



**AGENDA**  
**CANBY CITY COUNCIL**  
**REGULAR MEETING - \*\*\*7:30 PM\*\*\***  
**Virtual Meeting/ Council Chambers**

**Amended 5/4/2021**

*Meetings can be viewed on CTV Channel 5 and YouTube:*

<https://www.youtube.com/channel/UCn8dRr3QzZYXoPUEF4OTP-A>

*Register in advance for this meeting if you'd like to view on Zoom:*

[https://zoom.us/webinar/register/WN\\_JWi-osrSLWkxsb0w-0WnQ](https://zoom.us/webinar/register/WN_JWi-osrSLWkxsb0w-0WnQ)

After registering, you will receive a confirmation email containing information about joining the meeting.

**May 5, 2021**  
**222 NE 2<sup>nd</sup> Avenue, 1<sup>st</sup> Floor**

Mayor Brian Hodson

Councilor Christopher Bangs  
Council President Traci Hensley  
Councilor Sarah Spoon

Councilor Jordan Tibbals  
Councilor Greg Parker  
Councilor Shawn Varwig

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**Regular Meeting – \*7:30 PM- Please note change in start time.**

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**1. CALL TO ORDER**

- 2. CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS:** This is an opportunity for audience members to address the City Council on items not on the agenda. Each person will be given 3 minutes to speak. Staff and the City Council will make every effort to respond to questions raised during citizens input before the meeting ends or as quickly as possible thereafter. **\*\*\*If you would like to speak virtually or in person, please email or call the City Recorder by 7:00 pm on May 5<sup>th</sup>, 2021 with your name, the topic you'd like to speak on and contact information: [bissetm@canbyoregon.gov](mailto:bissetm@canbyoregon.gov) or call 503-266-0733. Once your information is received, you will be sent instructions to speak. Please note that Council will be attending this meeting virtually.**

- 3. CONSENT AGENDA:** This section allows the City Council to consider routine items that require no discussion and can be approved in one comprehensive motion. An item may be discussed if it is pulled from the consent agenda to New Business.

- a. Approval of Minutes of the April 7, 2021 City Council Work Session and City Council Regular Meeting. Pg. 4
- b. OLCC application for a Full On-Premises, Commercial license for Wayward Hospitality LLC (trade name – Siren Song) located at 136 N Grant Street. Pg. 11

**4. RESOLUTION**

- a. Consider **Resolution No. 1347:** A Resolution in favor of Businesses and Citizen Civil Liberties and against any more shutdowns or unnecessary restrictions. *(Added 5/4/2021)* Pg. 15

**5. UPDATE FROM TRANSIT DIRECTOR TODD WOOD REGARDING CANBY AREA TRANSIT (CAT).**

**6. ORDINANCES**

- a. Consider **Ordinance No. 1554**: An Ordinance authorizing the Mayor and City Administrator to execute a contract with First Transit, Inc. of Cincinnati, Ohio for providing Transit Operations for Canby Area Transit (CAT). (*First Reading*) Pg. 17
- b. Consider **Ordinance No. 1547**: An Ordinance authorizing the Mayor and City Administrator to execute a contract with Eagle- Elsner, Inc. in the amount of \$1,055,260.00 for Construction of the 2021 Street Maintenance. (*Second Reading*) Pg. 28
- c. Consider **Ordinance No. 1549**: An Ordinance authorizing the Mayor and City Administrator to execute a contract with Kintechnology, Inc. to continue to provide Computer Technical Services for the City, not to exceed \$132,000.00; and repealing Ordinance 1529. (*Second Reading*) Pg. 41
- d. Consider **Ordinance No. 1550**: An Ordinance authorizing the City of Canby to enter into a contract with Grove, Mueller & Swank, P.C. for Audit Services. (*Second Reading*) Pg. 55
- e. Consider **Ordinance No. 1555**: An Ordinance authorizing the City Administrator to enter into an Employment Contract between the City of Canby and Chief Jorge Tro. (*First Reading*) Pg. 118
- f. Consider **Ordinance No. 1552**: An Ordinance authorizing the Mayor and City Administrator to enter into a contract with Heard Farms for Wastewater Sewage Sludge Removal; and repealing Ordinance 1527. (*First Reading*) Pg. 125
- g. Consider **Ordinance No. 1553**: An Ordinance approving two Intergovernmental Agreements (IGAs) between Clackamas County and the City of Canby permitting authority and maintenance responsibility for portions of N. Locust Street, N. Maple Street, N. Redwood Street, and S. Redwood Street both in and out of City Limits. (*First Reading*) Pg. 134

## 7. MAYOR'S BUSINESS

## 8. COUNCILOR COMMENTS & LIAISON REPORTS

## 9. CITY ADMINISTRATOR'S BUSINESS & STAFF REPORTS

## 10. CITIZEN INPUT

## 11. ACTION REVIEW

## 12. ADJOURN

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### Executive Session – 8:00 PM

(Will begin after the City Council Meeting ends but not before 8:00 PM)

**EXECUTIVE SESSIONS ARE CLOSED TO THE PUBLIC.** Representatives of the news media and designated staff may attend Executive Sessions. Representatives of the news media are specifically directed not to report on any of the deliberations during the Executive Session, except to state the general subject of the session as previously announced. No Executive Session may be held for the purpose of taking final action or making any final decision.

**1. CALL TO ORDER**

**2. EXECUTIVE SESSION: ORS 192.660(2)(i) Performance Evaluation of Public Officer**

**3. ADJOURN**

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\*The meeting location is accessible to persons with disabilities. 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 Melissa Bisset at 503.266.0733. A copy of this Agenda can be found on the City's web page at [www.canbyoregon.gov](http://www.canbyoregon.gov). **City Council and Planning Commission Meetings are typically broadcast live and can be viewed on CTV Channel 5.** For a schedule of the playback times, please call 503.263.6287.

**\*\*We are requesting that rather than attending in person you view the meeting on CTV Channel 5 or on**

**YouTube:** <https://www.youtube.com/channel/UCn8dRr3QzZYXoPUEF4OTP-A>

**If you do not have access virtually, there are a small number of chairs provided inside to allow for distancing.**

**CANBY CITY COUNCIL  
WORK SESSION MEETING MINUTES  
April 7, 2021**

**PRESIDING:** Council President Traci Hensley

**COUNCIL PRESENT:** Christopher Bangs, Sarah Spoon, Greg Parker, Christopher Bangs, Jordan Tibbals, and Shawn Varwig.

**COUNCIL ABSENT:** Mayor Hodson was absent.

**OTHERS PRESENT:** Colin Sears, Regional Development Officer from Business Oregon.

**STAFF PRESENT:** Scott Archer, City Administrator; Joseph Lindsay, City Attorney; Ryan Potter, Senior Planner; Jamie Stickel, Economic Development Director; Melissa Bisset, City Recorder/ HR Manager; Taylor Kimble, Kintech; Valerie Kraxberger, Office Specialist – Tech Services.

**CALL TO ORDER:** Council President Hensley called the Work Session to order at 6:05 pm.

**PRESENTATION AND DISCUSSION REGARDING INDUSTRIAL PARK**

**DEVELOPMENT:** Jamie Stickel, Economic Development Director, presented an update on Industrial Park development. She gave a background on the Industrial Park which was established in 1999 and was two-thirds developed at this time. She explained how businesses found Canby, what made Canby attractive, and some recent Industrial Park projects including Premier Gear + Machine Works, BE Group, and Columbia Distributing. Projects that were underway included: Caruso Produce, Stanton Furniture, Apha Scents, Baker Center, Canby South, Dragonberry Phase Two, and the Walnut Street Extension.

Ryan Potter, Senior Planner, reviewed the various zones in the Industrial Park and range of land uses for those zones. He noted there was diversity of lot sizes that resulted in a diversity of land uses that included larger businesses but also multi-tenant buildings that could accommodate a variety of businesses on one property. This added flexibility for new and expanding businesses. He explained the application types and processes. The most common included pre-application conferences, design review, lot line adjustments and partitions, pre-construction conferences, final plat, site plan review, certificates of occupancy, and business licenses. There were also some less common processes that might occur including variances, conditional use permits, modifications, and appeals.

Mr. Potter explained the required transportation analysis for projects. Traffic studies included analysis that was dictated by location, type, and scale of project. He noted the City had adopted thresholds and the County also had standards that needed to be met. Street improvements and right-of-way dedication were required of any project in the Industrial Park. Connectivity was an important aspect with development. A few examples were the Sequoia Parkway extension in



2014 and Sequoia/Hazel Dell signal in 2020. He noted future projects included 4<sup>th</sup> Avenue and the Walnut Road extension and roundabout on SE 1<sup>st</sup> Avenue. Demand for industrial zoned land was very high in the region. The City's inventory of available industrial land had been an asset, but much of the park was now spoken for.

Councilor Parker discussed the need for bike lanes and that the Walnut extension should be a priority. He would like the transportation inputs to be checked to make sure they could handle large industries. He asked about the increase in tax income from the Industrial Park and how many jobs were going to local residents.

Colin Sears, Regional Development Officer from Business Oregon, discussed his background and highlighted trends for business recruitment. He explained that many cities in Oregon were eliminated in the search when they did not have incentives. Some disadvantages were income taxes, System Development Charges which were higher than other states, and paying costs up front instead of being amortized. The Strategic Investment Zone (SIZ) Program was started over 30 years ago when Intel was looking for an expansion. Oregon lost the competition and came up with a program to be more competitive. A little over a decade ago the Strategic Investment Zones were created and Clackamas County implemented two rural SIZs, and Canby was a part in Rural SIZ #1. Statewide there was limited supply of industrial land.

Councilor Parker asked about the challenges of businesses in Canby finding workers. He questioned if more industrial businesses would benefit the City.

Mr. Sears acknowledged that there were workforce challenges in the state. They operated in a regional economy and they could do an economic impact study to track how much employees were spending in Canby. There were cities who decided to focus on higher value, higher wage jobs for their industrial land, such as Hillsboro. They could decide to dedicate a portion of the Industrial Park for certain types of projects or they could boost incentives for higher wage projects. He noted that high tech and manufacturing were higher wage jobs.

Councilor Spoon shared her frustration that the only application they had in the SIZ was for a distribution center. It did not bring in a lot of taxes or real estate value and brought in more traffic. Mr. Sears said it was a political decision that distribution centers were included in the SIZ. Oregon often competed with Washington for distribution centers. They were traded sector jobs and the legislature would need to make that change.

Joseph Lindsay, City Attorney, said if a land owner wanted to sell to a developer and they met the code, it would be difficult to reject that. The City was in competition with other cities and they didn't want to interfere with contracts.

Councilor Spoon thought there should be another Work Session about the SIZ and business recruitment.

Councilor Tibbals agreed that the data was needed to make these decisions.

Councilor Bangs did not think they should have the Work Session until they received the data about how much benefit they were getting from the existing properties so they would be able to assess how to add to it.

Council President Hensley said it was not their job to pick and choose commerce, but she did not have a problem with targeting recruitment.

There was consensus to get the data and hold a Work Session on the SIZ.

**CITY ADMINISTRATOR SIX MONTH REVIEW PROCESS DISCUSSION:** This item was postponed.

The meeting was adjourned at 7:29 p.m.

**CANBY CITY COUNCIL  
REGULAR MEETING MINUTES  
April 7, 2021**

**PRESIDING:** Council President Traci Hensley

**COUNCIL PRESENT:** Christopher Bangs, Traci Hensley, Sarah Spoon, Greg Parker, Christopher Bangs, Jordan Tibbals, and Shawn Varwig.

**COUNCIL ABSENT:** Mayor Brian Hodson

**STAFF PRESENT:** Scott Archer, City Administrator; Joseph Lindsay, City Attorney; Melissa Bisset, City Recorder/ HR Manager; Taylor Kimble, Kintech; Valerie Kraxberger, Office Specialist – Tech Services.

**CALL TO ORDER:** Council President Hensley called the Regular Meeting to order at 7:35 p.m.

**RECOGNITION OF RETIRED POLICE CHIEF BRET SMITH:** Jorge Tro, new Police Chief, said former Police Chief Bret Smith retired on April 1. He had served 40 years in law enforcement and 11 years in Canby.

Chief Smith thanked Canby for their support of the Police Department over the years.

The Council expressed appreciation for all the Chief had done for the City.

**OATH OF OFFICE FOR POLICE CHIEF JORGE TRO:** Scott Archer, City Administrator, gave a background on Jorge Tro's work in the Police Department for the last 23 years. He thought this was an excellent transition for the department.

Chief Tro said there was no place he would rather work and appreciated the opportunity. He was a part of the community, his kids grew up here, and he was involved in many organizations. He cared about the community and its safety. He took pride in the fact that Canby was one of the safest cities in the state year after year. He was grateful for all of the employees in the department and the hard work they did. He planned to do his best.

**PROMOTION OF DOUG KITZMILLER TO CAPTAIN:** Chief Tro gave a background on Doug Kitzmiller who was being promoted to Captain.

Captain Kitzmiller thanked the community for their support. His plan was to do everything he could to be the most well trained, well equipped, professional, and proactive Police Department.

**OATH OF OFFICE FOR POLICE OFFICER TODD TRAPP:** Chief Tro introduced new Police Officer Todd Trapp.

Rod Grafe Municipal Court Judge, swore in Jorge Tro, Doug Kitzmiller, and Todd Trapp.

#### **CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS:**

Paul Ylvisaker, Canby resident, discussed how the fireworks from Canby High School games affected his cat. He asked for confirmation that there was no recourse to file a complaint for the fireworks.

Joseph Lindsay, City Attorney, said the fireworks were an exception in the City's noise ordinance and they could not be cited for a noise violation. There was neither state nor local recourse for this action.

Mr. Ylvisaker said the Council had a responsibility to protect livability, values, public safety, and constitutional rights. He did not think it was right that the variance was untouchable and citizens could not file a grievance. He had provided a signed petition, addressed the School District, attended many Council meetings, and provided personal medical information. He thought this was an infringement on his rights. He hoped something could be done.

**ORDINANCES & RESOLUTION:** Ordinance 1545 – **\*\*Councilor Varwig moved to approve Ordinance 1545, AN ORDINANCE VACATING TWO SMALL PORTIONS OF NORTH MAPLE STREET PUBLIC RIGHT-OF-WAY THAT WERE FORMERLY PART OF A CUL-DE-SAC AT THE STREET'S NORTHERN TERMINUS. Motion was seconded by Councilor Bangs and passed 6-0 by roll call vote.**

Ordinance 1546 – Mr. Archer said this ordinance would authorize a change order to the current contract with R.L. Reimers Company for work on the clarifier at the Wastewater Treatment Plant. The change order was in the amount of \$302,671.33. Staff was asking for an emergency clause in the ordinance so it could go into effect immediately after the second reading. The reason for the change order was to include items that they would have had to go out to bid separately which would be more costly and take more time.

There was discussion regarding the cost savings of the change order.

Mr. Lindsay said this company was the lowest bidder for the RFP that was done previously and this was the most inexpensive way to do these projects.

**\*\*Councilor Bangs moved to approve Ordinance 1546, AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE CHANGE ORDER NUMBER 4 TO THE 2020 WWTP PRIMARY CLARIFIER IMPROVEMENTS CONTRACT WITH R.L. REIMERS COMPANY FOR COMPLETION OF SITE RESTORATION TASKS; AND DECLARING AN EMERGENCY to come up for second reading on April 21, 2021. Motion was seconded by Councilor Varwig and passed 6-0 on first reading.**

Ordinance 1548 – Mr. Archer said this ordinance would authorize the contract for Greenplay, LLC to update the Park and Recreation Master Plan and Park System Development Charge methodology. The City received four bids for this project and Greenplay was chosen. It would cost \$150,000 which would come out of the Park SDC fund. This would help the City establish priorities for parks and recreation and funding mechanisms for the projects as well as update the SDC methodology. The Parks and Recreation Advisory Board would be the lead steering committee for the project.

**\*\*Councilor Varwig moved to approve Ordinance 1548, AN ORDINANCE AUTHORIZING THE CANBY CITY ADMINISTRATOR TO ENTER INTO A CONTRACT WITH GREENPLAY, LLC TO PREPARE A PARKS AND RECREATION MASTER PLAN AND PARKS SYSTEM DEVELOPMENT CHARGE METHODOLOGY UPDATE to come up for second reading on April 21, 2021. Motion was seconded by Councilor Spoon and passed 6-0 on first reading.**

Councilor Parker wanted to make sure the Parks and Recreation Board drove this work with heavy public input.

Resolution 1345 – Mr. Archer said this resolution would approve an Intergovernmental Agreement with the State to receive funding for streets. The City would receive \$207,000 and the money would be used for street projects on N Maple, N Pine, and NE 10<sup>th</sup>.

**\*\*Councilor Spoon moved to approve Resolution 1345, A RESOLUTION ENTERING INTO A MASTER GRANT AGREEMENT BETWEEN THE STATE OF OREGON, ACTING BY AND THROUGH ITS DEPARTMENT OF TRANSPORTATION (“ODOT”), AND THE CITY OF CANBY (“RECIPIENT”). Motion was seconded by Councilor Varwig and passed 6-0.**

Mr. Lindsay explained why the item was a resolution instead of an ordinance.

## **DISCUSSION REGARDING SOUTH IVY STREET UNDERGROUNDING OF**

**UTILITIES:** Mr. Archer said staff would bring this back to the next Council meeting for action. The County's Ivy Street project was anticipated to begin in 2023 and the Council wanted to underground the utilities as part of the project. Canby Utility estimated \$300,000 for moving the overhead power lines and if the City put the lines underground, they would contribute that \$300,000 towards the project. The County's engineer estimated undergrounding would cost \$1.3 million. This project was not anticipated in any of the City's capital plans, however there were other sources of funding and he gave some options. The County would like the City to make a decision on the undergrounding by the end of April.

Councilor Spoon asked if the project would qualify for the Safe Routes to School Grant. Mr. Archer would look into it.

Councilor Parker asked if stimulus funds could be used. Mr. Archer explained what the stimulus funds could be used for.

Councilor Parker was in favor of moving forward with the undergrounding and for staff to come back with options. He did not want any funds that were meant for the Walnut Street extension project to be used.

Councilor Varwig agreed. He thought the agreement with Canby Utility should include that if there was an increase to the cost, they would pay a percentage.

Councilor Tibbals asked what would happen if they did not make a decision by the end of April. Mr. Archer said it was a request and they had a cordial working relationship with the County on this project. The decision would affect the design of the project and there were some right-of-way issues that needed to be addressed.

Councilor Tibbals wanted to make sure they had time to do their due diligence and look into funding options. He was in support, but did not think it should be rushed.

Councilor Bangs asked if they could make the decision now and later decide how it would be paid for. Mr. Archer said yes, they could do that and they would have up to two years to decide on the funding options. He was confident that they could fund it without impacting any current street projects including the Walnut Street extension.

Council President Hensley agreed they needed more information and should not say yes until they knew how they would pay for it.

Councilor Varwig agreed.

There was consensus to hold a Work Session on this item before the next Council meeting.

**MAYOR'S BUSINESS:** None.

**COUNCILOR COMMENTS & LIAISON REPORTS:** Councilor Parker reported on the Historic Landmarks Commission who was working on more grants and putting together a consolidated report on all of the graves in the cemetery. On April 10 there would be an invasive ivy pull and work on downed trees at Eco Park. On April 22, there would be a cleanup and planting of the downtown planters.

Councilor Spoon asked when the City was going to address the debris left from the ice storm. Mr. Archer said staff was still working on it.

Councilor Bangs said the School District hired a superintendent search consulting firm. There was an upcoming School Board election was well.

Councilor Tibbals agreed there were a lot of downed trees and they needed to create a communication channel for people who wanted the wood to burn.

**CITY ADMINISTRATOR'S BUSINESS & STAFF REPORTS:** Mr. Archer said City facilities had been reopened. He gave an update on the quiet zone. They were waiting for the final permits from the railroad and construction permits and work would begin in about two months. Work on the arch had already begun. The Locust Street Park improvements were completed except for construction of a picnic shelter which would happen next fiscal year.

**CITIZEN INPUT:** None

**ACTION REVIEW:**

1. Approved the Consent Agenda.
2. Adopted Ordinance No. 1545.
3. Passed Ordinances 1546 and 1548 to a second reading on April 21, 2021.
4. Adopted Resolution No. 1345.

The meeting adjourned at 9:02 p.m.

Melissa Bisset  
City Recorder

Brian Hodson  
Mayor

Assisted with Preparation of Minutes - Susan Wood

# Memo

To: Mayor Brian Hodson & Members of City Council  
From: Jorge Tro, Chief of Police  
CC: Melissa Bisset, General Administration  
Date: April 27, 2021  
Re: Liquor License Application / On-Premises, 136 N Grant St.,  
Canby, Oregon

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I have reviewed the attached liquor license application completed by Matt Morrissey, for the new business, Siren Song, located at 136 N Grant St., Canby, Oregon, 97013.

On April 16, 2021, I spoke with the owner of the business, Matt Morrissey, and we discussed the expectations and responsibilities involving the sale of alcoholic beverages.

Mr. Morrissey is also the owner of Wayward Sandwiches and he is experienced in selling alcoholic beverages. He is aware that any employee selling alcoholic beverages must know the laws regulating the sale of alcoholic beverages and the consequences for failure to comply with the rules as set forth by Oregon State Law.

It is my recommendation the Canby City Council approve this application to the Oregon Liquor Control Commission (OLCC).



