension Asset represents the changes in net pension asset (liability) from year to year due to changes in total pension liability and the fair value of pension plan net position to pay pension benefits.

1,160,883

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences	172,402	
Accrued interest expense	<u>607</u>	<u>173,009</u>

Change in net position of governmental activities

\$ 1,111,692

The notes to the financial statements are an integral part of this statement.

CITY OF TROUTDALE, OREGON  
GENERAL FUND  
STATEMENT OF REVENUE, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes				
Current year	\$ 4,538,872	\$ 4,538,872	\$ 4,572,077	\$ 33,205
Prior year	93,936	93,936	77,478	(16,458)
Penalties and interest	7,500	7,500	15,657	8,157
Intergovernmental	1,278,500	1,278,500	1,404,270	125,770
Charges for services	289,269	289,269	298,384	9,115
Franchise	1,117,112	1,117,112	1,127,819	10,707
Licenses and permits	42,770	42,770	48,715	5,945
Fines and forfeitures	339,300	339,300	295,888	(43,412)
Interest	18,000	18,000	20,044	2,044
Miscellaneous	999,751	999,751	929,993	(69,758)
Hotel/motel transient tax	463,011	463,011	577,726	114,715
Solid waste tax	54,000	54,000	58,114	4,114
<b>Total revenues</b>	<b>9,242,021</b>	<b>9,242,021</b>	<b>9,426,165</b>	<b>184,144</b>
<b>EXPENDITURES:</b>				
Current:				
Legislative	27,975	36,875	28,362	8,513
Judicial	111,976	111,976	96,306	15,670
Legal	204,796	229,796	201,616	28,180
General Government	433,436	473,436	332,954	140,482
Administration	649,491	649,492	608,942	40,550
Community Services	152,351	152,351	113,627	38,724
Information Services	264,822	279,822	275,495	4,327
Finance	537,091	537,091	524,967	12,124
Police Command	1,055,363	1,075,362	1,074,372	990
Police Operations	3,266,045	3,426,046	2,913,803	512,243
Solid Waste/Recycling	25,374	25,375	15,114	10,261
Fire Protection Services	1,688,855	1,688,855	1,688,855	-
Planning	276,148	276,148	227,672	48,476
Parks and Greenways	429,610	442,112	439,885	2,227
Facilities	363,411	370,911	368,667	2,244
Contingency	750,000	221,100	-	221,100
<b>Total expenditures</b>	<b>10,236,744</b>	<b>9,996,748</b>	<b>8,910,637</b>	<b>1,086,111</b>
Revenues over (under) expenditures	(994,723)	(754,727)	515,528	1,270,255
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	265,000	265,000	265,000	-
Transfers out	(239,300)	(409,300)	(308,000)	101,300
<b>Total other financing sources (uses)</b>	<b>25,700</b>	<b>(144,300)</b>	<b>(43,000)</b>	<b>101,300</b>
Net changes in fund balances	(969,023)	(899,027)	472,528	1,371,555
<b>FUND BALANCE, BEGINNING</b>	<b>3,195,167</b>	<b>3,195,167</b>	<b>3,488,929</b>	<b>293,762</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 2,226,144</b>	<b>\$ 2,296,140</b>	<b>\$ 3,961,457</b>	<b>\$ 1,665,317</b>
			Budget to GAAP Reconciliation	
			Interfund loan transactions	117,000
			GAAP Fund Balance	<u>\$ 4,078,457</u>

The notes to the financial statements are an integral part of this statement.

CITY OF TROUTDALE, OREGON  
STREET FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 876,177	\$ 876,177	\$ 941,334	\$ 65,157
Charges for services	300	300	47	(253)
Interest	5,000	5,000	6,863	1,863
Miscellaneous	700	700	-	(700)
<b>Total revenues</b>	<u>882,177</u>	<u>882,177</u>	<u>948,244</u>	<u>66,067</u>
<b>EXPENDITURES:</b>				
Personal service	169,094	169,094	159,247	9,847
Materials and service	855,100	925,100	573,291	351,809
Capital outlay	127,400	127,400	29,220	98,180
Contingency	250,000	180,000	-	180,000
<b>Total expenditures</b>	<u>1,401,594</u>	<u>1,401,594</u>	<u>761,758</u>	<u>639,836</u>
 Net changes in fund balances	 (519,417)	 (519,417)	 186,486	 705,903
<b>FUND BALANCES, BEGINNING</b>	<u>1,074,432</u>	<u>1,074,432</u>	<u>1,123,819</u>	<u>49,387</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 555,015</u>	<u>\$ 555,015</u>	<u>\$ 1,310,305</u>	<u>\$ 755,290</u>

The notes to the financial statements are an integral part of this statement.

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# **FUND FINANCIAL STATEMENTS**

## **Proprietary Funds**

The City of Troutdale utilizes four Proprietary Funds. These funds are used to account for acquisition, operation, and maintenance of the water, sewer, and storm sewer facilities and the cost of public works management and operating automotive and other equipment used by public works. These funds are entirely or predominantly self-supported through user charges to customer. Funds included are:

***Water***  
***Sewer***  
***Storm Sewer***  
***Public Services***

For budgetary purposes (see budget schedules in the Supplemental Information section), the Water, Sewer, and Storm Sewer funds are accounted in the following separate funds:

***Water***  
Water Fund  
Water Improvement Fund

***Sewer***  
Sewer Fund  
Debt Service Fund (business-type activity portion)  
Sewer Improvement Fund

***Storm Sewer***  
Storm Sewer Improvement Fund  
Storm Sewer Utility Fund

For generally accepted accounting principles purposes, these aforementioned funds and the Public Services Fund are consolidated and included as four Enterprise Funds.

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CITY OF TROUTDALE, OREGON  
Proprietary Funds  
Statement of Net Position  
June 30, 2015

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewer	Storm Sewer	Public Services	
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 692,130	\$ 2,213,754	\$ 159,329	\$ 160,826	\$ 3,226,039
Accounts receivables, net	211,007	282,964	30,865	-	524,836
Inventories	30,124	-	-	-	30,124
Interfund loan	-	44,000	-	-	44,000
Property taxes receivable	-	88,175	-	-	88,175
Total current assets	<u>933,261</u>	<u>2,628,893</u>	<u>190,194</u>	<u>160,826</u>	<u>3,913,174</u>
Noncurrent assets:					
Restricted cash and cash equivalents	30,228	143,328	2,201,312	-	2,374,868
Net pension asset	114,754	155,616	48,519	-	318,889
Capital assets not being depreciated	224,389	1,557,434	3,071	-	1,784,894
Capital assets being depreciated, net	8,405,091	18,167,800	5,027,803	-	31,600,694
Total noncurrent assets	<u>8,774,462</u>	<u>20,024,178</u>	<u>7,280,705</u>	<u>-</u>	<u>36,079,345</u>
Total assets	<u>9,707,723</u>	<u>22,653,071</u>	<u>7,470,899</u>	<u>160,826</u>	<u>39,992,519</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	56,572	100,857	19,626	4,111	181,166
Accrued compensated absences - current	3,172	6,065	2,030	-	11,267
Deposits	1,261	-	-	-	1,261
Interest payable	-	11,588	-	-	11,588
Interfund loan	-	-	44,000	-	44,000
Bond payable - current maturity	-	1,135,000	-	-	1,135,000
Total current liabilities	<u>61,005</u>	<u>1,253,510</u>	<u>65,656</u>	<u>4,111</u>	<u>1,384,282</u>
Noncurrent liabilities:					
Bond payable	-	2,377,559	-	-	2,377,559
Accrued compensated absences	12,688	24,262	8,120	-	45,070
Total liabilities	<u>73,693</u>	<u>3,655,331</u>	<u>73,776</u>	<u>4,111</u>	<u>3,806,911</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Net deferred pension asset	187,033	253,631	79,078	-	519,742
<b>NET POSITION</b>					
Net investment in capital assets	8,629,480	16,212,675	5,030,874	-	29,873,029
Restricted for infrastructure expansion	30,228	143,328	2,201,312	-	2,374,868
Unrestricted	787,289	2,388,106	85,859	156,715	3,417,969
Total net position	<u>\$ 9,446,997</u>	<u>\$ 18,744,109</u>	<u>\$ 7,318,045</u>	<u>\$ 156,715</u>	<u>\$ 35,665,866</u>

The notes to the financial statements are an integral part of this statement.

CITY OF TROUTDALE, OREGON  
Proprietary Funds  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
For the Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds				
	Water	Sewer	Storm Sewer	Public Services	Totals
<b>OPERATING REVENUES</b>					
Charges for services	\$ 1,546,851	\$ 2,650,379	\$ 271,915	\$ 950,734	\$ 5,419,879
Licenses & permits	-	-	-	8,996	8,996
Miscellaneous	414	47,282	-	261	47,957
Total operating revenues	<u>1,547,265</u>	<u>2,697,661</u>	<u>271,915</u>	<u>959,991</u>	<u>5,476,832</u>
<b>OPERATING EXPENSES</b>					
Personal services	226,569	332,178	100,280	769,074	1,428,101
Depreciation	489,074	780,700	258,197	-	1,527,971
Contractual services	198,429	110,812	202,273	121,368	632,882
Utilities	382,888	444,786	987	23,707	852,368
Repairs and maintenance	201,851	282,307	29,535	21,618	535,311
Other operating expenses	282,592	447,515	23,697	172,257	926,061
Total operating expenses	<u>1,781,403</u>	<u>2,398,298</u>	<u>614,969</u>	<u>1,108,024</u>	<u>5,902,694</u>
Operating income (loss)	<u>(234,138)</u>	<u>299,363</u>	<u>(343,054)</u>	<u>(148,033)</u>	<u>(425,862)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment revenue	6,543	11,538	10,453	1,566	30,100
System development charges	8,474	13,350	19,104	-	40,928
Interest expense	-	(688,810)	-	-	(688,810)
Miscellaneous	-	-	-	-	-
Intergovernmental	84,697	-	-	-	84,697
Property taxes	-	1,409,806	-	-	1,409,806
Total nonoperating revenues (expenses)	<u>99,714</u>	<u>745,884</u>	<u>29,557</u>	<u>1,566</u>	<u>876,721</u>
Change in net position	(134,424)	1,045,247	(313,497)	(146,467)	450,859
Net position - beginning - restated	<u>9,581,421</u>	<u>17,698,862</u>	<u>7,631,542</u>	<u>303,182</u>	<u>35,215,007</u>
Net position - ending	<u>\$ 9,446,997</u>	<u>\$ 18,744,109</u>	<u>\$ 7,318,045</u>	<u>\$ 156,715</u>	<u>\$ 35,665,866</u>

The notes to the financial statements are an integral part of this statement.

CITY OF TROUTDALE, OREGON  
Proprietary Funds  
Statement of Cash Flows  
For the Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds				
	Water	Sewer	Storm Sewer	Public Services	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 1,492,012	\$ 2,676,971	\$ 267,443	\$ 959,991	\$ 5,396,417
Payments to employees	(378,406)	(528,014)	(160,605)	(769,074)	(1,836,099)
Payments to suppliers	(1,099,170)	(1,224,735)	(236,866)	(339,446)	(2,900,217)
Net cash provided (used) by operating activities	<u>14,436</u>	<u>924,222</u>	<u>(130,028)</u>	<u>(148,529)</u>	<u>660,101</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital contribution	8,474	13,350	19,104	-	40,928
Purchases of capital assets	(139,607)	(109,491)	(32,931)	-	(282,029)
Interfund loan	-	44,000	(44,000)	-	-
Property taxes	-	1,409,806	-	-	1,409,806
Principal paid on capital debt	-	(1,075,853)	-	-	(1,075,853)
Interest paid on capital debt	-	(692,288)	-	-	(692,288)
Intergovernmental	84,697	-	-	-	84,697
Net cash provided (used) by capital and related financing activities	<u>(46,436)</u>	<u>(410,476)</u>	<u>(57,827)</u>	<u>-</u>	<u>(514,739)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	6,543	11,538	10,453	1,566	30,100
Net increase in cash and cash equivalents	(25,457)	525,284	(177,402)	(146,963)	175,462
Balances - beginning of the year	747,815	1,831,798	2,538,043	307,789	5,425,445
Balances - end of the year	<u>\$ 722,358</u>	<u>\$ 2,357,082</u>	<u>\$ 2,360,641</u>	<u>\$ 160,826</u>	<u>\$ 5,600,907</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating Income	\$ (234,138)	\$ 299,363	\$ (343,054)	\$ (148,033)	\$ (425,862)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Cash flows reported in other categories:					
Depreciation expense	489,074	780,700	258,197	-	1,527,971
Change in assets and liabilities:					
Accounts receivable	(55,739)	(20,690)	(4,472)	-	(80,901)
Inventories	(5,326)	-	-	-	(5,326)
Accounts payable	(28,084)	60,685	19,626	(496)	51,731
Accrued compensated absences	(4,778)	3,587	1,853	-	662
Pension related accounts	(147,059)	(199,423)	(62,178)	-	(408,660)
Deposits	486	-	-	-	486
Net cash provided by operating activities	<u>\$ 14,436</u>	<u>\$ 924,222</u>	<u>\$ (130,028)</u>	<u>\$ (148,529)</u>	<u>\$ 660,101</u>

The notes to the financial statements are an integral part of this statement.

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# FIDUCIARY FINANCIAL STATEMENTS

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Agency funds are used to account for assets held as an agent for individuals, private organizations, and other governments. They are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations.

## ***Helping Hands Fund***

This agency fund receives and disburses funds on behalf of local churches, businesses and the Troutdale Police Department to aid destitute transient persons within the city limits. The Troutdale Police Department administers the fund with the advice and concurrence of the operating organizations.

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**CITY OF TROUTDALE, OREGON**  
**Helping Hands Fund**  
**Statement of Fiduciary Net Position**  
*June 30, 2015*

	<u>Helping Hands Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 3,155
<b>LIABILITIES</b>	
Accounts payable	\$ 8,514
Due to others	(5,359)
Total liabilities	<u>\$ 3,155</u>

The notes to the financial statements are an integral part of this statement.

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**NOTES TO  
BASIC FINANCIAL STATEMENTS**

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CITY OF TROUTDALE, OREGON  
Notes to Basic Financial Statements  
June 30, 2015

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). GAAP statements require the application of all relevant Governmental Accounting Standards Board (GASB) pronouncements. The financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

**REPORTING ENTITY**

The City of Troutdale, Oregon is a municipal corporation, incorporated on October 2, 1907. The City operates under a Council-Manager form of government as amended by the voters in 2010. The governing body consists of six elected council members and a mayor. The mayor and council members are each elected to serve a four-year term. All are part-time elected officials who exercise the legislative powers of the City and determine matters of policy. The City Manager, a full-time appointed official, administers policies and coordinates the activities of the City. The heads of the various departments, formed to provide services, are under the direct supervision of the City Manager.

Accounting principles generally accepted in the United States of America require that these financial statements present the City of Troutdale (the primary government) and all component units, if any. Component units, as established by the Government Accounting Standards Board (GASB) Statement No. 14, 39, 61, are separate organizations that are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

The Urban Renewal Agency (Agency) of the City of Troutdale was created by City Council Ordinance pursuant to Oregon Revised Statute (ORS) 457.035 in January of 2006. The Troutdale Riverfront Renewal Plan (Plan) obtained voter approval in May 2006, and the Plan was assigned to the Agency to implement. The Agency is a legally separate entity which is governed by a board comprised of the members of the City Council as stipulated by the Agency's bylaws, and operational management of the Agency's activities is performed by City Management. The City Council has the ability to impose its will on the Agency as determined on the basis of budget adoption, taxation authority, and funding for the Agency. The Plan duration was originally approved for 10 years, which was extended an additional 10 years, with the up to a total of \$7 million in principal indebtedness limit unchanged. The Agency is presented as a blended component unit within the governmental funds.

**BASIC FINANCIAL STATEMENTS**

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

*Government-wide financial statements* display information about the reporting government as a whole. These statements focus on the sustainability as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

CITY OF TROUTDALE, OREGON  
Notes to Basic Financial Statements  
June 30, 2015

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The *Statement of Net Position* presents information on all of the assets and liabilities, with the difference between the two reported as *net position*.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

*Fund financial statements* display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary, or fiduciary, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column within each fund type in the financial section of the basic financial statements and detailed in the supplementary information.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include charges between the business-type activities/enterprise funds and the General Fund. Charges are allocated as reimbursement for services provided by the General Fund in support of those functions based on levels or service provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. These charges are included in direct program expenses.

#### **Basis of Presentation**

The financial transactions are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

There are stated minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and proprietary combined) for the determination of major funds. Non-major funds are combined in a column in the fund financial statements titled "Other Governmental" and detailed in the combining section.

There are the following major governmental funds:

- *General Fund*  
This is the primary operating fund. It accounts for all financial operations, except those required to be accounted for in another fund. Principal sources of revenues are property taxes, licenses and permits, state and county shared revenues, franchise fees and charges for administrative services from other funds. Primary expenditures in the general fund are made for police protection, community development, and general government.
- *Street Fund*  
This fund accounts for the State of Oregon gasoline taxes. The state gasoline taxes are restricted for expenditures under Article XI, Section 3 of the Oregon Constitution for construction, maintenance and repair of streets, roads and bike and foot paths.

CITY OF TROUTDALE, OREGON  
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- *URA Riverfront Development Fund*  
This fund accounts for the general operations of the urban renewal agency. Primary resources are property taxes.

Additionally, there are the following non-major funds within the governmental fund type.

- *Special Revenue Funds*  
These funds account for revenues from specific taxes or ear-marked revenues that are legally restricted to expenditures for specific purposes.
- *Debt Service Funds*  
These funds account for the accumulation of resources and payment of bond principal and interest.
- *Capital Projects Funds*  
These funds account for revenues derived from specific tax or other ear-marked revenue sources, which are legally restricted to finance the acquisition or construction of major capital assets.

Each of the four proprietary funds are presented as major funds. Three funds are used to account for the acquisition, operation, and maintenance of water, sewer, and storm sewer facilities and are entirely or predominantly self-supported through user charges to customers. Additionally, the Public Services Fund is used to account for the public works management function and the cost of operating automotive and other equipment used by the public works department. The fund's financing sources for the public works management and equipment maintenance activities are billings to the benefiting public works funds. The activities in this fund directly support the operations of the three other proprietary funds. The following proprietary funds are reported:

- *Water Fund*  
Water Fund (budgetary basis financial statements only)  
Water Improvement Fund (budgetary basis financial statements only)
- *Sewer Fund*  
Sewer Fund (budgetary basis financial statements only)  
Sewer Improvement Fund (budgetary basis financial statements only)  
Debt Service Fund (budgetary basis financial statements only – portion related to Sewer Bonds)
- *Storm Sewer Fund*  
Storm Sewer Utility Fund (budgetary basis financial statements only)  
Storm Sewer Improvement Fund (budgetary basis financial statements only)
- *Public Services Fund*

Additionally, there is the following fiduciary fund:

- *Helping Hands fund*  
This fund accounts for funds on behalf of local churches, businesses and the Troutdale Police Department to aid destitute transient persons within the city limits.

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**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Measurement focus is a term used to describe *which* transactions are recorded within the various financial statements. Basis of accounting refers to *when* transactions are recorded regardless of the measurement focus.

The government-wide financial statements and the proprietary funds financial statements are presented on a *full accrual* basis of accounting with an *economic resource* measurement focus. An economic resource focus concentrates on an entity or fund's net position. All transactions and events that affect the total economic resources (net position) during the period are reported. An economic resources measurement focus is inextricably connected with full accrual accounting. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash inflows and outflows.

Governmental fund financial statements are presented on a *modified accrual* basis of accounting with a *current financial resource* measurement focus. This measurement focus concentrates on the fund's resources available for spending currently or in the near future. Only transactions and events affecting the fund's current financial resources during the period are reported. Similar to the connection between an economic resource measurement focus and full accrual basis of accounting, a current financial resources measurement focus is inseparable from a modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. *Measurable* means the amount of the transaction can be determined and revenues are considered *available* when they are collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For this purpose, revenues are considered available if they are collected within 60 days of the end of the current fiscal period. Revenues considered susceptible to accrual are property taxes, state, county and local shared revenues taxes and fees, franchise fees, intergovernmental grants, and investment income.

A unavailable revenue liability arises on the balance sheets of the governmental funds when potential revenue does not meet both the *measurable* and *available* criteria for recognition in the current period. This *unavailable* revenue consists primarily of uncollected property taxes and assessments not deemed available to finance operation of the current period. In the government-wide Statement of Activities, with a full accrual basis of accounting, revenue must be recognized as soon as it is earned regardless of its availability. Thus, the liability created on the balance sheets of the governmental funds for unavailable revenue is eliminated. Note that unavailable revenues also arise outside the scope of measurement focus and basis of accounting, such as when resources are received before there is legal claim to them. For instance, when grant monies are received prior to the incurrence of qualifying expenditures.