OREGON LIQUOR CONTROL COMMISSION

## LIQUOR LICENSE APPLICATION

PRINT FORM

RESET FORM

4/26/21  
V# 2636  
\$108.00  
80

1. Application. **Do not include** any OLCC fees with your application packet (the license fee will be collected at a later time). Application is being made for:

License Applied For:	CITY AND COUNTY USE ONLY
<input type="checkbox"/> Brewery 1 <sup>st</sup> Location	Date application received and/or date stamp:
Brewery Additional location (2 <sup>nd</sup> ) <input type="checkbox"/> (3 <sup>rd</sup> ) <input type="checkbox"/>	Name of City or County:
<input type="checkbox"/> Brewery-Public House (BPH) 1 <sup>st</sup> location	Recommends this license be:
BPH Additional location (2 <sup>nd</sup> ) <input type="checkbox"/> (3 <sup>rd</sup> ) <input type="checkbox"/>	<input type="checkbox"/> Granted <input type="checkbox"/> Denied
<input type="checkbox"/> Distillery	By: _____
<input checked="" type="checkbox"/> Full On-Premises, Commercial	Date: _____
<input type="checkbox"/> Full On-Premises, Caterer	
<input type="checkbox"/> Full On-Premises, Passenger Carrier	
<input type="checkbox"/> Full On-Premises, Other Public Location	
<input type="checkbox"/> Full On-Premises, For Profit Private Club	
<input type="checkbox"/> Full On-Premises, Nonprofit Private Club	
<input type="checkbox"/> Grower Sales Privilege (GSP) 1 <sup>st</sup> location	
GSP Additional location (2 <sup>nd</sup> ) <input type="checkbox"/> (3 <sup>rd</sup> ) <input type="checkbox"/>	
<input type="checkbox"/> Limited On-Premises	
<input type="checkbox"/> Off-Premises	
<input type="checkbox"/> Warehouse	
<input type="checkbox"/> Wholesale Malt Beverage & Wine	
<input type="checkbox"/> Winery 1 <sup>st</sup> Location	
Winery Additional location (2 <sup>nd</sup> ) <input type="checkbox"/> (3 <sup>rd</sup> ) <input type="checkbox"/>	
(4 <sup>th</sup> ) <input type="checkbox"/> (5 <sup>th</sup> ) <input type="checkbox"/>	

OLCC USE ONLY
Date application received: <u>4/15/2021</u>
Date application accepted: <u>4/19/21</u>
License Action(s): <u>N/D</u>

2. Identify the applicant(s) applying for the license(s). **ENTITY (example: corporation or LLC) or INDIVIDUAL(S)**<sup>1</sup> applying for the license(s):

WAYWARD HOSPITALITY, LLC

App #1: NAME OF ENTITY OR INDIVIDUAL APPLICANT

App #2: NAME OF ENTITY OR INDIVIDUAL APPLICANT

App #3: NAME OF ENTITY OR INDIVIDUAL APPLICANT

App #4: NAME OF ENTITY OR INDIVIDUAL APPLICANT

3. Trade Name of the Business (Name Customers Will See)

SIREN SONG

4. Business Address (Number and Street Address of the Location that will have the liquor license)

City

CANBY

County

CLACKAMAS

Zip Code

97013

<sup>1</sup> Read the instructions on page 1 carefully. If an entity is applying for the license, list the name of the entity as an applicant. If an individual is applying as a sole proprietor (no entity), list the individual as an applicant.





OREGON LIQUOR CONTROL COMMISSION

# LIQUOR LICENSE APPLICATION

5. Trade Name of the Business (Name Customers Will See) <b>SIREN SONG</b>			
6. Does the business address currently have an OLCC liquor license? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO			
7. Does the business address currently have an OLCC marijuana license? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO			
8. Mailing Address/PO Box, Number, Street, Rural Route (where the OLCC will send your license certificate, renewal application and other mailings as described in <a href="#">OAR 845-004-0065[1].</a> ) [REDACTED]			
City <b>WEST LINN</b>	State <b>OR</b>	Zip Code <b>97068</b>	
9. Phone Number of the Business Location <b>N/A</b>		10. Email Contact for this Application and for the Business [REDACTED]	
11. Contact Person for this Application <b>MATT MORRISSEY</b>		Phone Number [REDACTED]	
Contact Person's Mailing Address (if different)	City	State	Zip Code

Please note that liquor license applications are public records. A copy of the application will be posted on the OLCC website for a period of several weeks.

## ATTESTATION: \*\*READ CAREFULLY AND MAKE SURE YOU UNDERSTAND BEFORE SIGNING THIS FORM\*\*

I understand that marijuana is **prohibited** on the licensed premises. This includes marijuana use, consumption, ingestion, inhalation, samples, give-away, sale, etc. I attest that all answers on all forms and documents, and all information provided to the OLCC as a part of this application are true and complete.

I affirm that I have read [OAR 845-005-0311](#) and all individuals (sole proprietors) or entities with an ownership interest (other than waivable ownership interest per OAR 845-005-0311[6]) are listed as license applicants in #2 above. I understand that failure to list an individual or entity who has an unwaivable ownership interest in the business may result in denial of my license or the OLCC taking action against my license in the event that an undisclosed ownership interest is discovered after license issuance.

## Applicant(s) Signature

- Each individual (sole proprietor) listed as an applicant must sign the application below.
- If an applicant is an entity, such as a corporation or LLC, at least one **INDIVIDUAL who is authorized to sign for the entity** must sign the application.
- An individual with the authority to sign on behalf of the applicant (such as the applicant's attorney or an individual with power of attorney) may sign the application. If an individual other than an applicant signs the application, please provide written proof of signature authority. Attorneys signing on behalf of applicants may list the state of bar licensure and bar number in lieu of written proof of authority from an applicant. **Applicants are still responsible for all information on this form.**

**MATTHEW MORRISSEY**  
App #1: (PRINT NAME)

[REDACTED]  
App #1: (SIGNATURE)

**4/11/2021**  
App #1: Signature Date

Atty. Bar Information (if applicable)

App #2: (PRINT NAME)

App #2: (SIGNATURE)

App #2: Signature Date

Atty. Bar Information (if applicable)

App #3: (PRINT NAME)

App #3: (SIGNATURE)

App #3: Signature Date

Atty. Bar Information (if applicable)

App #4: (PRINT NAME)

App #4: (SIGNATURE)

App #4: Signature Date

Atty. Bar Information (if applicable)



# OREGON LIQUOR CONTROL COMMISSION BUSINESS INFORMATION

Please Print or Type

Applicant Name: WAYWARD HOSPITALITY, LLC Phone: 617-470-8726

Trade Name (dba): SIREN SONG

Business Location Address: 136 N GRANT ST., CANBY, OR 97013

City: \_\_\_\_\_ ZIP Code: \_\_\_\_\_

## DAYS AND HOURS OF OPERATION

### Business Hours:

Sunday	<u>11 AM</u> to <u>12 AM</u>
Monday	<u>3 PM</u> to <u>12 AM</u>
Tuesday	<u>3 PM</u> to <u>12 AM</u>
Wednesday	<u>3 PM</u> to <u>12 AM</u>
Thursday	<u>3 PM</u> to <u>12 AM</u>
Friday	<u>11 AM</u> to <u>12 AM</u>
Saturday	<u>11 AM</u> to <u>12 AM</u>

### Outdoor Area Hours:

Sunday	<u>11 AM</u> to <u>11 PM</u>
Monday	<u>3 PM</u> to <u>11 PM</u>
Tuesday	<u>3 PM</u> to <u>11 PM</u>
Wednesday	<u>3 PM</u> to <u>11 PM</u>
Thursday	<u>3 PM</u> to <u>11 PM</u>
Friday	<u>11 AM</u> to <u>11 PM</u>
Saturday	<u>11 AM</u> to <u>11 PM</u>

The outdoor area is used for:

☒ Food service Hours: 3 PM to 11 PM

☒ Alcohol service Hours: 3 PM to 11 PM

☐ Enclosed, how \_\_\_\_\_

The exterior area is adequately viewed and/or supervised by Service Permittees.

\_\_\_\_\_  
(Investigator's Initials)

Seasonal Variations: ☒ Yes ☒ No If yes, explain: OUTDOOR AVAILABLE ONLY DURING THE SUMMER MONTHS.

## ENTERTAINMENT

Check all that apply:

☐ Live Music

☒ Recorded Music

☐ DJ Music

☐ Dancing

☐ Nude Entertainers

☐ Karaoke

☐ Coin-operated Games

☒ Video Lottery Machines

☐ Social Gaming

☐ Pool Tables

☐ Other: \_\_\_\_\_

## DAYS & HOURS OF LIVE OR DJ MUSIC

Sunday	_____ to _____
Monday	_____ to _____
Tuesday	_____ to _____
Wednesday	_____ to _____
Thursday	_____ to _____
Friday	_____ to _____
Saturday	_____ to _____

## SEATING COUNT

Restaurant: \_\_\_\_\_

Outdoor: 20

Lounge: 46

Other (explain): \_\_\_\_\_

Banquet: \_\_\_\_\_

Total Seating: 66

### OLCC USE ONLY

Investigator Verified Seating: \_\_\_\_\_ (Y) \_\_\_\_\_ (N)

Investigator Initials: \_\_\_\_\_

Date: \_\_\_\_\_

I understand if my answers are ~~not~~ true and complete, the OLCC may deny my license application.

Applicant Signature: \_\_\_\_\_ Date: 4/11/2021

1-800-452-OLCC (6522)  
www.oregon.gov/olcc

(rev. 12/07)

## **RESOLUTION NO. 1347**

### **A RESOLUTION IN FAVOR OF BUSINESSES AND CITIZEN CIVIL LIBERTIES AND AGAINST ANY MORE SHUTDOWNS OR UNNECESSARY RESTRICTIONS**

**WHEREAS**, the people of the City of Canby have the rights and civil liberties afforded to them by the Oregon State Constitution and the United States Constitution, and;

**WHEREAS**, COVID emergency powers have been used by the State of Oregon to restrict and limit various rights and civil liberties of businesses and individuals over the last year and two months—far longer than the thirty (30) days envisioned in Section 10- A of Oregon's Constitution, and;

**WHEREAS**, the people of the City of Canby have specifically endured these State-mandated restrictions and limitations against both local business and individual liberties for more than a year, and;

**WHEREAS**, some of the various state's restrictions on rights and civil liberties during the COVID pandemic have been held by courts to be unconstitutionally overbroad, and;

**WHEREAS**, over the course of the past year and two months, the people and the business operators of the City of Canby have demonstrated the ability to learn and apply safety precautions and best practices regarding COVID-19, and;

**WHEREAS**, the application of certain State-mandated restrictions and limitations have disproportionately, negatively impacted many businesses and citizens more than others; and,

**WHEREAS**, the people of the City of Canby are constitutionally required to have their rights and liberties restored as quickly and equally as possible; and,

**WHEREAS**, several other states of greater population and denser population centers have restored more rights and liberties without an appreciable increase in COVID -related death or hospital overruns; and,

**WHEREAS**, the State-mandated limiting of certain rights and liberties has caused severe economic and other harms, including bankruptcies, exhaustion of financial resources, food and housing insecurities to businesses and individuals in the City of Canby; and,

**WHEREAS**, the state arbitrarily allows full close-quarters access to liquor stores and schools, but continues over-emphasis on restricting or closing restaurants, bars, and gyms without credible statistical evidence of disease spread or prevention over the last fourteen months, inflicts unwarranted systemic discrimination on those 20 plus Canby establishments, many of which employ or are owned or operated by women or persons of color and economic insecurity; and,

**WHEREAS**, it is also well documented that prolonged social isolation, particularly among children and the elderly, coupled with the stresses of economic hardship, have caused a significant rise in domestic violence, crimes of desperation, mental health impacts, and suicide risks, perpetuated upon the citizens of Canby by the State's unreasonable and overreaching suspension of rights and liberties; and,

**WHEREAS**, any continued limitations will certainly cause even more harm to the people of the City of Canby;

**NOW THEREFORE, IT IS HEREBY RESOLVED** by the City Council of the City of Canby, as follows:

**BE IT RESOLVED**, the people of the City of Canby desire and deserve the rights, liberties, and respect afforded them by the Constitutions of the State of Oregon and the United States of America. The rights and liberties that have been temporarily removed need to be recognized and restored to the fullest extent immediately.

This resolution shall take effect May 5, 2021.

**ADOPTED** this 5th day of May 2021, by the Canby City Council.

---

Brian Hodson  
Mayor

ATTEST:

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Melissa Bisset  
City Recorder



# City of Canby

PO Box 930  
222 NE 2nd Ave  
Canby, OR 97013

Phone: 503.266.4021  
Fax: 503.266.7961  
[www.canbyoregon.gov](http://www.canbyoregon.gov)

## City Council Staff Report

DATE: May 5, 2021  
TO: Honorable Mayor Hodson and City Council  
THRU: Scott Archer, City Administrator  
FROM: Todd M. Wood, Transit Director  
ITEM: Transit Services Contract RFP# CAT2021

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### **Summary**

Due to increases in service in the 2022 FY and due to the expiration of the current contract with MV Transportation INC, Canby Area Transit (CAT) issued a Request for Proposals (RFP) to operate the City of Canby's Transit Service from July 1, 2021 to June 30, 2024 with the option of three one year extensions.

Three bids were returned from three companies including First Transit, MV Transportation, and MTR Western. A team of five participants reviewed the proposals and then interviewed each of the proposers. From this process the team determined that First Transit was the best fit option to perform the service required by CAT, and serve the citizens of Canby.

### **Background**

Since 2002 CAT has operated with minimal City staffing and a contractor. Currently CAT has two full time City Staff (Transit Director and Coordinator) with all other staff provided through a contract by a service provider. For the last 9 years, the contract has been provided by MV transportation.

Because of the expiration of the current contract, along with the addition of Saturday services and due to the upcoming City Circulator, the City was required to seek a new contract.

### **Discussion**

In February of 2021 the City issued RFP# CAT2021 to solicit proposals to provide transit services for the City of Canby. Three companies responded with proposals including: First Transit, MTR Western, and MV Transportation (incumbent). During this time the local ATU 757 negotiated a new contract with MV including wage and benefit increases for all employees. Respondents were asked to issue updated pricing sheets given the new wage information. New sheets were obtained by MTR Western and First Transit.

The proposals were then evaluated separately by a five member team including the Transit Director, Transit Coordinator, a member of the Transit Advisory Committee, the Transit Coordinator from Clackamas County, and the City Attorney.

Each proposer was invited to interview with the team on April 6, 2020. The interviews were then scored by each team member separately. The team met to compare scores and discuss proposals. The final scores were totaled and averaged with First Transit, INC earning the highest score of 70.82%.

The City then entered into negotiations based on the submitted proposal and received a final pricing sheet on April 23, 2021. Negotiations were finalized on April 28, 2021.

### **Attachments**

Ordinance No. 1554

Contract

In-House costs

### **Fiscal Impact**

The cost of the contract is as follows:

Budget – Year 1 \$1,453,743 (19,969 VRH - @ \$72.80 per vehicle revenue hour)

Budget – Year 2 \$1,591,787 (20,748 VRH - @ \$76.72 per vehicle revenue hour)

Budget – Year 3 \$1,651,389 (20,555 VRH - @ \$80.34 per vehicle revenue hour)

This represents an increase in costs of approximately 15% in the first year, 20% in the second year and 25% in the third year from our current rate of \$64.27 per vehicle revenue hour. The rate increase is due to additional staffing needs due to increased service hours, increased hours of operation, and a new union contract with wage increases for all drivers and dispatchers.

This increase has already been accounted for the in FY 2022 budget.

### **Options:**

Staff has evaluated the cost to perform the service in house by hiring the drivers and dispatchers as well as hiring an operations manager, and field supervisor. Staff evaluated two options: The first is hiring the same number of employees as proposed by the contractor, and the second is minimizing staffing requirements for efficiency. Both options presented in the “In-House” attachment.

Under the first scenario the cost to bring the service in house was more expensive throughout the three years due to personnel costs. Under the second scenario the cost is initially more expensive, but becomes less so as the contract period moves forward. This is due to reduced personnel resulting in lower operational costs.

### **Recommendation:**

Staff recommends to the Council that the City enter into contract with First Transit to provide transit service for a period of three years beginning July 1, 2021 and ending June 30, 2024 with three one year options for extension. Staff will re-evaluated costs prior at the end of the three years and prior to any extensions.

**Proposed Motion:**

“I move to pass **Ordinance No. 1554**: AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE A CONTRACT WITH FIRST TRANSIT, INC OF CINCINNATI, OHIO, FOR PROVIDING TRANSIT OPERATIONS FOR CANBY AREA TRANSIT (CAT) to a second reading on May 19, 2021.”

**Recommendation**

Staff respectfully recommends that the Council approve this Intergovernmental Agreements (IGAs) with Clackamas County to transfer rights and duties as road authority for portions of N. Locust Street, N. Maple Street, N. Redwood and S. Redwood Street to the City of Canby.

**MOTION:**

I move to approve Ordinance 1553, An Ordinance Approving two Intergovernmental Agreements Between Clackamas County and the City of Canby Permitting Authority and Maintenance Responsibility for Portions of N. Locust Street, N. Maple Street, N. Redwood Street, and S. Redwood Street Both In and Out of Canby City Limits



## **ORDINANCE NO. 1554**

### **AN ORDINANCE AUTHORIZING THE MAYOR AND CITY ADMINISTRATOR TO EXECUTE A CONTRACT WITH FIRST TRANSIT, INC. OF CINCINNATI, OHIO FOR PROVIDING TRANSIT OPERATIONS FOR CANBY AREA TRANSIT (CAT).**

**WHEREAS**, the City of Canby on behalf of Canby Area Transit (CAT) heretofore issued Request for Proposal (RFP) CAT2021 on February 11, 2021 requesting proposals from qualified companies for Canby Area Transit Operations; and

**WHEREAS**, the City of Canby received proposals from three (3) potential companies as follows on or before 4:00 PM on March 18, 2021:

***Company Name:***

First Transit, Inc.

MTR Western

MV Transportation, Inc.

**WHEREAS**, following an interview process, a five (5) member Selection Committee individually scored the proposals and met on April 8, 2021 to review these scores in accordance with the Evaluation Criteria detailed in the RFP; and

**WHEREAS**, First Transit, Inc. received the top score of 70.82% and was identified unanimously by the Selection Committee as the most able, experienced and best value proposer.

### **NOW, THEREFORE, THE CITY OF CANBY ORDAINS AS FOLLOWS:**

The Mayor and the City Administrator are hereby authorized and directed to make, execute and declare in the name of the City of Canby and on its behalf, an appropriate contract with First Transit, Inc. of Cincinnati, Ohio to provide transit operations for the City's Transit System. A copy of said contract, dated May 19, 2021, is attached hereto as Exhibit "A" and by this reference incorporated herein.

**SUBMITTED** to the Canby City Council and read the first time at a regular meeting thereof on Wednesday, May 5, 2021, and ordered posted in three (3) public and conspicuous places in the City of Canby as specified in the Canby City Charter and to come before the City Council for final reading and action at a regular meeting thereof on Wednesday, May 19, 2021 commencing at the hour of 7:30PM in the City Council Chambers located at 222 NE 2nd Avenue, 1<sup>st</sup> Floor, Canby, Oregon.

---

Melissa Bisset, CMC  
City Recorder

PASSED on second and final reading by the Canby City Council at a regular meeting thereof on May 19, 2021, by the following vote:

YEAS\_\_\_\_\_

NAYS\_\_\_\_\_

---

Brian Hodson  
Mayor

**ATTEST:**

---

Melissa Bisset, CMC  
City Recorder

Exhibit "A"

**Transit Services Contract  
No: CAT2021**

**THIS CONTRACT** made and entered into, in duplicate, this 19<sup>th</sup> day of May, 2021 by and between the City of Canby, Oregon, a municipal corporation, hereinafter called "City," and First Transit, Inc, with headquarters located in Cincinnati, Ohio hereinafter called "Contractor" for the following project and amount as set forth below.

**WHEREAS**, City is authorized by the Oregon Revised Statutes to furnish and operate public transportation services for the City of Canby and to enter into a contract with an operator to provide such services and City has determined such public transportation services were in the best interest of the residents of City and has exercised its authority within its boundaries to furnish such services; and

**WHEREAS**, City issued its Request for Proposal (RFP) dated February 11, 2021 to provide such services, and Contractor submitted its Proposal dated March 16, 2021 in response thereto. Following an evaluation by the City and its selection committee, Contractor was selected to be the most efficient and reliable service provider among the field of qualified competitors; and

**WHEREAS**, the Parties now wish to enter into this Transit Contract Agreement to memorialize their agreement,

**NOW, THEREFORE**, the Parties hereto do mutually agree as follows:

Contractor will provide services as specified to operate Canby Area Transit service as described in the Request for Proposal and listed attachments beginning July 1, 2021 through June 30, 2024, with three (3) one year options to renew in succeeding years. The Parties acknowledge and agree that a decision to renew is completely within the discretion of the City.

**Attachments on file and FTA Requirements made part of this contract:**

RFP CAT2021 which includes:  
Federal Transit Administration Requirements (Section 4)  
Attachments A through G  
Contractor response to RFP CAT2021 (dated March 16, 2021)

This Transit Contract relies heavily on the published RFP by the City and the Proposal as submitted by the Contractor. Unless specifically noted in writing between the Parties, Contractor and City will follow all Terms and Conditions as outlined in the RFP dated February 11, 2021 and Contractor's Proposal dated March 16, 2021, along with the

pricing structure submitted on April 23, 2021.

**Compensation Amount as of Date of Award:**

Compensation is based on a Vehicle Revenue Hour (VRH) rate

Budget – Year 1	\$1,453,743	(19,969 VRH - @ \$72.80 per vehicle revenue hour)
Budget – Year 2	\$1,591,787	(20,748 VRH - @ \$76.72 per vehicle revenue hour)
Budget – Year 3	\$1,651,389	(20,555 VRH - @ \$80.34 per vehicle revenue hour)

Option extensions to be added by amendment as agreed upon between the parties in future negotiation should the City choose to renew the agreement for succeeding year(s).

Compensation amount awarded is a not-to-exceed dollar figure which cannot be increased without documented justification and a signed authorization of contract change.

**CONTRACTOR IDENTIFICATION AND BUSINESS LICENSE:** Contractor shall furnish to City its employer identification number as designated by the Internal Revenue Service. Contractor understands it is required to obtain an annual City of Canby business license for conducting business in the City. Contractor agrees to obtain a Canby Business License prior to commencing work under this contract.

**SUBCONTRACTORS AND ASSIGNMENT:** Contractor shall neither subcontract any of the work, nor assign any rights acquired hereunder, without obtaining prior written approval from City which would not be unreasonably withheld. City, by this Contract incurs no liability to third persons for payment of any compensation provided herein to Contractor. Any subcontract between Contractor and subcontractor shall require the subcontractor to comply with all applicable OSHA regulations and requirements.

**WAIVER OF CONDITIONS:** The waiver of any provision, term or condition of these Contract Documents by City on any particular occasion shall not constitute a general waiver of said provision, term or condition, nor a release from Contractor's obligation to otherwise perform or observe such condition or any other term of the Contract.

**SEVERABILITY:** In the event any provision of this Contract is declared or determined to be unlawful, invalid or unconstitutional such declaration shall not affect, in any manner, the legality of the remaining provisions of the Contract and each provision of the Contract will be and is deemed to be separate and severable from each provision.

**GOVERNING LAW AND VENUE:** Contractor warrants and covenants that it shall fully and completely comply with all applicable Federal, State and local laws and ordinances, and all lawful orders, rules and regulations issued by any authority with jurisdiction in all aspects of its performance of this Contract. The laws of the State of Oregon shall govern the interpretation of any provisions of this contract. Venue shall be in the Clackamas County Circuit Court.

**LEGAL EXPENSES:** Prior to submitting a dispute to a court of law, the parties agree to negotiate in good faith to resolve any dispute that may arise, and parties agree to mediation using a mutually agreed upon mediator prior to submitting to a court of competent jurisdiction. In the event legal action is brought by the City or Contractor against the other to enforce any of the obligations hereunder or arising out of any dispute concerning the terms and conditions hereby created, the losing party shall pay the prevailing party such reasonable amounts for attorney fees, costs and expenses as may be set by the court both at trial and all appeals therefrom.

**FORCE MAJEURE:** In the event Contractor is unable to provide the transportation services as specified in this contract because of any act of God, civil disturbance, fire, riot, war, terrorism, governmental action, pandemics or epidemics, failure of the communication or power grid, or any other condition or cause beyond Contractor's control will temporarily excuse contractor from performance under this contract only for the duration of the cause or condition.

**NOTICES:** Either the City or Contractor may change its address of record for receipt of official notice by giving the other written notice of such change and any necessary mailing instructions.

**AMENDMENTS:** Amendment or changes to this Contract shall be in writing and will become a part of this Contract when agreed upon by both parties and signed by the Authorized Officials.

**REOPENER:** Where changes in service are impacted by greater than ten (10) percent for over a six month period, or where changes in law require changing the pricing structure to remain in compliance with law, the parties agree to re-open the contract and negotiate in good faith upon the written request of either party. The negotiation will be mindful of the period of loss and make a reasonable attempt to incorporate retroactive losses. If the parties cannot come to a mutual agreement within 60 days of service of the written request, the contract may then be terminated with 90 days written notice.

Any and all notices, writings, correspondence, etc as required by this Contract shall be directed to City and Contractor, respectively, as follows:

CITY OF CANBY:

CONTRACTOR:

Scott Archer  
City of Canby  
PO Box 930  
222 NE 2<sup>nd</sup> Avenue  
Canby, OR 97013  
503.266.4021

**IN WITNESS WHEREOF**, City and Contractor have executed this Contract for Transit Service dated \_\_\_\_ June, 2021.

CITY:

CONTRACTOR:

Signature of Authorized Official

Signature of Authorized Official

Name, Title of Authorized Official  
(print or type)

Name, Title of Authorized Official  
(print or type)

Date

Date

Bringing Transit In-House Scenerios											
Similar Staffing to First Transit				Minimal Staffing							
2021-22		2022-23		2023-24		2021-22		2022-23		2023-24	
1 - Ops Manager	\$119,026.00	\$122,596.78	\$126,274.68	1 - Ops Manager	\$119,026.00	\$122,596.78	\$126,274.68	1 - Field Supervisor	\$107,502.00	\$110,727.06	\$114,048.87
1 - Field Supervisor	\$107,502.00	\$110,727.06	\$114,048.87	3 - Dispatchers	\$244,244.00	\$251,571.32	\$259,118.46	10 - Full Time Drivers	\$814,148.00	\$838,572.44	\$863,729.61
3 - Dispatchers	\$244,244.00	\$251,571.32	\$259,118.46	4 - 19 hour Drivers	\$118,252.00	\$121,799.56	\$125,453.55	Additional Admin OH	\$107,608.00	\$107,608.00	\$107,608.00
11 - Full Time Drivers	\$895,562.00	\$922,428.86	\$950,101.73	Driver Uniforms	\$5,000.00	\$5,000.00	\$5,000.00	Driver Physicals & D/A Testing	\$3,000.00	\$3,000.00	\$3,000.00
5 - 19 hour Drivers	\$147,815.00	\$152,249.45	\$156,816.93								
Additional Admin OH	\$123,828.00	\$123,828.00	\$123,828.00								
Driver Uniforms	\$5,000.00	\$5,000.00	\$5,000.00								
Driver Physicals & D/A Testing	\$3,000.00	\$3,000.00	\$3,000.00								
Total Cost	\$1,645,977.00	\$1,691,401.47	\$1,738,188.67	Total Cost	\$1,518,780.00	\$1,560,875.16	\$1,604,233.17	Total Hours	19,969	20,748	20,555
Total Hours	19,969	20,748	20,555	Per Hour for Comparison	\$76.05	\$75.23	\$78.05	Contractor Costs	\$1,453,743.20	\$1,591,786.56	\$1,651,388.70
Per Hour for Comparison	\$82.43	\$81.52	\$84.56	Difference from Contractor	\$65,036.80	(\$30,911.40)	(\$47,155.53)	Assumptions:	PERS - All OPSRP	PERS - All OPSRP	PERS - All OPSRP
								Salary - All Midrange	Salary - All Midrange	Salary - All Midrange	
								Insurance - EE + Spouse	Insurance - EE + Spouse	Insurance - EE + Spouse	

**To:** Honorable Mayor and City Council  
CITY OF CANBY  
ATTN: Mr. Scott Archer, City Administrator

**FROM:** Hassan Ibrahim, P.E.  
CURRAN-McLEOD, INC.

**DATE:** May 5, 2021

**ISSUE:** 2021 CANBY STREET MAINTENANCE  
APPROVAL OF CONSTRUCTION CONTRACT ORDINANCE 1547

**SYNOPSIS:** On April 6, 2021, the City of Canby solicited and received four (4) bids for the 2021 Street Maintenance. This staff report is to request Council approval for award of the contract to the low responsive bidder.

**RECOMMENDATION:**

That the Council approve Ordinance 1547 authorizing the Mayor and City Administrator to execute a contract with Eagle-Elsner, Inc. in the amount of \$1,055,260.00 for the 2021 Canby Street Maintenance.

**RATIONALE:**

Competitive sealed bids were solicited in compliance with the City of Canby's Rules for Public Purchasing and the requirements of Oregon Revised Statutes. All three bidders substantially complied with the bidding requirements and without any deviations and were deemed to be responsible and responsive, with Eagle-Elsner, Inc. submitting the low responsible and responsive bid.

The City finance Department has confirmed that available funds are available to cover the contract amount.

**BACKGROUND:**

This project is part of the Street Maintenance Program funded through the street maintenance fee. It is a continuation of the annual street maintenance program based on the Pavement Condition Index survey. The funding source is limited to maintenance of the existing street network.



**FISCAL IMPACT:**

Attached are Ordinance 1547 and the proposed contract for execution. Our recommendation is to accept the low responsive bid from Eagle-Elsner, Inc. and execute a contract for construction in the bid amount of \$1,055,260.00. This contract is within the available budget of the 2020- 2021 fiscal-year and should not pose a funding problem as all of the improvements have dedicated funding.

**ENCLOSURES:**

- Ordinance Number 1547
- Construction Contract
- Bid Tabulation
- Recommendation of Award

cc: Mr. Jerry Nelzen, Interim Public Works Director  
Ms. Melissa Bisset, City Recorder

**ORDINANCE NO. 1547**

**AN ORDINANCE AUTHORIZING THE MAYOR AND CITY ADMINISTRATOR TO EXECUTE A CONTRACT WITH EAGLE- ELSNER, INC. IN THE AMOUNT OF \$1,055,260.00 FOR CONSTRUCTION OF THE 2021 STREET MAINTENANCE.**

**WHEREAS**, the City of Canby has heretofore advertised and received four (4) bids for the 2021 Street Maintenance; and

**WHEREAS**, the notice of call for bids was duly and regularly published in the Oregon Daily Journal of Commerce on March 17, 2021; and

**WHEREAS**, bids were received and opened on April 6, 2021 at 2:00 pm via zoom meeting and the bids were read aloud:

**WHEREAS**, the bidders are as listed below and a detailed tabulation of all items is attached herein and summarized as follows:

The summary of cost for each of the four (4) bidders is shown on the attached tabulation and listed below:

1.	Eagle-Elsner, Inc.	\$1,055,260.00
2.	S-2 Contractors, Inc.	\$1,080,873.50
3.	Knife River Corporation, Northwest	\$1,329,855.00
4.	Pacific Excavation, Inc.	\$1,435,000.00

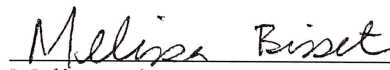
**WHEREAS**, the Canby City Council, acting as the City's Contract Review Board, met on Wednesday, April 21, 2021, and considered the bids and reports and recommendations of the City staff, including the staff recommendation that the low responsive bid be selected; and

**WHEREAS**, the Canby City Council determined that the low responsive bid was that of Eagle-Elsner, Inc.; now therefore

**NOW, THEREFORE, THE CITY OF CANBY ORDAINS AS FOLLOWS:**

Section 1. The Mayor and/or City Administrator are hereby authorized and directed to make, execute, and declare in the name of the City of Canby and on its behalf, an appropriate contract with Eagle-Elsner, Inc. for the 2021 Street Maintenance in the amount of \$1,055,260.00. A copy of the contract with, Eagle-Elsner, Inc. is attached hereto and incorporated herein.

**SUBMITTED** to the Canby City Council and read the first time at a regular meeting therefore on Wednesday, April 21, 2021; ordered posted as required by the Canby City Charter and scheduled for second reading on Wednesday, May 5, 2021, after the hour of 7:30 pm at the Council Meeting Chambers located at 222 NE 2<sup>nd</sup> Avenue, 1<sup>st</sup> Floor Canby, Oregon.



Melissa Bisset, CMC  
City Recorder

**PASSED** on second and final reading by the Canby City Council at a regular meeting thereof on the 5<sup>th</sup> day of May 2021, by the following vote:

YEAS \_\_\_\_\_

NAYS \_\_\_\_\_

\_\_\_\_\_  
Brian Hodson, Mayor

ATTEST:

\_\_\_\_\_  
Melissa Bisset, CMC  
City Recorder

CITY OF CANBY											
2021 Street Maintenance											
Bid Date: Tuesday, April 6, 2021, @ 2 PM											
				1	2	3	4				
BID TABULATION				Eagle-Elsner		S-2 Contractors		Knife River		Pacific Excavation	
Basic Bid Items:				Units		Unit / Total		Unit / Total		Unit / Total	
A. Site Preparation											
A.1	Mobilization, including all labor, equipment, material to complete the work as listed in the basic bid schedule and contract special requirements, miscellaneous start-up costs, equipment move-in, all associated costs for mobilization and demobilization, traffic control, temporary pedestrian access route, public notifications, final site restoration, incidental grading and landscaping, clean up, all bonding and insurance costs items listed in G.1 through G.10 of the Special Requirements.	1	LS	\$	158,000.00	\$	61,000.00	\$	146,890.85	\$	288,747.75
				\$	158,000.00	\$	61,000.00	\$	146,890.85	\$	288,747.75
A.2	1/2" Asphalt Concrete Pavement Pre-level, including all labor, equipment, material and installation.	100	Tons	\$	83.00	\$	150.00	\$	108.70	\$	100.00
				\$	8,300.00	\$	15,000.00	\$	10,870.00	\$	10,000.00
A.3	2" Thick, One Lift, 1/2" Asphalt Concrete Pavement Overlay, including all labor, equipment, material tack coat, placement and sand seal joints.	3,200	Tons	\$	72.00	\$	86.00	\$	81.64	\$	88.00
				\$	230,400.00	\$	275,200.00	\$	261,248.00	\$	281,600.00
A.4	4" Thick, Two Lifts, 1/2" Asphalt Concrete Pavement (S. Redwood St.), including all labor, equipment, material tack coat, placement and sand seal joints.	2,800	Tons	\$	73.00	\$	86.00	\$	91.63	\$	89.00
				\$	204,400.00	\$	240,800.00	\$	256,564.00	\$	249,200.00
A.5	Grind Existing Pavement (S. Redwood St.), 3"-4" Max Depth, including all labor, equipment, material and disposal of excess pavement material.	12,225	SY	\$	2.90	\$	2.50	\$	3.56	\$	5.25
				\$	35,452.50	\$	30,562.50	\$	43,521.00	\$	64,181.25
A.6	Restore Existing Traffic Signal Detector Loops and Rewiring to Junction Boxes / Signal Cabinet, including all labor, equipment, material and coordination with Clackamas County on installing temporary signal timer if necessary or any other acceptable mechanism for maintaining complete signal operation.	1	LS	\$	15,000.00	\$	18,000.00	\$	15,985.00	\$	21,000.00
				\$	15,000.00	\$	18,000.00	\$	15,985.00	\$	21,000.00
A.7	Rototill 6% In-Place Cement Treated Base Mixture (S. Redwood St.), 12" Depth into Sub-Base, including all labor, equipment, material, placement, grading and compacting.	12,225	SY	\$	7.00	\$	9.00	\$	19.80	\$	10.25
				\$	85,575.00	\$	110,025.00	\$	242,055.00	\$	125,306.25
A.8	Grind Existing Pavement (6' Wide Panel along Gutter (Berg Pkwy & SW 13th Ave), 0"-2" Max Depth, including all labor, equipment, material and disposal of excess pavement material.	11,000	LF	\$	1.40	\$	1.50	\$	1.83	\$	4.50
				\$	15,400.00	\$	16,500.00	\$	20,130.00	\$	49,500.00
A.9	Grind Existing pavement (NW 2nd Ave, 2" Max Depth), including all labor, equipment, material, and disposal of excess pavement material.	667	SY	\$	7.50	\$	8.00	\$	8.45	\$	9.25
				\$	5,002.50	\$	5,336.00	\$	5,636.15	\$	6,169.75
A.10	Existing Pavement Removal (NW 2nd Ave, 2" Max Depth), including all labor, equipment, material, and disposal of excess pavement material.	600	SY	\$	6.00	\$	8.00	\$	11.40	\$	8.50
				\$	3,600.00	\$	4,800.00	\$	6,840.00	\$	5,100.00
A.11	Grind Existing Cracked/Alligated Asphalt Pavement (Berg Pkwy/SW 13th Ave) 4" Wide at 2" Depth, including all labor, equipment, material, removal and disposal of existing pavement, placement 2" thick of 1/2" Asphalt Concrete pavement (ACP), ACP will be paid under bid item A.3.	2,000	LF	\$	5.00	\$	5.00	\$	5.60	\$	9.00
				\$	10,000.00	\$	10,000.00	\$	11,200.00	\$	18,000.00
A.12	Asphalt Reconstruction (Berk Pkwy / SW 13th Ave), including all labor, equipment, material, AC Sawcut, excavation, disposal of existing pavement and unsuitable material, placement of 12" of compacted Crushed Rock, placement 4" thick of 1/2" Asphalt Concrete pavement (ACP) (ACP will be paid under bid item A.4), and sand seal joints.	1,200	SY	\$	55.00	\$	54.00	\$	60.50	\$	53.00
				\$	66,000.00	\$	64,800.00	\$	72,600.00	\$	63,600.00
A.13	Truncated Dome Detectable Warning Cast-In-Place Mat, including all labor, equipment, material, and installation.	32	Ea.	\$	270.00	\$	350.00	\$	610.00	\$	285.00
				\$	8,640.00	\$	11,200.00	\$	19,520.00	\$	9,120.00
A.14	Concrete Curb Type "C" at the front of the ADA Ramp, including all labor, equipment, material, sawcut concrete, remove existing curb, dispose excess material off-site, grade and place 2" of 3/4"-0" Crushed Rock, compact and pour new curb.	850	LF	\$	69.00	\$	50.00	\$	39.00	\$	58.00
				\$	58,650.00	\$	42,500.00	\$	33,150.00	\$	49,300.00
A.15	Concrete Short Curb Type "C" at the back of the ADA Ramp, including all labor, equipment, material, sawcut concrete, remove existing curb, dispose excess material off-site, grade and place 2" of 3/4"-0" Crushed Rock, compact and pour new curb.	525	LF	\$	37.00	\$	50.00	\$	23.50	\$	56.50
				\$	19,425.00	\$	26,250.00	\$	12,337.50	\$	29,662.50
A.16	4" Concrete Sidewalk, including all labor, equipment, material, remove the existing vegetation in the islands on Township Rd. at S. Pine St. and S. LaPine St., sawcut concrete, remove existing sidewalk at existing ADA ramps, dispose excess material off-site, grade and place 2" of 3/4"-0" Crushed Rock, compact and pour new sidewalk.	475	SY	\$	165.00	\$	180.00	\$	240.50	\$	215.50
				\$	78,375.00	\$	85,500.00	\$	114,237.50	\$	102,362.50
A.17	4" Wide White or Yellow Thermoplastic Stripe, including all labor, equipment, material, and installation. All material to be thermoplastic (installed complete, including layout in the field).	15,000	LF	\$	0.70	\$	0.85	\$	0.77	\$	0.75
				\$	10,500.00	\$	12,750.00	\$	11,550.00	\$	11,250.00
A.18	8" Wide White Thermoplastic Stripe, including all labor, equipment, material, and installation. All material to be thermoplastic (installed complete, including layout in the field).	14,700	LF	\$	1.40	\$	1.50	\$	1.40	\$	1.50
				\$	20,580.00	\$	22,050.00	\$	20,580.00	\$	22,050.00
A.19	12" Wide White Stop Bars or 24" Wide White Thermoplastic Crosswalk Bars, 2' Wide x 9' Long Continental Crosswalk (Non-Skid Finish), including all labor, equipment, material, and installation. All material to be thermoplastic (installed complete, including layout in the field).	1,600	SF	\$	8.10	\$	9.00	\$	8.60	\$	9.00
				\$	12,960.00	\$	14,400.00	\$	13,760.00	\$	14,400.00
A.20	Bike Stencils, Bike Lane Ends Legend, ADA Legends, including all labor, equipment, material, and installation. All material to be thermoplastic (installed complete, including layout in the field).	36	Ea.	\$	225.00	\$	300.00	\$	250.00	\$	275.00
				\$	8,100.00	\$	10,800.00	\$	9,000.00	\$	9,900.00
A.21	Left Turn Arrows, including all labor, equipment, material, and installation. All material to be thermoplastic (installed complete, including layout in the field).	2	Ea.	\$	250.00	\$	300.00	\$	250.00	\$	275.00
				\$	500.00	\$	600.00	\$	500.00	\$	550.00
A.22	Signs Post and V-Loc Bases, including all labor, equipment and material necessary to provide and plumb V-loc bases and posts, remove, salvage, and reinstall existing signs on new posts to the size, kind, and all associated accessories such as bolts, nuts, washers, etc., installed complete.	4	Ea.	\$	100.00	\$	700.00	\$	420.00	\$	1,000.00
				\$	400.00	\$	2,800.00	\$	1,680.00	\$	4,000.00
TOTAL BASIC BID					\$ 1,055,260.00	\$ 1,080,873.50	\$ 1,329,855.00	\$ 1,435,000.00			

## CONTRACT FOR CONSTRUCTION

THIS AGREEMENT is dated as of the \_\_\_\_\_ day of \_\_\_\_\_ in the year 2021 by and between

\_\_\_\_\_  
City of Canby  
(hereinafter called OWNER) and

\_\_\_\_\_  
Eagle-Elsner, Inc.  
(hereinafter called CONTRACTOR)

OWNER and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth, agree as follows:

### ARTICLE 1 - WORK

CONTRACTOR shall complete all Work as specified or indicated in the Contract Documents:

#### **City of Canby 2021 Street Maintenance**

The City has an estimated available budget not to exceed \$1,000,000 for this work. The City reserves the right to adjust the basic bid quantities if the submitted low responsive bid exceeds the available budget. All adjusted quantities will be paid based on the bid unit prices.

The scope of work generally consists of the following:

- Approximately 6,000 tons of asphaltic concrete pavement at 2" and 4" thickness.
- Approximately 11,000 lineal feet of 6-foot wide panel grinding at 0"-2" depth, approximately 2,200 SY area at 2" depth and approximately 12,225 SY area at 3"- 4" depth.
- Retrofit an estimated 32 ADA ramps, including curbs and sidewalks
- Restore approximately 30,000 lineal feet of 4" and 8" wide stripes, including legends such as arrows, continental crosswalks, stop bars, bike stencils, etc.
- Pavement Reconstruction at approximate 1,200 square yards.

### ARTICLE 2 - ENGINEER

The Project has been designed by CURRAN-McLEOD, INC., Consulting Engineers, who is hereinafter called ENGINEER and who will assume all duties and responsibilities and will have the rights and authority assigned to ENGINEER in the Contract Documents in connection with completion of the Work in accordance with the Contract Documents.

### **ARTICLE 3 - CONTRACT TIME**

- 3.1 The Work will be substantially completed within 45 calendar days after the date when the Contract Time commences to run as provided in paragraph 4.01 of the General Conditions and completed and ready for final payment in accordance with Paragraph 15.06 of the General Conditions within 15 days after the date when the issuance of the Certificate of Substantial Completion including punch list items.
- 3.2 Liquidated Damages: OWNER and CONTRACTOR recognize that time is of the essence of this Agreement and that OWNER will suffer financial loss if the Work is not substantially complete within the time specified in paragraph 3.1 above, plus any extensions thereof allowed in accordance with Article 12 of the General Conditions. They also recognize the delays, expense and difficulties involved in proving in a legal proceeding the actual loss suffered by OWNER if the Work is not substantially complete on time.

Accordingly, instead of requiring any such proof, OWNER and CONTRACTOR agree that as liquidated damages for delay (but not as a penalty) CONTRACTOR shall pay OWNER or the OWNER may withhold from amounts due the CONTRACTOR Four Hundred Dollars (\$400.00) for each day that expires after the time specified in paragraph 3.1. for Substantial Completion until the Work is substantially complete AND/OR for each day of delay beyond the deadline for Final Completion.

### **ARTICLE 4 - CONTRACT PRICE**

- 4.1 OWNER shall pay CONTRACTOR for performance of the Work in accordance with the Contract Documents in current funds by check, an amount totaling

One Million Fifty-Five Thousand Two Hundred Sixty and 00/100 Dollars

(\$1,055,260.00) as shown in the attached Bid Proposal.

### **ARTICLE 5 - PAYMENT PROCEDURES**

CONTRACTOR shall submit Applications for Payment in accordance with Article 15 of the General Conditions. Applications for Payment will be processed by ENGINEER as provided in the General Conditions.

- 5.1 Progress Payments: OWNER shall make progress payments on account of the Contract Price on the basis of CONTRACTOR'S Applications for Payment as recommended by ENGINEER, on or about the 25th day of each month during construction as provided below. All progress payments will be on the basis of the progress of the Work measured by the schedule of values provided for in paragraph 2.03 of the General Conditions.