Similar to the way its revenues are recorded, governmental funds only record those expenditures that affect current financial resources. Principal and interest on general long-term debt are recorded as fund liabilities only when due, or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Vested compensated absences are recorded as expenditures only to the extent that they are expected to be liquidated with expendable financial resources. In the government-wide financial statements, however, with a full accrual basis of accounting, all expenditures affecting the economic resource status of the government must be recognized. Thus, the expense and related accrued liability for long term portions of debt and compensated absences must be included.

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Since the governmental fund statements are presented on a different measurement focus and basis accounting than the government-wide statements' governmental column, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principle operating revenues of the City's Water, Sewer, Storm Sewer, and Public Services Funds are charges to customers for sales and services. The Water, Sewer, and Storm Sewer Funds also recognize System Development Charges (SDC) fees intended to recover the cost of connecting new customers to the utility systems as operating revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and overhead charges, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. All Financial Accounting Standards Board (FASB) pronouncements issued prior to November 30, 1989 have been applied, unless those pronouncements conflict or contradict Governmental Accounting Standards Board (GASB) pronouncements. Subsequent private-sector guidance will not be followed.

When both restricted and unrestricted resources are available for use, it is the policy to use restricted resources first, then unrestricted resources as they are needed.

## **ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND EQUITY**

### **Cash and Investments**

Cash and cash equivalents include cash on hand, demand deposits, cash with fiscal agent, and amounts in investment pools that have the general characteristics of demand deposit accounts. Investments are stated at fair value.

### **Receivables and Payables**

Activity between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Recorded property taxes receivable that are collected within 60 days after year-end are considered measurable and available and, therefore, are recognized as revenue. The remaining balance is recorded as an unavailable revenue because it is not deemed available to finance operations of the current period. An allowance for doubtful accounts is not deemed necessary by management, as uncollectible taxes become a lien on the property. Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15, and May 15 following the lien date.

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Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Assessments are recognized as receivables at the time the property owners are assessed for property improvement. These receivables are offset by unavailable revenue and, accordingly, have not been recognized as revenue.

In the government-wide financial statements, property taxes and assessment receivables are recognized as revenue when earned.

Receivables of the proprietary funds are recognized as revenue when earned, including services provided but not billed.

**Supply Inventories**

Inventories of materials and supplies in all funds are stated at cost on a first-in, first-out basis and charged to expenses as used.

**Restricted Assets**

Cash and investments which may only be used for construction of capital assets or debt service principal and interest payments in accordance with applicable laws and regulations have been reported as restricted cash and investments on the Government-wide Statement of Net Position and the Proprietary Fund Statement of Net Position.

**Capital Assets**

Capital assets — which include property, plant, equipment, and infrastructure (e.g., streets, sidewalks, and similar items) — are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are charged to expenditures as purchased in the governmental fund statements, and capitalized in the proprietary fund statements.

Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of greater than one year. Capital assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at estimated fair market value as of the date of the donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line basis over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings and improvements	20 - 50
Improvements other than buildings	10 - 20
Utility systems and infrastructure	20 - 40
Machinery, equipment, and vehicles	5 - 15

Capital assets include contribution of capital assets from outside developers. Revenue from these capital contributions is reflected in general revenues on the statement of activities.

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**Accrued Compensated Absences and Sick Pay**

Accumulated vested vacation and comp-time pay is accrued as it is earned. For governmental funds, only the portion in connection with terminated employees is reported. The non-current portion (the amount estimated to be used in subsequent fiscal years) is maintained separately and represents a reconciling item between the fund-level and government-wide presentations. In business-type/enterprise funds, both the current and long-term liabilities are recorded.

Sick pay, which does not vest, is recognized in all funds when leave is taken.

**Long-Term Debt**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are treated as period costs in the year of issue and are shown as other financing uses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Balance**

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories and prepaid items.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. Pursuant to the Fund Balance Policy adopted by the City Council Resolution 2110, the City Manager and the Finance Director have been given authority to assign fund balances.

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- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

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

#### **Use of Estimates**

In preparing the financial statements, management is required to make estimates and assumptions that will affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

#### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. Additionally, another item is reported on the Statement of Net Position – Net Deferred Pension Asset. This amount is equal to the difference between actuarially projected investment earnings and actual investment earnings, less contributions that the City paid to PERS during 2014-2015.

## **2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

#### **BUDGETARY INFORMATION**

An annual budget is adopted on a basis consistent with Oregon Revised Statutes (ORS 294 – Local Budgets Law). The process under which the budget is adopted is described in the following paragraphs.

Each April or May, the City Manager submits a proposed budget to the Budget Committee (consisting of the City Council and an equal number of citizens of the City). All funds are required to be budgeted for except the fiduciary fund. The budget is prepared on the modified accrual basis of accounting. Interfund loans are budgeted as sources and uses in accordance with state budget laws. Estimated receipts and expenditures are budgeted for by fund and object.

Information on the past two years' actual receipts and expenditures and current-year estimates are included in the budget document.

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The Budget Committee conducts public hearings for the purpose of obtaining citizens' comments, and then approves a budget which is then submitted to the City Council for final adoption. The approved expenditures for each fund may not be increased by more than 10% by Council without returning to the Budget Committee for a second approval. After the Council adopts the budget and certifies the total of ad valorem taxes to be levied, no additional tax levy may be made for that fiscal year.

The City Council legally adopted the budget by resolution before July 1. The resolution establishes appropriations for each fund and expenditures cannot legally exceed these appropriations. The level of control established by the resolution is by department for the General Fund and by object class for all other funds. Expenditure budgets are appropriated at the function level in the General Fund and the following levels for all other funds: Personal Services, Materials and Services, Capital Outlay, Interfund Transactions, Debt Service, and Operating Contingency. Appropriations lapse as of year-end.

The City Council may change the budget throughout the year by transferring appropriations between levels of control and by adopting supplemental budgets as authorized by Oregon Revised Statutes. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers and approval by the City Council. Expenditure appropriations may not be legally over-expended except in the case of grant receipts that could not be reasonably estimated at the time the budget was adopted, and for debt service on new debt issued during the budget year. Management may modify original and supplemental budgets by the use of appropriation transfers between the levels of control within a fund.

**Excess of Expenditures over Appropriations**

Expenditures of the various funds were within authorized appropriations.

**3. DETAILED NOTES ON ALL FUNDS**

**POOLED DEPOSITS AND INVESTMENTS**

Cash and investment balances are maintained in a common pooled account. Investment income is allocated monthly based on each fund's average cash balance.

Cash and investments are comprised of the following at June 30, 2015:

Cash and investments	\$ 8,666,488
Restricted assets - cash and investments	6,473,340
Fiduciary cash and investments	3,155
	\$ 15,142,983
Deposits with financial institutions	\$ 135,485
Petty cash	1,000
Oregon State Treasurer's Local Government Investment Pool	15,006,498
	\$ 15,142,983

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**DEPOSITS**

Deposits with financial institutions include bank demand deposits. At year-end, the total bank balance per the bank statements is \$235,614. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

**Custodial Credit Risk – Deposits**

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. At various times during the fiscal year, bank balances exceeded the FDIC limit but the excess funds were covered by collateral pledged by qualified depositories. These depositories are qualified by the Oregon State Treasurer's office.

**INVESTMENTS**

Policy is to follow the State statutes governing cash management. Oregon Revised Statutes authorize investment in obligations of the U.S. Treasury, U.S. government agencies and instrumentalities, bankers' acceptances guaranteed by an Oregon financial institution, repurchase agreements, State of Oregon Treasury Local Government Investment Pool, various interest bearing bonds of Oregon municipalities, certificates of deposit, and certain commercial paper among others.

The Oregon State Treasurer's Local Government Investment Pool (LGIP or Pool) is participated in and is an open-ended; no-load diversified portfolio created under ORS 294.805 to 294.895. The Pool is not registered with the U.S. Securities and Exchange Commission as an investment company and is not rated. The State's investment policies are governed by the Oregon Revised Statutes and the Oregon Investment Council. The State Treasurer is the investment officer for the Pool and is responsible for all funds in the Pool. These funds must be invested and managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the Pool are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board (OSTFB), which establishes diversification percentages and specifies the types and maturities of investments. The Oregon Audits Division of the Secretary of State's Office audits the Pool annually. A copy of the State's Comprehensive Annual Financial Report may be obtained at the Oregon State Treasury, 350 Winter St. NE, Salem, Oregon 97310-0840.

Amounts in the Pool are not required to be collateralized. As of June 30, 2015, the fair value of the position in the LGIP approximates fair value of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements.

As of June 30, 2015, there were the following investments:

<u>Investment type</u>	<u>Maturities</u>	<u>Fair value</u>
Oregon State Treasury's Local Government Investment Pool	Avg 0 – 6 months	<u>\$15,006,498</u>

**Interest Rate Risk**

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. Declines in fair values are managed by limiting the weighted average maturity of the investment portfolio to levels required by State statute.

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**Credit Risk**

State statutes authorize investment primarily in general obligations of the U.S. government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, certain commercial papers and the Oregon State Treasury's Local Government Investment Pool. The Oregon State Treasury's Local Government Investment Pool is not rated.

**Concentration of Credit Risk**

At June 30, 2015, 100% of total investments were in the Oregon State Treasury's Local Government Investment Pool. State statutes do not limit the percentage of investment in the Pool.

**RECEIVABLES**

Receivables as of June 30, 2015 for the major and non-major governmental funds in the aggregate are as follows:

	<u>General</u>	<u>Street</u>	<u>Total Non- major</u>	<u>Total</u>
Property taxes	\$ 291,537	\$ -	\$ 8,653	\$ 300,190
Accounts	596,803	85,233	1,807	683,843
	<u>\$ 888,340</u>	<u>\$ 85,233</u>	<u>\$ 10,460</u>	<u>\$ 984,033</u>

There is no allowance for uncollectible accounts deemed necessary by management.

Governmental funds report unavailable revenue in the fund financial statements in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also delay recognition in connection with resources that have been received, but not yet earned. As of the end of the fiscal year, the various components of unavailable and unearned revenue reported in the governmental funds were as follows:

Property Taxes	\$ 283,932
Other items	3,500
Total	<u>\$ 287,432</u>

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**CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Non-depreciable				
Land	\$ 3,461,425	\$ -	\$ -	\$ 3,461,425
Intangibles	16,218	-	-	16,218
Construction in progress	334,910	-	(235,000)	99,910
Total non-depreciable	<u>3,812,553</u>	<u>-</u>	<u>(235,000)</u>	<u>3,577,553</u>
Depreciable				
Buildings and improvements	10,712,205	61,126	-	10,773,331
Land improvements	4,655,414	39,177	(5,452)	4,689,139
Equipment	2,221,521	33,506	(635,019)	1,620,008
Infrastructure	23,635,283	250,665	-	23,885,948
Total depreciable	<u>41,224,423</u>	<u>384,474</u>	<u>(640,471)</u>	<u>40,968,426</u>
Accumulated depreciation				
Buildings and improvements	(2,231,180)	(241,431)	-	(2,472,611)
Land improvements	(2,664,547)	(288,095)	5,190	(2,947,452)
Equipment	(1,467,481)	(142,431)	364,147	(1,245,765)
Infrastructure	(18,992,706)	(476,261)	-	(19,468,967)
Total accumulated depreciation	<u>(25,355,914)</u>	<u>(1,148,218)</u>	<u>369,337</u>	<u>(26,134,795)</u>
Depreciable, net	<u>15,868,509</u>	<u>(763,744)</u>	<u>(271,134)</u>	<u>14,833,631</u>
<b>Governmental activities capital assets, net</b>	<u><u>\$ 19,681,062</u></u>	<u><u>\$ (763,744)</u></u>	<u><u>\$ (506,134)</u></u>	<u><u>\$ 18,411,184</u></u>

Changes in capital assets per the above table are net of transfers between functional programs. Depreciation expense for governmental activities is charged to functions as follows:

General government	\$ 69,350
Public safety	211,351
Highways and streets	518,643
Community development	348,874
Total depreciation for governmental activities	<u><u>\$ 1,148,218</u></u>

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	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities</b>				
<b>Non-depreciable</b>				
Land	\$ 1,751,742	\$ -	\$ -	\$ 1,751,742
Intangibles	9,466	21,322	-	30,788
Construction in progress	2,364	-	-	2,364
Total non-depreciable	<u>1,763,572</u>	<u>21,322</u>	<u>-</u>	<u>1,784,894</u>
<b>Depreciable</b>				
Buildings and improvements	2,313,407	18,312	-	2,331,719
Land improvements	369,982	-	-	369,982
Equipment	1,047,635	12,732	-	1,060,367
Infrastructure	55,200,453	229,663	-	55,430,116
Total depreciable	<u>58,931,477</u>	<u>260,707</u>	<u>-</u>	<u>59,192,184</u>
<b>Accumulated depreciation</b>				
Buildings and improvements	(757,707)	(50,053)	-	(807,760)
Land improvements	(260,265)	(21,242)	-	(281,507)
Equipment	(634,612)	(138,087)	-	(772,699)
Infrastructure	(24,410,935)	(1,318,589)	-	(25,729,524)
Total accumulated depreciation	<u>(26,063,519)</u>	<u>(1,527,971)</u>	<u>-</u>	<u>(27,591,490)</u>
Depreciable, net	<u>32,867,958</u>	<u>(1,267,264)</u>	<u>-</u>	<u>31,600,694</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 34,631,530</u>	<u>\$ (1,245,942)</u>	<u>\$ -</u>	<u>\$ 33,385,588</u>

Depreciation expense for business-type activities is charged to functions as follows:

Water	\$ 489,074
Sewer	780,700
Storm Sewer	258,197
Total depreciation business-type activities	<u>\$ 1,527,971</u>

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**INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Interfund transfers between governmental and business-type activities are reported as net transfers in the Statement of Activities. Net transfers in the Statement of Activities are reported as zero for the fiscal year ended June 30, 2015. Transfers between funds provide support for various programs in accordance with budgetary authorizations.

Interfund transfers are used to pay administrative services, provide funds for debt service, contribute toward the cost of capital projects, and provide operational resources.

The transfers for business type activities are presented in the budgetary funds and not in the proprietary funds as for generally accepted accounting principals purposes, these funds are consolidated.

Interfund receivables and payables are used to fund current operations and long term projects.

The interfund activity for fiscal year ended June 30, 2015 is as follows:

	<u>TRANSFERS FROM</u>	<u>TRANSFERS TO</u>
<b>GOVERNMENT ACTIVITIES</b>		
GENERAL FUND	\$ 142,000	\$ -
NON MAJOR FUNDS	-	142,000
<b>TOTAL INTERFUND TRANSFERS</b>	<u>\$ 142,000</u>	<u>\$ 142,000</u>
	<u>INTEFUND LOAN RECEIVABLE</u>	<u>INTEFUND LOAN PAYABLE</u>
<b>GOVERNMENT ACTIVITIES</b>		
GENERAL FUND	\$ 250,000	\$ 133,000
URA RIVERFRONT DEVELOPMENT	-	250,000
NON MAJOR FUNDS	223,000	90,000
<b>TOTAL GOVERNMENT FUNDS</b>	<u>\$ 473,000</u>	<u>\$ 473,000</u>

CITY OF TROUTDALE, OREGON  
Notes to Basic Financial Statements  
June 30, 2015

**LONG-TERM DEBT**

There are a variety of debt types for the purpose of carrying out capital financing activities. The various types of debt are discussed below. Outstanding debt amounts are as of June 30, 2015.

The following table presents current year changes in long-term debt outstanding, along with the current portions due for each issue.

	Beginning Balance	Adjustment	Increase	Decrease	Ending Balance	Due in One Year
<b>Governmental Activities</b>						
Parks and Facilities Loan	\$ 528,000	\$ -	\$ -	\$ (125,000)	\$ 403,000	\$ 130,000
G.O. Bond	7,130,000	-	-	(215,000)	6,915,000	230,000
Capital Leases	88,645	7,751	-	(35,252)	61,144	34,996
Landfill post-closure care	251,256	-	-	(10,765)	240,491	11,005
Deferred Amounts:						
Bond Premium	55,813	-	-	(3,283)	52,530	-
<b>Total Governmental Activities</b>	<b>\$ 8,053,714</b>	<b>\$ 7,751</b>	<b>\$ -</b>	<b>\$ (389,300)</b>	<b>\$ 7,672,165</b>	<b>\$ 406,001</b>
<b>Business-type Activities</b>						
Refunding, 2008	\$ 4,645,000	\$ -	\$ -	\$ (1,090,000)	\$ 3,555,000	\$ 1,135,000
Deferred Amounts:						
Bond Premium	(106,941)	-	-	26,736	(80,205)	-
Bond Discount	50,353	-	-	(12,589)	37,764	-
<b>Total Business-type Activities</b>	<b>\$ 4,588,412</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,075,853)</b>	<b>\$ 3,512,559</b>	<b>\$ 1,135,000</b>

**GOVERNMENTAL ACTIVITIES**

**Loan Payable**

A loan was entered into in the amount of \$1,173,000 in March of 2008. Principal and interest of 3.45%, on the loan will be paid from general purpose revenues and user fees, however, the full faith and credit of the government is pledged for payment.

Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest
2016	\$ 130,000	\$ 11,661
2017	135,000	7,090
2018	138,000	2,381
Totals	<u>\$ 403,000</u>	<u>\$ 21,132</u>

CITY OF TROUTDALE, OREGON  
Notes to Basic Financial Statements  
June 30, 2015

**General Obligation Bonds**

General obligation bonds were issued in February of 2011 in the amount of \$7,540,000 for the construction of a new police station. These twenty (20) year term bonds were issued with interest rates ranging from 2.0% to 4.0% and the final maturity due in 2031. The balance outstanding at June 30, 2015 is \$6,915,000. Principal and interest is payable from property tax revenues.

Annual debt service requirements to maturity for general obligation bonds for governmental type activities are as follows:

Year Ending June 30,	Principal	Interest
2016	\$ 230,000	\$ 275,535
2017	245,000	270,935
2018	265,000	263,585
2019	290,000	253,698
2020	315,000	242,098
2021-25	2,005,000	999,490
2026-30	2,865,000	528,555
2031	700,000	30,450
Totals	<u>\$ 6,915,000</u>	<u>\$ 2,864,346</u>

**Capital leases**

A capital lease was entered into for a Panasonic Arbitrator. The cost of the equipment was capitalized for \$118,800. The lease is for a period of 60 months and yearly payments are required. \$24,700 was paid for the lease in the current year. The following is a schedule of future lease payments at June 30:

June 30,	Principal	Interest
2016	\$ 24,800	\$ -
Total	<u>\$ 24,800</u>	<u>\$ -</u>

A capital lease was entered into for a copier. The cost of the equipment was capitalized for \$7,771. The lease is for a period of 36 months and yearly payments are required ranging from \$2,891. The current year lease expense was \$2,104. The lease was paid off in the current year.

Capital leases were entered into for additional copiers. The cost of the equipment was capitalized for \$50,976. The lease is for a period of 60 months and yearly payments are required ranging from \$10,060. The current year lease expense was \$5,448. The following is a schedule of future lease payments at June 30:

Year Ending June 30,	Principal	Interest
2015	\$ 10,196	\$ 1,604
2016	10,196	1,178
2017	10,194	700
2018	5,758	253
Totals	<u>\$ 36,344</u>	<u>\$ 3,735</u>

CITY OF TROUTDALE, OREGON  
Notes to Basic Financial Statements  
June 30, 2015

**BUSINESS-TYPE ACTIVITIES**

**General Obligation Bonds**

General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds were issued to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds were issued in February 1999 in the amount of \$16,000,000 for the acquisition of land and construction of a new Water Pollution Control Facility. These twenty (20) year term bonds were issued with interest rates ranging from 3.2% to 4.75% and the final maturity due in June 2018. The balance outstanding at June 30, 2015 is \$3,555,000. Principal and interest is payable from property tax revenues, sewer user fees, and sewer system development fees.

Annual debt service requirements to maturity for general obligation bonds for business type activities are as follows:

Year Ending June 30,	Principal	Interest
2016	\$ 1,135,000	\$ 140,981
2017	1,185,000	96,800
2018	1,235,000	49,400
Totals	<u>\$ 3,555,000</u>	<u>\$ 287,181</u>

**ACCRUED COMPENSATED ABSENCES**

Changes in accrued compensated absences are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due within one year
Governmental	\$ 313,540	\$ 13,489	\$(185,891)	\$ 141,138	\$ 33,873
Business Type	<u>55,675</u>	<u>5,440</u>	<u>(4,778)</u>	<u>56,337</u>	<u>11,267</u>
Total	<u>\$ 369,215</u>	<u>\$ 18,929</u>	<u>\$(190,669)</u>	<u>\$ 197,475</u>	<u>\$ 45,140</u>

The General Fund has been charged with the costs to liquidate the liability for the compensated absence for the governmental funds.