5.1.1 Prior to Substantial Completion progress payments will be in an amount equal to:

- (a) 95 % of the Work completed; and
- (b) 95 % of materials and equipment not incorporated in the Work but delivered and suitably stored, less in each case the aggregate of payments previously made.

5.1.2 Upon Substantial Completion, OWNER shall pay an amount sufficient to increase total payments to CONTRACTOR to 95% of the value of the Contract Work completed, less such amounts as ENGINEER shall determine in accordance with paragraph 15.01 of the General Conditions.

5.2 Final Payment: Upon final completion and acceptance of the Work in accordance with paragraph 15.06 of the General Conditions, OWNER shall pay the remainder of the value of the Contract Work completed, as recommended by ENGINEER as provided in said paragraph 15.06.

## **ARTICLE 6 - INTEREST**

All monies not paid when due hereunder shall bear interest at the maximum rate allowed by law at the place of the Project, when requested in accordance with ORS 279C.570

## **ARTICLE 7 - CONTRACTOR'S REPRESENTATIONS**

In order to induce OWNER to enter into this Agreement CONTRACTOR makes the following representations:

- 7.1 CONTRACTOR has familiarized himself with the nature and extent of the Contract Documents, Work, locality, and with all local conditions and federal, state and local laws, ordinances, rules and regulations that in any manner may affect cost, progress or performance of the Work.
- 7.2 CONTRACTOR has studied carefully all reports of investigations and tests of subsurface and latent physical conditions at the site or otherwise affecting cost, progress or performance of the Work which were relied upon by ENGINEER in the preparation of the Drawings and Specifications and which have been identified in the Supplementary Conditions.
- 7.3 CONTRACTOR has made or caused to be made examinations, investigations and tests and studies of such reports and related data in addition to those referred to in paragraph 7.2 as he deems necessary for the performance of the Work at the Contract Price, within the Contract Time and in accordance with the other terms and conditions of the Contract Documents; and no additional examinations, investigations, tests, reports or similar data are or will be required by CONTRACTOR for such purposes.

- 7.4 CONTRACTOR has correlated the results of all such observations, examinations, investigations, tests, reports and data with the terms and conditions of the Contract Documents.
- 7.5 CONTRACTOR has given ENGINEER written notice of all conflicts, errors or discrepancies that he has discovered in the Contract Documents and the written resolution thereof by ENGINEER is acceptable to CONTRACTOR.

## **ARTICLE 8 - CONTRACT DOCUMENTS**

- 8.1 This Agreement
- 8.2 Exhibits to this Agreement.
- 8.3 Performance and other Bonds
- 8.4 Notice of Award.
- 8.5 General Conditions of the Construction Contract
- 8.6 Supplementary Conditions
- 8.7 Technical Specifications as listed in the Table of Contents.
- 8.8 Drawings & Specifications bearing the following general title:  
City of Canby  
2021 Street Maintenance
- 8.9 Addenda numbers 1.
- 8.10 CONTRACTOR'S Bid
- 8.11 Any Modification, including Change Orders, duly delivered after execution of Agreement.

There are no Contract Documents other than those listed above in this ARTICLE 8. The Contract Documents may only be altered, amended or repealed by a Modification (as defined in Article 1 of the General Conditions).

## **ARTICLE 9 - MISCELLANEOUS**

- 9.1 Terms used in this Agreement which are defined in Article 1 of the General Conditions shall have the meanings indicated in the General Conditions.



- 9.2 No assignment by a party hereto of any rights under or interests in the Contract Documents will be binding on another party hereto without the written consent of the party sought to be bound; and specifically by without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.
- 9.3 OWNER and CONTRACTOR each binds himself, his partners, successors, assigns and legal representatives to the other party hereto, his partners, successors, assigns and legal representatives in respect to all covenants, agreements and obligations contained in the Contract Documents.
- 9.4 In the event a suit, arbitration or other legal action is required by either the OWNER or the CONTRACTOR to enforce any provisions of this Agreement, the prevailing parties shall be entitled to all reasonable costs and reasonable attorney's fees upon trial or subsequent appeal.

IN WITNESS WHEREOF, the parties hereto have signed three counterparts of this Agreement.

This Agreement will be effective on \_\_\_\_\_, 2021.

OWNER:

**City of Canby  
P.O. Box 930  
Canby, OR 97013**

CONTRACTOR:

**Eagle-Elsner, Inc.  
17400 SW Hillsboro Hwy  
Sherwood, OR 97140**

By:\_\_\_\_\_

By:\_\_\_\_\_

Name/Title:\_\_\_\_\_

Name/Title:\_\_\_\_\_

Name/Title:\_\_\_\_\_

Attest:\_\_\_\_\_

Address for giving notices:

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April 7, 2021

City of Canby  
222 NE 2<sup>nd</sup> Avenue  
Canby, OR 97013  
Attn: Mr. Scott Archer, City Administrator

**RE: CITY OF CANBY  
2021 CANBY STREET MAINTENANCE  
BID TABULATION & RECOMMENDATION OF AWARD**

Mr. Mayor and City Council Members:

On March 17, 2021 the City of Canby advertised in the Oregon Daily Journal of Commerce and on April 6, 2021, the City of Canby solicited and received four (4) bids for the 2021 Canby Street Maintenance project. The summary of the pricing is shown on the attached tabulation, with the low bid received from **Eagle-Elsner, Inc.**

The summary of cost from each of the four (4) bidders is shown on the attached tabulation and listed below:

1.	Eagle-Elsner, Inc.	\$1,055,260.00
2.	S-2 Contractors, Inc.	\$1,080,873.50
3.	Knife River Corporation, Northwest	\$1,329,855.00
4.	Pacific Excavation, Inc.	\$1,435,000.00

**BID REVIEW**

Each bid was reviewed for compliance with the bidding requirements listed in the contract documents. All bids were reviewed for mathematical entries, acknowledgement of addenda, bonding information, first tier subcontractor disclosure information and execution of the bid. All bidders are deemed responsive and responsible except for bidder #3 did not submit a First-Tier Subcontractor Form within the allotted time and is therefore deemed non-responsive.

The low bidder **Eagle-Elsner, Inc.** has a good record with the Construction Contractors Board, and we are not aware of any concerns, is prequalified with the Oregon Department of Transportation, a local contractor and a familiar name. We have worked with **Eagle-Elsner, Inc.**

on many successful projects of similar scope over the years in the City of Canby and communities throughout the metropolitan area.

#### SUMMARY & RECOMMENDATION

After review of all bids received, we recommend the City of Canby award the 2021 Canby Street Maintenance project to the low responsive bidder, **Eagle-Elsner, Inc.** in the amount of One Million Fifty-Five Thousand Two Hundred Sixty and 00/100 Dollars (\$1,055,260.00).

We have enclosed a staff report, an ordinance 1547, a bid tabulation and a contract for construction for the City to proceed with award of the contract. In anticipation of award, we have issued the Notice of Intent to Award on April 7, 2021 to all bidders.

Very truly yours,

CURRAN-McLEOD, INC.

Hassan A. Ibrahim, P.E.

Enclosures: 1547 Staff Report  
1547 Ordinance  
Bid Tabulation  
Contract for Construction



# City of Canby

PO Box 930  
222 NE 2nd Ave  
Canby, OR 97013

Phone: 503.266.4021  
Fax: 503.266.7961  
[www.canbyoregon.gov](http://www.canbyoregon.gov)

## City Council Staff Report

DATE: May 5, 2021

TO: Honorable Mayor Hodson and City Council

THRU: Scott Archer, City Administrator

FROM: Julie Blums, Finance and IT Director

ITEM: Ordinance No. 1549: Contract with KinTechnology, Inc. for IT services.

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### **Summary**

This ordinance allows for the renewal of a contract with KinTechnology, Inc for IT services as set forth in the Scope of Work and repealing Ordinance 1529.

### **Background**

Over the years the City has found that it does not have adequate funding to fully support an internal IT staff with multiple technical experts. The City has one employee dedicated to tech services and has contracted with KinTechnology (KinTech) for technical services and information technology since 2006. KinTech assigns two technicians to primarily support the City of Canby, along with other staff and technical experts who are available as needed to perform duties and functions to update, troubleshoot and maintain City systems.

### **Discussion**

Continuity of service is important as we continue to create technology efficiencies and implement City wide security systems. KinTech staff have received the training and have the knowledge to effectively maintain systems specific to the City of Canby, including law enforcement, public transit and wastewater. KinTech provides excellent service to the City of Canby both during work hours and after hours as needed to support law enforcement and transit functions.

### **Attachments**

- Ordinance 1549
- Ordinance 1549 Exhibit A – Personal Services Agreement

### **Fiscal Impact**

The cost of the contract has increased \$22,000 from the previous year.

### **Options**

1. Approve Contract.

**Recommendation**

Staff recommends the Council approve Ordinance No. 1549.

**Proposed Motion**

“I move to adopt Ordinance No. 1549, AN ORDINANCE AUTHORIZING THE MAYOR AND INTERIM CITY ADMINISTRATOR TO EXECUTE A CONTRACT WITH KINTECHNOLOGY, INC. TO CONTINUE TO PROVIDE COMPUTER TECHNICAL SERVICES FOR THE CITY; NOT TO EXCEED \$132,000.00; AND REPEALING ORDINANCE 1529.”

**ORDINANCE NO. 1549**

**AN ORDINANCE AUTHORIZING THE MAYOR AND CITY ADMINISTRATOR TO EXECUTE A CONTRACT WITH KINTECHNOLOGY, INC. TO CONTINUE TO PROVIDE COMPUTER TECHNICAL SERVICES FOR THE CITY, NOT TO EXCEED \$132,000.00; AND REPEALING ORDINANCE 1529**

**WHEREAS**, the City of Canby desires to continue its contract between the City and KinTechnology, Inc. to provide computer technical services for the City; and

**WHEREAS**, the current contract with KinTechnology, Inc. needs to be renewed;

**NOW, THEREFORE, THE CITY OF CANBY ORDAINS AS FOLLOWS:**

**Section 1.** The City Administrator is hereby authorized on behalf of the City to enter into an amended Personal Services Agreement with KinTechnology, Inc. to continue to provide computer technical services for the City. A copy of the Personal Services Agreement is attached hereto as Exhibit "A."

**SUBMITTED** to the Canby City Council and read the first time at a regular meeting thereof on Wednesday, April 21, 2021, and ordered posted in three (3) public and conspicuous places in the City of Canby as specified in the Canby City Charter and scheduled for second reading before the City Council for final reading and action at a regular meeting thereof on Wednesday, May 5, 2021, commencing at the hour of 7:30 p.m. in the Council Meeting Chambers located at 222 NE 2<sup>nd</sup> Avenue, 1<sup>st</sup> Floor, Canby, Oregon.

  
\_\_\_\_\_  
Melissa Bisset, CMC  
City Recorder

PASSED on second and final reading by the Canby City Council at a regular meeting thereof on the 5<sup>th</sup> day of May 2021, by the following vote:

YEAS \_\_\_\_\_

NAYS \_\_\_\_\_

\_\_\_\_\_  
Brian Hodson  
Mayor

ATTEST:

\_\_\_\_\_  
Melissa Bisset, CMC  
City Recorder



## PERSONAL SERVICES AGREEMENT

THIS AGREEMENT is between the CITY OF CANBY (City) and KINTECHNOLOGY, INC. (Contractor).

- A. City requires services which Contractor is capable of providing, under terms and conditions hereinafter described.
- B. Contractor is able and prepared to provide such services as City requires, under those terms and conditions set forth.

The Parties Agree a Follows:

- 1. Scope of Services. Contractor's services under this Agreement are set forth in Exhibit "A", attached hereto.
- 2. Contractor Identification. Contractor shall furnish to City its employer identification number as designated by the Internal Revenue Service, or Contractor's Social Security Number, as City deems applicable. **Contractor understands it is required to obtain a City of Canby Business License for conducting business in the City. Contractor agrees to obtain a Canby Business License prior to commencing work under this contract.**
- 3. Compensation:
  - A. City agrees to pay Contractor according to the proposed rate schedule submitted with the Contractor's proposal. See Exhibit "A" attached hereto. Contractor agrees that \$132,000 is the not to exceed price of this contract, without prior written approval from the City. Out of contract fees are per the hourly service rates listed in Exhibit "A".
  - B. City agrees to pay Contractor within 30 days after receipt of Contractor's itemized statement reporting completed work. Amounts disputed by the City may be withheld pending settlement.
  - C. City certifies that sufficient funds are available and authorized for expenditure to finance costs of the Agreement.
- 4. Contractor is Independent Contractor.
  - A. Contractor's services shall be provided under the general supervision of the Finance/IT Director. Contractor shall be an independent contractor for all purposes and shall be entitled to no compensation other than the compensation provided for under Paragraph #3 of this Agreement.
  - B. Contractor certifies that it is either a carrier-insured employer or a self-

insured employer as provided in Chapter 656 of the Oregon Revised Statutes.

- C. Contractor hereby represents that no employee of the City, or any partnership or corporation in which a City Employee has an interest, will or has received any remuneration of any description from Contractor, either directly or indirectly, in connection with the letting or performance of this contract, except as specifically declared in writing.

5. **Subcontractors and Assignment.** Contractor shall neither subcontract any of the work, nor assign any rights acquired hereunder, without obtaining prior written approval from City. City, by this Agreement, incurs no liability to third persons for payment of any compensation provided herein to Contractor. Any subcontract between Contractor and subcontractor shall require the subcontractor to comply with all terms and conditions this agreement as well as applicable OSHA regulations and requirements.

6. Work is Property of City. All work performed by Contractor under this Agreement shall be the property of the City. City agrees that the Contractor may use its work in other assignments if all City of Canby data and references are removed.

7. Term.

- A. This Agreement may be terminated by:

1. Mutual written consent of the parties.
2. Either party, upon thirty (30) days written notice to the other, delivered by certified mail or in person.
3. City, effective upon deliver of written notice to Contractor by certified mail, or in person, under any of the following:
  - a. If Contractor fails to provide services called for by this Agreement within the time specified or any extension thereof.
  - b. If Contractor fails to abide by the terms of this Agreement.
  - c. If services are no longer required.

8. Professional Standards. Contractor shall be responsible to the level of competency presently maintained by others practicing the same type of work in City's community, for the professional and technical soundness, accuracy and adequacy of all work and materials furnished under this authorization.

By entering into this agreement, contractor represents and warranties that they have complied with the tax laws of the State of Oregon and the City of Canby.

Further, for the duration of this contract, Contractor promises to continue to comply with said State and local tax laws. Any failure to comply with tax laws will be considered a default of this contract and could result in the immediate termination of this agreement and/or other sought damages or other such relief under applicable law.

9. Insurance. Insurance shall be maintained by the Contractor with the following limits:

A. For Comprehensive General Liability Insurance, Contractor shall provide a Certificate of Insurance naming the City of Canby as an additional named insured showing policy limits of not less than \$1,000,000 Combined Single Limit for Bodily Injury/Property Damage on an occurrence basis.

B. For Automobile Insurance, Contractor shall provide a Certificate of Insurance naming the City of Canby as an additional named insured showing policy limits of not less than \$1,000,000 Combined Single Limit for Bodily Injury/Property Damage on an occurrence basis for any vehicle used for City business or use otherwise related to this contract.

C. For Professional Liability—errors and omissions—a \$1,000,000 Combined Single Limit for Bodily Injury/Property Damage limit. **(Required for Architects, Appraisers, Attorneys, Consultants, Engineers, Planners, Programmers, etc.).** For purposes of professional liability, Contractor shall provide proof of a Certificate of Insurance naming the City of Canby as a Certificate Holder.

D. For Worker's Compensation, Contractor shall provide a Certificate of Insurance naming the City of Canby as a Certificate Holder showing Worker's Compensation Insurance with statutory limits of coverage.

Procuring of such required insurance at the above-stated levels shall not be construed to limit the Contractor's liability hereunder. Notwithstanding said insurance, Contractor shall be obligated for the total amount of any damage, injury, loss, or related costs caused by or related to Contractor's negligence or neglect connected with this Agreement.

10. Legal Expense. In the event legal action is brought by City or Contractor against the other to enforce any of the obligations hereunder or arising out of any dispute concerning the terms and conditions hereby created, the losing party shall pay the prevailing party such reasonable amounts for attorneys fees, costs, and expenses as may be set by the court both at trial and all appeals there from.

11. Modifications. Any modification of the provisions of this Agreement shall be in writing and signed by the parties.

12. Notices. Any notice, bills, invoices, reports, or other documents required by this Agreement shall be sent by the parties by United States mail, postage paid, electronically, faxed, or personally delivered to the address below. All notices shall be in writing and shall be effective when delivered. If mailed, notices shall be deemed effective forty-eight (48) hours after mailing unless sooner received.
13. Entire Agreement. This Agreement contains the entire understanding of the parties regarding the subject matter of this Agreement and supersedes all prior and contemporaneous negotiations and agreements, whether written or oral, between the parties with respect to the subject matter of this Agreement.
14. Savings Clause. Should any provision of this Agreement be found to be in conflict with any federal or Oregon state law, or final controlling decision of any Court of competent jurisdiction, or ruling or decision of any controlling administrative agency, all other provisions of this Agreement shall remain in full force and effect.

CITY: Scott Archer, City Administrator  
City of Canby  
PO Box 930  
Canby, OR 97013

CONTRACTOR: Tim Kimble  
KinTechnology, Inc.  
PO Box 305  
Canby, OR 97013

**Please submit invoices to: Attn: Accounts Payable  
City of Canby  
PO Box 930  
Canby, OR 97013  
ap@canbyoregon.gov**

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly appointed officers.

**CONTRACTOR: CITY OF CANBY**

By: By:

Date: Date:

**Subcontractors will be used \_\_\_\_ Yes \_\_\_\_ No (If Yes, please complete List of Subcontractors attached to this Agreement)**

Approved as to Form:

\_\_\_\_\_  
Joseph Lindsay, City Attorney

**LIST OF SUBCONTRACTORS**

*As per Section 5 of the Personal Services Agreement, the following businesses will be subcontractors. Subcontractors are required to have a City of Canby Business License prior to commencing work under this contract.*

[illegible]

**The City hereby approves the above listed subcontractors.**

**City of Canby**

---

**Date**

# Exhibit A



## MANAGED SERVICES AGREEMENT

Company Name	City of Canby
Mailing Address	PO Box 930
City, ST, Zip	Canby Or, 97013
Billing Address (if different)	
Billing City, ST, ZIP	
Email	ap@canbyoregon.gov
Phone	503-266-4021

ORDER DATE		PO#	ORDERED BY	SOLD BY	
7/1/2021					
Time and Material for Upgrade / Standardization of Network					
QTY	TYPE	DESCRIPTION		UNIT PRICE	TOTAL
				T&M TOTAL	
Monthly Managed Services					
QTY	TYPE	DESCRIPTION		UNIT PRICE	TOTAL
1	IT Services	Scope of Services: Kintech”s services under this Agreement are set forth in Exhibit "A", attached hereto		\$11,000	\$11,000
				MMS TOTAL	\$11,000
Condition of Sale, Contingencies, Special Terms or Comments					
Set monthly fee of \$11,000 not to exceed \$132,000 for the 21'22 budget year. Billing occurs after the month for services rendered.				One Time Charge	
				Recurring Monthly Charge	\$11,000
				Taxes	
				Due Now	
				Total	\$11,000

By signing this agreement, Client acknowledges and agrees: (a) all terms and conditions an integral part of this agreement; (b) to fully understand all terms and conditions stated herein: and (c) this Agreement is the entire understanding between Client and KinTech related to the equipment and services described herein and can only be changed by written agreement signed by both parties.

## Managed Services Agreement – Terms and Conditions

**This IT Managed Services Agreement (“Agreement”) dated 7/1/2021, is between KinTechnology “KinTech”, and City of Canby (“Client”). KinTech and Client agree as follows:**

**Term** – The “Term” of this Agreement will begin on the **7/1/2021** and shall continue for a term of Twelve (12) months. Upon termination of this Agreement, KinTech may declare all amounts owed for the remainder of the Term be immediately due and payable. KinTech is permitted to enter Client's premises, during normal business hours, and repossess all supplies, rental equipment, and spare parts and other items supplied by KinTech for which payment has not been received by KinTech.

**“Confidential Information”** means all Client information, either disclosed to or accessible by KinTech in the performance of this Agreement, that is designated as confidential or that reasonably should be understood to be confidential given the nature of the information. Confidential Information includes without limitation Client's business and marketing plans, technology and technical information, product plans, financial information, human resource and employment records, customer lists, pricing, designs, and business processes. However, Confidential Information does not include any information that (i) is or becomes generally known to the public without breach of any obligation owed to the Client, (ii) is received from a third party without breach of any obligation owed to the Client, or (iii) was independently developed by KinTech.

**Minimum Standards Required for Service** - In order to provide effective services under this Agreement, the Client environment must conform to the following:

- All servers with Microsoft Windows Operating Systems must be running Windows 2012 Server or more recent version and have all service packs and critical updates installed.
- All workstations (desktop or laptop) PCs with Window Operating systems must be running Windows 8 Pro or more recent version, and all service packs and critical updates installed.
- All server and workstation software must be genuine, licensed, and vendor supported.
- The environment must have a currently licensed, vendor supported, server based, KinTech approved backup solution that can be monitored, and be able to issue notice of failures and successes.
- The environment must have a currently licensed, vendor supported, KinTech approved hardware firewall between the internal network and the internet.
- All wireless data traffic in the environment must be securely encrypted.
- There must be an outside static IP address assigned to a network device allowing RDP and VPN access.
- Client must ensure that environment has sufficient power to meet manufacturer's specifications on all hardware devices.

*Costs required to bring Client's environment into compliance with minimum standards is not included in this Agreement. All work associated with bringing Client's environment within minimum standards must be contracted through and completed by KinTech.*

**Excluded Products and Services** - Products and Services NOT covered by this Agreement:

- Labor for upgrades (ie: installation of new equipment and hardware) or additions.
- Labor for migration of software to a alternate computer or environment
- Services on parts, equipment, or software not covered by vendor/manufacturer warranty or support.
- The cost of any parts, equipment, or shipping charges of any kind.
- The cost of any software, licensing, or software renewal or upgrade fees of any kind.
- The cost of any third-party vendor or manufacturer support or incident fees of any kind.
- The cost to bring Client's environment into compliance with minimum standards for service.
- Failure due to acts of God, building modifications, power failures, or other adverse environmental conditions or factors.
- Service or repair made necessary by the alteration or modification of equipment other than as authorized by KinTech, including alterations, software installations or modifications or equipment made by Client employees or anyone other than KinTech.
- Maintenance of applications software packages, whether acquired from KinTech or any other source unless specified on this Agreement.