CITY OF TROUTDALE, OREGON  
Notes to Basic Financial Statements  
June 30, 2015

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**RESTRICTED ASSETS**

The balances of the restricted cash and investment accounts are as follows:

	<u>Governmental</u>	<u>Business-Type</u>
Street	\$ 1,316,176	\$ -
Project Fund	51,353	-
Street Tree	47,567	-
Code Specialties	159,545	-
Sam Cox Building	41,162	-
Bike Paths and Trails	54,071	-
Debt service reserves:		
General Fund COP	7,114	-
URA Debt Service	340,357	-
System Development Charges:		
Water SDC	-	30,228
Sewer SDC	-	143,328
Street SDC	908,399	-
Storm SDC	-	2,201,312
Parks SDC	1,172,728	-
Total restricted assets	\$ 4,098,472	\$ 2,374,868

**4. OTHER INFORMATION**

**RISK MANAGEMENT**

There is exposure to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a member of City-County Insurance Services (CCIS), a public entity risk pool currently operating a common risk management and insurance program. An annual premium is paid to CCIS for its insurance coverage. Based on the experience and the pool, there may be liability for an additional premium of up to approximately 20% of its initial premium or it may receive a refund. There has never been the requirement to pay an additional premium. Predetermined limits and deductible amounts are stated in the policy. Commercial insurance is carried for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**CONTINGENT LIABILITIES**

The City is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. Management intends to vigorously contest these matters and does not believe their ultimate resolution will have a material effect upon the financial position, results of operations or cash flows.

During 1979 and 1980 sewer hookup reservations were sold as a means of financing the expansion of the wastewater treatment plant. Amounts received from property owners are nontransferable and nonrefundable. Deposits are applied to the sewer system development charge at the time of hookup.

CITY OF TROUTDALE, OREGON  
Notes to Basic Financial Statements  
June 30, 2015

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Federal grants are subject to audit by the grantor agency and any adjustments may become a liability of the appropriate fund. Management believes that adjustments, if any, will not materially affect the financial position.

**PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at: [http://www.oregon.gov/pers/Pages/section/financial\\_reports/financials.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx).

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
  - i) Pension Benefits. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.
  - ii) Death Benefits. Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided on or more of the following contributions are met:
    - member was employed by PERS employer at the time of death,
    - member died within 120 days after termination of PERS covered employment,
    - member died as a result of injury sustained while employed in a PERS-covered job, or
    - member was on an official leave of absence from a PERS-covered job at the time of death.
  - iii) Disability Benefits. A member with 10 or more years of creditable service who becomes disable from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
  - iv) Benefit Changes After Retirement. Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.
- b) **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
  - i) Pension Benefits. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

CITY OF TROUTDALE, OREGON  
Notes to Basic Financial Statements  
June 30, 2015

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Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

- ii) Death Benefits. Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
- iii) Disability Benefits. A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
- iv) Benefit Changes After Retirement. Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2011 actuarial valuation, which became effective July 1, 2013. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2015 were \$414,661, excluding amounts to fund employer specific liabilities. In addition approximately \$273,315 in employee contributions were paid or picked up by the City in fiscal 2015.

At June 30, 2015, the City reported a net pension asset of \$1,224,762 for its proportionate share of the net pension asset. The pension asset was measured as of December 31, 2012, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2012, the City's proportion was .054 percent.

CITY OF TROUTDALE, OREGON  
Notes to Basic Financial Statements  
June 30, 2015

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	2,363,294
Changes in proportion and differences between City contributions and proportionate share of contributions	-	47,554
City contributions subsequent to measurement date	-	-
	-	(2,410,848)
City contributions subsequent to measurement date	414,662	-
Net deferred outflow (inflow) of resources		\$ (1,996,186)

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

Year ending June 30,	Amount
2016	\$ (601,161)
2017	(601,161)
2018	(601,161)
2019	(601,161)
2020	(6,204)
Thereafter	-
Total	\$ (2,410,848)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated July 29, 2015. Oregon PERS produces an independently audited CAFR which can be found at:

[http://www.oregon.gov/pers/Pages/section/financial\\_reports/financial.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financial.aspx).

Actuarial Valuations – The employer contribution rates effective July 1, 2013 through June 30, 2015, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for

CITY OF TROUTDALE, OREGON  
Notes to Basic Financial Statements  
June 30, 2015

the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumptions:

Valuation date	December 31, 2012 rolled forward to June 30, 2014
Experience Study Report	2012, Published September 18, 2013
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.75 percent
Investment rate of return	7.75 percent
Projected salary increase	3.75 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (65% for males and 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2012 Experience Study which is reviewed for the four-year period ending December 31, 2012.

Discount Rate – The discount rate used to measure the total pension liability was 7.75 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate – The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the City's proportionate share of the net

CITY OF TROUTDALE, OREGON  
Notes to Basic Financial Statements  
June 30, 2015

pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate.

	Decrease (6.75%)	Rate (7.75%)	Increase (8.75%)
City's proportionate share of the net pension liability	\$ 2,593,603	\$ (1,224,762)	\$ (4,454,203)

Changes in Plan Provisions Subsequent to Measurement Date: The Oregon Supreme Court on April 30, 2015, ruled in the Moro decision, that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law were unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. PERS will make restoration payments to those benefit recipients. PERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire. Oregon Public Employees Retirement System Notes to the Schedules of Employer Allocations and Pension Amounts by Employer As of and for the Fiscal Year Ended June 30, 2014. This is a change in benefit terms subsequent to the measurement date of June 30, 2014, which will be reflected in the next year's actuarial valuations. The impact of the Moro decision on the total pension liability and employer's net pension liability (asset) has not been fully determined. However, PERS' third-party actuaries have estimated the impact of the Moro decision under one possible methodology, which is summarized below (dollars in millions). Estimates have been rounded to the nearest \$10 million.

	June 30, 2014 Measurement Date	
	Pre-Moro	Post-Moro
Net pension liability		
Total pension liability	\$ 63,135	\$ 68,050
Fiduciary net position	65,402	65,400
Net pension liability (asset)	\$ -2,267	\$ 2,650

Additional disclosures related to Oregon PERS not applicable to specific employers are available online at the below website, or by contacting PERS at the following address: PO BOX 23700 Tigard, OR 97281-3700,

[http://www.oregon.gov/pers/EMP/docs/er\\_general\\_information/opers\\_gasb\\_68\\_disclosure\\_information\\_revised.pdf](http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf)

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

CITY OF TROUTDALE, OREGON  
Notes to Basic Financial Statements  
June 30, 2015

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**DEFERRED COMPENSATION PLANS**

Two deferred compensation trust plans were created in accordance with Internal Revenue Code Section 457. The trusts hold the assets for the exclusive benefit of plan participants and their beneficiaries. Plan assets are not the property of the City, or subject to the claims of the City's general creditors.

**PROPERTY TAX LIMITATION**

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

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

**POST-CLOSURE LANDFILL CARE**

The Sunrise Park (Obrist) Landfill previous Solid Waste Disposal Site Closure Permit Number 1193 expired in April 2009. The facility is permitted as a Closed Construction and Demolition Landfill. The landfill closure permit was renewed by the Oregon Department of Environmental Quality (DEQ) on December 21, 2012 based upon a Land Use Compatibility Statement May 14, 1998 and a Solid Waste Disposal Site Closure Permit renewal application of November 17, 2008, and an Environmental Monitoring Plan approved by DEQ on March 15, 2011.

The City has had a previously unrecorded a liability for the estimated costs of landfill postclosure care. As part of the above renewal application with DEQ the City is providing a financial assurance plan beginning with the 2012-2013 fiscal year and for each subsequent year to comply with State and federal laws and regulations which require the City to perform certain maintenance and monitoring functions at the site for thirty years after closure.

The City has evaluated the liability by examining the estimated costs needed to perform the postclosure care over the remaining life determined the year ended June 30, 2015 estimated liability of \$240,491. The estimated future costs to maintain and monitor the landfill may change due to one or more of the following factors of inflation, deflation, changes in technology or changes to applicable laws or regulations. The City believes this long term liability has been, and will remain, immaterial in light of the City's overall financial condition.

CITY OF TROUTDALE, OREGON  
Notes to Basic Financial Statements  
June 30, 2015

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**5. DEFICIT FUND BALANCE**

There is a deficit fund balance in the following fund:

URA Riverfront Development Fund - \$570,667  
Sam Cox Building - \$52,938

The deficit fund balances are the result of budgetary to GAAP accounting differences for Interfund Loans.

**6. FUND BALANCE CONSTRAINTS**

The specific purposes for each of the categories of fund balance as of June 30, 2015 are as follows:

Fund Balances:	<u>General Fund</u>	<u>Street Fund</u>	<u>URA Riverfront Development</u>	<u>Non-Major Funds</u>	<u>Total</u>
<b><u>Nonspendable:</u></b>					
Prepaid items	\$ 4,050	\$ -	\$ -	\$ -	\$ 4,050
Inventory	634	12,259	-	-	12,893
Total	4,684	12,259	-	-	16,943
<b><u>Restricted:</u></b>					
Capital projects	-	-	-	3,943,432	3,943,432
Debt service	-	-	-	652,205	652,205
Street maintenance	-	1,298,046	-	-	1,298,046
Total	-	1,298,046	-	4,595,637	5,893,683
<b>Unassigned:</b>	4,073,773	-	(570,667)	(52,938)	3,450,168
<b>Total Fund Balances</b>	<u>\$ 4,078,457</u>	<u>\$ 1,310,305</u>	<u>\$ (570,667)</u>	<u>\$ 4,542,699</u>	<u>\$ 9,360,794</u>

**7. RESTATEMENT OF PRIOR YEAR NET POSITION**

Due to the implementation of GASB 68 a restatement of the prior year net position was required. The restatement is as follows:

Net position-Beginning as previously reported	\$ 56,093,001
Proportionate share of net pension liability	(2,757,356)
Net outflow/(inflows) of resources	416,388
Net position-Beginning as restated	<u>\$ 53,752,033</u>

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**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

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CITY OF TROUTDALE, OREGON

REQUIRED SUPPLEMENTARY INFORMATION  
For the fiscal year ended June 30, 2015

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) City's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	5.40 %	\$ (1,224,762)	\$ 4,718,429	(26.0) %	103.6 %
2014	5.40	2,757,356	4,771,980	57.8	92.0

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

SCHEDULE OF CONTRIBUTIONS

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2015	\$ 414,661	\$ 414,661	\$ -	\$ 4,718,429	8.8 %
2014	416,388	416,388	-	4,771,980	8.7

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

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**SUPPLEMENTARY  
INFORMATION**

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**CITY OF TROUTDALE, OREGON  
URA RIVERFRONT DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental grant	\$ 245,000	\$ 245,000	\$ 143,419	\$ (101,581)
Total revenues	245,000	245,000	143,419	(101,581)
<b>EXPENDITURES:</b>				
Materials and service	450,100	450,100	226,250	223,850
Capital outlay	1,550,000	1,550,000	10,855	1,539,145
Contingency	260,269	260,269	-	260,269
Total expenditures	2,260,369	2,260,369	237,105	2,023,264
Revenues over (under) expenditures	(2,015,369)	(2,015,369)	(93,686)	1,921,683
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund Loan Proceeds	2,000,000	2,000,000	140,000	(1,860,000)
Total other financing sources (uses)	2,000,000	2,000,000	140,000	(1,860,000)
Net changes in fund balances	(15,369)	(15,369)	46,314	61,683
<b>FUND BALANCES, BEGINNING</b>	15,369	15,369	233,019	217,650
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	\$ 279,333	<u>\$ 279,333</u>
Budget to GAAP Reconciliation				
Interfund loan transactions			(850,000)	
GAAP Fund Balance			<u>\$ (570,667)</u>	

**CITY OF TROUTDALE, OREGON**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
*June 30, 2015*

	<b>Total Nonmajor Special Revenue Funds</b>	<b>Total Nonmajor Debt Service Funds</b>	<b>Total Nonmajor Capital Projects Funds</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and investments	\$ 302,345	\$ 347,471	\$ 3,643,675	\$ 4,293,491
Accounts receivable	822	985	-	1,807
Property taxes receivable	-	8,653	-	8,653
Interfund loan receivable	-	-	223,000	223,000
Due from	-	303,253	-	303,253
Total assets	<u>\$ 303,167</u>	<u>\$ 660,362</u>	<u>\$ 3,866,675</u>	<u>\$ 4,830,204</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 52,140	\$ -	\$ 133,108	\$ 185,248
Deposits payable	4,100	-	-	4,100
Interfund loan	90,000	-	-	90,000
Due to	-	-	-	-
Total liabilities	<u>146,240</u>	<u>-</u>	<u>133,108</u>	<u>279,348</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Taxes	-	8,157	-	8,157
<b>FUND BALANCES</b>				
Restricted	209,865	652,205	3,733,567	4,595,637
Unassigned	(52,938)	-	-	(52,938)
Total fund balances	<u>156,927</u>	<u>652,205</u>	<u>3,733,567</u>	<u>4,542,699</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 303,167</u>	<u>\$ 660,362</u>	<u>\$ 3,866,675</u>	<u>\$ 4,830,204</u>

**CITY OF TROUTDALE, OREGON**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet**  
*June 30, 2015*

	<u>Street Tree Fund</u>	<u>Bike Paths &amp; Trails Fund</u>	<u>Code Specialties Fund</u>	<u>Sam Cox Building Fund</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and investments	\$ 47,567	\$ 54,071	\$ 159,545	\$ 41,162	\$ 302,345
Accounts receivable	-	861	(39)	-	822
Total assets	<u>\$ 47,567</u>	<u>\$ 54,932</u>	<u>\$ 159,506</u>	<u>\$ 41,162</u>	<u>\$ 303,167</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 29,799	\$ 22,341	\$ -	\$ 52,140
Deposits payable	-	-	-	4,100	4,100
Interfund loan	-	-	-	90,000	90,000
Total liabilities	<u>-</u>	<u>29,799</u>	<u>22,341</u>	<u>94,100</u>	<u>146,240</u>
<b>FUND BALANCES</b>					
Restricted	47,567	25,133	137,165	-	209,865
Unassigned	-	-	-	(52,938)	(52,938)
Total fund balances	<u>47,567</u>	<u>25,133</u>	<u>137,165</u>	<u>(52,938)</u>	<u>156,927</u>
Total liabilities and fund balance	<u>\$ 47,567</u>	<u>\$ 54,932</u>	<u>\$ 159,506</u>	<u>\$ 41,162</u>	<u>\$ 303,167</u>

**CITY OF TROUTDALE, OREGON**  
**Nonmajor Debt Service Funds**  
**Combining Balance Sheet**  
*June 30, 2015*

	<u>COP Debt Service Fund</u>	<u>URA Debt Service Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ 7,114	\$ 340,357	\$ 347,471
Property taxes receivable	-	8,653	8,653
Accounts receivable	-	985	985
Due from	-	303,253	303,253
Total assets	<u>\$ 7,114</u>	<u>\$ 653,248</u>	<u>\$ 660,362</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Taxes	\$ -	\$ 8,157	\$ 8,157
Total deferred inflows of resources	<u>-</u>	<u>8,157</u>	<u>8,157</u>
<b>FUND BALANCES</b>			
Restricted	<u>7,114</u>	<u>645,091</u>	<u>652,205</u>
Total fund balances	<u>7,114</u>	<u>645,091</u>	<u>652,205</u>
Total liabilities and fund balances	<u>\$ 7,114</u>	<u>\$ 653,248</u>	<u>\$ 660,362</u>

CITY OF TROUTDALE, OREGON  
 Nonmajor Capital Projects Funds  
 Combining Balance Sheet  
 June 30, 2015

	Street Improvement Fund	Parks Improvement Fund	Utilities Underground Fund	STP Site Redevelopm ent Fund	Project Fund	Total
<b>ASSETS</b>						
Cash and investments	\$ 908,399	\$ 1,172,728	\$ 1,511,162	\$ 33	\$ 51,353	\$ 3,643,675
Interfund loan receivable	-	223,000	-	-	-	223,000
Total assets	<u>\$ 908,399</u>	<u>\$ 1,395,728</u>	<u>\$ 1,511,162</u>	<u>\$ 33</u>	<u>\$ 51,353</u>	<u>\$ 3,866,675</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 116,506	\$ 16,602	\$ -	\$ -	\$ -	\$ 133,108
Interfund loan payable	-	-	-	-	-	-
Due to	-	-	-	-	-	-
Total liabilities	<u>116,506</u>	<u>16,602</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>133,108</u>
<b>FUND BALANCES</b>						
Restricted	791,893	1,379,126	1,511,162	33	51,353	3,733,567
Total fund balances	<u>791,893</u>	<u>1,379,126</u>	<u>1,511,162</u>	<u>33</u>	<u>51,353</u>	<u>3,733,567</u>
Total liabilities and fund balances	<u>\$ 908,399</u>	<u>\$ 1,395,728</u>	<u>\$ 1,511,162</u>	<u>\$ 33</u>	<u>\$ 51,353</u>	<u>\$ 3,866,675</u>

**CITY OF TROUTDALE, OREGON**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
*For the Year Ended June 30, 2015*

	<b>Total Nonmajor Special Revenue Funds</b>	<b>Total Nonmajor Debt Service Funds</b>	<b>Total Nonmajor Capital Projects Funds</b>	<b>Total</b>
<b>REVENUES</b>				
Intergovernmental	\$ 9,251	\$ -	\$ -	\$ 9,251
Charges for services	-	-	15,463	15,463
Property taxes	-	178,303	-	178,303
Franchise	-	-	191,485	191,485
Licenses and permits	353,221	-	-	353,221
Interest	550	337	19,722	20,609
Miscellaneous	22,048	-	12,716	34,764
<b>Total revenues</b>	<u>385,070</u>	<u>178,640</u>	<u>239,386</u>	<u>803,096</u>
<b>EXPENDITURES</b>				
Community development	355,058	-	-	355,058
Capital outlay	47,250	-	219,979	267,229
Debt service:				
Principal	-	126,033	-	126,033
Interest	-	16,060	-	16,060
<b>Total expenditures</b>	<u>402,308</u>	<u>142,093</u>	<u>219,979</u>	<u>764,380</u>
Excess (deficiency) of revenues over (under) expenditures	(17,238)	36,547	19,407	38,716
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	142,000	-	142,000
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>142,000</u>	<u>-</u>	<u>142,000</u>
Net changes in fund balances	(17,238)	178,547	19,407	180,716
<b>FUND BALANCES, BEGINNING</b>	<u>174,165</u>	<u>473,658</u>	<u>3,714,160</u>	<u>4,361,983</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 156,927</u>	<u>\$ 652,205</u>	<u>\$ 3,733,567</u>	<u>\$ 4,542,699</u>

**CITY OF TROUTDALE, OREGON**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
*For the Year Ended June 30, 2015*

	<u>Street Tree Fund</u>	<u>Bike Paths &amp; Trails Fund</u>	<u>Code Specialties Fund</u>	<u>Sam Cox Building Fund</u>	<u>Total</u>
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ 9,251	\$ -	\$ -	\$ 9,251
Licenses, permits, and fees	-	-	333,173	20,048	353,221
Miscellaneous	-	-	22,048	-	22,048
Interest	230	320	-	-	550
Total revenues	<u>230</u>	<u>9,571</u>	<u>355,221</u>	<u>20,048</u>	<u>385,070</u>
<b>EXPENDITURES</b>					
Community development	152	-	286,736	68,170	355,058
Total expenditures	<u>152</u>	<u>47,250</u>	<u>286,736</u>	<u>68,170</u>	<u>402,308</u>
Net changes in fund balances	78	(37,679)	68,485	(48,122)	(17,238)
<b>FUND BALANCES, BEGINNING</b>	<u>47,489</u>	<u>62,812</u>	<u>68,680</u>	<u>(4,816)</u>	<u>174,165</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 47,567</u>	<u>\$ 25,133</u>	<u>\$ 137,165</u>	<u>\$ (52,938)</u>	<u>\$ 156,927</u>

**CITY OF TROUTDALE, OREGON**  
**Nonmajor Debt Service Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
*For the Year Ended June 30, 2015*

	<u>COP Debt Service Fund</u>	<u>URA Debt Service Fund</u>	<u>Total</u>
<b>REVENUES</b>			
Property taxes	\$ -	\$ 178,303	\$ 178,303
Interest	337	-	337
Total revenues	<u>337</u>	<u>178,303</u>	<u>178,640</u>
<b>EXPENDITURES</b>			
Debt Service			
Principal	125,000	1,033	126,033
Interest	16,060	-	16,060
Total expenditures	<u>141,060</u>	<u>1,033</u>	<u>142,093</u>
Excess (deficiency) of revenues over (under) expenditures	(140,723)	177,270	36,547
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	142,000	-	142,000
Total other financing sources (uses)	<u>142,000</u>	<u>-</u>	<u>142,000</u>
Net changes in fund balances	1,277	177,270	178,547
<b>FUND BALANCES, BEGINNING</b>	<u>5,837</u>	<u>467,821</u>	<u>473,658</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 7,114</u>	<u>\$ 645,091</u>	<u>\$ 652,205</u>

CITY OF TROUTDALE, OREGON  
 Nonmajor Capital Projects Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Year Ended June 30, 2015

	Street Improvement Fund	Parks Improvement Fund	Utilities Undergrounding Fund	Site Redevelopment Fund	Project Fund	Total
<b>REVENUES</b>						
Charges for services	\$ 12,963	\$ 2,500	\$ -	\$ -	\$ -	\$ 15,463
Intergovernmental	-	-	-	-	-	-
Franchise	-	-	191,485	-	-	191,485
Interest	2,874	10,094	6,510	-	244	19,722
Miscellaneous revenue	-	12,716	-	-	-	12,716
Total revenues	<u>15,837</u>	<u>25,310</u>	<u>197,995</u>	<u>-</u>	<u>244</u>	<u>239,386</u>
<b>EXPENDITURES</b>						
Materials and services	-	-	-	-	-	-
Capital outlay	190,402	28,127	-	-	1,450	219,979
Total expenditures	<u>190,402</u>	<u>28,127</u>	<u>-</u>	<u>-</u>	<u>1,450</u>	<u>219,979</u>
Net changes in fund balances	(174,565)	(2,817)	197,995	-	(1,206)	19,407
<b>FUND BALANCES, BEGINNING</b>	<u>966,458</u>	<u>1,381,943</u>	<u>1,313,167</u>	<u>33</u>	<u>52,559</u>	<u>3,714,160</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 791,893</u>	<u>\$ 1,379,126</u>	<u>\$ 1,511,162</u>	<u>\$ 33</u>	<u>\$ 51,353</u>	<u>\$ 3,733,567</u>

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**SCHEDULE OF REVENUES,  
EXPENDITURES/EXPENSES  
AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL**

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**Governmental Funds**

***Special Revenue Funds***

Street Tree Fund  
Bike Paths and Trails Fund  
Code Specialties Fund  
Sam Cox Building Fund

***Debt Service Funds***

COP Debt Service Fund  
URA Debt Service Fund

***Capital Projects Funds***

Street Improvement Fund  
Parks Improvement Fund  
Utilities Undergrounding Fund  
STP Site Redevelopment Fund  
Projects Fund

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**CITY OF TROUTDALE, OREGON**  
**STREET TREE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ 350	\$ 350	\$ 230	\$ (120)
Total revenues	350	350	230	(120)
<b>EXPENDITURES:</b>				
Materials and service	48,797	48,797	152	48,645
Net changes in fund balances	(48,447)	(48,447)	78	48,525
<b>FUND BALANCES, BEGINNING</b>	48,447	48,447	47,489	(958)
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 47,567	\$ 47,567

**CITY OF TROUTDALE, OREGON  
BIKE PATHS & TRAILS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 8,620	\$ 8,620	\$ 9,251	\$ 631
Investment earnings	100	100	320	220
Total revenues	<u>8,720</u>	<u>8,720</u>	<u>9,571</u>	<u>851</u>
<b>EXPENDITURES:</b>				
Capital outlay	71,935	71,935	47,250	24,685
Total expenditures	<u>71,935</u>	<u>71,935</u>	<u>47,250</u>	<u>24,685</u>
Net changes in fund balances	(63,215)	(63,215)	(37,679)	25,536
<b>FUND BALANCES, BEGINNING</b>	<u>63,215</u>	<u>63,215</u>	<u>62,812</u>	<u>(403)</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,133</u>	<u>\$ 25,133</u>

**CITY OF TROUTDALE, OREGON  
CODE SPECIALTIES FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Permits and fees	\$ 212,164	\$ 212,163	\$ 333,173	\$ 121,010
Miscellaneous	100	12,100	22,048	9,948
Investment earnings	100	100	-	(100)
<b>Total revenues</b>	<b>212,364</b>	<b>224,363</b>	<b>355,221</b>	<b>130,858</b>
<b>EXPENDITURES:</b>				
Building	207,886	217,887	210,477	7,410
Electrical	56,880	79,173	75,352	3,821
Plumbing	47,779	67,778	65,907	1,871
Contingency	22,294	-	-	-
<b>Total expenditures</b>	<b>334,839</b>	<b>364,838</b>	<b>351,736</b>	<b>13,102</b>
Revenues over (under) expenditures	(122,475)	(140,475)	3,485	143,960
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	77,000	95,000	-	(95,000)
<b>Total other financing sources (uses)</b>	<b>77,000</b>	<b>95,000</b>	<b>-</b>	<b>(95,000)</b>
Net changes in fund balances	(45,475)	(45,475)	3,485	48,960
<b>FUND BALANCES, BEGINNING</b>	<b>45,475</b>	<b>45,475</b>	<b>133,680</b>	<b>88,205</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 137,165</b>	<b>\$ 137,165</b>

**CITY OF TROUTDALE, OREGON  
SAM COX BUILDING FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Permits and fees	\$ 33,500	\$ 33,500	\$ 20,048	\$ (13,452)
Investment earnings	500	500	-	(500)
<b>Total revenues</b>	<u>34,000</u>	<u>34,000</u>	<u>20,048</u>	<u>(13,952)</u>
<b>EXPENDITURES:</b>				
Materials and Services	26,760	26,760	17,346	9,414
Capital Outlay	70,000	70,000	65,824	4,176
Contingency	23,041	23,041	-	23,041
<b>Total expenditures</b>	<u>119,801</u>	<u>119,801</u>	<u>83,170</u>	<u>36,631</u>
<b>Net changes in fund balances</b>	<u>(85,801)</u>	<u>(85,801)</u>	<u>(63,122)</u>	<u>22,679</u>
<b>FUND BALANCES, BEGINNING</b>	<u>85,801</u>	<u>85,801</u>	<u>100,184</u>	<u>14,383</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,062</u>	<u>\$ 37,062</u>
			Budget to GAAP Reconciliation	
			Interfund loan transactions	(90,000)
			GAAP Fund Balance	<u>\$ (52,938)</u>

**CITY OF TROUTDALE, OREGON**  
**COP DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ 100	\$ 100	\$ 337	\$ 237
Total revenues	100	100	337	237
<b>EXPENDITURES:</b>				
Debt Service:				
Principal	125,000	125,000	125,000	-
Interest	17,000	17,000	16,060	940
Total debt service	142,000	142,000	141,060	940
Revenues over (under) expenditures	(141,900)	(141,900)	(140,723)	1,177
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	142,000	142,000	142,000	-
Total other financing sources (uses)	142,000	142,000	142,000	-
Net changes in fund balances	100	100	1,277	1,177
<b>FUND BALANCES, BEGINNING</b>	13,475	13,475	5,837	(7,638)
<b>FUND BALANCES, ENDING</b>	<u>\$ 13,575</u>	<u>\$ 13,575</u>	<u>\$ 7,114</u>	<u>\$ (6,461)</u>

CITY OF TROUTDALE, OREGON  
URA DEBT SERVICE  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes				
Current year	\$ 156,268	\$ 156,268	\$ 172,332	\$ 16,064
Prior year	-	-	2,166	2,166
Penalties and interest	100	100	3,805	3,705
Total revenues	<u>156,368</u>	<u>156,368</u>	<u>178,303</u>	<u>21,935</u>
<b>EXPENDITURES:</b>				
Debt Service:				
Principal and Interest	<u>201,300</u>	<u>201,300</u>	<u>201,033</u>	<u>267</u>
Total expenditures	<u>201,300</u>	<u>201,300</u>	<u>201,033</u>	<u>267</u>
Net changes in fund balances	(44,932)	(44,932)	(22,730)	22,202
<b>FUND BALANCES, BEGINNING</b>	<u>58,786</u>	<u>58,786</u>	<u>67,821</u>	<u>9,035</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 13,854</u>	<u>\$ 13,854</u>	<u>\$ 45,091</u>	<u>\$ 31,237</u>
			Budget to GAAP Reconciliation	
			Interfund loan transactions	<u>600,000</u>
			GAAP Fund Balance	<u>\$ 645,091</u>

**CITY OF TROUTDALE, OREGON  
STREET IMPROVEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
System development charges	\$ 40,000	\$ 40,000	\$ 12,963	\$ (27,037)
Investment earnings	2,500	2,500	2,874	374
<b>Total revenues</b>	<u>42,500</u>	<u>42,500</u>	<u>15,837</u>	<u>(26,663)</u>
<b>EXPENDITURES:</b>				
Materials and service	5,000	5,000	-	5,000
Capital outlay	735,000	735,000	190,402	544,598
Contingency	176,976	176,976	-	176,976
<b>Total expenditures</b>	<u>916,976</u>	<u>916,976</u>	<u>190,402</u>	<u>726,574</u>
<b>Net changes in fund balances</b>	<u>(874,476)</u>	<u>(874,476)</u>	<u>(174,565)</u>	<u>699,911</u>
<b>FUND BALANCES, BEGINNING</b>	<u>874,476</u>	<u>874,476</u>	<u>966,458</u>	<u>91,982</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 791,893</u>	<u>\$ 791,893</u>

**CITY OF TROUTDALE, OREGON  
PARKS IMPROVEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 141,000	\$ 141,000	\$ 41,000	\$ (100,000)
System development charges	15,000	15,000	2,500	(12,500)
Investment earnings	8,000	8,000	10,094	2,094
Miscellaneous	-	-	12,716	12,716
<b>Total revenues</b>	<b>164,000</b>	<b>164,000</b>	<b>66,310</b>	<b>(97,690)</b>
<b>EXPENDITURES:</b>				
Materials and service	100	100	-	100
Capital outlay	100,000	100,000	28,127	71,873
Contingency	300,000	300,000	-	300,000
<b>Total expenditures</b>	<b>400,100</b>	<b>400,100</b>	<b>28,127</b>	<b>371,973</b>
<b>Net changes in fund balances</b>	<b>(236,100)</b>	<b>(236,100)</b>	<b>38,183</b>	<b>274,283</b>
<b>FUND BALANCE, BEGINNING</b>	<b>1,104,035</b>	<b>1,104,035</b>	<b>1,117,943</b>	<b>13,908</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 867,935</b>	<b>\$ 867,935</b>	<b>\$ 1,156,126</b>	<b>\$ 288,191</b>
			Budget to GAAP Reconciliation	
			Interfund loan transactions	223,000
			<b>GAAP Fund Balance</b>	<b>\$ 1,379,126</b>

**CITY OF TROUTDALE, OREGON  
 UTILITIES UNDERGROUNDING FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Franchise fees	\$ 181,000	\$ 181,000	\$ 191,485	\$ 10,485
Investment earnings	4,884	4,884	6,510	1,626
Total revenues	<u>185,884</u>	<u>185,884</u>	<u>197,995</u>	<u>12,111</u>
<b>EXPENDITURES:</b>				
Capital outlay	<u>1,498,116</u>	<u>1,498,116</u>	<u>-</u>	<u>1,498,116</u>
Total expenditures	<u>1,498,116</u>	<u>1,498,116</u>	<u>-</u>	<u>1,498,116</u>
Net changes in fund balances	(1,312,232)	(1,312,232)	197,995	1,510,227
<b>FUND BALANCE, BEGINNING</b>	<u>1,312,232</u>	<u>1,312,232</u>	<u>1,313,167</u>	<u>935</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,511,162</u>	<u>\$ 1,511,162</u>

**CITY OF TROUTDALE, OREGON**  
**STP SITE REDEVELOPMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
FUND BALANCE, BEGINNING	\$ -	\$ -	\$ 33	\$ 33
FUND BALANCE, ENDING	\$ -	\$ -	\$ 33	\$ 33

CITY OF TROUTDALE, OREGON  
PROJECT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Interest	\$ 1,000	\$ 1,000	\$ 244	\$ (756)
Total revenues	1,000	1,000	244	(756)
<b>EXPENDITURES:</b>				
Capital outlay	75,000	75,000	1,450	73,550
Total expenditures	75,000	75,000	1,450	73,550
Net changes in fund balances	(74,000)	(74,000)	(1,206)	72,794
<b>FUND BALANCES, BEGINNING</b>	74,000	74,000	52,559	(21,441)
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,353</u>	<u>\$ 51,353</u>

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**SCHEDULE OF REVENUES,  
EXPENDITURES/EXPENSES  
AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL**

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**Proprietary Funds**

Water Fund  
Water Improvement Fund  
Water Fund Reconciliation of Budgetary Revenues and  
Expenditures to Proprietary Revenues and Expenses

Sewer Fund  
Debt Service Fund (business-type activity portion)  
Sewer Improvement Fund  
Sewer Fund Reconciliation of Budgetary Revenues and  
Expenditures to Proprietary Revenues and Expenses

Storm Sewer Improvement Fund  
Storm Sewer Utility Fund  
Storm Sewer Fund Reconciliation of Budgetary Revenues and  
Expenditures to Proprietary Revenues and Expenses

Public Services Fund

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CITY OF TROUTDALE, OREGON  
WATER FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 79,200	\$ 79,200	\$ 84,897	\$ 5,497
Charges for services	1,562,300	1,562,300	1,546,851	(15,449)
Investment earnings	7,000	7,000	5,065	(1,935)
Miscellaneous	1,000	1,000	414	(586)
<b>Total revenues</b>	<b>1,649,500</b>	<b>1,649,500</b>	<b>1,637,027</b>	<b>(12,473)</b>
<b>EXPENDITURES:</b>				
Personal service	406,847	406,847	378,406	28,441
Materials and service	1,172,800	1,172,800	1,080,909	91,891
Capital outlay	252,400	252,400	120,189	132,211
Contingency	150,000	150,000	-	150,000
<b>Total expenditures</b>	<b>1,982,047</b>	<b>1,982,047</b>	<b>1,579,504</b>	<b>402,543</b>
<b>Net changes in fund balances</b>	<b>(332,547)</b>	<b>(332,547)</b>	<b>57,523</b>	<b>390,070</b>
<b>FUND BALANCES, BEGINNING</b>	<b>596,280</b>	<b>596,280</b>	<b>821,027</b>	<b>224,747</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 263,733</b>	<b>\$ 263,733</b>	<b>\$ 878,550</b>	<b>\$ 614,817</b>

**CITY OF TROUTDALE, OREGON**  
**WATER IMPROVEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
System development charges	\$ 9,000	\$ 9,000	\$ 8,474	\$ (526)
Investment earnings	100	100	1,478	1,378
Total revenues	<u>9,100</u>	<u>9,100</u>	<u>9,952</u>	<u>852</u>
<b>EXPENDITURES:</b>				
Materials and services	7,500	7,500	4,269	3,231
Contingency	26,099	26,099	-	26,099
Total expenditures	<u>33,599</u>	<u>33,599</u>	<u>4,269</u>	<u>29,330</u>
Net changes in fund balances	(24,499)	(24,499)	5,683	30,182
<b>FUND BALANCES, BEGINNING</b>	<u>24,499</u>	<u>24,499</u>	<u>21,423</u>	<u>(3,076)</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,106</u>	<u>\$ 27,106</u>

**CITY OF TROUTDALE, OREGON**  
**WATER FUND**  
**RECONCILIATION OF BUDGETARY REVENUES AND EXPENDITURES**  
**TO PROPRIETARY REVENUES AND EXPENSES**  
**For the Year Ended June 30, 2015**

	<b>Revenues</b>	<b>Expenditures/ Expenses</b>
Water Fund	\$ 1,637,027	\$ 1,579,504
Water Improvement Fund	9,952	4,269
Total (Budgetary)	1,646,979	1,583,773
Capital outlay expenditures capitalized	-	(139,608)
Depreciation expense	-	489,074
Pension expense	-	(147,059)
Net change in accrued compensated absences	-	(4,777)
Revenues and expenses (GAAP)	\$ 1,646,979	\$ 1,781,403

CITY OF TROUTDALE, OREGON  
SEWER FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 2,637,000	\$ 2,637,000	\$ 2,650,379	\$ 13,379
Investment earnings	6,000	6,000	7,025	1,025
Miscellaneous	1,000	1,000	250	(750)
<b>Total revenues</b>	<b>2,644,000</b>	<b>2,644,000</b>	<b>2,657,654</b>	<b>13,654</b>
<b>EXPENDITURES:</b>				
Personal service	547,395	547,395	528,014	19,381
Materials and service	1,384,346	1,384,346	1,261,655	122,691
Capital outlay	304,200	304,200	133,256	170,944
Contingency	232,500	232,500	-	232,500
<b>Total expenditures</b>	<b>2,468,441</b>	<b>2,468,441</b>	<b>1,922,925</b>	<b>545,516</b>
Revenues over (under) expenditures	175,559	175,559	734,729	559,170
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	44,000	44,000	44,000	-
transfers out	(356,526)	(356,526)	(356,526)	-
Insurance Reimbursement	-	-	47,032	47,032
<b>Total other financing sources (uses)</b>	<b>(312,526)</b>	<b>(312,526)</b>	<b>(265,494)</b>	<b>47,032</b>
Net changes in fund balances	(136,967)	(136,967)	469,235	606,202
<b>FUND BALANCES, BEGINNING</b>	<b>1,187,221</b>	<b>1,187,221</b>	<b>1,532,821</b>	<b>345,600</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 1,050,254</b>	<b>\$ 1,050,254</b>	<b>\$ 2,002,056</b>	<b>\$ 951,802</b>

CITY OF TROUTDALE, OREGON  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes				
Current Year	\$ 1,362,474	\$ 1,362,474	\$ 1,376,753	\$ 14,279
Prior Year	5,000	5,000	30,034	25,034
Investment earnings	100	100	3,365	3,265
Total revenues	<u>1,367,574</u>	<u>1,367,574</u>	<u>1,410,152</u>	<u>42,578</u>
<b>EXPENDITURES:</b>				
Debt Service:				
Principal	1,305,000	1,305,000	1,305,000	-
Interest	464,000	464,000	463,141	859
Total debt service	<u>1,769,000</u>	<u>1,769,000</u>	<u>1,768,141</u>	<u>859</u>
Revenues over (under) expenditures	(401,426)	(401,426)	(357,989)	43,437
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	356,526	356,526	356,526	-
Total other financing sources (uses)	<u>356,526</u>	<u>356,526</u>	<u>356,526</u>	<u>-</u>
Net changes in fund balances	(44,900)	(44,900)	(1,463)	43,437
<b>FUND BALANCES, BEGINNING</b>	<u>345,294</u>	<u>345,294</u>	<u>400,082</u>	<u>54,788</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 300,394</u>	<u>\$ 300,394</u>	<u>\$ 398,619</u>	<u>\$ 98,225</u>

**CITY OF TROUTDALE, OREGON**  
**SEWER IMPROVEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
System development charges	\$ 40,000	\$ 40,000	\$ 13,350	\$ (26,650)
Investment earnings	100	100	1,148	1,048
Total revenues	<u>40,100</u>	<u>40,100</u>	<u>14,498</u>	<u>(25,602)</u>
<b>EXPENDITURES:</b>				
Materials and Services	25,000	25,000	-	25,000
Capital Outlay	30,000	30,000	-	30,000
Contingency	104,138	104,138	-	104,138
Total expenditures	<u>159,138</u>	<u>159,138</u>	<u>-</u>	<u>159,138</u>
Net changes in fund balances	(119,038)	(119,038)	14,498	133,536
<b>FUND BALANCES, BEGINNING</b>	<u>119,038</u>	<u>119,038</u>	<u>128,830</u>	<u>9,792</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,328</u>	<u>\$ 143,328</u>

**CITY OF TROUTDALE, OREGON**  
**SEWER FUND**  
**RECONCILIATION OF BUDGETARY REVENUES AND EXPENDITURES**  
**TO PROPRIETARY REVENUES AND EXPENSES**  
**For the Year Ended June 30, 2015**

	<b>Revenues</b>	<b>Expenditures/ Expenses</b>
Sewer Fund	\$ 2,748,686	\$ 1,922,925
Debt Service Fund	1,410,152	1,768,141
Sewer Improvement Fund	14,498	-
Total	4,173,336	3,691,066
Depreciation expense	-	780,700
Capital outlay	-	(109,491)
Net change in accrued compensated absences	-	3,587
Change in unavailable property taxes	3,019	-
Interest	-	(3,478)
Pension expense	-	(199,423)
Interfund loan transaction	(44,000)	-
Bond Premium and Discount Amortization	-	14,147
Payment of bond principal	-	(1,090,000)
Revenues and expenses	\$ 4,132,355	\$ 3,087,108