- Programming (modification of software code) and program (software) maintenance.
- Any product or service not specifically provided by this Agreement.
- Training services of any kind.

Service labor for excluded items listed above will be billed at the "After Hours Service" rate, listed below.

**Billing and Payment** - Services, expenses, and travel time are billed on a regular monthly billing cycle. Payment due NET 20 of invoice date. Interest will accrue on past due accounts at a rate of 2% per month (24% APR) from the date Services were provided until all overdue amounts (and interest) are paid in full. Dishonored checks will incur a service charge of \$30.00. If payment on an invoice is not received within 30 days of invoice date, KinTech reserves the right to suspend the Services - without liability of any kind to Client - until all overdue amounts (and interest) are paid in full. No suspension of Services will extend the Term of this Agreement, or obviate Client's obligation to pay the monthly Support Services rates for the Term. Fees may be adjusted on a monthly basis to reflect an increase or decrease of hardware. *Any and all services request by Client that fall outside of the terms of this Agreement will be considered "Projects" and will be quoted and billed as separate, individual services.*

An additional 3% service fee will be applied to bills paid via credit card. No additional charge will be applied for bills paid via check or ACH.

**Security and Cooperation** - Client shall provide KinTech with sufficient workspace to perform the Services. Client will provide KinTech, and authorizes KinTech to possess and use for the performance of the Services, both on or off Client premises, authentication and access keys, codes, means, and devices including, without limitation passwords, keys, codes, and electronic imprints for user logins, device access, and facility access. Additionally, Client agrees to provide KinTech with all other information and access necessary for or incidental to the performance of the Services. Client authorizes KinTech to perform Services in any manner, means, and location that KinTech deems necessary or advisable, and further authorizes KinTech to contact third-parties, including without limitation Client's vendors and service providers, and, for the proper performance of the Services and the resolution of job related problems.

**Confidentiality** - KinTech will use the same degree of care that it uses to protect the confidentiality of its own confidential information of like kind (but not less than reasonable care) to (i) not use any Confidential Information of the Client for any purpose outside the scope of this Agreement and (ii) except as otherwise authorized by the Client in writing, limit access to Confidential Information of the Client to those of its and its employees and contractors who need that access for purposes consistent with this Agreement and who have signed confidentiality agreements with KinTech containing protections not materially less protective of the Confidential Information than those herein. Notwithstanding the foregoing, KinTech may disclose the terms of this Agreement to a subcontractor to the extent necessary to perform its obligations under this Agreement, under terms of confidentiality materially as protective as set forth herein. KinTech may disclose Confidential Information of the Client to the extent compelled by law to do so, provided that KinTech gives the Client prior notice of the compelled disclosure (to the extent legally permitted) and reasonable assistance, at the Client's cost, if the Client wishes to contest the disclosure. If KinTech is compelled by law to disclose the Client's Confidential Information as part of a civil proceeding to which the Client is a party, and the Client is not contesting the disclosure, the Client will reimburse KinTech for its reasonable cost of compiling and providing secure access to that Confidential Information. KinTech's obligations under this "Confidentiality" section shall survive expiration or termination of this Agreement for a period of three (3) years.

**Records, Reports, and Intellectual Property** - All records generated by KinTech, including without limitation hand notes, prints, computations, software, charts, reports, and other documentation whether or not related to the Services, are and will remain the sole and exclusive property of KinTech. Nothing in this Agreement is intended to transfer any intellectual property or proprietary right; all rights and title to any ideas, works of authorship, or inventions created, developed, conceived, or reduced to practice by a party, or its agents, employees, whether or not related to the Services, are and will remain the property of such party.

**Technical Services:** Technician services will be billed according to the "Service Rates" below for all onsite and remote work performed. Minimum billing will be 0.25 hours.

**Expenses** - Client will be billed for all expenses reasonably incurred by KinTech in performance of the Consulting Services.



**Hardware, Software, Supplies, and Parts Purchases** - Additionally, Client may request that KinTech purchase additional hardware, software, supplies, or parts for the benefit of Client. If KinTech makes such purchase, Client will be billed for such items on a cost plus basis, as determined by KinTech.

**Travel Time** - For any Client offices or locations other than the Client locations within the City limits of the City of Canby, Client will be billed an additional one-way point-to-point travel fee billed at a rate of \$10 per tech, for each trip at or under one hour, or at a rate of \$75 per hour for each trip exceeding 1 hour.

**Termination** – Either party may terminate this Agreement in any of the following cases: (i) for breach of this Agreement, upon thirty (30) days prior written notice to the other party detailing the particularities of the breach (and where not apparent, a proposed remedy thereof) if the other party fails to cure such breach within such thirty (30) day notice period; (ii) immediately if the other party permanently ceases to operate its business. or (iii) Willful Misconduct meaning any act or omission of a party which is willfully intended to harm the interests of the other party, provided however, that willful misconduct does not include ordinary negligence, an error of judgment or mistake of a person.

**General Conditions** - KinTech's standard hours of operations are 8am to 5pm, Monday through Friday. Service performed outside this time may be subject to additional charges, as defined by the "Service Rates" below. This Agreement may be terminated at any time with or without cause, effective upon the date set in a written notice, provided however that the termination of this Agreement by Client, regardless of how it occurs, shall not relieve Client of payment obligations, including the full amount of the remainder of the contract. The terms of this Agreement may be amended, changed, or modified by KinTech and shall be effective upon written notice by KinTech, unless a later effective date is stated in such notice. Client will be deemed to have consented to any amendment, change or modification so noticed, if Client does not make written objections within 3 days of receipt of such notice. Except with respect to payment obligations, a party shall not be responsible for a delay or default in the performance of its obligations under this Agreement if and to the extent such default or delay is cause, directly or indirectly, by events beyond such party's reasonable control, including without limitation, fire, flood, or other act of nature, or the nonperformance of any other party. If a provision of this Agreement is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Agreement shall not be impaired. This Agreement contains the entire understanding of the parties regarding the subject matter of this Agreement and supersedes all prior and contemporaneous negotiations and agreements, whether written or oral, between the parties with respect to the subject matter of this Agreement. This Agreement may not be assigned in whole or in part by either party without prior written consent of the other party. This Agreement shall be binding on the parties and their respective heirs, personal representatives, successors, and permitted assigns, and shall inure to their benefit. This Agreement is governed by, and is to be enforced and interpreted according to, the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Agreement. Any action or proceeding arising out of this Agreement shall be litigated in courts located in Multnomah County, Oregon. Each party consents and submits to the jurisdiction of any local, state, or federal court located in Multnomah County, Oregon. If any arbitration, action, suit, or proceeding is instituted to interpret, enforce, or rescind this Agreement, or otherwise in connection with the subject matter of this Agreement, including but not limited to any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim shall be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's reasonable attorney's fees and other fees, costs, and expenses of every kind, including but not limited to the costs and disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration, action, suit, or proceeding, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court, as applicable. Additionally, in the event of a failure by Client to make any payment due under this Agreement, Client will pay to KinTech, and KinTech will be entitled to recover, upon demand, all reasonable costs and expenses, including but not limited to attorney's fees and collection fees, incurred by Kintech in attempting to collect any payment due under this Agreement, whether or not a suit is filed.

**Disclaimer Of Warranties** - Except for any warranty or remedy that cannot be excluded or limited under applicable law, and except for the express warranties made by KinTech in this Agreement, the Services are and have been provided without warranty of any kind, and KinTech disclaims all representations, warranties,

conditions, and terms, with respect to the Services, whether express, implied, statutory, or existing or created by or under common law, custom, usage, or otherwise, including without limitation the warranties of fitness for a particular purpose, or any warranty that Client's IT systems will operate uninterrupted, error free, or without delay . Further, KinTech does not warrant the effectiveness of any hardware, software, system, or service.

**Loss Limitation** - To the maximum extent permitted by applicable law, KinTech will not be liable for any, and Client releases KinTech, and its directors, officers, employees, and agents, of and from any and all, indirect, special, incidental, collateral, exemplary, or consequential damages, under any legal theory, including without limitation, loss of actual or anticipated profits, revenue, or other proceeds, loss of business or opportunity, business interruption, loss of use of programs or computers, and data loss or corruption, any failure of any hardware, software, system, or service, including without limitation firewall or email security breaches, arising out of or related to this Agreement or any Services provided to Client by KinTech. KinTech's total cumulative liability to Client or to any other person, arising out of or related to this Agreement or any services previously provided to Client by KinTech, regardless of the legal theories, is limited to the amount paid by Client to KinTech for the Services provided subject to such claim(s). Multiple claims will not expand this limitation.

SERVICE RATES	
Rate for Standard Hours (8:00am to 5:00pm, Monday through Friday)	Included with Premium Package,
Rate for After Hour Service (5:00pm-11:00pm, Monday through Friday)	\$150.00 per hour
Rate for Overnight Service (11:00pm – 8:00am, Monday through Friday; all day Saturday and Sunday)	\$250.00 per hour
Rate for Holiday Service – all day	\$250.00 per hour

KinTech agrees to manage and maintain the City of Canby computer network system using the following services:

- One to two technicians for an average of 44-56 hours per week of onsite and/or remote support.
- Maintain network level web filtration system.
- Maintain inventory documentation.
- Coordinate and consolidate all requests for support using KinTech ticketing system.
- Monitor network system status and performance.
- Create and manage users and groups.
- Manage data organization and security.
- Manage data backup and data restore systems.
- Planning, installation, and maintenance of physical network backbone.
- Manage internal and external network security.
- Planning and maintenance of email systems.
- Research and implement technology advancements.
- Plan, research, and assist with acquisitions of new hardware and software.
- Setup, configure, and maintain new and current workstations.
- Troubleshoot software and hardware issues.
- Relocate user workstation environments.
- Removal of malware and viruses from network systems.
- Troubleshoot and maintain network printing.
- Assess user requirements and propose solutions to meet them.
- Manage hardware recycling and/or secure disposal.

Exhibit A does not include the following:

- All hardware needs - costs will be discussed as needed.
- Anti-Virus licensing renewals - City will be responsible for renewal fees.
- Web Filtration (KinTech Firewall Subscriptions).
- Anti-Spam filtration subscription - Service available at a cost of \$5.90 per user per month.



# City of Canby

PO Box 930  
222 NE 2nd Ave  
Canby, OR 97013

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[www.canbyoregon.gov](http://www.canbyoregon.gov)

## City Council Staff Report

DATE: May 5, 2021

TO: Honorable Mayor Hodson and City Council

THRU: Scott Archer, City Administrator

FROM: Julie Blums, Finance and IT Director

ITEM: Ordinance No. 1550: Contract with Grove, Mueller & Swank, P.C. for Audit services.

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### Summary

This ordinance allows for a contract with Grove, Mueller & Swank, P.C. for audit services as set forth in the Scope of Work.

### Background

ORS 297.425 requires the City to have an external audit annually that complies with the provisions of the ORS and other audit and financial reporting standards as applicable.

### Discussion

The contract with the City's current auditors has expired. Staff issued an RFP on March 16, 2021 with a due date of April 8, 2021. The RFP was sent directly to four local audit firms and was advertised on the City's website. The city did receive a list of follow-up questions from one of the audit firms and responses were provided to all four firms and posted on the city website.

The City only received one proposal that was from the incumbent firm Grove, Mueller & Swank, P.C. The City has been pleased with the work of this firm over the past years and wishes to enter into a new contract for ongoing audit services.

### Attachments

- Ordinance 1550
- Ordinance 1550 Exhibit A – Personal Services Agreement

### Fiscal Impact

All of these not to exceed costs include the City's audit, URA audit, and a Federal Compliance Single Audit.

FY20-21	\$38,920	FY23-24	\$42,500
FY21-22	\$40,100	FY24-25	\$43,500
FY22-23	\$41,300		

**Options**

1. Approve Contract.

**Recommendation**

Staff recommends the Council approve Ordinance No. 1550.

**Proposed Motion**

“I move to adopt Ordinance No. 1550, AN ORDINANCE AUTHORIZING THE CITY OF CANBY TO ENTER INTO A CONTRACT WITH GROVE, MUELLER & SWANK, P.C. FOR AUDIT SERVICES.”

**ORDINANCE NO. 1550**

**AN ORDINANCE AUTHORIZING THE CITY OF CANBY TO ENTER INTO A CONTRACT WITH GROVE, MUELLER & SWANK, P.C. FOR AUDIT SERVICES.**

**WHEREAS**, the City of Canby requires the City have an external audit annually in accordance with ORS 297.425 and other audit and financial reporting standards as applicable; and

**WHEREAS**, a request for proposals (RFP) was issued on March 16, 2021; and proposals due on April 8, 2021.

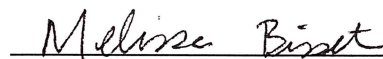
**WHEREAS**, the RFP was sent directly to four local audit firms and posted on the City's website; and the City received follow up questions from one of the firms. Answers to those questions were provided to the four firms and posted with the RFP on the City's website.

**WHEREAS**, one proposal was received from the incumbent audit firm, Grove, Mueller & Swank P.C. Staff is recommending the council authorize the City Administrator to enter into a contract with Grove, Mueller & Swank P.C. for audit services; and

**NOW, THEREFORE, THE CITY OF CANBY, OREGON, ORDAINS AS FOLLOWS:**

**Section 1.** The City Administrator is hereby authorized on behalf of the City to enter into a Personal Services Agreement with Grove, Mueller & Swank P.C. for audit services for the City. A copy of the Personal Services Agreement is attached hereto as Exhibit "A."

**SUBMITTED** to the Canby City Council and read the first time at a regular meeting therefore on Wednesday, April 21, 2021, and ordered posted in three (3) public and conspicuous places in the City of Canby as specified in the Canby City Charter and scheduled for second reading before the City Council for final reading and action at a regular meeting thereof on Wednesday, May 5, 2021, commencing at the hour of 7:30 PM at the Council Meeting Chambers located at 222 NE 2<sup>nd</sup> Ave, 1<sup>st</sup> Floor, Canby, Oregon.



Melissa Bisset, CMC  
City Recorder

PASSED on second and final reading by the Canby City Council at a regular meeting thereof on the 5<sup>th</sup> day of May 2021, by the following vote:

YEAS \_\_\_\_\_

NAYS \_\_\_\_\_

\_\_\_\_\_  
Brian Hodson  
Mayor

ATTEST:

\_\_\_\_\_  
Melissa Bisset, CMC  
City Recorder

# **CITY OF CANBY, OREGON**

## **REQUEST FOR PROPOSAL FOR PROFESSIONAL AUDITING SERVICES**



222 NE 2<sup>nd</sup> Street  
PO Box 930  
Canby, OR 97013

MARCH 2021

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## **1. Background Information**

### **a. General Information about the City**

The City of Canby was incorporated in 1893 and operates under the provision of its own charter and applicable State law, with a Council-Administrator form of government. The Mayor and Council are part-time elected officials who exercise the legislative powers of the City and determine matters of policy. The mayor serves for a term of two years, elected at each biennial general election. The Council is composed of six members elected from the city at large, each for a term of four years. In turn, the City Administrator is the City's chief executive officer, who reports directly to the Council and is responsible for overall management and administration.

Today, Canby serves a population of approximately 17,200 with a land area of 4.5 square miles. Canby is located on 99E, 26 miles south of Portland; 30 miles north of Salem; 9 miles south of Oregon City (County Seat) in Clackamas County.

Municipal services are provided by City employees and headed by the City Administrator. The City operates its own police department, municipal court, community development, sewer and storm water utilities, street operations, planning, parks development and maintenance, administrative services, fleet management, a public library, a public transit authority, a swim center, and a cemetery. In addition the City has an active Urban Renewal District which it administers, and a discretely presented component unit, Canby Utility Board.

### **b. Staffing/Operations**

The Finance Department is responsible for many aspects of City operations including utility billing and cash receipting, accounts payable, accounts receivable, payroll, accounting for capital assets, transit payroll tax billing and collection, and budgeting and financial reporting. Currently, the Finance Department consists of the Finance Director, a Financial Analyst, a Payroll Specialist, a Utility Billing Technician and a Purchasing and Accounting Specialist.

### **c. Accounting Records**

The City uses the following Caselle accounting software modules; accounts payable, accounts receivable, asset management, business licenses, business tax collection, cash receipting, cemetery management, court management, general ledger, human resources, payroll, project accounting, property improvements, timekeeping, and utility management. The City's information technology department which includes both internal and contract personnel are responsible for system security, backups and installing vendor upgrades. The IT department reports to the Finance Director.

### **d. Government Finance Officers Association (GFOA) Awards**

The City of Canby participates in the GFOA *Certificate of Achievement for Excellence in Financial Reporting* program and anticipates continuing to participate in the program. Therefore the format of audit reports must allow the City to meet the requirements of that program.

## 2. General Request for Proposal Information

### a. General Description

The City of Canby is seeking proposals for the audit of its Comprehensive Annual Financial Report (CAFR) from qualified certified public accounting firms. A complete description of services to be provided is described under Section 3. The first reporting period to be audited is July 1, 2020 through June 30, 2021, extending through the next four subsequent fiscal years.

### b. City Points of Contact

Questions, inquiries, or comments regarding this Request for Proposal (RFP), the City's accounting system, financial staff or financial processes shall be directed to:

Julie Blums, Finance Director  
[blumsj@canbyoregon.gov](mailto:blumsj@canbyoregon.gov)  
503-266-0725

Note: Additional information, the prior year Comprehensive Annual Financial Report, and Budget documents are accessible on the City website at:

<https://www.canbyoregon.gov/Departments/Finance/finance.htm>.

### c. Responding to the Audit RFP

Your proposal must be received no later than Thursday, April 1<sup>st</sup> at 4:00 p.m. No faxed materials will be accepted. Postmarks are not considered proof of delivery. Proposals may be emailed to [blumsj@canbyoregon.gov](mailto:blumsj@canbyoregon.gov) or five copies mailed to:

City of Canby  
Attn: Julie Blums  
PO Box 930  
Canby, OR 97013

Any amendments to this RFP will be in writing and will be issued to all persons or businesses that have indicated an interest to receive RFP amendments. No proposal will be considered that is not responsive to any issued amendments.

### d. Tentative Schedule for Selection Process

Proposal Due:	April 8, 2021 (4:00 p.m.)
Finalist Interviews:	April 19-22, 2021
Selected Firm Notified:	April 23, 2021
Staff Recommendation to Council:	May 5, 2021
Contract Finalized:	May 21, 2021

Note: This is a tentative schedule and is provided as a courtesy to potential proposers. The actual schedule may vary from that provided without notice to potential proposers. Any changes made to the closing date of the RFP will be made in the form of an addendum and mailed to all potential proposers who have received RFP documents.

**e. Proposal Evaluation**

The City intends to select the most qualified certified public accounting firm that exhibits the strongest ability to provide the highest quality service, based upon the following criteria:

<b><u>Weight</u></b>	<b><u>Criteria</u></b>
40%	Firm's understanding of the engagement and the City's needs including quality and comprehensiveness of the audit approach.
15%	Firm's local municipal audit expertise/experience including references from similar engagements.
15%	Experience and qualifications of individuals to be assigned to the City's engagement including resources available for the timely completion of the audit and scheduling of work.
30%	Cost of services.

**f. Contract Duration**

The selected certified public accounting firm shall be designated as the City's auditor for a five-year term commencing with the fiscal year ending June 30, 2021 audit. Either party may cancel the agreement by written notice delivered prior to December 15<sup>th</sup> of each year. Such contract cancellation shall be effective on and after July 1 of the subsequent year. The City and Auditor may, by mutual agreement, extend the term of this agreement for up to three additional years.

**g. Acceptance or Rejection and Negotiation of Proposals**

The City reserves the right to reject any or all proposals, to waive any irregularities in the request for proposal, to accept or reject any item or combination of items in a proposal, to request additional information or clarifications from respondents, and to negotiate or hold interviews with any one or more of the respondents. By requesting proposals, the City is in no way obligated to award a contract or to pay expenses of the proposing firms in connection with the preparation or submission of a proposal. Furthermore, the City reserves the right to reject any and all proposals prior to execution of a contract, with no penalty to the City of Canby.

### **3. Scope of Auditor Services**

#### **a. General**

The City of Canby is requesting proposals from qualified certified public accounting firms, duly authorized to practice as such by the State of Oregon, to audit the City's Comprehensive Annual Financial Report commencing with the fiscal year ending June 30, 2021, extending through the next four subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposal.

#### **b. Auditing Standards to be Followed**

The City of Canby desires the auditor to express an opinion on the fair presentation of the City's basic financial statements as a whole, in conformity with generally accepted accounting principles (GAAP). The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board (GASB), as mandated by generally accepted auditing standards (GAAS).

#### **c. Basic Reports to be Issued**

Following the completion of the audit of the fiscal year's Comprehensive Annual Financial Report, the auditor shall issue the following:

- Independent Auditor's Report
  - Report on the fair presentation of the financial statements in conformity with GAAP based upon the audit of the basic financial statements of the City. The other supplementary information listed in the Table of Contents of the City's CAFR, including combining schedules and additional budgetary comparison schedules, are not a required part of the basic financial statements.
- Governance and Management Letters
  - Report summarizing certain matters required by professional standards to be communicated to the Canby City Council to assist in the oversight responsibility for the City's financial reporting process.
  - Management Letter including findings not otherwise required to be communicated, observations, opinions, comments and recommendations related to:
    - The City's system of internal control based upon the auditors' understanding of the control structure and assessment of control risk.
    - The City's compliance with applicable laws and regulations.
    - The City's accounting systems, functions, procedures and processes, especially with regard to cost effectiveness.
- Independent Auditor's Report Required by Oregon State Regulations
  - As required by the Minimum Standards for Audits of Oregon Municipal Corporations.

**d. Additional Reports to be Issued Dependent on Applicability**

Due to the fluctuation in receipt and expenditure of federal grant funds, the need for some reports is based upon whether the City meets the audit threshold for performance of a Single Audit under OMB Circular A-133. Such reports are as follows:

- Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
  - Report identifying any deficiencies in internal control over financial reporting that are considered to be significant deficiencies including control deficiencies, significant deficiencies and material weaknesses as defined by AU sec. 325.
- Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133
  - Report on compliance with requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement applicable to each of the City's major federal programs.
- Schedule of Findings and Questioned Costs
  - Report of findings and questioned costs related to the City's financial statements as well as costs and compliance for federal award programs.