**CITY OF TROUTDALE, OREGON  
 STORM SEWER IMPROVEMENT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
System development charges	\$ 10,000	\$ 10,000	\$ 19,104	\$ 9,104
Investment earnings	7,000	7,000	9,558	2,558
Total revenues	<u>17,000</u>	<u>17,000</u>	<u>28,662</u>	<u>11,662</u>
<b>EXPENDITURES:</b>				
Materials and service	10,000	10,000	-	10,000
Capital outlay	880,000	880,000	20,698	859,302
Contingency	150,000	150,000	-	150,000
Total expenditures	<u>1,040,000</u>	<u>1,040,000</u>	<u>20,698</u>	<u>1,019,302</u>
Net changes in fund balances	(1,023,000)	(1,023,000)	7,964	1,030,964
<b>FUND BALANCES, BEGINNING</b>	<u>2,125,612</u>	<u>2,125,612</u>	<u>2,182,091</u>	<u>56,479</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 1,102,612</u>	<u>\$ 1,102,612</u>	<u>\$ 2,190,055</u>	<u>\$ 1,087,443</u>

CITY OF TROUTDALE, OREGON  
 STORM SEWER UTILITY FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 254,000	\$ 254,000	\$ 271,915	\$ 17,915
Investment earnings	2,000	2,000	895	(1,105)
Miscellaneous	1,000	1,000	-	(1,000)
<b>Total revenues</b>	<b>257,000</b>	<b>257,000</b>	<b>272,810</b>	<b>15,810</b>
<b>EXPENDITURES:</b>				
Personal service	173,515	173,515	160,605	12,910
Materials and service	363,225	363,225	300,492	62,733
Capital outlay	50,000	50,000	12,233	37,767
Contingency	10,186	10,186	-	10,186
<b>Total expenditures</b>	<b>596,926</b>	<b>596,926</b>	<b>473,330</b>	<b>123,596</b>
 Net changes in fund balances	 (339,926)	 (339,926)	 (200,520)	 139,406
<b>FUND BALANCES, BEGINNING</b>	<b>339,926</b>	<b>339,926</b>	<b>382,345</b>	<b>42,419</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 181,825</b>	<b>\$ 181,825</b>

**CITY OF TROUTDALE, OREGON**  
**STORM SEWER FUND**  
**RECONCILIATION OF BUDGETARY REVENUES AND EXPENDITURES**  
**TO PROPRIETARY REVENUES AND EXPENSES**  
**For the Year Ended June 30, 2015**

	<b>Revenues</b>	<b>Expenditures/ Expenses</b>
Storm Sewer Improvement Fund	\$ 28,662	\$ 20,698
Storm Sewer Utility Fund	272,810	473,330
Total	301,472	494,028
Depreciation expense	-	258,197
Capital outlay	-	(32,931)
Pension expense	-	(62,178)
Interfund loan transaction	-	(44,000)
Net change in accrued compensated absences	-	1,853
Revenues and expenses	\$ 301,472	\$ 614,969

CITY OF TROUTDALE, OREGON  
PUBLIC SERVICES FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 937,300	\$ 937,300	\$ 950,734	\$ 13,434
Licenses and permits	15,556	15,556	8,996	(6,560)
Investment earnings	1,000	1,000	1,566	566
Miscellaneous	-	-	261	261
	<u>953,856</u>	<u>953,856</u>	<u>961,557</u>	<u>7,701</u>
<b>EXPENDITURES:</b>				
Equipment maintenance	284,899	284,899	216,103	68,796
Public works management	920,692	920,692	891,921	28,771
Contingency	59,348	59,348	-	59,348
	<u>1,264,939</u>	<u>1,264,939</u>	<u>1,108,024</u>	<u>156,915</u>
Net Changes in fund balances	(311,083)	(311,083)	(146,467)	164,616
<b>FUND BALANCES, BEGINNING</b>	<u>311,083</u>	<u>311,083</u>	<u>303,182</u>	<u>(7,901)</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 156,715</u>	<u>\$ 156,715</u>

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**CAPITAL ASSETS  
USED IN THE OPERATION  
OF GOVERNMENTAL FUNDS**

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**CITY OF TROUTDALE, OREGON**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule By Source**  
*June 30, 2015*

**Governmental funds capital assets:**

Land	\$ 3,461,425
Intangibles	16,218
Land improvements	10,773,331
Buildings and building improvements	4,689,139
Equipment	1,620,008
Infrastructure	23,885,948
Work in process	<u>99,910</u>
Total governmental funds capital assets	<u>\$ 44,545,979</u>

**Investments in governmental capital assets by source:**

Balance, July 1, 2014	45,036,976
Net changes provided by:	
General fund	(17,453)
Parks	95,524
Public Safety	(601,491)
Public Works	4,028
Streets	<u>28,395</u>
Total Additions	(490,997)
Total governmental funds capital assets	<u>\$ 44,545,979</u>

CITY OF TROUTDALE, OREGON  
 Capital Assets Used in the Operation of Governmental Funds  
 Schedule By Function and Activity  
 June 30, 2015

	Land and Land Improvements and Intangibles	Buildings and Improvements	Equipment	Infrastructure	Work in Progress	Total
General Government	\$ 1,282,689	\$ 1,138,972	\$ 266,865	\$ -	\$ -	\$ 2,688,526
Community Development	6,023,954	2,172,234	542,685	-	-	8,738,873
Public Safety	115,781	7,425,332	470,070	-	-	8,011,183
Highways and Streets	744,358	36,793	340,388	23,885,948	99,910	25,107,397
Total Investment	\$ 8,166,782	\$ 10,773,331	\$ 1,620,008	\$ 23,885,948	\$ 99,910	\$ 44,545,979

**CITY OF TROUTDALE, OREGON**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes by Function and Activity**  
*For the Year Ended June 30, 2015*

Function and Activity	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
General Government	\$ 2,705,978	\$ 14,881	\$ (32,333)	\$ 2,688,526
Community Development	8,639,321	106,199	(6,647)	8,738,873
Public Safety	8,612,674	-	(601,491)	8,011,183
Highways and Streets	<u>25,079,003</u>	<u>263,394</u>	<u>(236,000)</u>	<u>25,107,397</u>
<b>Total Investment</b>	<u>\$ 45,036,976</u>	<u>\$ 384,474</u>	<u>\$ (875,471)</u>	<u>\$ 44,545,979</u>

**CITY OF TROUTDALE, OREGON**  
**Helping Hands Fund**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
*For the Year Ended June 30, 2015*

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b>ASSETS</b>				
Cash and investments	\$ 8,514	\$ 2,036	\$ (7,395)	\$ 3,155
Total Assets	<u>\$ 8,514</u>	<u>\$ 2,036</u>	<u>\$ (7,395)</u>	<u>\$ 3,155</u>
<b>LIABILITIES</b>				
Due to Others	\$ 8,514	\$ 2,036	\$ (7,395)	\$ 3,155
Total Liabilities	<u>\$ 8,514</u>	<u>\$ 2,036</u>	<u>\$ (7,395)</u>	<u>\$ 3,155</u>

City of Troutdale, Oregon

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES

June 30, 2015

Tax Year	Taxes Uncollected July 1, 2014	Add Levy As Extended By Assessor	(Deduct) Discounts Allowed	Add Interest Adjustments	Add (Deduct) Cancellations and Adjustments	(Deduct) Interest and Tax Collected	Taxes Uncollected June 30, 2015
2014-15	\$	\$ 6,444,151	\$ (165,283)	\$ 1,839	\$ (17,186)	\$ (6,111,873)	\$ 151,649
2013-14	156,027	-	200	3,157	(9,055)	(64,422)	85,907
2012-13	85,365	-	34	3,359	(1,755)	(26,336)	60,667
2011-12	68,303	-	6	4,773	(1,438)	(25,508)	46,136
2010-11	30,938	-	1	2,706	(290)	(12,029)	21,326
2009-10	20,087	-	(0)	448	(301)	(1,459)	18,774
2008-09	1,544	-	-	227	(212)	(654)	905
2007-08	738	-	-	59	(26)	(168)	604
2006-07	523	-	-	40	(17)	(102)	443
2005-06	405	-	-	37	(12)	(89)	342
2004-05 and prior	1,845	-	-	192	(49)	(376)	1,612
Total	\$ <u>365,775</u>	\$ <u>6,444,151</u>	\$ <u>(165,042)</u>	\$ <u>16,838</u>	\$ <u>(30,341)</u>	\$ <u>(6,243,016)</u>	\$ <u>388,365</u>

	Revenue Total	Receivable June 30, 2015
Governmental Funds	\$ 4,862,600	\$ 300,190
Proprietary Funds	1,409,806	88,175
Subtotal	6,272,406	\$ <u>388,365</u>
Miscellaneous adjustments		
Change in property taxes subject to accrual	(29,390)	
Total taxes, tax penalties and interest	\$ <u>6,243,016</u>	

SCHEDULE OF DEBT PRINCIPAL TRANSACTIONS

June 30, 2015

	Interest Rate	Date	Original Issue Amount	Outstanding July 1, 2014	Increases/ (Reductions)	2014-2015 Transactions		Outstanding at June 30, 2015	
						Matured/ Called	Paid	Matured	Unmatured
<u>General obligation bonds</u>									
WPCF Refunding Bonds, Series 2008	3.25-4 %	6-17-08	\$ 8,555,000	\$ 4,645,000	\$ -	\$ 1,090,000	\$ 1,090,000	\$ -	\$ 3,555,000
Police Facility Bonds, Series 2011	2.0-4.35 %	2-17-11	\$ 7,540,000	\$ 7,130,000	\$ -	\$ 215,000	\$ 215,000	\$ -	\$ 6,915,000
<u>COP Note Payable</u>									
P & F Building Loan	3.45 %	3-31-08	\$ 1,173,000	\$ 528,000	\$ -	\$ 125,000	\$ 125,000	\$ -	\$ 403,000

SCHEDULE OF DEBT INTEREST TRANSACTIONS

June 30, 2015

Issue Date	Future Liability at June 30, 2014		2014-2015 Transactions			Future Liability at June 30, 2015				
	Matured	Unmatured	Total	Increases/ (Reductions)	Matured	Paid	Matured	Unmatured	Total	
<u>General obligation bonds</u>										
WPCF Refunding Bonds, Series 2008 3.25%-4% interest	6-17-08	\$ -	\$ 470,488	\$ 470,488	\$ -	\$ 183,306	\$ 183,306	\$ -	\$ 287,182	\$ 287,182
Police Facility Bonds, Series 2011 2.0%-4.35% interest	2-17-11	\$ -	\$ 3,144,175	\$ 3,144,175	\$ -	\$ 279,835	\$ 279,835	\$ -	\$ 2,864,340	\$ 2,864,340
<u>COP Note Payable</u>										
P & F Building Loan	3-31-08	\$ -	\$ 37,191	\$ 37,191	\$ -	\$ 16,060	\$ 16,060	\$ -	\$ 21,131	\$ 21,131

City of Troutdale, Oregon

SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS  
OF GENERAL OBLIGATION BONDS

June 30, 2015

Year of Maturity	Police Facility Series 2011 Issued 2-17-2011		WPCF Refunding Bonds Series 2008 Issued 6-17-08	
	Principal	Interest	Principal	Interest
2015-16	\$ 230,000	\$ 275,535	\$ 1,135,000	\$ 140,981
2016-17	245,000	270,935	1,185,000	96,800
2017-18	265,000	263,585	1,235,000	49,400
2018-19	290,000	253,698		
2019-20	315,000	242,098		
2020-21	340,000	229,498		
2021-22	370,000	215,898		
2022-23	400,000	201,098		
2023-24	430,000	185,098		
2024-25	465,000	167,898		
2025-26	495,000	149,298		
2026-27	535,000	129,498		
2027-28	570,000	107,563		
2028-29	610,000	83,908		
2029-30	655,000	58,288		
2030-31	<u>700,000</u>	<u>30,450</u>		
	<u>\$ 6,915,000</u>	<u>\$ 2,864,340</u>	<u>\$ 3,555,000</u>	<u>\$ 287,182</u>

City of Troutdale, Oregon

SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS OF  
LOAN PAYABLE FOR THE CONSTRUCTION OF THE  
PARKS & FACILITIES BUILDING

June 30, 2015

<u>Year of Maturity</u>	<u>Issued 3-31-2008</u>	
	<u>Principal</u>	<u>Interest</u>
2015-16	\$ 130,000	\$ 11,661
2016-17	135,000	7,090
2017-18	<u>138,000</u>	<u>2,381</u>
	<u>\$ 403,000</u>	<u>\$ 21,131</u>

SCHEDULE OF GENERAL GOVERNMENTAL REVENUES BY SOURCE  
 BUDGETARY BASIS  
 ALL GOVERNMENTAL FUND TYPES

Last ten fiscal years

(1) Fiscal year ended June 30,	Taxes	Intergovernmental Revenues	Licenses and Permits	Fines and Forfeitures	Charges for Current Services	Franchise Fees	Assessment Collections	Total
2006	\$ 4,285,743	\$ 1,842,157	\$ 1,083,534	\$ 202,858	\$ 6,149,853	\$ 1,117,420	\$ 655,102	\$ 15,336,667
2007	3,883,181	1,999,245	812,426	249,012	473,001	1,161,085	674,984	9,252,934
2008	3,711,381	2,593,522	474,563	244,938	468,389	1,216,792	1,828,045	10,357,630
2009	3,807,929	2,279,607	516,513	209,957	796,010	1,269,282	1,211,874	10,091,172
2010	4,495,720	1,656,814	381,506	353,827	351,583	1,308,156	1,020,628	9,568,234
2011	4,578,650	1,982,701	229,827	402,602	261,490	1,242,675	1,006,855	9,704,800
2012	4,638,551	2,043,778	276,682	359,776	318,235	1,279,355	1,072,325	9,988,702
2013	4,705,830	2,794,696	246,595	362,591	409,348	1,272,918	1,141,834	10,933,812
2014	4,910,416	2,237,890	356,378	339,269	344,131	1,276,287	1,189,477	10,653,848
2015	5,479,355	2,498,274	401,936	295,888	313,894	1,319,304	1,012,273	11,320,924

(1) This schedule is presented on the budgetary basis. Statements and Schedules of Revenue, Expenditures, and Changes in Fund Balance, Budget and Actual are used to determine these amounts and supplemented by detailed financial records of the City.

SCHEDULE OF GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION  
BUDGETARY BASIS  
ALL GOVERNMENTAL FUND TYPES

Last ten fiscal years

(1) Fiscal year ended June 30,	General Government	Public Safety	Highways and Streets	Buildings and Grounds	Community Development	Solid Waste/ Recycling	Utilities Operations	Equipment Maintenance	Capital Outlay	Debt Service	Total
2006	\$ 1,677,810	\$ 3,684,302	\$ 307,984	\$ 814,643	\$ 868,886	\$ 22,711	\$ 2,321,155	\$ 195,304	\$ 932,556	\$ 1,813,009	\$ 12,638,360
2007	1,878,820	4,111,126	311,201	-	1,717,739	22,311	-	-	896,634	98,818	9,036,649
2008	2,126,571	4,424,792	445,657	-	1,833,020	19,850	-	-	1,510,539	199,982	10,560,411
2009	2,040,359	4,780,944	705,840	-	1,708,006	22,958	-	-	1,062,479	133,830	10,454,416
2010	2,233,315	4,860,333	546,464	-	1,452,360	3,166	-	-	172,217	135,466	9,403,321
2011	2,120,597	5,201,680	782,891	-	1,360,661	8,139	-	-	564,552	136,930	9,975,450
2012	2,104,647	5,307,537	724,049	-	1,360,507	13,780	-	-	5,534,665	138,221	15,183,406
2013	2,088,156	5,240,764	786,038	-	1,295,030	13,517	-	-	2,788,459	139,340	12,351,304
2014	2,067,329	5,462,943	929,899	-	1,581,270	17,225	-	-	619,939	140,286	10,818,891
2015	2,182,269	5,677,050	732,538	-	1,617,532	15,114	-	-	307,304	142,093	10,673,880

(1) This schedule is presented on the budgetary basis. Statements and Schedules of Revenue, Expenditures, and Changes in Fund Balance, Budget and Actual are used to determine these amounts and supplemented by detailed financial records of the City.

City of Troutdale, Oregon

SCHEDULE OF ACCOUNTABILITY FOR INDEPENDENTLY ELECTED OFFICIALS

Fiscal year ended June 30, 2015

Oregon Revised Statutes section 297 requires a statement of accountability for each independently elected official collecting or receiving money in the municipal corporation. The statement is a presentation of the beginning balances, receipts, disbursements, refunds, and turnovers to the appropriate governmental official, reconciled to cash on hand at the beginning and end of the audit period.

In compliance with ORS 297, there are no independently elected officials that collect or receive money on behalf of the City of Troutdale.

# STATISTICAL SECTION

This part of the City of Troutdale's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall health.

	<u>Pages</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being has changed over time.	85-89
<b>Revenue Capacity</b> These schedules contain trend information to help the reader assess the City's local revenue source, the property tax.	90-93
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	94-97
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	98-102
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	103-104

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**CITY OF TROUTDALE, OREGON**  
**NET POSITION BY COMPONENT**  
 Last Ten Fiscal Years Ending June 30th  
 (accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities</b>										
Net investment in capital assets	\$ 13,218,658	\$ 12,750,707	\$ 13,454,306	\$ 12,296,699	\$ 12,618,818	\$ 5,149,917	\$ 10,813,733	\$ 11,681,650	\$ 11,679,907	\$ 10,979,510
Restricted	523,987	352,991	209,567	419,279	97,144	10,864,094	6,788,007	5,338,679	5,478,484	5,893,683
Unrestricted	6,568,873	7,393,390	7,776,207	7,271,820	7,697,747	4,302,031	1,151,803	3,036,564	3,110,090	2,775,525
<b>Total governmental activities net position</b>	<b>\$ 20,311,518</b>	<b>\$ 20,407,088</b>	<b>\$ 21,440,080</b>	<b>\$ 19,987,798</b>	<b>\$ 20,413,709</b>	<b>\$ 20,316,042</b>	<b>\$ 18,753,543</b>	<b>\$ 20,076,893</b>	<b>\$ 20,268,481</b>	<b>\$ 19,648,718</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 24,565,664	\$ 25,272,549	\$ 25,408,873	\$ 27,192,212	\$ 26,758,247	\$ 26,309,662	\$ 25,923,958	\$ 26,034,221	\$ 30,043,118	\$ 29,873,029
Restricted	3,141,708	2,464,044	2,270,173	2,496,813	2,256,533	2,278,696	2,056,152	1,147,530	2,332,344	2,374,868
Unrestricted	2,657,209	2,546,157	2,886,812	2,606,022	2,835,946	2,965,237	3,220,411	4,392,238	3,449,058	3,417,969
<b>Total business-type activities net position</b>	<b>\$ 30,364,581</b>	<b>\$ 30,282,750</b>	<b>\$ 30,565,858</b>	<b>\$ 32,295,047</b>	<b>\$ 31,850,726</b>	<b>\$ 31,553,595</b>	<b>\$ 31,200,521</b>	<b>\$ 31,573,989</b>	<b>\$ 35,824,520</b>	<b>\$ 35,665,866</b>
<b>Primary government</b>										
Invested in capital assets, net of related debt	\$ 37,784,322	\$ 38,023,256	\$ 38,863,179	\$ 39,488,911	\$ 39,377,065	\$ 31,459,579	\$ 36,737,691	\$ 37,715,871	\$ 41,723,025	\$ 40,852,539
Restricted	3,665,695	2,817,035	2,479,740	2,916,092	2,353,677	13,142,790	8,844,159	6,486,209	7,810,828	8,268,551
Unrestricted	9,226,082	9,849,547	10,663,019	9,877,842	10,333,693	7,267,268	4,372,214	7,448,802	6,559,148	6,193,494
<b>Total primary government net position</b>	<b>\$ 50,676,099</b>	<b>\$ 50,689,838</b>	<b>\$ 52,005,938</b>	<b>\$ 52,282,845</b>	<b>\$ 52,264,435</b>	<b>\$ 51,869,637</b>	<b>\$ 49,954,064</b>	<b>\$ 51,650,882</b>	<b>\$ 56,093,001</b>	<b>\$ 55,314,584</b>

† Information is presented for years ended subsequent to the implementation of GASB Statement No. 34.

**CITY OF TROUTDALE, OREGON**  
**CHANGES IN NET POSITION**  
**Last Ten Fiscal Years Ending June 30th**  
**(accrual basis of accounting)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 1,721,974	\$ 2,115,824	\$ 2,344,166	\$ 2,344,169	\$ 2,474,134	\$ 2,207,978	\$ 2,290,744	\$ 1,980,493	\$ 1,875,390	\$ 2,016,349
Public safety	3,769,206	4,565,517	4,870,942	5,479,783	5,145,857	5,081,873	6,030,937	4,760,654	5,365,424	5,235,720
Highways and streets	1,123,029	345,597	490,333	809,014	578,566	1,427,173	1,419,589	1,239,329	1,408,175	1,166,959
Solid waste/recycling	23,270	24,777	21,854	26,314	3,352	8,165	15,320	28,845	15,945	13,375
Community development	2,208,775	1,907,596	2,015,085	1,957,668	1,537,680	900,494	1,818,625	1,580,808	1,812,461	1,780,461
Interest on long-term debt	18,983	28,838	107,887	38,591	85,879	86,643	16,125	20,900	1,379	15,454
Transfers Out		292,014								
<b>Total governmental activities expenses</b>	<b>\$ 8,864,237</b>	<b>\$ 9,280,163</b>	<b>\$ 9,850,267</b>	<b>\$ 10,553,539</b>	<b>\$ 9,825,468</b>	<b>\$ 9,712,326</b>	<b>\$ 11,591,340</b>	<b>\$ 9,611,529</b>	<b>\$ 10,478,774</b>	<b>\$ 10,228,318</b>
<b>Business-type activities:</b>										
Water	\$ 1,616,055	\$ 1,801,572	\$ 1,318,135	\$ 1,806,034	\$ 1,783,764	\$ 1,941,720	\$ 2,019,228	\$ 1,882,941	\$ 1,887,225	\$ 1,696,706
Sewer	2,567,913	3,354,959	1,945,525	2,480,974	2,577,321	2,714,223	3,306,348	3,180,079	3,343,454	3,087,108
Storm sewer	321,934	365,772	329,182	356,319	423,444	683,874	366,641	449,292	461,676	614,969
Public services	935,727	906,810	755,393	926,672	945,183	891,327	961,728	942,509	1,081,187	1,108,024
<b>Total business-type activities expenses</b>	<b>\$ 5,441,609</b>	<b>\$ 6,429,113</b>	<b>\$ 4,348,235</b>	<b>\$ 5,570,999</b>	<b>\$ 5,729,712</b>	<b>\$ 6,233,144</b>	<b>\$ 6,853,945</b>	<b>\$ 6,454,821</b>	<b>\$ 6,773,542</b>	<b>\$ 6,506,807</b>
<b>Total primary government expenses</b>	<b>\$ 14,305,846</b>	<b>\$ 15,709,276</b>	<b>\$ 14,198,502</b>	<b>\$ 16,126,138</b>	<b>\$ 15,555,180</b>	<b>\$ 15,945,470</b>	<b>\$ 18,445,285</b>	<b>\$ 16,066,330</b>	<b>\$ 17,252,316</b>	<b>\$ 16,735,125</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
General government	\$ 722,131	\$ 792,136	\$ 795,134	\$ 913,289	\$ 463,477	\$ 323,000	\$ 275,880	\$ 397,213	\$ 325,671	\$ 347,099
Other activities	1,821,013	1,233,165	9,777	7,593	7,650	7,875	7,875	8,175	7,875	47
Operating grants and contributions	820,100	647,282	676,716	641,179	744,784	802,626	914,475	889,969	929,972	950,585
Capital grants and contributions	1,023,166	246,541	140,912	481,516	10,406	2,508	53,745	50,397	57,550	15,463
<b>Total governmental activities program revenues</b>	<b>\$ 4,386,410</b>	<b>\$ 2,939,124</b>	<b>\$ 1,622,539</b>	<b>\$ 2,043,577</b>	<b>\$ 1,226,317</b>	<b>\$ 1,136,009</b>	<b>\$ 1,251,975</b>	<b>\$ 1,345,754</b>	<b>\$ 1,321,068</b>	<b>\$ 1,313,194</b>
<b>Business-type activities:</b>										
Charges for services:										
Water	\$ 1,307,401	\$ 1,339,410	\$ 1,410,442	\$ 1,581,316	\$ 1,339,871	\$ 1,397,723	\$ 1,508,663	\$ 1,443,755	\$ 1,429,516	\$ 1,546,851
Sewer	2,055,602	2,820,196	2,091,078	2,179,348	2,180,436	2,290,594	2,380,969	2,471,898	2,575,013	2,650,379
Storm sewer	189,382	194,667	197,162	196,743	197,412	214,480	231,036	240,270	251,092	271,915
Public services	891,084	823,641	24,095	842,452	975,025	1,021,826	1,024,115	1,029,977	973,584	959,750
Operating grants and contributions										
Capital grants and contributions	1,684,669	353,641	228,607	1,729,149	108,618	161,711	40,867	63,281	41,763,323	40,928
<b>Total business-type activities program revenues</b>	<b>\$ 6,128,108</b>	<b>\$ 5,531,555</b>	<b>\$ 3,951,384</b>	<b>\$ 6,529,008</b>	<b>\$ 4,801,362</b>	<b>\$ 5,086,394</b>	<b>\$ 5,185,650</b>	<b>\$ 5,249,181</b>	<b>\$ 9,405,333</b>	<b>\$ 5,469,803</b>
<b>Total primary government program revenues</b>	<b>\$ 10,514,518</b>	<b>\$ 8,470,679</b>	<b>\$ 5,573,923</b>	<b>\$ 8,572,585</b>	<b>\$ 6,027,679</b>	<b>\$ 6,222,343</b>	<b>\$ 6,437,625</b>	<b>\$ 6,594,935</b>	<b>\$ 10,726,596</b>	<b>\$ 6,783,997</b>

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net(expense)/revenue										
Governmental activities	\$ (4,477,827)	\$ (7,284,663)	\$ (8,798,728)	\$ (8,511,962)	\$ (8,599,151)	\$ (8,576,317)	\$ (10,339,365)	\$ (8,265,775)	\$ (9,157,706)	\$ (8,915,124)
Business-type activities	686,499	(897,557)	(396,851)	958,409	(928,350)	(1,146,810)	(1,668,295)	(1,295,640)	2,631,986	(1,097,004)
Total primary government net expense	\$ (3,791,328)	\$ (8,182,220)	\$ (9,195,579)	\$ (7,553,553)	\$ (9,527,501)	\$ (9,723,127)	\$ (12,007,660)	\$ (9,471,415)	\$ (6,525,720)	\$ (9,952,128)
Governmental Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 3,315,460	\$ 3,412,698	\$ 3,712,009	\$ 3,807,929	\$ 3,956,364	\$ 4,100,036	\$ 4,196,608	\$ 4,198,071	\$ 4,389,337	\$ 4,862,600
Franchise taxes	1,117,420	1,161,085	1,216,792	1,269,282	1,308,156	1,242,675	1,279,335	1,272,918	1,276,287	1,319,304
Business income taxes	619,714	724,670	1,477,529	1,312,523	657,704	716,750	670,940	708,608	789,670	875,509
Hotel taxes	356,328	394,548	453,885	414,445	402,806	429,249	427,973	451,708	480,624	47,516
Liquor taxes	260,549	260,717	174,506	186,331	174,967	182,575	204,188	213,221	224,251	577,726
Cigarette taxes	27,328	27,315	25,122	24,312	22,674	20,911	23,354	22,735	21,545	21,382
Solid waste taxes	54,380	54,659	50,704	50,203	52,465	56,310	54,109	57,118	56,968	58,114
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Investment earnings	244,578	368,356	332,818	148,990	54,186	56,150	74,488	54,752	45,229	45,229
Miscellaneous	23,885	463,547	1,495,529	1,004,940	1,835,854	1,809,260	1,845,851	2,609,996	2,065,383	2,219,435
Gain on sale of capital assets	5,592	(3,904)	(6,772)	-	-	(135,266)	-	-	-	-
Transfers	-	-	-	13,727	(15,000)	-	-	-	-	-
Total governmental activities	\$ 5,925,234	\$ 6,863,691	\$ 8,912,120	\$ 8,232,680	\$ 8,450,176	\$ 8,478,650	\$ 8,776,866	\$ 9,589,125	\$ 9,349,294	\$ 10,026,816
Business-type activities:										
Taxes										
Property taxes	659,337	656,160	668,318	641,663	633,165	721,442	1,274,401	1,431,836	1,459,418	1,409,806
Investment earnings	217,808	294,353	308,010	110,273	36,579	25,830	28,190	30,758	30,761	30,100
Miscellaneous	103,424	118,301	52,231	18,844	93,082	102,407	12,630	116,514	128,366	47,957
Gain on sale of capital assets	1,500	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	15,000	-	-	-	-	-
Total business-type activities	982,069	1,069,014	1,028,559	770,780	797,826	849,679	1,315,221	1,579,108	1,618,545	1,487,863
Total primary government	\$ 6,907,303	\$ 7,932,705	\$ 9,940,679	\$ 9,003,460	\$ 9,248,002	\$ 9,328,329	\$ 10,092,087	\$ 11,168,233	\$ 10,967,839	\$ 11,514,679
Change in Net Position										
Governmental activities	\$ 1,447,407	\$ 546,537	\$ 1,032,992	\$ (279,282)	\$ (188,975)	\$ (97,667)	\$ (1,562,499)	\$ 1,323,350	\$ 191,388	\$ 1,111,692
Business-type activities	1,668,568	171,457	283,108	1,728,189	(130,524)	(297,131)	(353,074)	373,468	4,250,331	450,859
Total primary government	\$ 3,115,975	\$ 717,994	\$ 1,316,100	\$ 1,448,907	\$ (279,499)	\$ (394,798)	\$ (1,915,573)	\$ 1,696,818	\$ 4,442,119	\$ 1,562,551

Information is presented for years ended subsequent to the implementation of GASB Statement No. 34.

**CITY OF TROUTDALE, OREGON**  
**FUND BALANCE OF GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years Ending June 30th  
 (modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund										
Reserved (pre GASB #54)	\$ 518,613	\$ 346,077	\$ 179,965	\$ 356,254	\$ 356,254	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved (pre GASB #54)	3,248,008	3,840,090	4,120,709	3,405,819	3,525,521	-	-	-	-	-
<i>GASB No. 54 Categories:</i>										
Nonspendable	-	-	-	-	-	2,326	1,973	4,234	4,763	4,684
Restricted	-	-	-	-	-	-	54,000	-	-	-
Assigned	-	-	-	-	-	3,578,983	3,620,883	-	-	-
Unassigned	-	-	-	-	-	-	-	3,728,007	3,700,166	4,073,773
<b>Total general fund</b>	<b>\$ 3,766,621</b>	<b>\$ 4,186,167</b>	<b>\$ 4,300,674</b>	<b>\$ 3,762,073</b>	<b>\$ 3,881,775</b>	<b>\$ 3,635,309</b>	<b>\$ 3,676,856</b>	<b>\$ 3,732,241</b>	<b>\$ 3,704,929</b>	<b>\$ 4,078,457</b>
All other governmental funds										
Reserved (pre GASB #54)	\$ 5,374	\$ 6,914	\$ 29,602	\$ 63,025	\$ 97,144	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds (pre GASB #54)	1,009,502	1,171,736	1,115,154	973,682	946,312	-	-	-	-	-
Capital project funds (pre GASB #54)	2,325,262	2,349,980	2,595,186	2,892,319	2,915,781	-	-	-	-	-
Permanent funds (pre GASB #54)	-	-	-	-	-	-	-	-	-	-
<i>GASB No. 54 Categories:</i>										
Nonspendable	-	-	-	-	-	13,233	11,607	13,079	12,134	12,259
Restricted	-	-	-	-	-	11,776,026	6,825,730	5,338,679	5,478,484	5,895,683
Assigned	-	-	-	-	-	21,768	(37,723)	-	-	-
Unassigned	-	-	-	-	-	(156,207)	(222,158)	(247,179)	(481,797)	(623,605)
<b>Total all other governmental funds</b>	<b>\$ 3,340,138</b>	<b>\$ 3,528,630</b>	<b>\$ 3,739,942</b>	<b>\$ 3,929,026</b>	<b>\$ 3,959,237</b>	<b>\$ 11,654,820</b>	<b>\$ 6,577,456</b>	<b>\$ 5,104,579</b>	<b>\$ 5,008,821</b>	<b>\$ 5,282,337</b>

<sup>1</sup> Information is presented for years ended subsequent to the implementation of GASB Statement No. 34.

**CITY OF TROUTDALE, OREGON**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years Ending June 30th  
 (modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Taxes	\$ 4,745,810	\$ 5,044,266	\$ 4,928,173	\$ 5,077,211	\$ 5,749,690	\$ 5,821,325	\$ 5,917,906	\$ 5,978,748	\$ 6,186,703	\$ 6,798,659
Licenses and permits	1,073,884	812,426	474,563	516,513	381,506	229,827	276,682	246,596	356,378	401,936
Intergovernmental	1,842,156	1,999,245	2,593,522	2,593,522	1,656,814	1,982,701	2,043,778	2,794,698	2,237,890	2,498,274
Charges for services	1,395,454	473,001	468,389	796,010	351,563	261,480	318,235	409,348	344,131	313,894
Fines	202,658	249,012	244,938	209,957	353,827	402,602	359,776	362,591	339,269	295,888
Investment earnings	244,578	368,355	332,818	148,990	54,186	56,150	74,488	54,752	45,229	47,516
Miscellaneous	87,790	306,628	1,495,227	748,969	1,020,628	950,705	997,837	1,087,082	1,144,248	964,757
<b>Total revenues</b>	<b>9,592,550</b>	<b>9,252,834</b>	<b>10,537,630</b>	<b>10,091,172</b>	<b>9,568,234</b>	<b>9,704,800</b>	<b>9,988,702</b>	<b>10,933,812</b>	<b>10,653,848</b>	<b>11,320,924</b>
<b>Expenditures</b>										
General government	1,677,810	1,878,820	2,126,571	2,040,359	2,233,315	2,120,597	2,104,647	2,088,156	2,067,329	2,182,269
Public safety	3,684,302	4,111,126	4,424,792	4,760,944	4,660,333	5,201,680	5,307,537	5,240,764	5,462,943	5,677,030
Highways and streets	307,983	311,201	445,657	705,840	546,464	782,891	724,049	786,038	929,899	732,538
Solid waste/recycling	22,711	22,311	19,850	22,958	3,166	8,139	13,780	13,517	17,225	15,114
Community development	1,679,711	1,717,739	1,833,020	1,708,006	1,452,360	1,360,661	1,360,507	1,295,030	1,581,270	1,617,532
Capital outlay	536,833	896,634	1,510,539	1,062,479	172,217	364,552	5,534,665	2,788,459	619,939	307,304
Debt service	207,707	86,533	184,838	95,000	100,000	105,000	110,000	115,000	120,000	126,033
Principal	22,116	12,285	15,144	38,830	35,466	31,930	28,221	24,340	20,286	16,060
Interest										
<b>Total expenditures</b>	<b>8,139,173</b>	<b>9,036,649</b>	<b>10,560,411</b>	<b>10,454,416</b>	<b>9,403,321</b>	<b>9,975,450</b>	<b>15,183,406</b>	<b>12,351,304</b>	<b>10,818,991</b>	<b>10,673,880</b>
<b>Excess of revenues over (under) expenditures</b>	<b>1,453,357</b>	<b>216,265</b>	<b>(22,781)</b>	<b>(363,244)</b>	<b>164,913</b>	<b>(270,650)</b>	<b>(5,194,704)</b>	<b>(1,417,492)</b>	<b>(165,043)</b>	<b>647,044</b>
<b>Other financing sources (uses)</b>										
Transfers in	845,165	869,585	1,018,630	308,775	152,056	482,104	138,000	143,000	141,000	142,000
Transfers out	(507,146)	(477,832)	(670,030)	(295,048)	(167,056)	(482,104)	(138,000)	(143,000)	(141,000)	(142,000)
Capital leases proceeds						114,105	158,887		41,973	
Bond proceeds						7,540,000				
Bonds premium						65,662				
<b>Total other financing sources (uses)</b>	<b>338,019</b>	<b>391,753</b>	<b>348,600</b>	<b>13,727</b>	<b>(15,000)</b>	<b>7,719,767</b>	<b>158,887</b>	<b>-</b>	<b>41,973</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 1,791,376</b>	<b>\$ 608,038</b>	<b>\$ 325,619</b>	<b>\$ (349,517)</b>	<b>\$ 149,913</b>	<b>\$ 7,449,117</b>	<b>\$ (5,035,817)</b>	<b>\$ (1,417,492)</b>	<b>\$ (123,070)</b>	<b>\$ 647,044</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>3.1%</b>	<b>1.2%</b>	<b>2.3%</b>	<b>1.4%</b>	<b>1.5%</b>	<b>1.4%</b>	<b>1.5%</b>	<b>1.5%</b>	<b>1.4%</b>	<b>1.4%</b>

<sup>1</sup> Information is presented for years ended subsequent to the implementation of GASB Statement No. 34.

**CITY OF TROUTDALE, OREGON**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE**  
**OF TAXABLE PROPERTY**  
**Last Ten Fiscal Years Ending June 30th**

Fiscal Year Ended	Assessed Value <sup>1</sup>										Ratio of Total Assessed Value to Total Real Market Value	Total City Tax Rate
	Real Property					Personal Property						
	Residential Property	Commercial Property	Industrial Property	Other Property	Total Real Property	Personal Property	Manufactured Property	Public Utilities Property	Total	Total Real Market Value		
2006	\$ 551,050,710	\$ 140,100,940	\$ 28,415,350	\$ 40,815,250	\$ 760,382,250	\$ 28,271,883	\$ 8,435,230	\$ 20,381,089	\$ 817,470,512	\$ 1,080,228,726	75.68%	4.46
2007	584,419,680	151,840,580	33,795,970	41,418,120	811,472,250	29,339,549	8,062,540	22,171,590	871,035,929	1,202,192,264	72.45%	4.55
2008	630,551,890	164,555,350	36,306,040	42,088,440	873,501,720	28,987,384	8,839,580	21,886,600	933,315,284	1,374,707,003	67.89%	4.43
2009	671,196,810	170,212,610	38,387,830	55,947,030	935,754,280	30,404,405	9,312,120	25,564,310	1,001,035,115	1,628,878,407	61.42%	4.40
2010	724,460,240	132,033,070	95,566,630	58,252,340	1,010,312,280	30,827,601	10,750,860	30,057,100	1,081,947,841	1,955,868,519	56.30%	4.39
2011	748,603,040	135,205,020	102,409,550	55,708,990	1,041,926,600	28,481,859	10,539,230	30,086,170	1,111,032,859	1,824,028,187	60.91%	4.44
2012	750,287,090	138,073,440	105,218,010	57,320,510	1,050,899,050	30,835,046	10,518,970	37,638,877	1,129,891,943	1,731,455,887	65.26%	4.93
2013	735,543,050	198,583,360	19,992,540	68,507,590	1,022,627,540	50,886,853	9,312,620	39,162,900	1,121,969,913	1,711,308,740	65.56%	5.09
2014	767,084,170	212,904,330	19,566,760	61,056,060	1,060,611,320	53,724,870	9,628,190	40,383,830	1,164,348,200	1,728,071,950	67.34%	5.02
2015	807,457,540	267,671,940	19,354,720	62,446,640	1,156,930,840	79,633,140	9,555,290	43,185,990	1,289,385,250	1,904,289,273	67.71%	4.85

Source: Multnomah County Division of Assessment and Taxation.

<sup>1</sup> Properties are assessed annually by the County (residential properties) and the State (major commercial properties). Real market values are based on those assessments. Oregon voters approved Ballot Measure 50 in May of 1997, which established a base for property values (the assessed values shown) and limited future increases to three percent per year, regardless of actual market values. New construction is valued equivalent to existing assessed properties by applying a changed property ratio to real market values of the construction as determined by the assessors. (Sb17)

**CITY OF TROUTDALE, OREGON**  
**PROPERTY TAX RATES<sup>1</sup>**  
**DIRECT AND OVERLAPPING<sup>2</sup> GOVERNMENTS**  
 Last Ten Fiscal Years Ending June 30th

Fiscal Year	CITY OF TROUTDALE, OREGON										Overlapping Rates					Total Direct & Overlapping Rates
	Urban					Regional & County					School District					
	Operating	Debt Service	Renewal Agency	Total City	Multnomah County	Port of Portland	Metro Service District	Tri-Met	Soil Conservation District	Total Regional & County	Multnomah County ESD	Reynolds School District	Mt. Hood Community College	Total Schools		
2006	3.77	0.78	-	4.55	5.31	0.07	0.28	0.12	0.04	5.82	0.46	6.02	0.49	6.96	17.33	
2007	3.77	0.69	-	4.46	5.29	0.07	0.28	0.10	0.03	5.77	0.46	5.95	0.49	6.90	17.13	
2008	3.75	0.66	0.02	4.44	5.41	0.07	0.43	0.09	0.07	6.07	0.46	5.83	0.49	6.77	17.28	
2009	3.75	0.64	0.03	4.43	5.38	0.07	0.40	0.08	0.09	6.02	0.46	5.80	0.49	6.75	17.20	
2010	3.76	0.62	0.04	4.41	5.39	0.07	0.44	0.09	0.10	6.08	0.46	5.59	0.49	6.54	17.04	
2011	3.75	0.67	0.04	4.47	5.37	0.07	0.41	0.09	0.10	6.04	0.46	5.58	0.49	6.53	17.03	
2012	3.75	1.16	0.07	4.98	5.42	0.07	0.31	0.06	0.10	5.96	0.46	5.75	0.49	6.70	17.54	
2013	3.74	1.31	0.10	5.16	5.40	0.07	0.40	-	0.10	5.97	0.45	5.95	0.49	6.89	18.02	
2014	3.74	1.29	0.13	5.16	5.65	0.07	0.47	-	0.10	6.29	0.45	5.97	0.49	6.92	18.36	
2015	3.73	1.12	0.14	5.00	5.63	0.07	0.46	-	0.10	6.25	0.45	5.77	0.49	6.71	17.96	

Source: Multnomah County Division of Assessment and Taxation.