**e. Supplemental Reports / Studies**

Reports on other audits or agreed-upon procedures may be agreed to in writing as stated in a supplemental audit agreement. Prior to beginning work, the scope of the study and associated costs shall be approved by the City.

**f. Standards to be followed**

To meet the requirements of this request for proposal, these audits are to be performed in accordance with all applicable standards including, but not limited to, applicable standards set forth for financial audits by the Governmental Accounting Standards Board (GASB), generally accepted auditing standards (GAAS) as promulgated by the American Institute of Certified Public Accountants (AICPA), Government Auditing Standards (GAS), as promulgated by the Government Accountability Office (GAO) (if applicable), and requirements described in the U.S. Office of Management and Budget (OMB) Circular A- 133, Compliance Supplement (if applicable).

In addition, all aspects of the engagement shall be performed in accordance with the highest professional standards and comply with all applicable federal, state and local laws.

**g. Special Considerations**

The firm receiving the contract for audit services shall procure and maintain, for the duration of the contract, a City Business License and insurance as required in the City's standard services contract.

**h. Access to Working Papers**

The auditor will be required to make working papers available, upon request, to the following parties or their designees:

- City of Canby
- Parties designated by the federal or state governments or by the City of Canby as part of an audit quality review process
- Oregon Secretary of State, Audits Division

In addition, the firm shall respond to the inquiries of successor auditors and allow successor auditors to review working papers related to matters of accounting significance and internal control.

**i. Assistance to be Provided by the City**

- City Staff will prepare the final closing of the books. The City will provide the auditors with a Trial Balance by fund and all of the accounting detail necessary to perform the audit.
- City Staff will prepare all work papers requested by the Auditor prior to the start of interim and/or final fieldwork.
- City Staff will generate the necessary confirmation letters based on templates provided by the auditors.
- City Staff will prepare the draft CAFR and all related schedules and statements deliverable to the auditor no later than the final day of audit fieldwork. City Staff will also incorporate any agreed upon edits to the draft CAFR to arrive at the final CAFR. Note: The City has a discretely presented component unit, Canby Utility Board (CUB). CUB's audited financial statements have historically not been available until the week of Thanksgiving therefore the draft report provided at final fieldwork will not include updated figures for CUB. The City will provide a draft with CUB audited figures within a week of receiving the CUB audited figures.
- City staff will be available during the audit to assist in providing information, documentation and explanations as needed as well as access to the computer system to view records and print reports. All requests will first be directed to the Finance Director and/or Financial Analyst.
- The City will provide the auditor with reasonable workspace including access to the internet, a telephone line, photocopier and fax machine.
- The Finance Director and City Administrator will provide the auditor with a signed Representation Letter at the conclusion of the audit.

#### **4. Proposal Requirements – Minimum Content of Responses**

1. A title page showing the firm's name, the date of proposal, point of contacts, business address, telephone numbers, and email addresses.
2. A signed letter of transmittal briefly stating that the firm submitting the proposal is properly licensed to perform such audits in the State of Oregon (including all of the assigned professional staff to the engagement), agrees to perform all of the work outlined in the City's RFP within the time periods established by the City, is independent of the City of Canby and understands that the firm's proposal is a firm and irrevocable offer through the June 30, 2021 audit period. The letter must also contain a certification that the person signing the proposal is entitled to represent the audit firm, empowered to submit the bid, and authorized to sign a contract with the City on behalf of the audit firm.
3. The report on the audit firm's most recent external quality review, any findings discovered as part of that review and actions taken to correct those findings. The audit firm must also disclose information on the circumstances and status of any disciplinary action taken or pending against the audit firm during the past three (3) years with state regulatory bodies or professional organizations, as well as any pending or settled litigation within the past three (3) years.
4. List three (3) of the firm's current municipal auditing engagement clients in Oregon and two (2) non-current engagements served within the last three (3) years and respective contact information for reference purposes. Cities of similar size and comparable services are preferred. Contact information should include the name of the public agency, name and title of contact person, telephone number, and email address.
5. Describe the audit firm's experience and knowledge in performing audits in accordance with the provisions of the Single Audit Act, as amended by OMB Circular A-133. Attach two recent examples of your work in this area to your proposal.
6. Attach to the proposal one sample of your last municipal audit report issued in the State of Oregon that was similar and comparable in services to that of the City of Canby.
7. Attach to the proposal two (2) samples of management letters that you have recently issued covering an audit of an Oregon municipality.
8. Identify all key personnel who will be assigned to work on this audit; including names, number of years with your firm, CPA license numbers, and Oregon Municipal Audit Roster numbers. Include a brief summary of their background and experience in auditing similar cities as well as their roles and assigned responsibilities.

9. Describe the audit firm's audit approach and methodology to be used to perform the audit services. Discussion items may include approach to determining laws and regulations subject to audit test work, approach to evaluating the City's internal control structure, approach to selecting audit procedures including sample size selection, use of specialized software and use of analytical procedures, and identification of any anticipated problems.
10. Explain how you propose to use City personnel, if at all, to assist you during the audit and indicate the approximate time required of City personnel in this capacity.
11. Provide a schedule (calendar) indicating proposed timing of interim fieldwork, final fieldwork and firm deliverables to the City to ensure submission of the final CAFR to the GFOA by December 15th of each fiscal year. Any assumptions regarding turnaround time for City Staff or the City Council should be clearly noted.
12. Note: For the City's fiscal year ended June 30, 2020 audit, interim audit fieldwork was conducted the second week of June and final audit fieldwork was conducted the second week of October; this timing works well for us.
13. Please outline the total number of municipal clients you served and the number of engagements that were extended beyond the state reporting deadline for each of the last three (3) years.
14. Provide expected hours required and the Not to Exceed Price for the year ending June 30, 2021 audit in section 5a. For proposal purposes, assume that a single audit is required and that there are two major programs.
15. Provide the Not to Exceed Price by your firm for the subsequent fiscal years ending June 30, 2022 through 2025 in section 5b. For proposal purposes, assume a single audit is required and that there are two major programs.
16. Comment on your firm's ability and willingness to provide constructive suggestions for improving the City's internal controls, administrative procedures and financial processes.
17. As a part of the overall audit contract, the City expects to receive from the audit firm a variety of technical assistance throughout the fiscal year that may include inquiries regarding accounting, reporting and internal control issues. Indicate fees for these services and/or if they are included in your total annual base fee.
18. Describe the firm's policy on other charges including special requests and special reports or broadening the scope of the engagement.
19. List the audit firm's billing rates for all other applicable professional services for City reference as the City may request additional services which are outside of the personal services audit contract.



## 5. Not to Exceed Price for Proposed Service Schedule

### a. Fiscal Year Ending June 30, 2021

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

Key Personnel	Fiscal Year Ended June 30, 2021					
	F/S Audit Hours	URA Audit Hours	Single Audit Hours	Total Hours	Hourly Rate	Total
Partners						
Manager						
Senior						
Staff						
Clerical/Support						
Other						

### b. Future Fiscal Years Ending June 30th

In accordance with the Request for Proposal for Professional Auditing Services issued by the City of Canby, Oregon, the firm referenced below hereby submits the following cost proposal:

	Fiscal Years Ending June 30th				
	2021	2022	2023	2024	2025
Financial Statements					
URA Statements					
Single Audit					
<b>Total</b>					

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

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

Firm Name: \_\_\_\_\_

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

Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

Email Address: \_\_\_\_\_ Phone #: \_\_\_\_\_

# City of Canby, Oregon

Proposal for Professional Auditing Services

Fiscal Year Ending June 30, 2021

**April 8, 2021**

Grove, Mueller & Swank, P.C.

475 Cottage St NE Suite 200 Salem, Oregon 97301

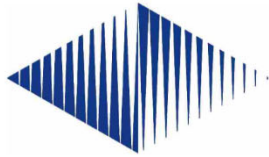
Phone: 503-581-7788 Fax: 503-581-0152

Contact: Ryan Pasquarella, Shareholder

Contact Email: [ryan@gmscpa.com](mailto:ryan@gmscpa.com)

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## GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

[www.gmscpa.com](http://www.gmscpa.com)

(503) 581-7788 • FAX (503) 581-0152

475 Cottage Street NE, Suite 200 • Salem, Oregon 97301-3814

April 8, 2021

City of Canby  
Attn: Julie Blums, Finance Director  
222 NE 2<sup>nd</sup> Street  
Canby, Oregon 97013


We are pleased to present this proposal to the City of Canby, to provide audit services to the City, and on behalf of the City and the Urban Renewal Agency, collectively “the City”, for the fiscal year ending June 30, 2021 and four additional years. We have read the proposal "Professional Auditing Services". We understand the technical requirements of the request for proposal and can comply with all specifications.

Grove, Mueller & Swank, P.C. is a registered firm of Certified Public Accountants properly licensed to practice and conduct municipal audits in Oregon. Ryan Pasquarella, Larry Grant and Scott Schlag will be assigned to your engagement and are all licensed municipal auditors. Our firm is independent of the City of Canby under the guidelines of the AICPA and *Government Auditing Standards*.

The Firm is a resident bidder as described in ORS 279A.120(1)(b) and properly licensed in the State of Oregon to perform municipal audits. This is an irrevocable offer for 90 days.

Ryan Pasquarella, Shareholder, is authorized to make representations for Grove, Mueller & Swank, P.C. Mr. Pasquarella may be contacted by e-mail at [ryan@gmscpa.com](mailto:ryan@gmscpa.com), in writing at 475 Cottage St NE Suite 200, Salem, Oregon 97301, or by phone at 503-581-7788. Mr. Pasquarella, as signer of this letter, is also authorized to submit this bid, and sign a contract on behalf of Grove, Mueller & Swank, P.C.

GROVE, MUELLER & SWANK, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

By:   
Ryan T. Pasquarella, Shareholder

## ORGANIZATIONAL STRUCTURE AND EXPERIENCE

### *Description of the Firm*

Grove, Mueller & Swank, P.C. is a Salem based local accounting firm of 40 employees, including 33 professionals. Our office is located at 475 Cottage Street NE, Suite 200. The firm was incorporated in 1983. We provide a full range of auditing, accounting, consulting, and tax related services. We are a member of the Group of 400 (G400) as determined by the American Society of Certified Public Accountants (AICPA) and have one of the largest and most experienced group of municipal auditors in the State. Our professionals include seven certified municipal auditors (four shareholders and three managers) and eleven additional experienced municipal staff.

## PEER REVIEW

The Firm's peer review for the year ended September 30, 2019 was completed in January 2020. The report was issued January 30, 2020. A copy of that report is attached to this proposal as **Attachment A**.

There has been no disciplinary action taken or pending against the Firm within the last 3 years.

## MUNICIPAL CLIENT EXPERIENCE

### *Current Municipal Audit Engagements*

The firm of Grove, Mueller & Swank, P.C. has been performing municipal audits in Oregon since 1987. The number of current municipal clients total 73, and include 26 cities, 7 school districts, 5 housing authorities and a variety of special districts. Of those, 22 require a Single Audit (we also perform Single Audits for a number of non-profits).

Three of our governmental audit clients (with contact information) comparable in size to the City of Canby are:

#### ***City of Springfield***

Audit includes the primary government, one urban renewal agency (blended component unit), one discretely presented component unit, and a review of one component unit. Audit of the primary government was performed in accordance with *Governmental Auditing Standards* and OMB Circular A-133. The City also prepares a Comprehensive Annual Financial Report.

Contact: Nathan Bell, Finance Director

Email: [nbell@springfield-or.gov](mailto:nbell@springfield-or.gov)

Phone: (541) 726-2364

#### ***City of Keizer***

Audit includes the primary government. Audit was performed in accordance with accounting standards generally accepted in the United States of America. No single audit was required in 2020. The City also prepares a Comprehensive Annual Financial Report.

Contact: Tim Wood, Senior Accountant

Email: [woodt@keizer.org](mailto:woodt@keizer.org)

Phone: (503) 856-3413

### ***City of Philomath***

Audit includes the primary government and one urban renewal agency (blended component unit). Audit was performed in accordance with accounting standards generally accepted in the United States of America.

Contact: Joan Swanson, Finance Director  
Email: [joan.swanson@philomathoregon.gov](mailto:joan.swanson@philomathoregon.gov)  
Phone: (541) 929-3001

### ***Non-current Municipal Audit Engagements***

Two non-current governmental audit clients (with contact information) comparable in size to the City of Canby are:

### ***Marion County***

Audit includes the primary government and three service districts (blended component units). Audit of the primary government was performed in accordance with *Governmental Auditing Standards* and the *Uniform Guidance*. The City also prepares a Comprehensive Annual Financial Report.

Contact: Jeff White, Chief Financial Officer  
Email: [JDWhite@co.marion.or.us](mailto:JDWhite@co.marion.or.us)  
Phone: (503) 373-4433

### ***City of Wilsonville (Last audited 2016)***

Audit includes the primary government and one urban renewal agency (blended component unit). Audit of the primary government was performed in accordance with *Governmental Auditing Standards* and OMB Circular A-133. The City also prepares a Comprehensive Annual Financial Report.

Contact: Keith Katko, Finance Operations Manager  
Email: [katko@ci.wilsonville.or.us](mailto:katko@ci.wilsonville.or.us)  
Phone: (503) 570-1516

## **SINGLE AUDIT EXPERIENCE**

We have extensive knowledge in regards to the compliance requirements of relevant federal programs, and can help your team understand specific documentation, compliance, and control requirements associated with them. In 2020, we audited more than 22 Oregon municipal corporations including performing a single audit as specified in the U.S. Office of Management and Budget (OMB) Uniform Guidance.

All certified professionals in our Firm are members of the AICPA, the Oregon Society of Certified Public Accountants (OSCPA), and the AICPA Governmental Audit Quality Center (GAQC). Our Firm strictly adheres to the “Yellow Book” requirements for governmental audit and accounting training. This means all audit staff receive at least 80 hours of accounting and auditing training every two years. This training is accomplished by attendance at OSCPAs governmental training courses, webcasts, and GAQC trainings. Each

of our licensed municipal auditors attends the OSCPA's annual governmental conference as part of their related governmental training.

Two example reports are included in this proposal as [Attachment C](#).

## **MUNICIPAL AUDIT REPORT**

A sample municipal auditor's report is included in this proposal as [Attachment D](#).

## **MANAGEMENT RECOMMENDATION LETTERS**

Under the guidelines of the American Institute of Certified Public Accountants, CPA's must issue a letter during an audit if the client has significant deficiencies and/or material weaknesses in internal control. If the client is subject to *Government Auditing Standards* these deficiencies must be communicated in accordance with those standards. If control deficiencies are identified they can be communicated either in writing or orally.

As part of our documentation and review of internal controls within the City, we regularly encounter areas that can be improved and will result in greater efficiency in completing daily tasks for City personnel. Two sample management recommendation letters are included in this proposal as [Attachment E](#).

## **CAPACITY AND KEY PERSONNEL**

The audit of the City will be accomplished by experienced professionals under the supervision of Ryan Pasquarella, Shareholder.

Ryan has 16 years' experience auditing local governments and performing audits under *Government Auditing Standards*, including the audit requirements imposed by the Single Audit Act and the U.S. Office of Management and Budget (OMB) Uniform Guidance., and is a licensed certified public accountant (12375) and municipal auditor (1511). Ryan is the Board Chair of the OSCPA's Governmental Accounting and Auditing Committee. He also performs peer reviews of Oregon accounting firms on behalf of the OSCPA and AICPA.

He will be assisted by manager Scott Schlag, who has nine years' experience auditing local governments and performing audits under *Government Auditing Standards*, including the audit requirements imposed by the Single Audit Act and the U.S. Office of Management and Budget (OMB) Uniform Guidance. He is a licensed certified public accountant (13717) and municipal auditor (1598).

Larry Grant will provide engagement quality control oversight for the audits. Larry has over 30 years' experience auditing local governments and performing audits under *Government Auditing Standards*, including the audit requirements imposed by the Single Audit Act and the U.S. Office of Management and Budget (OMB) Uniform Guidance., and is a licensed certified public accountant (5000) and municipal auditor (1074).

Ryan Pasquarella, CPA will be the primary contact for the City's audit services.

Résumés for Ryan Pasquarella, Larry Grant and Scott Schlag are included as [Attachment B](#).

## **AUDIT APPROACH**

For each of the engagements, our primary objective is to conduct our audit in accordance with auditing standards generally accepted in the United States of America, which should enable us to express an opinion as to whether the financial statements are fairly presented, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit is planned to provide reasonable, not absolute, assurance that the financial statements are free of material misstatement, whether caused by error, fraudulent financial reporting or misappropriation of assets. For the City, we will also conduct an audit so as to satisfy the requirements of Government Auditing Standards issued by the Comptroller General of the United States as well as the audit requirements imposed by the Single Audit Act and the U.S. Office of Management and Budget (OMB) Uniform Guidance. We will also perform compliance testing over Oregon Revised Statutes as required by the Minimum Standards for Audits of Oregon Municipal Corporations.

These standards require the following:

- Obtain a broad understanding of the audited entity and its environment, including its internal control to identify the risks of material misstatement in the financial statements and what the entity is doing to mitigate them.
- Perform a rigorous assessment of the risks of material misstatement of the financial statements based on that understanding.
- Demonstrate linkage between the assessed risks and the audit procedures performed in response to those risks.
- Perform substantive audit procedures for all significant accounts, transaction classes, and financial statement disclosures, regardless of the risk assessment for those items.
- Determine sample sizes and documentation requirements to comply with generally accepted auditing standards and, if applicable, the OMB Uniform Guidance.
- Provide for quality control reviews on the firm's engagements.
- Perform work to gather information and form an understanding of the entity and its environment.
- Perform extensive procedures to evaluate internal control design and operating effectiveness.
- Involve experienced audit personnel in gathering information about the entity and its internal control.
- Perform work in response to identified risks of material misstatement, especially for those identified risks deemed to be significant risks.

We will use this knowledge and understanding, together with other factors, to first assess the risk that errors or fraud may cause a material misstatement at the financial statement level. The assessment of the risks of material misstatement at the financial statement level provides us with parameters within which to design the audit procedures for specific account balances and classes of transactions. Our risk assessment process at the account-balance or class-of-transactions level consists of:

- An assessment of inherent risk (the susceptibility of an assertion relating to an account balance or class of transactions to a material misstatement, assuming there are no related controls); and
- An evaluation of the design effectiveness of internal control over financial reporting and our assessment of control risk (the risk that a material misstatement could occur in an assertion and not be prevented or detected on a timely basis by your internal control).

We then determine the nature, timing, and extent of tests of controls and substantive procedures necessary given the risks identified and the controls as we understand them.



### *Planning*

We believe that planning that includes client personnel is critical to successful accomplishment of our audit procedures. By involving client personnel, we make the audit a team effort and everyone benefits. Prior to commencing the audit, we would expect to meet with management to discuss our specific approach. During those discussions, we will also inquire about fraud or related party transactions as required by professional standards, and ask if there are any areas of concern or interest that should be the subject of our attention during the engagement.

In the planning phase we determine which financial information systems we will rely on. We then design our test procedures as a combination of the testing of controls. Our approach is designed with significant shareholder and manager involvement in the planning stage and during initial audit procedures related to the assessment of significant audit risks, and the development of procedures in response to those risks. This investment of resources ensures that the most experienced members of your engagement service team develop the audit plan. Our field team will meet with the City's finance personnel during the engagement to discuss the audit process and any questions that arise.

### *System Evaluation*

This phase begins with our team obtaining an understanding of your operations, your business processes and the internal control structure. This understanding covers the City's documentation of its internal control structure and is supplemented by system narratives provided to us by your team. We will analyze the systems, procedures, and control environment for revenues, expenditures, payroll, journal entries, budgeting, and data processing.

Each of the City's systems of internal control must be carefully evaluated to determine the relevant controls and determine whether they have been placed in operation. The auditor must be able to determine that the controls are adequate to reduce risk of material misstatement to a low level or report to the city council that such an assessment was not possible. When the risk of material financial statement misstatement is other than low the auditor must design sufficient substantive tests to reduce the risk of material misstatement to a low level.

Tests of internal controls will be performed on all key transaction cycles to support that the assessment of the capability of those systems is operating as designed. Tests of internal controls include a combination of:

- Inquiries of appropriate personnel regarding the design and/or application of a relevant internal control policy or procedure including the classes of transactions to which the policy or procedure applies, how it is applied and by whom, and the disposition of exceptions detected by the policy or procedure;
- Inspection of documents, reports, or electronic files evidencing the design and/or application of the relevant policy or procedure by city personnel; noting how the policy or procedure is applied and by whom, the classes of transactions to which it applies and the disposition of exceptions detected by the policy or procedure;
- Observation by the auditor of the performance of the relevant policy or procedure by City personnel; noting how the policy or procedure is applied and by whom; the classes of transactions to which it applies and the disposition of exceptions detected by the policy or procedure; and/or
- Reperformance of the application of the policy or procedure by the auditor and comparison between the results obtained by the auditor and the results obtained by City personnel.

Only inspection and reperformance are subject to sampling procedures. Samples will be selected to encompass the period under audit and of sufficient size to meet the required level of assurance. Sample sizes will be determined based on the assessed risk of material misstatement and guidance from the AICPA.

Our understanding of the City and the environment will include discussions among the audit team to assess the risk of material misstatement at the financial statement and relevant assertion level. Each type of transaction, account balance and presentation and disclosure requirement must be evaluated to determine what could go wrong. We consider the likelihood that the risks could result in a material misstatement. We determine which risks that substantive procedures alone will not provide sufficient audit evidence. We then design tests of internal control and complementary test of transactions along with substantive procedures so as to reduce to an acceptable level the risk of a material misstatement.

#### *Final (Year-End)*

Our year end substantive tests rely heavily on the workpapers, reconciliations and account analysis documents prepared by City personnel. These client prepared workpapers enable us to focus on auditing the balance sheet, and revenue and expense accounts.

For our determination of compliance with laws and regulations, we will submit a preliminary listing of items which we deem necessary to test, and management may then make additions, within reasonable parameters, if they desire us to focus our attention towards a specific area.

Analytical procedures are used to verify account balances in financial statements. Analytical procedures require the development and evaluation of plausible relationships between the financial data being examined and other data (either other financial data or nonfinancial data) which have a logical or predictable relationship to the financial data.

The procedures employed may include:

- Reviewing current year balances in comparison to the prior year.
- Reviewing balances in comparison to budget.
- Reviewing accounts for items larger or smaller than expected.
- Reviewing and comparing logical relationships.
- Analyzing and comparing financial data to nonfinancial information.

Required substantive procedures include agreeing the accounting records to the financial statements, examining material journal entries and adjustments made to prepare financial statements. We must determine whether the overall financial statement presentation conforms with generally accepted accounting principles.