<sup>1</sup> In May of 1997 Oregon voters approved Ballot Measure 50 which established permanent tax rates for local taxing districts. Changes to permanent rates would require a state-wide majority vote to remove the effects of the measure from the Oregon constitution. Special levies, with certain restrictions, can be added to permanent rates by vote within each district.

<sup>2</sup> Overlapping rates are the tax rates of various local and county governments that apply to property owners within the City of Troutdale, for Levy Code Area 242. Not all overlapping rates apply to all City of Troutdale property owners (e.g., the rates for special districts apply only to the proportion of the City of Troutdale's property owners whose property is located within the geographic boundaries of the special district).

CITY OF TROUTDALE, OREGON  
 PRINCIPAL PROPERTY TAXPAYERS  
 June 30, 2015

Taxpayer	2014-2015			2005-2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
FEDEX GROUND PACKAGE	\$ 93,483,610	1	7.3%			
CHELSEA GCA REALTY PARTNERSHIP	21,626,430	2	1.7%	\$ 16,575,140	1	1.9%
TOYO TANSO USA, INC.	17,787,100	3	1.4%	14,824,540	2	1.7%
COMCAST CORPORATION	16,721,500	4	1.3%			
MOUNTAIN MEADOWS COMMUNITY INC	11,613,580	5	0.9%			
BURLINGAME DEVELOPMENT INC.	11,258,050	6	0.9%	7,809,910	6	0.9%
PORTLAND GENERAL ELECTRIC	10,156,000	7	0.8%			
MGP X PROPERTIES LLC	10,106,880	8	0.8%			
TROUTDALE TERRACE	9,430,260	9	0.7%	7,227,590	8	0.8%
HPT TA PROPERTIES LLC	8,615,820	10	0.7%	7,703,550	7	0.9%
Tube Specialties Co., Inc.				13,680,060	3	1.6%
Kravitz, Alan Metal				8,900,890	4	1.0%
Retail Property Partners LP				8,117,060	5	0.9%
Albertson's				5,940,420	9	0.7%
Pan Pacific Retail				5,377,630	10	0.6%
<b>Totals</b>	<b>\$ 210,799,230</b>		<b>16.5%</b>	<b>\$ 96,156,790</b>		<b>11.0%</b>

Source: Multnomah County Division of Assessment and Taxation.

**CITY OF TROUTDALE , OREGON**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**Last Ten Fiscal Years Ending June 30th**

Fiscal Year Ended June 30	Collected within the Fiscal Year of the Levy				Total Collections to Date	
	Total Tax Levy for Fiscal Year	Current Tax Collections	Percentage of Levy	Delinquent Tax Collections	Amount	Percentage of Levy
2006	\$ 4,002,040	\$ 3,783,906	94.5%	\$ 217,792	\$ 4,001,698	99.99%
2007	4,161,638	4,064,812	97.7%	96,383	4,161,195	99.99%
2008	4,502,533	4,353,221	96.7%	148,708	4,501,929	99.99%
2009	4,643,517	4,345,859	93.6%	296,753	4,642,612	99.98%
2010	4,776,510	4,453,024	93.2%	304,711	4,757,735	99.61%
2011	4,916,098	4,641,549	94.4%	253,224	4,894,772	99.57%
2012	5,548,240	5,286,245	95.3%	215,859	5,502,104	99.17%
2013	5,673,471	5,466,703	96.4%	146,102	5,612,804	98.93%
2014	5,998,948	5,676,214	94.6%	236,827	5,913,041	98.57%
2015	6,444,151	6,111,873	94.8%	-	6,111,873	94.84%

Source: Multnomah County Division of Assessment and Taxation  
Annual Property Tax Distribution Summary  
Annual Property Tax Receivable Summary

**CITY OF TROUTDALE, OREGON**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
 Last Ten Fiscal Years Ending June 30th

Fiscal Year	Governmental Activities				Business-Type Activities						Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation Bonds	Net G.O. Bond (Premium)/Discount	Capital Lease Payable	Installment Contract Loan	Finance Agreement	General Obligation Bonds	Net G.O. Bond (Premium)/Discount	Oregon Economic Development Loan	Other				
2006	\$ -	\$ -	\$ 271,372	\$ -	\$ -	\$ 11,770,000	\$ -	\$ 295,397	\$ -	\$ 12,336,769	0.05%	816	
2007	-	-	184,839	-	-	11,020,000	-	-	-	11,204,839	0.04%	726	
2008	-	-	-	-	1,173,000	10,310,000	-	-	-	11,483,000	0.04%	743	
2009	-	-	-	-	1,078,000	9,450,000	(127,323)	-	-	10,400,677	0.04%	669	
2010	-	-	-	-	878,000	8,570,000	(113,176)	-	-	9,434,824	0.03%	605	
2011	7,540,000	65,662	78,770	-	873,000	7,645,000	(99,029)	-	-	16,103,403	0.05%	1,008	
2012	7,480,000	62,379	146,684	-	763,000	6,665,000	(84,882)	-	-	15,052,181	0.05%	941	
2013	7,315,000	59,096	81,194	-	648,000	5,665,000	(70,736)	-	-	13,717,565	0.04%	857	
2014	7,130,000	55,813	88,845	-	528,000	4,645,000	(66,588)	-	-	12,390,870	0.03%	774	
2015	6,915,000	52,530	61,144	-	403,000	3,555,000	(42,441)	-	-	11,184,724	N/A	698	

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

1 See the Schedule of Demographic and Economic Statistics for population data used in this calculation.

N/A - data not available.

**CITY OF TROUTDALE , OREGON**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**Last Ten Fiscal Years Ending June 30th**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Value of Taxable Property <sup>1</sup>	Per Capita <sup>2</sup>
2006	\$ 11,770,000	\$ 62,073	\$ 11,707,927	1.08%	775
2007	11,020,000	109,294	10,910,706	0.91%	707
2008	10,310,000	154,960	10,155,040	0.74%	657
2009	9,322,677	214,654	9,108,023	0.56%	586
2010	8,456,824	260,037	8,196,787	0.44%	526
2011	15,151,633	222,672	14,928,961	0.82%	934
2012	14,142,497	259,279	13,883,218	0.80%	868
2013	12,988,361	326,086	12,662,275	0.74%	791
2014	11,774,225	473,658	11,300,567	0.65%	706
2015	10,480,089	652,205	9,827,884	0.52%	613

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup> See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data used in this calculation.

<sup>2</sup> See the Schedule of Demographic and Economic Statistics for population data used in this calculation.

**CITY OF TROUTDALE, OREGON**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
 June 30, 2015

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable <sup>1</sup>	Estimated Share of Overlapping Debt
<b>Debt repaid with property taxes:</b>			
Multnomah County	\$ 289,918,314	1.52%	\$ 4,406,758
Metro	223,625,000	0.77%	1,721,913
Port of Portland	65,302,566	0.71%	463,648
Reynolds School District No. 7	101,835,776	22.53%	22,943,600
Gresham-Barlow School District No. 10	80,738,445	0.52%	419,840
Mt. Hood Community College	65,483,056	5.21%	3,411,667
Multnomah Education Service District	31,355,000	1.49%	467,190
<b>Other:</b>			
Multnomah County	262,714,000	1.52%	3,993,253
Port of Portland	786,275,000	0.71%	5,582,553
TriMet Transportation District	552,480,000	0.86%	4,751,328
<b>Subtotal, overlapping debt</b>			<b>48,161,749</b>
<b>City of Troutdale, Oregon direct debt</b>			<b>7,431,674</b>
<b>Total direct and overlapping debt</b>			<b>\$ 55,593,423</b>

Source: The State of Oregon Office of the Treasurer, acting on behalf of the Municipal Debt Advisory Commission (MDAC) & Multnomah County Division of Assessment and Taxation

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Troutdale. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt, of each overlapping government.

<sup>1</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values.

**CITY OF TROUTDALE, OREGON**  
**LEGAL DEBT MARGIN INFORMATION**  
 Last Ten Fiscal Years Ending June 30th

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 36,065,768	\$ 41,241,210	\$ 48,896,352	\$ 50,725,479	\$ 55,676,056	\$ 54,720,846	\$ 51,943,677	\$ 51,339,262	\$ 51,872,159	\$ 57,128,678
Total net debt application to limit										
Legal debt margin	\$ 36,065,768	\$ 41,241,210	\$ 48,896,352	\$ 50,725,479	\$ 55,676,056	\$ 54,720,846	\$ 51,943,677	\$ 51,339,262	\$ 51,872,159	\$ 57,128,678
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Legal Debt Margin Calculation for Fiscal Year 2014-2015**

Real market value (2014-15) <sup>1</sup>	\$ 1,904,289,273
Debt limit (3% of total real market value)	57,128,678
Debt subject to limit:	-
Legal debt margin	<u>\$ 57,128,678</u>

<sup>1</sup> Note: Oregon Revised Statute 287.004 provides a debt limit of 3% of the taxable real market value within the City's boundaries for general obligation bonds. Utility revenue bonds and assessment bonds are excluded from the limitation. The general obligation bonds outstanding for the City are for the sewer plant expansion project and the new police station, both of which are excluded from debt subject to the limit. Therefore, the legal debt margin equals the State imposed debt limit.

**CITY OF TROUTDALE , OREGON**  
**PROPERTY VALUE AND NEW CONSTRUCTION VALUE**  
**Last Ten Fiscal Years Ending June 30th**

Fiscal Year	New Commercial Construction <sup>1</sup>		New Residential Construction <sup>1</sup>		Property Value	
	Number of Units	Value	Number of Units	Value	Assessed Value <sup>2</sup>	Tax Rate
2006	4	\$ 3,724,838	196	\$ 33,824,614	\$ 871,035,929	4.55
2007	16	3,056,423	54	13,374,712	933,315,284	4.46
2008	7	1,322,870	39	8,529,159	1,001,035,115	4.43
2009	14	40,047,369	17	3,173,369	1,039,496,918	4.40
2010	43	58,680,115	20	3,642,609	1,079,497,361	4.39
2011	-	-	3	640,367	1,107,900,669	4.44
2012	46	7,876,916	16	940,582	1,124,964,739	4.93
2013	42	3,061,104	19	937,644	1,115,008,909	5.09
2014	53	18,894,063	19	1,205,558	1,278,870,040	5.06
2015	86	8,443,560	36	1,093,255	1,289,385,250	4.86

1 City of Troutdale Building Department.

2 Multnomah County Division of Assessment and Taxation.

**CITY OF TROUTDALE , OREGON**  
**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS**  
**Last Ten Fiscal Years Ending June 30th**

<u>Fiscal Year</u>	<u>Special Assessment Billings</u>	<u>Special Assessment Collections <sup>1</sup></u>
2006	-	-
2007	-	-
2008	-	-
2009	-	-
2010	-	-
2011	-	-
2012	-	-
2013	-	-
2014	-	-
2015	-	-

<sup>1</sup> Includes prepayments.

**CITY OF TROUTDALE , OREGON**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Fiscal Years Ending June 30th**

Fiscal Year	Population <sup>1</sup>	Personal Income (Multnomah County) <sup>2</sup>	Per Capita Personal Income (Portland Metro Area) <sup>2</sup>	School Enrollment <sup>3</sup>	Unemployment Rate (Portland Metro Area) <sup>4</sup>
2006	15,110	\$ 27,043,127,000	\$ 38,040	4,487	5.4%
2007	15,430	28,234,192,000	39,428	4,293	4.9%
2008	15,465	29,654,879,000	40,376	4,388	6.0%
2009	15,535	28,440,292,000	38,565	3,689	10.7%
2010	15,595	29,458,183,000	39,384	4,674	10.5%
2011	15,980	31,161,157,000	41,302	4,089	9.1%
2012	16,000	32,644,222,000	43,189	4,252	8.2%
2013	16,005	33,376,029,000	43,728	4,128	7.2%
2014	16,015	36,588,018,000	45,794	4,221	6.4%
2015	16,020	N/A	N/A	4,159	N/A

Data Sources:

<sup>1</sup> Portland State University, Population Research and Census center.

<sup>2</sup> U.S. Department of Commerce, Bureau of Economic Analysis. Calendar year info

<sup>3</sup> Reynolds School District: Four schools located within corporate limits.

<sup>4</sup> U.S. Department of Labor, Bureau of Labor Statistics, Calendar year info since 2007

N/A - data not available.

**CITY OF TROUTDALE, OREGON  
PRINCIPAL EMPLOYERS  
Current Year and Prior Year**

Employer	2015			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
FedEx Ground Package System, Inc.	740	1	15.46%	740	1	15.46%
Walsh Trucking Co., LTD	220	2	4.60%	220	2	4.60%
Tube Specialties	191	3	3.99%	191	3	3.99%
Home Depot USA, Inc.	168	4	3.51%	168	5	3.51%
Toyo Tanso USA, Inc.	134	5	2.80%	134	4	2.80%
Travel Centers of America	125	6	2.61%	125	6	2.61%
Edgefield Gardens/ McMenamins Edgefield	120	7	2.51%	120	7	2.51%
Postal Express, Inc.	113	8	2.36%	113	8	2.36%
Fujji Farms, Inc.	102	9	2.13%	102	9	2.13%
Safeway, Inc.	90	10	1.88%	90		1.88%
<b>Totals</b>	<b>2,003</b>		<b>41.86%</b>	<b>2,003</b>		<b>41.88%</b>

Source: City of Troutdale business license applications self reported.  
Combined full time and part time positions reported

**CITY OF TROUTDALE , OREGON**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT**  
**EMPLOYEES BY FUNCTION**  
**Last Ten Fiscal Years Ending June 30th**

Function	Full-time Equivalent Employees for Fiscal Year Ended									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government	13.8	13.5	14.5	14.5	14.0	14.3	14.3	15.8	13.4	12.4
Police										
Officers	20	22	22	24	22	23	23	24	25	25.0
Civilians	3.8	3.8	4.7	5.0	5.0	4.5	4.5	3.5	3.5	3.5
Building Safety					4.0	2.1	2.1	1.7	1.5	1.8
Community Development	16.7	16.7	16.8	16.8	3.0	2.5	2.5	2.0	1.0	1.5
Parks & Facilities					4.0	4.0	4.0	4.4	6.0	6.0
Streets	1.9	1.9	2.0	2.0	2.0	1.5	1.6	1.5	1.9	1.9
Water	4.9	4.9	5.9	5.9	6.0	5.5	5.4	5.0	4.8	5.0
Sewer	7.0	7.0	7.0	8.0	6.0	6.0	6.0	8.0	8.0	6.0
Storm										2.1
Public Works Services										
Equipment Maintenance	2.2	2.2	2.1	2.1	2.1	1.5	2.1	2.1	1.7	1.7
Management	6.0	6.0	6.0	6.0	6.0	5.8	5.9	6.0	5.9	6.2
<b>Total</b>	<b>76.3</b>	<b>78.0</b>	<b>81.0</b>	<b>84.2</b>	<b>74.1</b>	<b>70.6</b>	<b>71.4</b>	<b>74.0</b>	<b>72.8</b>	<b>72.8</b>

Source: City financial records.

**CITY OF TROUTDALE, OREGON**  
**OPERATING INDICATORS BY FUNCTION**  
**Last Ten Fiscal Years Ending June 30th**

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Police</b>										
Calls for service <sup>1</sup>	8,266	8,582	9,462	8,662	8,179	8,236	11,897	11,798	10,505	N/A
Traffic Calls <sup>1</sup>	2,635	2,695	3,250	3,018	3,808	3,828	3,316	3,060	2,508	N/A
Part I crimes <sup>2</sup>	591	714	685	560	532	549	599	550	558	N/A
Part II crimes <sup>2</sup>	558	735	754	736	772	882	940	727	608	N/A
<b>Water</b>										
Number of users	4,464	4,557	4,599	4,605	4,616	4,645	4,641	4,644	4,648	4,655
Average daily production (in thousands of gallons)	1,748	1,742	1,754	1,733	1,562	1,547	1,643	1,617	1,547	1,592
<b>Sewer System</b>										
Number of users	4,248	4,350	4,345	4,497	4,511	4,514	4,476	4,373	4,491	4,498
Average daily use or consumption (in thousands of gallons)	1,454	1,548	1,471	1,348	1,200	1,200	1,397	1,390	1,337	1,303
<b>Storm Water System</b>										
Number of users	4,341	4,447	4,443	4,605	4,619	4,633	4,560	4,466	4,584	4,591

Sources: Various City departments.

N/A - data not available.

<sup>1</sup> Calls for Service compiled on a calendar year basis from Bureau of Emergency Communications (BOEC) dispatch reports. Traffic calls compiled on a calendar year basis from BOEC dispatch reports but are officer initiated.

<sup>2</sup> Police Part I and II crime statistics compiled on a calendar year basis. Part I crimes include homicide, forcible rape, robbery, aggravated assault, burglary, larceny, motor vehicle theft, and arson. Part II crimes include simple assault, forgery/counterfeit, fraud, embezzlement, stolen property, vandalism, weapons laws, prostitution, other sex offenses, drug abuse, gambling, offenses against family, DUI, liquor laws, disorderly conduct, negligent homicide, and curfew/runaway.

Note: Indicators are not available for highways and streets and general government.

**CITY OF TROUTDALE, OREGON**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**Last Ten Fiscal Years Ending June 30th**

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	19	22	22	24	24	20	20	20	20	20
Highways and streets										
Streets (miles)	39.6	40.8	41.2	41.2	42.5	42.8	42.9	42.8	43.2	43.2
Culture and recreation										
Parks acreage	73	73	73	73	73	87.34	89.70	86.45	86.45	83.47
Greenways acreage	96	96	96	96	96	164.11	164.11	163.91	152.30	154.03
Parks, Greenways & Natural Areas	18	18	18	18	18	29	29	30	30	29
Water system										
Water main lines (miles)	64	64	64	64	64	61.25	61.25	65.50	66.89	66.72
Daily storage capacity (in millions of gallons)	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6
Daily production capacity (in millions of gallons)	6.3	6.3	4.3 <sup>2</sup>	4.4	3.8	6.0	6.0	5.2	5.8	5.8
Sewer system										
Sanitary sewer lines (miles)	51.0	51.0	51.2	51.5	51.5	54.62	54.62	55.91	55.87	55.92
Daily plant capacity (in millions of gallons)	3	3	3	3	3	3	3	3	3	3
Storm water system										
Miles of service lines	32.0	32.0	32.4	32.4	32.4	37.0	37.0	34.3	47.2	47.36

Sources: Various City departments.

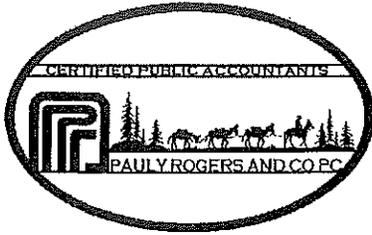
<sup>1</sup> New Water Pollution Control Facility opened for production in 2002.

<sup>2</sup> Previous years reported total water rights. In FY 2008, total physical well production capacity is reported

**CITY OF TROUTDALE  
MULTNOMAH COUNTY, OREGON**

**INDEPENDENT AUDITORS' REPORT  
REQUIRED BY OREGON STATE REGULATIONS**

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PAULY, ROGERS, AND CO., P.C.  
12700 SW 72<sup>nd</sup> Ave. Tigard, OR 97223  
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December 22, 2015

### Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the City of Troutdale as of and for the year ended June 30, 2015, and have issued our report thereon dated December 22, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

#### Compliance

As part of obtaining reasonable assurance about whether the City of Troutdale's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

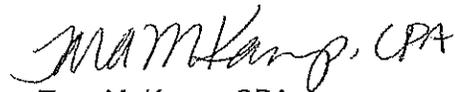
- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Highway revenues used for public highways, roads,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

In connection with our testing nothing came to our attention that caused us to believe the City of Troutdale was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

**OAR 162-10-0230 Internal Control**

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

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



Tara M. Kamp, CPA  
PAULY, ROGERS AND CO., P.C.