All audit procedures and workpapers are performed and stored electronically. Programs and related software are provided by the largest vendor of governmental audit software in the country. Access to the City's automated records is necessary to perform our procedures. No use of outside specialists is planned.

Following completion of our audit, we will meet with management and the audit committee again and report back on those items raised in the initial meeting, as well as any findings or recommendations we may have as a result of our audit.

Our audit approach includes year-round service. We provide timely professional consulting on issues related to accounting, budgeting and audit. Such communication is encouraged and considered part of the total maximum price for audit services.

### *Technical Review*

The audit partner is responsible for all audit procedures. After interim procedures, year-end procedures, and financial statement preparation, the appropriate workpapers and reports will be reviewed by Ryan Pasquarella for adherence to professional standards. Larry Grant will be responsible for audit quality review. The Firm has an extensive quality review process supported by our quality control manual. Quality control procedures are required by the AICPA and relied upon as part of the peer review process. Larry, as quality control reviewer, will review certain workpapers and the financial statements prior to issuance of the opinions.

## **USE OF CITY PERSONNEL**

### *Finance Personnel*

We anticipate the use of City personnel in a manner which increases audit efficiency and decreases audit cost. Our audit approach encourages City personnel to prepare reconciliations and schedules based on templates provided by us (if needed). Based on the nature of the completeness and/or previous existence of these schedules, time requirements for City personnel may vary greatly, but should be similar to efforts in the past. We usually ask for assistance in supplying documentation for sample items, confirmations and reconciliations. Inquiry of our existing clients would confirm our requests are reasonable and communicated well in advance. We anticipate that all City personnel that are integral to the financial operations of the City will be available during all phases of the audit.

We typically contact City personnel in May-June to schedule interim field work and final fieldwork. As we get closer to our in-field audit, we contact City personnel one week before fieldwork to ensure that all preparation has been completed. After fieldwork, we anticipate that there will be weekly updates conversations through the date of report issuance to ensure all documentation is complete.

### *Information Technology Personnel*

We anticipate performing inquiries of the City's Information Technology staff as part the planning phase of the audit. We estimate that the time required for these inquiries will be two hours.

**PROPOSED AUDIT CALENDAR**

	<i>June/July</i>	<i>August</i>	<i>September</i>	<i>October</i>	<i>November</i>	<i>December</i>
<i>Pre-audit meeting to discuss the audit plan and key issues of the City that will impact the audit strategy</i>	✓					
<i>Perform interim work consisting of internal control documentation, test of controls, review of Board minutes</i>	✓	✓				
<i>Perform final substantive work</i>				✓	✓	
<i>Review of financial statement draft and issuance of the auditors' reports</i>					✓	✓
<i>Issue Management Letter and required communications</i>						✓

**MUNICIPAL CLIENT SUMMARY**

<i>Activity</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>
Number of On-time Filers (including extensions)	67	67	61
Number of Late Filers	7	4	6
Number of Municipal Clients	74	71	67

**ESTIMATED AUDIT HOURS AND FEE**

The estimated audit hours and fees for the fiscal years ending June 30, 2021 – 2025 are located at [Attachment A](#).

**SUGGESTIONS CONCERNING INTERNAL CONTROLS, ADMINISTRATIVE PROCEDURES AND FINANCIAL PROCESSES**

If, during the course of our procedures, we encounter issues which need to be brought to the attention of management, we will solicit input to fully understand the issue and will meet with management to determine corrective action.

## **TECHNICAL ASSISTANCE**

The City expects to receive technical assistance, as needed, from the audit firm throughout the fiscal year that may include inquiries regarding accounting, reporting and internal control issues. We want our clients to contact us as often as necessary without fear of being billed for every phone call, therefore fees are included in the estimated audit fees included in this proposal.

Additionally, our firm does not have a policy of charging clients for out of pocket costs. All costs are included in the above all-inclusive maximum price.

## **ADDITIONAL SERVICES BILLING RATES**

If you were to request additional services outside the scope of the audit engagement, such as detailed internal control review, the fees would be determined using the following billing rates:

Shareholders (CPA)	\$280 / hour
Managers (CPA)	150 / hour
Senior Staff (CPA)	110 / hour
Junior Staff (CPA)	75 / hour
Junior Staff (non-CPA)	90 / hour
Clerks & Typists (non-CPA)	80 / hour

Any additional requested services will always be discussed with management prior to performance of these services. An additional engagement letter or contract usually is necessary.



THE RBH GROUP LLC  
CERTIFIED PUBLIC ACCOUNTANTS

### Report on the Firm's System of Quality Control

To the Shareholders of  
Grove, Mueller & Swank, P.C.  
and the Peer Review Committee of the Oregon Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Grove, Mueller & Swank, P.C. (the firm) in effect for the year ended September 30, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

### Firm's Responsibility

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

### Peer Reviewer's Responsibility

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

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, and an audit of an employee benefit plan.

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

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Grove, Mueller & Swank, P.C. in effect for the year ended September 30, 2019 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Grove, Mueller & Swank, P.C. has received a peer review rating of *pass*.

THE RBH Group, LLC

January 30, 2020

215 S.E. DORION • PENDLETON, OREGON 97801 • (541) 276-2693 • FAX (541) 276-6926 • [www.rbhcpas.com](http://www.rbhcpas.com)

MEMBERS OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS, AICPA PRIVATE COMPANIES PRACTICE SECTION AND OREGON SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

***Ryan T. Pasquarella***  
*Shareholder and Manager of Auditing and  
Financial Reporting Services  
Grove, Mueller & Swank, P.C.*

***PROFESSIONAL  
ACCREDITATION***

- Certified Public Accountant, Oregon (Number 12375)
- Licensed Municipal Auditor, Oregon (Number 1511)

***GOVERNMENTAL  
ENGAGEMENT  
EXPERIENCE***

- Sixteen years' experience auditing Oregon municipalities including compliance testing under OMB Uniform Guidance Single Audits
- Recent experience managing governmental engagements include:
  - City of Springfield – including Single Audit
  - Salem Area Mass Transit District – including Single Audit
  - City of Canby - including Single Audit

***GOVERNMENTAL  
TRAINING***

- Oregon Society of Certified Public Accountants Governmental Accounting and Auditing Conferences annually for twelve years
- Continuing professional education that annually exceeds GAO standards

***EDUCATION***

- Oregon State University, Corvallis, Oregon  
Bachelor of Business Administration

***PROFESSIONAL  
SOCIETIES AND  
ACTIVITIES***

- American Institute of Certified Public Accountants
- Oregon Society of Certified Public Accountants
- OSCP Governmental Accounting & Auditing Committee Chair
- Certified peer reviewer for the American Institute of CPAs and Oregon Society of CPAs
- Board Treasurer, Salem Art Association



***Larry E. Grant***  
*Shareholder and Manager of Auditing and  
Financial Reporting Services  
Grove, Mueller & Swank, P.C.*

***PROFESSIONAL  
ACCREDITATION***

- Certified Public Accountant, Oregon (Number 5000)
- Municipal Auditor, Oregon (Number 1074)

***ENGAGEMENT  
EXPERIENCE***

- Thirty-five years' experience auditing Oregon school districts, cities and special districts, pension plans, and Form 5500 preparation
- Leads the firm school district and pension plan audit practice

***PROFESSIONAL  
TRAINING***

- Thirty years attendance at Oregon Society of Certified Public Accountants Governmental Accounting and Auditing Conference
- Oregon Minimum Standards and Local Budget Law
- Attendance at numerous seminars on accounting and auditing subjects, including single audit and employee benefit plan auditing.
- Grove, Mueller & Swank, P.C. local office instructor for governmental training sessions
- AICPA Employee Benefit Plan Audit Quality Center training

***EDUCATION***

- B.S. Business-Economics, Accounting Concentration - Eastern Oregon University

***PROFESSIONAL  
SOCIETIES AND  
ACTIVITIES***

- American Institute of Certified Public Accountants
- Oregon Society of Certified Public Accountants
- Oregon State Board of Accountancy, Assisted Practice Review Committee with reviews of Municipal Reports

***COMMUNITY  
ACTIVITIES***

Treasurer and Board of Directors member for several nonprofit organizations



***Scott B. Schlag***  
*Audit Manager*  
*Grove, Mueller & Swank, P.C.*

***PROFESSIONAL  
ACCREDITATION***

- Certified Public Accountant, Oregon (Number 13717).
- Licensed Municipal Auditor, Oregon (Number 1598).

***ENGAGEMENT  
EXPERIENCE***

- Nine years' experience auditing Oregon municipalities including compliance testing under OMB Uniform Guidance Single Audits, Oregon commissions, pension plans, nonprofit entities, and private entities.

***PROFESSIONAL  
TRAINING***

- Oregon Society of Certified Public Accountants Governmental Accounting and Auditing Conference annually
- Oregon Minimum Standards and Local Budget Law
- AICPA Employee Benefit Plan Audit Quality Center trainings
- Attendance at numerous seminars on accounting and auditing subjects
- Continuing professional education that annually exceeds GAO standards

***EDUCATION***

- Western Oregon University, Monmouth, Oregon  
B.S. Business Administration – Finance

***PROFESSIONAL  
SOCIETIES AND  
ACTIVITIES***

- American Institute of Certified Public Accountants
- Oregon Society of Certified Public Accountants

## **ATTACHMENT C**

### ***SINGLE AUDIT REPORT EXAMPLES***

City of Springfield

Salem Area Mass Transit

CITY OF SPRINGFIELD, OREGON

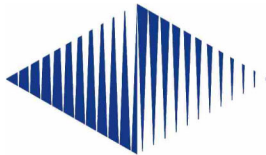
**FEDERAL GRANT  
COMPLIANCE REPORT**

Fiscal Year Ended June 30, 2020

Prepared by:

Finance Department  
Accounting Division





## GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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(503) 581-7788 • FAX (503) 581-0152

475 Cottage Street NE, Suite 200 • Salem, Oregon 97301-3814

***INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS***

To the Honorable Mayor, Members of the  
City Council and the City Manager  
City of Springfield  
225 5<sup>th</sup> Street  
Springfield, Oregon 97477

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Springfield, Oregon (the City) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 29, 2020.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

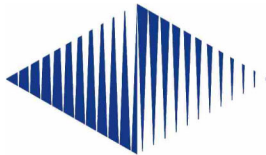
### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Jane Mueller & [unclear] PC".

CERTIFIED PUBLIC ACCOUNTANTS

December 29, 2020



## GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

[www.gmscpa.com](http://www.gmscpa.com)

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### ***INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY THE UNIFORM GUIDANCE***

To the Honorable Mayor, Members of the  
City Council and the City Manager  
City of Springfield  
225 5th Street  
Springfield, Oregon 97477

#### ***Report on Compliance for Each Major Federal Program***

We have audited the City of Springfield, Oregon (the City)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

#### ***Opinion on Each Major Federal Program***

In our opinion, the City of Springfield, Oregon complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

### ***Report on Internal Control over Compliance***

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 29, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

### ***Purpose of this Report***

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

March 22, 2021



## CITY OF SPRINGFIELD, OREGON

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number or Pass-Through Entity Identifying Number	Federal Expenditures in Fiscal Year 2019-2020	Amount Provided to Subrecipients
<b>FEDERAL GRANTS</b>				
<u>U.S. Department of Justice</u>				
Direct Programs:				
2018 Bulletproof Vest Partnership Award	16.607	Unknown	\$ 3,891	\$ -
2019 Bulletproof Vest Partnership Award	16.607	Unknown	6,886	-
2017 Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-DJ-BX-0465	10,672	-
2019 Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0722	24,712	-
Coronavirus Emergency Supplemental Funding Grant Program	16.034	2020-VD-BX-1201	25,337	-
<b>Total U.S. Department of Justice</b>			<b>71,498</b>	<b>-</b>
<u>U.S. Department of Homeland Security</u>				
Grant passed through State of Oregon, Office of Emergency Management Presidential Major Disaster Declaration FEMA	97.036	4432-DR-OR	162,848	-
<b>Total U.S. Department of Homeland Security</b>			<b>162,848</b>	<b>-</b>
<u>U.S. Department of Housing and Urban Development</u>				
<i>CDBG - Entitlement Grants Cluster</i>				
Community Development Block Grant	14.218	B-14-MC-41-0002	109,507	109,507
Community Development Block Grant	14.218	B-15-MC-41-0002	23,014	-
Community Development Block Grant	14.218	B-16-MC-41-0002	19,390	1,730
Community Development Block Grant	14.218	B-17-MC-41-0002	241,651	211,054
Community Development Block Grant	14.218	B-18-MC-41-0002	340,554	340,554
Community Development Block Grant	14.218	B-19-MC-41-0002	250,045	83,126
Community Development Block Grant Program Income	14.218	N/A	159,366	96,435
<i>Total CDBG - Entitlement Grants Cluster</i>			<i>1,143,527</i>	<i>842,406</i>
Grant Passed through City of Eugene:				
HOME Investment Partnership Programs	14.239	Unknown	11,303	-
<b>Total U.S. Department of Housing and Urban Development</b>			<b>1,154,830</b>	<b>842,406</b>
<u>U.S. Department of Transportation</u>				
<i>Highway Planning and Construction Cluster</i>				
Grant passed through Lane Council of Governments:				
Federal Surface Transportation Block Grant (STBG)	20.205	Unknown	45,000	-
<i>Total Highway Planning and Construction Cluster</i>			<i>45,000</i>	<i>-</i>
<i>Federal Transit Cluster</i>				
Grant passed through Lane Transit District:				
FY17 FHWA STP for Main-McVay Locally Preferred Transit Solution	20.507	OR-2018-035-00	95,000	-
<i>Total Federal Transit Cluster</i>			<i>95,000</i>	<i>-</i>
<i>Highway Safety Cluster</i>				
Grants passed through State of Oregon:				
Springfield PD Safety Belt Overtime Enforcement Grant	20.600	69A37518300004020OR0	849	-
Springfield PD Speed Grant	20.616	69A375130000405eORC	1,044	-
Springfield PD Speed OT Enforcement Grant	20.600	69A37519300004020OR0	825	-
Springfield PD Safety Belt/Child Passenger Safety OT Enforcement Grant	20.600	69A37519300004020OR0	480	-
Grants passed through Oregon Impact:				
2018-2019 Statewide Distracted Driving Enforcement Campaign	20.600	69A375130000405eORC	3,715	-
2019-2020 Distracted Driving OT Enforcement	20.600	69A375130000405eORC	870	-
<i>Total Highway Safety Cluster</i>			<i>7,783</i>	<i>-</i>
2018-2019 DUII HVE OT Grant	20.608	69A37518300001640RA	1,285	-
2019-2020 Impaired OT Driving Enforcement	20.608	69A37518300001640R1	2,330	-
<b>Total U.S. Department of Transportation</b>			<b>151,398</b>	<b>-</b>

The accompanying notes are an integral part of this statement.

## CITY OF SPRINGFIELD, OREGON

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number or Pass-Through Entity Identifying Number	Federal Expenditures in Fiscal Year 2019-2020	Amount Provided to Subrecipients
<u>U.S. Department of the Treasury</u>				
Grant passed through State of Oregon:				
Coronavirus Relief Fund Grant	21.019	Unknown	\$ 1,057,107	\$ -
<b>Total U.S. Department of the Treasury</b>			<b>1,057,107</b>	<b>-</b>
<u>U.S. Department of Health and Human Services</u>				
Direct Program:				
CARES Act Provider Relief Fund	93.498	Unknown	108,166	-
<b>Total U.S. Department of Health and Human Services</b>			<b>108,166</b>	<b>-</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 2,705,847</b>	<b>\$ 842,406</b>

The accompanying notes are an integral part of this statement.

#### NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the City under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

#### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the OMB Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has not elected to use the 10 percent de minimus indirect cost rate as allowed under Uniform Guidance. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

#### NOTE C – LOANS RECEIVABLE OUTSTANDING

The City had the following loan balances outstanding at June 30, 2020

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Outstanding</u>
Community Development Block Grant	14.218	\$ 1,179,624
HUD HOME Grant	14.239	<u>310,130</u>
		<u>\$ 1,489,754</u>

**CITY OF SPRINGFIELD, OREGON, FEDERAL GRANT COMPLIANCE REPORT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2020**

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**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued:	Unmodified
Internal control reporting:	
· Material weakness(es) identified?	No
· Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
· Material weakness(es) identified?	No
· Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

Major Programs:

**CFDA Numbers**

**Name of Federal Program or Cluster**

14.218  
21.019

CDBG – Entitlement Grants Cluster  
Coronavirus Relief Funds

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualifies as low-risk auditee?	No

**FINANCIAL STATEMENT FINDINGS**

None.

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None.

# **SALEM AREA MASS TRANSIT DISTRICT**

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## **Federal Compliance Report**

For the year ended

**June 30, 2020**

Marion County, Oregon



## GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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### ***INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS***

Board of Directors  
Salem Area Mass Transit District  
Salem, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Salem Area Mass Transit District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 31, 2021.

#### ***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### ***Compliance and Other Matters***

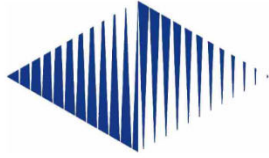
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
CERTIFIED PUBLIC ACCOUNTANTS

January 31, 2021



## GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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### ***INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE***

Board of Directors  
Salem Area Mass Transit District  
Salem, Oregon

#### ***Report on Compliance for Each Major Federal Program***

We have audited Salem Area Mass Transit's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

#### ***Opinion on Each Major Federal Program***

In our opinion, Salem Area Mass Transit District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.



### ***Report on Internal Control over Compliance***

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have audited the financial statements of the District for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated January 31, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

### ***Purpose of this Report***

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

March 23, 2021

**Salem Area Mass Transit District**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2020**

	<i><b>Federal CFDA Number</b></i>	<i><b>Pass- Through Entity Grantor/Number</b></i>	<i><b>Program/ Award Amount</b></i>	<i><b>Expenditures</b></i>	<i><b>Passed Through to Subrecipients</b></i>
<b>U S Dept of Transportation</b>					
<i>Federal Transit Cluster</i>					
<i>Direct</i>					
11 5309 Livability Keizer Transit Center	20.500	OR04-0039	\$ 2,800,000	\$ 538,774	\$ -
14 5307 PM, ADA, Operating, ATI	20.507	OR90-X173	5,847,526	248	-
16 & 20 5307 Operating Assist, PM, ADA	20.507	OR-2020-032	5,172,564	5,172,564	-
5307 CARES Act	20.507	OR-2020-031	15,668,434	3,362,418	-
15 5307 Capital Projects	20.507	OR-2019-025-00	631,506	44,127	-
16 Capital and Rolling Stock	20.507	OR-2019-30	168,434	124,163	-
17 Capital and Rolling Stock	20.507	unknown	1,648,882	394,847	-
5307_ STP Flex 2 Bus Stops, Shelters	20.507	unknown	1,103,007	110,923	-
5307_ STP CAD/AVL	20.507	OR-2017-007	219,378	33,303	-
5307_Bus Replacement	20.507	OR-2019-026	1,434,783	1,434,519	-
ITS System Implementation	20.507	OR-2019-030	1,308,417	18,097	-
5307_APC Counters	20.507	OR-2018-009	659,516	102,686	-
5339_Bus Replacement	20.526	OR-2019-021	2,475,000	2,474,040	-
5339_A Formula_KTC	20.526	unknown	320,000	3,361	-
<i>Total Federal Transit Cluster</i>				13,814,070	-
<i>Transit Services Programs Cluster</i>					
<i>Direct</i>					
FY 18 5310 Mobility of Sr. & Indv. w/ Disabilities Formula	20.513	OR-2018-030	234,747	16,044	-
FY 19 5310 Mobility of Sr. & Indv. w/ Disabilities Formula	20.513	OR-2020-007	240,112	240,112	15,000
				256,156	15,000
<i>Passed through Oregon Department of Transportation</i>					
6 Replacement vehicles	20.513	32853	969,084	207,183	-
19-21 5310 PS, PM, MM	20.513	33593	1,924,416	703,656	-
				910,839	-
<i>Total Transit Services Programs Cluster</i>				1,166,995	15,000
<i>Formula Grant for Rural Areas</i>					
<i>Passed through Oregon Department of Transportation</i>					
CARTS Rural FY19/20 PS, Admin	20.509	33431	728,311	325,137	-
20-21 5311 CARES Act	20.509	34207	364,155	73,947	-
<i>Total Formula Grant for Rural Areas</i>				399,084	-
<i>Highway Planning and Construction Cluster</i>					
<i>Passed through Oregon Department of Transportation</i>					
Rideshare & TDM FY19-21	20.205	32498	1,214,995	344,184	-
<i>Passed through Mid-Willamette Valley Council of Governments</i>					
Transportation Planning 20	20.205	unknown	120,903	120,729	-
<i>Total Highway Planning and Construction Cluster</i>				464,913	-
<b>U S Dept of Treasury</b>					
<i>Coronavirus Relief Funds</i>					
<i>Passed through Oregon Department of Administrative Services</i>					
COVID-19 - Coronavirus Relief Funds	21.019	1557	250,000	199,895	-
<i>Total Expenditures of Federal Awards</i>				\$ 16,044,957	\$ 15,000

**Salem Area Mass Transit District**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2020**

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***PURPOSE OF THE SCHEDULE***

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Salem Area Mass Transit District (the District) under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and Circular A-87 when applicable. Because the Schedule presents only a selected portion of the operations of the District it is not intended to and does not present the net position, changes in net position, and cash flows of the District.

***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

*Basis of Presentation*

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

***INDIRECT COST RATE***

The District has not elected to use the 10 percent de minimus indirect cost rate as allowed under Uniform Guidance.

**Salem Area Mass Transit District  
Schedule of Audit Findings and Questioned Costs  
Year Ended June 30, 2020**

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***SUMMARY OF AUDITOR'S RESULTS***

***Financial Statements***

Type of auditor's report issues:	Unmodified
Internal control reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
• Noncompliance material to financial statements noted?	No

***Federal Awards***

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

Identification of major program:

**CFDA Numbers**

**Name of Federal Program or Cluster**

20.500, 20.507, 20.526  
21.019

Federal Transit Cluster  
Coronavirus Relief Funds

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

***FINANCIAL STATEMENT FINDINGS***

None

***FEDERAL AWARD FINDINGS AND QUESTIONED COSTS***

None

***PRIOR AUDIT FINDINGS AND QUESTIONED COSTS***

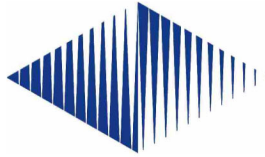
None

## **ATTACHMENT D**

### ***MUNICIPAL REPORT EXAMPLE***

City of Springfield

**GROVE, MUELLER & SWANK, P.C.**



## GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

[www.gmscpa.com](http://www.gmscpa.com)

(503) 581-7788 • FAX (503) 581-0152

475 Cottage Street NE, Suite 200 • Salem, Oregon 97301-3814

### ***INDEPENDENT AUDITOR'S REPORT***

To the Honorable Mayor, Members of the  
City Council and the City Manager  
City of Springfield  
225 5<sup>th</sup> Street  
Springfield, Oregon 97477

#### **Report on 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 Springfield, Oregon (the City) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's 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.