## **RESOLUTION NO.**

### **A RESOLUTION APPROVING THE CITY'S FINANCIAL STATEMENTS AND COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR THE FISCAL YEAR ENDED JUNE 30, 2015.**

#### **THE TROUTDALE CITY COUNCIL FINDS AS FOLLOWS:**

1. The Municipal Audit Law, ORS 297.425 requires an annual audit of the City's financial statements and report to the Secretary of State.
2. That the Governmental Accounting Standards Board (GASB) has identified accountability as the paramount objective of financial reporting, providing two essential components: fiscal accountability and operational accountability.
3. To fully support these accountability objectives that the City has prepared a Comprehensive Annual Financial Report (CAFR).
4. That City Management is primarily and ultimately responsible for the fairness of the presentation of the basic financial statements.
5. That the annual presentation of the CAFR facilitates the monitoring and accountability responsibilities of the City Council for oversight of the City's fiscal affairs.

#### **NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TROUTDALE, OREGON THAT:**

Section 1: The City's financial statements and Comprehensive Annual Financial Report (CAFR) prepared by City Management for the Fiscal Year ended June 30, 2015 are approved.

Section 2: This resolution is effective upon adoption.

**YEAS:**  
**NAYS:**  
**ABSTAINED:**

---

**Doug Daoust, Mayor**

---

**Date**

---

**Sarah Skroch, City Recorder**  
**Adopted:**



# CITY OF TROUTDALE



## STAFF REPORT

**SUBJECT / ISSUE:** A Resolution Accepting the Independent Auditors' Report on the Financial Statements for the fiscal year ended June 30, 2015, and the Auditors' SAS 114 Letter, and OAR 162-10-000 Letter.

<p><b>MEETING TYPE:</b> City Council Regular Mtg.</p>	<p><b>MEETING DATE:</b> February 23, 2016 <b>STAFF MEMBER:</b> Erich Mueller <b>DEPARTMENT:</b> Finance</p>
<p><b>ACTION REQUIRED</b> Resolution</p> <p><b>PUBLIC HEARING</b> No</p>	<p><b>ADVISORY BOARD/COMMISSION RECOMMENDATION:</b> Not Applicable</p> <p>Comments:</p>
<p><b>STAFF RECOMMENDATION:</b> Adopt the Resolution accepting the Independent Auditors' Report, SAS letter and OAR 162 Letters of auditor communication.</p>	

**EXHIBITS:**

- A. Auditors' letter SAS No. 114 The Auditor's Communication to the Governing Body
- B. Comprehensive Annual Financial Report – CAFR (as provided with the previous agenda item)

**Subject / Issue Relates To:**

- Council Goals                       Legislative                       Other (describe)  
 Demonstrate financial oversight by the City Council

**Issue / Council Decision & Discussion Points:**

- ◆ City Management is primarily and ultimately responsible for the fairness of the presentation of the basic financial statements.
- ◆ As the CAFR is the City's presentation of its official GAAP based financial statements, external users of the CAFR desire independent assurance that the basic financial statements are reliable.
- ◆ The role and purpose of the independent auditor is to express an opinion on the fairness of the presentation of the financial statements.
- ◆ The role of the City Council is ultimately the responsibility for the monitoring, accountability and oversight of the City's fiscal affairs.

Reviewed and Approved by City Manager:

- ◆ SAS No. 114 requires auditors to communicate openly and candidly specifically with the Council
- ◆ OAR 162-10-000 specifies the Minimum Standards for Audits of Oregon Municipal Corporations and requires comments and disclosures from the auditors

## BACKGROUND:

The Comprehensive Annual Financial Report (CAFR) of the City of Troutdale for the fiscal year ended June 30, 2015 was audited by Pauly, Rogers and Co., P.C. The auditor issued an unqualified (“clean”) opinion. The ***Independent Auditors’ Report***, is in the bound CAFR page 1, and is presented for your review and acceptance.

The letter identifies the financial statements, management’s responsibility, the auditor’s scope and role, and importantly their resulting conclusion opinion of the financial statements. The opinion statement is at the top of page 2.

The auditor’s required letter under the Auditing Standards Board Statement on Auditing Standards (SAS) No. 114, ***The Auditor’s Communication to the Governing Body***, is attached for your review and acceptance.

SAS No. 114 requires auditors to communicate openly, candidly, and specifically with those charged with corporate governance, regarding significant findings and issues related to the audit. Their observations are described beginning at the top of page 2 of their SAS114 letter, under Result of Audit:

- they report that a “clean” unqualified audit opinion was issued,
- no exceptions to State minimum standards (This item is covered in the following section of this staff report), and
- that a separate Management Letter SAS 115 was ***not*** issued again this year.

Under Significant Audit Findings section, they report **no issues** with the areas of:

- *Qualitative Aspects of Accounting Practices*
- *Difficulties Encountered in Performing the Audit*
- *Corrected and Uncorrected Misstatements*
- *Disagreements with Management*
- *Management Representations*
- *Management Consultations with Other Independent Accountants*
- *Other Audit Findings or Issues*
- *Supplementary Information within Documents Containing Audited Financial Statements*
- *Other Information in Documents Containing Audited Financial Statements*

Under the New Pension Reporting Requirements they note two new reporting requirements: Government Accounting Standards Board (GASB) Statement 68 - *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pensions Transition for Contributions Made Subsequent to the Measurement Date*. These new standards apply to every government unit in the United States for compliance accounting rules under GASB.

While these new standards change some calculations, and change the financial statement presentation/format, they **do not** change budgets, or require additional spending, or have any bearing on the amount of money available to spend.

The pension liability calculations for PERS are completed by the state 's actuaries, Milliman, to calculate the City's proportionate share of the overall state unfunded liability or asset, and will change annually.

Under the Future Accounting and Auditing Issues section are more significant new auditing and accounting standards which will expand the required scope of work for future audits. Most of these new standards will impact the City next year to varying degrees, and will likely increase demands on the Finance staff and increase future audit costs.

The Auditing Standards Board Statement on Auditing Standards (SAS) No. 115, ***Communicating Internal Control Related Matters Identified in an Audit***, is sometimes referred to as the "Management Letter". The Auditors found no grounds to issue one again this year, as noted at the top of page 2 of their SAS 114 letter.

SAS No. 115 requires auditors to evaluate and identify and report 2 meaningful levels of internal control deficiencies. There are 3 categories of internal control exceptions, in order of seriousness;

- most serious: "*material weaknesses*"
- intermediate: "*significant deficiencies*" and
- lowest: "*not significant deficiencies*"

Again this year we had **no control issues** reported in either the most serious or intermediate levels. In past years we have had 2-3 items in the "significant deficiencies" (intermediate level) in internal control. The items from prior years have been satisfactorily corrected and no new issues were observed this past year.

The auditors did note 2 other "Best Practices - Not Significant Deficiencies" (lowest level) in internal control. These observations are described on page 5 of their SAS114 letter.

- This first item is a new recommendation which clarifies that the City Council is responsible for monitoring, accountability and oversight of the City's fiscal affairs, and that the meeting minutes should reflect that activity. The auditors always want to be on record as supporting more board oversight.

- The second item has been a matter of concern to the auditors for several years. Given the City's lean staffing level in Finance, the separation of duties vulnerability exists, and the auditors need to go on record as to bringing the concern to the attention of the governing board.

The auditor's required letter under Oregon Administrative Rules 162-10-000 ***Minimum Standards for Audits of Oregon Municipal Corporations***, is in the bound CAFR page 105. This OAR requires comments and disclosures from the auditors related to their audit of the financial statements and certain schedules in the CAFR including but not limited to:

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

They noted **no exceptions** in these areas as a result of their testing.

#### **CONCLUSION:**

The resolution prepared by staff does **not** "approve" the audit opinion and communication letters, but rather "accepts" these reports. These Letters report the auditors' professional judgment, and are not subject to client approval or disapproval.

#### **PROS & CONS:**

- A. Accept the Auditors' report and the OAR and SAS letters of communication complete the official record and demonstrate financial oversight by the Council.
- B. Not accept the Auditors' report and the OAR and SAS letters of communication, causing gaps in the official record.

**Exhibit A**

2/23/16 Council Mtg. – Item #10.2

**CITY OF TROUTDALE**  
**TROUTDALE, OREGON**

**COMMUNICATION TO THE GOVERNING BODY**

**FOR THE YEAR ENDED JUNE 30, 2015**



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



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

December 22, 2015

To the City Council  
City of Troutdale  
Multnomah County, Oregon

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troutdale for the year ended June 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

### **Purpose of the Audit**

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

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

### **Our Responsibility under U.S. Generally Accepted Auditing Standards**

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

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

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

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

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

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

### **Results of Audit**

1. Audit opinion letter - an unmodified opinion on the basic financial statements has been issued. This means we have given a "clean" opinion with no reservations.
2. State minimum standards – We found no exceptions or issues requiring comment.
3. Management letter – No separate management letter was issued.

### **Significant Audit Findings**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2015, except for the implementation of GASB 68 – *Accounting and Financial Reporting for Pensions* and GASB 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.

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

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

#### *Difficulties Encountered in Performing the Audit*

We encountered no difficulties in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

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

#### *Disagreements with Management*

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

Pauly, Rogers and Co., P.C.

### *Management Representations*

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

### *Management Consultations with Other Independent Accountants*

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

### *Other Audit Findings or Issues*

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

### *Supplementary Information*

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

### *Other Information*

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

### **Emphasis of Matter – New Pension Reporting Requirements**

During the 2014-2015 fiscal year a new accounting requirement went into effect called Government Accounting Standards Board Statement 68 - *Accounting and Financial Reporting for Pensions* as well as the provisions of GASB Statement No. 71, *Pensions Transition for Contributions Made Subsequent to the Measurement Date*. Every government in the United States was required to comply with these new accounting rules. In the past, governments have not recorded a liability for the amount of money owed to current and former employees for future retirement benefit payments that have already been earned by the employees. This new requirement made financial reports for governments more transparent and accurate by quantifying a debt that has always existed but not reported.

The new accounting standard created a method for calculating the entire amount of money owed to all current and former employees in the future, which will need to be included as a liability in the June 30, 2015 financial report. As a result, it was possible that some governments would have a lower, and possibly negative, financial position, or net worth as of the beginning of the fiscal year than what was reported in the prior year under old standards, as well as at the end of the current fiscal year. Some governments in an attempt to reduce rates paid to PERS elected to "fund" their future debt to PERS by borrowing money using "Pension Obligation Bonds" which

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was used by the state's actuaries, Milliman, to calculate the City's proportionate share of the overall state unfunded liability or asset. Due to the results of the valuation as of June 30, 2015 there was a state-wide asset that was proportionately allocated to each employer based on the actuarial study. This study did not take into account the results of the *Moro v. State of Oregon* decision by the Oregon Supreme Court in April of 2015.

The Statement of Net Position now has new accounts listed. The Net Pension Asset represents the City's proportionate share of the state-wide actuarially determined asset as of the measurement date. The Net Pension Related Deferrals include a combination of calculations made by the actuaries based on potential changes in assumptions and the difference between actual and expected returns on investments, as well as contributions made to PERS by the City subsequent to the date of the actuarial valuation which were not accounted for in the state-wide asset.

These new requirements do not change anything related to the budgets of the governments, do not require additional spending and have no bearing on the amount of money available to spend. Governments make payments to PERS each month based on a rate already calculated by an actuary, and this will not change as a result of the new pronouncements.

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

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

#### **GASB 72**

GASB issued Statement No. 72, Fair Value Measurement and Application, which prescribes how state and local governments should define and measure fair value. It also prescribes which assets and liabilities should be measured at fair value, and expands disclosures related to fair value measurements. This standard is required to be implemented in fiscal year 2015-16.

#### **SINGLE AUDIT**

On December 26, 2013, the Office of Management and Budget ("OMB") issued the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, for state and local governments, non-profit entities, institutions of higher education and tribal governments. This guidance (also referred to as the "Supercircular") supersedes the requirements from eight OMB Circulars down into one. As a result of this circular, there will be changes to the single audit requirements previously specified under OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Beyond making changes to auditor requirements the new standards required that non federal entities follow the new Cost Principles in 2 CFR 200 for any grants that were awarded after December 26, 2014.

In these standards there are also significant purchasing changes to federal grants that apply July 1, 2016. The purchasing department should be familiar with these new standards, because these standards are detailed and complex.

#### **IMPLICIT RATE SUBSIDY FOR OPEBs**

In Oregon, an implicit rate subsidy is required for almost all entities, due to the fact that Oregon law requires that any retiree be allowed to buy-back into their former employer's health insurance plan. In the past, relatively small employers participating in a large, pooled health plan were sometimes exempt from having to account for an implicit rate subsidy due to a "community-rating" exception. In general, this exception applied when the claims experience of an individual employer would have virtually no impact on the premium being charged to that employer. The accounting standards that apply to OPEBs refer to the Actuarial Standards of Practice (ASOPs) in determining whether a community-rated situation applied. However, the newly revised ASOP 6 virtually eliminated the concept of the community-rating exception.

As a result, agencies participating in community-rated plans that had previously been exempt from reporting liabilities due to an implicit rate subsidy may now be required to do so. We recommend that Management contact an actuary to determine if an actuarial study is required.

**Best Practices – Not Significant Deficiencies**

1. Governing Body Monitoring

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

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

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

2. Segregation of Duties

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

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



Tara M Kamp, CPA  
PAULY, ROGERS AND CO., P.C.

## **RESOLUTION NO.**

**A RESOLUTION ACCEPTING THE REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON THE AUDITED FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2015, AND THE AUDITOR'S COMMUNICATION TO THE GOVERNING BODY, (SAS NO. 114), AND THE OAR 162-10-000 REQUIRED COMMUNICATION.**

### **THE TROUTDALE CITY COUNCIL FINDS AS FOLLOWS:**

1. To support accountability in financial reporting the City has prepared financial statements and a Comprehensive Annual Financial Report (CAFR).
2. That City Management is primarily and ultimately responsible for the fairness of the presentation of the basic financial statements.
3. That City Council is ultimately responsible for the monitoring, accountability and oversight of the City's fiscal affairs.
4. Further that Independent Certified Public Accountants, Pauly, Rogers and Company, P.C., was previously engaged by the City to audit the financial statements and express an independent opinion on the fairness of the presentation of the City's financial statements.

### **NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TROUTDALE:**

Section 1: The Report of Independent Certified Public Accountants on the audited financial statements of the City for the Fiscal Year ended June 30, 2015 is accepted as presented.

Section 2: The auditors' letter required under Statement on Auditing Standards (SAS) No. 114; The Auditor's Communication to the Governing Body, is accepted as presented.

Section 3: The auditors' letter required under Oregon Administrative Rules 162.10.000 Minimum Standards for Audits of Oregon Municipal Corporations, is accepted as presented.

Section 4: This resolution is effective upon adoption.

**YEAS:  
NAYS:  
ABSTAINED:**

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**Doug Daoust, Mayor**

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**Date**

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**Sarah Skroch, City Recorder  
Adopted:**



# CITY OF TROUTDALE



## STAFF REPORT

**SUBJECT / ISSUE:** A Resolution Approving The Use Of Not Less Than \$150,000 Of The Lease Revenue From Multnomah County To Reduce Property Tax Levy For The Police Facility Bonds.

**MEETING TYPE:**  
City Council Regular Mtg.

**MEETING DATE:** February 23, 2016

**STAFF MEMBER:** Erich Mueller  
**DEPARTMENT:** Finance

**ACTION REQUIRED**  
Resolution

**ADVISORY BOARD/COMMISSION RECOMMENDATION:**  
Not Applicable

**PUBLIC HEARING**  
No

**STAFF RECOMMENDATION:** *Adopt the proposed resolution as a policy statement.*

**EXHIBITS:** None

**Subject / Issue Relates To:**

- Council Goals
- Legislative
- Other (describe)

Council policy statement regarding budget priority of PD building lease revenue.

**Issue / Council Decision & Discussion Points:**

- ◆ The Police Facility is financed through the voter approved the additional property tax levy.
- ◆ The lease rent revenue from the MCSO should be used to lower the property tax burden on the voters.

Reviewed and Approved by City Manager:

## **BACKGROUND:**

As part of contracting for Law Enforcement Services Provided through the Multnomah County Sheriff's Office (MCSO) the City agreed to lease a portion of the Troutdale Community Police Facility (Facility) for use by the Multnomah County Sheriff's Office Patrol Division. The Facility is an important cost efficiency component enabling the Sheriff to shift his patrol hub into East County and realize cost saving operational efficiencies by being closer to service delivery areas.

The MCSO will use the majority but not all of the Facility. The City shall retain ownership of the Facility which will continue to house the City Attorney/Legal Department offices, the main server network and telecommunication data center for the City, and the community room. The expected gross lease revenue would be greater than \$215,000 annually, some of which would be consumed by building utilities, insurance, maintenance and operations; Landlord expenses.

Based on comments during the public meetings on the MCSO IGA, expressing the expectation that the lease rent be used to pay towards the Facility bonds, the staff proposed, and the Budget Committee approved, and the Council adopted the current Fiscal Year 2015-2016 budget, allocating \$150,000 of the rent revenue to reduce bond property tax levy.

Subsequently the Council requested a resolution that at least \$150,000 of the annual lease rent revenue be used to reduce the annual debt service property tax levy for the Police Facility Bonds. The Council discussed at their June 9, 2015 meeting and chose to table the resolution indefinitely. The Council requested to consider the resolution again tonight.

The City is responsible for all the utility and facility operational maintenance costs as landlord. The utility expenses are expected to grow significantly over the current usage in order to support the 60-65 MCSO deputies and staff operating the countywide Patrol Division 24/7/365. After a year of operation there will be a utility cost reimbursement reconciliation. The lease calls for the MCSO to reimburse the City for 72.5 percent of the annual total of utility costs.

The City General Fund is responsible for the remaining 27.5 percent of the utility cost. Using the MCSO utility reimbursement funds to also pay toward the bonds, as some have suggested, would result in the City General Fund subsidizing the countywide MCSO patrol costs. The funds are reimbursement of utility costs paid (to PGE, NW Natural, etc...). The money either pays for utilities or for bond debt.

After a year of operation and utility cost reconciliation, staff expects to present a report to Budget Committee at their December 6, 2016 Mid-Year meeting. As discussed at April 2015 Budget Committee meetings the annual utility cost reconciliation will not occur until after the first full year of the lease. The first year of the lease runs July 1, 2015 through June 30, 2016, the reconciliation will likely occur in August of 2016.

## **SUMMARY:**

The proposed resolution reflects the City Council policy intent for future budgeting decisions, as the resolution does not bind the Budget Committee on the allocation of budget resources, nor does it supersede the Local Budget Law. However, the Council comprises half of the Budget Committee, and therefore this resolution may influence the committee's decisions.

## **PROS & CONS:**

- A.** Approve the resolution communicating the clear policy intent for the tax payers to receive benefit in future years from the lease rent revenue through reducing their bond debt levy burden, but increasing the relative cost to the General Fund.
- B.** Not adopt resolution, foregoing any policy statement regarding future year's intended use of the lease rent revenue.

## **RESOLUTION NO.**

### **A RESOLUTION APPROVING THE USE OF NOT LESS THAN \$150,000 OF THE LEASE REVENUE FROM MULTNOMAH COUNTY TO REDUCE PROPERTY TAX LEVY FOR THE POLICE FACILITY BONDS.**

#### **THE TROUTDALE CITY COUNCIL FINDS AS FOLLOWS:**

1. On March 24, 2015 the City Council adopted Resolution No. 2279 approving the real property Lease Agreement with Multnomah County for the Troutdale Community Police Facility (Facility) for use by the Multnomah County Sheriff's Office Patrol Division.
2. The Facility Lease has a ten year term, and the City shall retain ownership of the Facility, which will continue to house the City Attorney/Legal Department offices, the main server network and telecommunication data center for the City, and the community room.
3. The City bears the utility and facility operational maintenance costs as landlord.
4. The Facility is a long term capital asset financed with general obligation bonds of the City for which the voters have approved the additional property tax levy for the debt service requirements.
5. The Facility Lease rent should be used primarily to reduce the bond debt service property tax levy burden of the voters.

#### **NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TROUTDALE:**

Section 1. Agrees now that at least \$150,000 of the annual Lease rent revenue be used to reduce the annual debt service property tax levy for the Police Facility Bonds.

Section 2. The annual Lease rent revenue allocation shall be in conformance with the requirements and limitations of ORS 294.305 to 294.565 the Oregon Local Budget Law.

Section 3. The City Finance Director, Erich Mueller, or a designee, is hereby authorized, empowered and directed to prepare the annual budget proposed to the Budget Committee in a manner necessary to implement the intent of this resolution.

Section 4. The Finance Director is authorized to disburse funds, subject to annual appropriations, as necessary to fulfill the debt service obligations, Lease Agreement obligations, including but not limited to building utilities, insurance, maintenance and operations; and is further directed to implement all such actions necessary to ensure budgetary compliance.

Section 5. This Resolution shall be effective upon adoption.

**YEAS:**  
**NAYS:**  
**ABSTAINED:**

\_\_\_\_\_  
**Doug Daoust, Mayor**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Sarah Skroch, City Recorder**  
**Adopted:**