#### **Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 auditor's 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 City's 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 City's 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 Springfield, Oregon, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A), schedule of revenues, expenditures, and changes in fund balance (non GAAP budgetary basis) – budget to actual for the General Fund, Street Fund, Police Local Option Levy Fund, and Street Capital Projects Fund and the required supplementary information schedules for OPEB, CRP, and OPERS 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 MD&A and the required supplementary information schedules for OPEB, CRP, and OPERS 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.

The schedules of revenues, expenditures, and changes in fund balance (non GAAP budgetary basis) – budget to actual (as described above) are the responsibility of management and were derived from and relate 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 budgetary comparison information is fairly stated in all material respects in relation to the basic financial statements as a whole.

### *Other Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information, introductory section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections 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.

### **Reporting Required by Legal and Regulatory Requirements**


#### *Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance

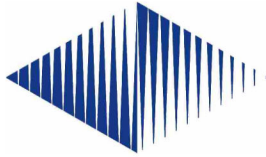
#### *Reporting Required by Oregon Minimum Standards*

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 29, 2020, on our consideration of the City's 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.

GROVE, MUELLER & SWANK, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

By:   
Ryan T. Pasquarella, A Shareholder  
December 29, 2020





## GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

[www.gmscpa.com](http://www.gmscpa.com)

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475 Cottage Street NE, Suite 200 • Salem, Oregon 97301-3814

### ***INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS***

To the Honorable Mayor, Members of the  
City Council and the City Manager  
City of Springfield  
225 5<sup>th</sup> Street  
Springfield, Oregon 97477

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the City of Springfield, Oregon as of and for the year ended June 30, 2020, and have issued our report thereon dated December 29, 2020.

#### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City'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.**
- **Programs funded from outside sources.**
- **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).**
- **Accountability for collecting or receiving money by elected officials - no money was collected or received by elected officials.**

In connection with our testing nothing came to our attention that caused us to believe the City 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.


### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

### ***Restriction on Use***

This report is intended solely for the information and use of the Honorable Mayor, City Council and management of the City of Springfield, Oregon and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

*GROVE, MUELLER & SWANK, P.C.*  
*CERTIFIED PUBLIC ACCOUNTANTS*

By:   
\_\_\_\_\_  
Ryan T. Pasquarella, A Shareholder  
December 29, 2020

## **ATTACHMENT E**

### ***MANAGEMENT LETTER EXAMPLES***

City of Sweet Home

Haven Center



## GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS  
475 Cottage Street NE, Suite 200, Salem, Oregon 97301  
(503) 581-7788

May 20, 2020

The Honorable Greg Mahler, Mayor  
And Members of the City Council  
City of Sweet Home  
3225 Main Street  
Sweet Home, Oregon 97386

In planning and performing our audit of the financial statements of the City of Sweet Home (the City) as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

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

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the City's internal control to be significant deficiency:

### **CURRENT YEAR**

#### ***ACCOUNT RECONCILIATIONS***

##### ***Situation/Recommendation***

During our audit, we noted that periodic reconciliations on various major accounts was not performed (cash, accounts payable, accrued liabilities, and interest revenues allocations). It is important to reconcile subsidiary ledgers or supporting schedules to the general ledger to ensure the accuracy of financial information and minimize the risk of misstatement or misappropriation. We strongly recommend that a policy be implemented, whereby all subsidiary ledgers and/or supporting schedules are reconciled to the general ledger or on a monthly or otherwise timely basis. We also recommend that appropriate management-level personnel review the reconciliations for accuracy and document evidence of their review for audit purposes.

### *Management's Response*

Due to the construction and relocation of City Hall during the fiscal year and staff's involvement in managing the project, management was unable to reconcile accounts timely. Timely reconciliations will be completed in the future to ensure financial reporting is accurate and to avoid additional missteps regarding excess expenditures.

We considered the following deficiency in the City's internal control to be significant deficiency in the prior year:

### **PRIOR YEAR**

#### ***TIMELINESS OF BANK RECONCILIATIONS***

##### *Situation/Recommendation*

It was noted that bank reconciliations were not performed timely during the fiscal year. This lack of timely reconciliation results in inaccurate reporting of balances and could result in fraudulent items negotiated against the City's bank accounts. We recommend that timely bank reconciliation procedures be implemented.

##### *Status Update*

See current year deficiency related to timely reconciliation of accounts.

The purpose of this communication, which is an integral part of our audit, is to describe for management and those charged with governance of the City of Sweet Home the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

Very truly yours,



CERTIFIED PUBLIC ACCOUNTANTS



March 18, 2020

Julieta Sicat, Shareholder  
Haven Center LLC dba Haven Center of Oregon  
15160 SW Davis Rd  
Beaverton, OR 97007

In planning and performing our audit of the financial statements of Haven Center LLC dba Haven Center of Oregon as of and for the year ended December 31, 2018 in accordance with auditing standards generally accepted in the United States of America, we considered Haven Center of Oregon's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of Haven Center of Oregon's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

We consider the following deficiency in the entity's internal control to be a material weakness:

#### ***USE OF THE GENERAL LEDGER***

During our audit, we noted that some general ledger account balances required additional reconciliation and, in some cases, outside corroboration to finalize financial information. This reconciliation process and the need for outside corroboration could cause future delays in the financial statements as well as allow for possible irregularities, to exist and continue without notice. We recommend Haven Center of Oregon

immediately reconcile the backlog of accounts and make future reconciliations of accounts on a consistent basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the entity's internal control to be significant deficiencies:

### ***ACCRUAL BASIS OF ACCOUNTING***

During our audit, we noted that Haven Center of Oregon uses the accrual basis of accounting for financial statement purposes but the cash basis of accounting for tax purposes. The internal books, however, are maintained on the cash basis, which makes interim reporting very difficult because various accrual basis adjustments must be posted to the books to arrive at the accrual basis. We recommend that Haven Center of Oregon maintain the general ledger on the accrual basis during the year. This would ease the ability to effectively and efficiently prepare interim financial reports on the accrual basis. Conversion to the cash basis could be performed at year-end only for preparation of the tax return.

### ***PERSONAL EXPENSES***

During our audit, we noted personal and business expenses charged to credit cards that are ultimately paid by Haven Center of Oregon. Based upon our investigation, the personal expenses were properly posted to the distribution account of the Shareholder. The area of personal expenses can be a hotbed for intense analysis and scrutiny in the event of an audit by the IRS or other such inquiry or investigation. To maintain compliance with tax requirements relating to proper business expenses, we recommend, for all future years, that all personal expenses not be commingled with business expenses.

This communication is intended solely for the information and use of the Shareholder, others within the organization, and the State of Oregon and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jore, Mueller & Duck, PC". The signature is fluid and cursive, with the initials "J", "M", and "D" being prominent.

**CERTIFIED PUBLIC ACCOUNTANTS**

## **ATTACHMENT F**

***NOT TO EXCEED PRICE FOR PROPOSED SERVICE SCHEDULE***

**GROVE, MUELLER & SWANK, P.C.**



**Not to Exceed Price for Proposed Service Schedule****a. Fiscal Year Ending June 30, 2021**

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

<b>Fiscal Year Ended June 30, 2021</b>						
<b>Key Personnel</b>	<b>F/S Audit Hours</b>	<b>URA Hours</b>	<b>Single Audit Hours</b>	<b>Total Hours</b>	<b>Hourly Rate</b>	<b>Total</b>
Engagement Partners	40	2	8	50	\$ 280	\$ 14,000
Engagement Manager	56	4	16	76	150	11,400
Engagement Senior/Staff	108	6	34	148	90	13,320
Clerical/Support Staff	2	1	1	4	50	200
	<u>206</u>	<u>13</u>	<u>59</u>	<u>278</u>		<u>\$ 38,920</u>

**b. Future Fiscal Years Ending June 30<sup>th</sup>**

In accordance with the Request for Proposal for Professional Auditing Services issued by the City of Canby, Oregon, the firm referenced below hereby submits the following cost proposal:

	<b>Fiscal Years Ending June 30<sup>th</sup>,</b>				
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Financial Statements	\$ 29,420	\$ 30,300	\$ 31,200	\$ 32,100	\$ 32,700
URA Statements	1,750	1,800	1,900	2,000	2,100
Single Audit (two programs)	<u>7,750</u>	<u>8,000</u>	<u>8,200</u>	<u>8,400</u>	<u>8,700</u>
	<u>\$ 38,920</u>	<u>\$ 40,100</u>	<u>\$ 41,300</u>	<u>\$ 42,500</u>	<u>\$ 43,500</u>

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

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

Firm Name: Grove, Mueller & Swank, P.C.

Signature: 

Date: April 8, 2021

Printed Name: Ryan T. Pasquarella

Title: Shareholder

Email Address: ryan@gmscpa.com

Phone # 503-581-7788

**GROVE, MUELLER & SWANK, P.C.**

**F-1**



# City of Canby

PO Box 930  
222 NE 2nd Ave  
Canby, OR 97013

Phone: 503.266.4021  
Fax: 503.266.7961  
www.canbyoregon.gov

## City Council Staff Report

DATE: May 5, 2021

TO: Honorable Mayor Hodson and City Council

FROM: Scott Archer, City Administrator

**Ordinance No. 1555:** An Ordinance authorizing the City Administrator to enter into an Employment Contract between the City of Canby and Chief Jorge Tro.

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### Summary

Should the City contract with its Chief of Police for the next three and a half years following his official retirement with PERS?

### Background and Discussion

Our current Chief of Police, Jorge Tro, has worked for Canby in his position since April 1, 2021. Tro has worked for the City of Canby as a sworn officer for 24 years. He is in good standing and wishes to officially retire from the PERS system on July 1, 2021. He has offered to continue working for Canby as Chief for the amount of time that PERS currently allows for police and fire personnel (a law which currently expires December 31, 2024). He would like to take advantage of these recent changes in PERS that will allow him to retire, yet work back in his position until December 31, 2024, without affecting his PERS retirement. He would even want to possible work more if the law changes in the future.

He is therefore offering to officially retire under PERS, but he wishes to keep his standing and accrual rates consistent in this work back. During this time, the City won't have to pay the employee portion of the PERS IAP (currently set at 6%), so the City will save by not having to pay that six (6) percent.

### Attachments

Exhibit A—Employment Contract Agreement for Chief Jorge Tro.

### Fiscal Impact

The City will realize a six (6%) percent PERS IAP (based off salary) savings as compared to the continued employment for the same amount of time

### Options

Authorize the contract

Reject the contract

**Recommendation**

Staff recommends the Council authorize the contract by passing the ordinance.

**Proposed Motion**

“I move to pass **Ordinance No. 1555**, An Ordinance authorizing the City Administrator to enter into an Employment Contract between the City of Canby and Chief Jorge Tro to a second reading on May 19<sup>th</sup>, 2021.”

**ORDINANCE NO. 1555**

**AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO AN EMPLOYMENT CONTRACT BETWEEN THE CITY OF CANBY AND CHIEF JORGE TRO.**

**WHEREAS**, the City of Canby has employed Jorge Tro as Chief of Police since April 1, 2021; and

**WHEREAS**, Jorge Tro has been and continues to be in good standing with the City of Canby for over 24 years; and

**WHEREAS**, Jorge Tro wants to officially retire in the Oregon PERS system as of July 1, 2021; and

**WHEREAS**, the City of Canby would like Jorge Tro to work back as Chief of Police until at least December 31, 2024 under current PERS rules;

**NOW, THEREFORE, THE CITY OF CANBY, OREGON, ORDAINS AS FOLLOWS:**

**Section 1.** The Interim City Administrator is hereby authorized on behalf of the City to enter into an Employment Contract Agreement with Jorge Tro to continue as Chief of Police for the City. A copy of the Agreement is attached hereto as Exhibit "A."

**Section 2.** The effective date of this Ordinance shall be June 19, 2021.

**SUBMITTED** to the Canby City Council and read the first time at a regular meeting therefore on Wednesday, May 5, 2021, ordered posted as required by the Canby City Charter; and scheduled for second reading on Wednesday, May 19, 2021, commencing at the hour of 7:30 PM in the Council Chambers located at 222 NE 2<sup>nd</sup> Avenue, 1<sup>st</sup> Floor Canby, Oregon.

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Melissa Bisset  
City Recorder

**PASSED** on second and final reading by the Canby City Council at a regular meeting thereof on the 19<sup>th</sup> day of May 2021, by the following vote:

YEAS \_\_\_\_\_

NAYS \_\_\_\_\_

\_\_\_\_\_  
Brian Hodson  
Mayor

ATTEST:

\_\_\_\_\_  
Melissa Bisset, CMC  
City Recorder

## **Exhibit A**

### **Contract / Agreement for Employment between the City of Canby and Jorge Tro**

This Agreement for employment is entered into between the City of Canby, Oregon, an Oregon municipal corporation (City), and Jorge Tro.

#### **RECITALS**

- A. Jorge Tro is presently employed with the City as a regular, full-time Chief of Police.
- B. Jorge Tro has indicated his intent to retire from employment with the City effective July 1, 2021, or sometime close thereafter.
- C. Jorge Tro desires to return to employment with the City after retirement as a contract employee, and the City is willing to allow Jorge Tro to return to employment as provided in this agreement.

#### **AGREEMENT**

Now, therefore, in consideration of the foregoing and the mutual covenants and obligations set forth in this Agreement, it is hereby agreed to as follows:

1. Upon his retirement from employment with the City (currently aiming to be effective July 1, 2021), the City agrees to employ Jorge Tro and Jorge Tro agrees to work for the City in the same position, retaining his appointment as Chief of Police, with the same duties as that position in which he was employed at the time of his retirement, and shall perform such other duties as may, from time to time, be assigned. Jorge Tro will retain his current level of seniority and the same date of appointment (April 1, 2021). No probationary period will apply.
2. The term of this Agreement is currently intended to be for 3 years, 6 months, beginning July 1, 2021, and ending December 31, 2024; however, if Oregon laws regarding PERS police retirees extend the term of eligibility for such employment, the City will offer an extension to this contract. At the time of any such extension, the parties will mutually agree to an extended period in writing. During the term of his employment, Jorge Tro will serve "at will" and either party may terminate this agreement at any time. If Jorge Tro resigns or the City elects to terminate this agreement, at least thirty (30) days' notice will be given to the other party. In the event of termination for cause, crime, or indictment, this notice will not apply.
3. In the event employment is terminated during such time that Jorge Tro is willing and able to perform the duties under this Agreement, the City shall pay Jorge Tro a lump sum cash amount equal to four (4) months aggregate base salary, including the cost of individual health coverage over that time. In the event Jorge Tro's employment is terminated for just cause, because of an indictment for an illegal act, or convicted of a crime involving moral turpitude, the City shall have the right to terminate Jorge Tro's employment and

this Agreement immediately without the obligation to pay any severance pay as designated in this paragraph. Provided, that after Indictment for an illegal act, Jorge Tro is acquitted of all charges or if all charges are dismissed with prejudice within six (6) months of the Indictment, the City shall pay the severance amount to Jorge Tro. Severance amounts shall be paid within thirty (30) days of the date of termination, unless mutually agreed upon in writing.

4. At the commencement of his employment under this agreement, Jorge Tro will receive a bi-weekly gross salary equal to his salary at the time of his retirement (and will be subject to regular withholding and payroll taxes). In addition, Jorge Tro will receive the same merit increases, incentives and annual cost of living adjustments as all City of Canby, non-represented employees. Jorge Tro may work a Monday through Friday schedule, a 5/8 or 4/10 forty (40) hours work week, subject to approval by the City Administrator.
5. Jorge Tro will also be entitled to the following benefits:
  - a. Jorge Tro will be compensated with the current accrued Administrative (fifty-five (55) hours) and Personal Leave (eight (8) hours) and will be entitled to be paid/credited for any unused Vacation, Administrative, and Personal Leave upon termination of his employment, as allowed by the City's Policy. Jorge Tro will retain his current rate of accrual for any/all Administrative and Personal Leave as allowed by City Policy.
  - b. Jorge Tro will start with 80 hours of accrued Vacation Leave and will be entitled to be paid/credited for any unused Vacation Leave upon termination of his employment. Tro can use but not cash out his gifted bank of 80 hours of Vacation Leave until he has successfully completed one year under this contract. Otherwise, the selling back of time will be as allowed by the City's Policy for non-represented management employees. Jorge Tro will retain his current rate of accrual for any/all Vacation Leave.
  - c. Jorge Tro will start with 80 hours of accrued Sick Leave and will be immediately entitled to use this according to City Policy without any waiting period. Jorge Tro will retain his current rate of accrual for any/all Sick Leave. As a contract employee, Tro will not be able to cash out or sale any unused Sick Leave.
6. The City agrees to provide Jorge Tro the same coverage and pay the same premium rate/schedule portion for the City's health, dental and vision insurance, life insurance and long term disability plan as provided for regular, full-time, non-representative, management employees (as that in which he was employed at the time of his retirement).
7. The City and Jorge Tro acknowledge that Jorge Tro will be a retired public employee receiving benefits under the Oregon Public Employee Retirement System (PERS), and is subject to the laws, rules and regulations governing employment of PERS police officer retirees.

8. Jorge Tro will, at all times during his employment under this agreement, meet and maintain compliance with all fitness standards required by the City for the position in which he is employed.
9. This is a Contract Agreement for employment under and subject to the City's Policy and Procedures, other than those exceptions noted in this Agreement, and Jorge Tro is subject to those policies and procedure and to the Canby Police Department's Policies and Procedures; to include any amendments that may occur from time to time.
10. Integration: This Agreement supersedes and incorporates all prior agreements between the parties and constitutes the entire agreement between the parties. No other agreement, promise or understanding between the parties that is not set forth herein shall be binding or enforceable.

**This Contract / Agreement is effective July 1, 2021.**

As representative witnesses with the City of Canby, Oregon, the following individuals have executed this Agreement:

By:	_____	_____
	<b>City Administrator</b>	<b>Chief of Police</b>
	Scott Archer	Jorge Tro

Date:	_____	Date: _____
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# City of Canby

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## City Council Staff Report

DATE: May 5, 2021

TO: Honorable Mayor Hodson and City Council

THRU: Scott Archer, City Administrator

FROM: Dave Conner, Wastewater Services Manager

ITEM: **Ordinance No. 1552** : An Ordinance authorizing the Mayor and City Administrator to enter into a contract with Heard Farms for Wastewater Sewage Sludge Removal; and repealing Ordinance 1527. *(First Reading)*

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### Summary

The City is currently contracting with Heard Farms for sewage sludge removal at the City's Wastewater Treatment Facility. Under the existing, annual contract, the price charged per wet ton hauled has been \$61 for the last 2 years. This pricing has been very low (current pricing of remaining Wasco County alternative is \$88 per ton) in comparison to other sludge removal options. In moving forward, a 3 year sole source contract for beneficial reuse (and due to no other sludge handling facility being available) is the best option. The first year will be \$74.50 per ton, the second year \$76 per ton and the third \$78 per ton. If diesel pricing exceeds a 50% increase in the 2<sup>nd</sup> and 3<sup>rd</sup> year the contractor may request to bargain a shared cost on the % increase.

### Background

Heard Farms has been Hauling and processing Canby's sludge/biosolids at their Roseburg facility since 2013 on an annually renewed contract basis. Heard Farms also supplies a front end loader on site and loads their own semi-trucks and trailers at the wastewater treatment facility and prepares them for transport.

### Discussion

The Public Contract Rules in Oregon allow for a local contract review board (the Canby City Council is one under Oregon law) to find in writing that a good or service is only available from a sole source. One of the ways to find this is to recognize that it is the only truly efficient way to procure a particular good or service. In this instance, research has found that Heard farms is the only private company in Oregon that accepts and produces class B biosolids for beneficial reuse. Hauling to Wasco landfill is the other option but has proved to be more expensive and very inconvenient in comparison to Heard farms coming to our site to pick it up.

**Attachments**

Personal Services Agreement and attachment, EXHIBIT "A"

**Fiscal Impact**

2020 production cost was approximately \$127,185. The fiscal impact in the first year will be approximately an additional \$28,000 based off of 2020 sludge removal volumes. Year 2 and 3 will add an additional \$3,000 and \$4000 respectively.

**Options**

1. Authorize the Contract

**Recommendation**

Staff recommends the Council authorize the contract as presented.

**Proposed Motion**

"I move to approve Ordinance No. 1552 An Ordinance authorizing the City of Canby to enter into a contract with Heard Farms for wastewater sewage sludge removal; to come up for second reading on May 19, 2021."

## ORDINANCE NO. 1552

### **AN ORDINANCE AUTHORIZING THE CITY OF CANBY TO ENTER INTO A CONTRACT WITH HEARD FARMS FOR WASTEWATER SEWAGE SLUDGE REMOVAL; AND REPEALING ORDINANCE 1527**

**WHEREAS**, the City of Canby requires the hauling of tonnage of wet sewage sludge as part of its wastewater treatment;

**WHEREAS**, the City of Canby desires to secure a cost-effective contract for this integral service;

**WHEREAS**, the Canby City Council is the local contract review board in accordance with Oregon Revised Statute (ORS) 279B.075 and is vested with procurement authority under ORS 279A.050; and

**WHEREAS**, the Canby City Council finds that Heard Farms is the sole source of this service based on the fact that the only other existing options are scarce and inefficient, namely, that Heard Farms is the only private, regulated facility in the State of Oregon that takes municipal sludge and treats to a Class B biosolid, while the remaining option is to expensively and inconveniently haul the sludge to a landfill in Wasco County.

### **THEREFORE, THE CITY OF CANBY, OREGON, ORDAINS AS FOLLOWS:**

**Section 1.** The City Administrator is hereby authorized on behalf of the City to enter into a Personal Services Agreement with Heard Farms to haul sewage sludge for the City. A copy of the Personal Services Agreement is attached hereto as Exhibit "A."

**Section 2.** The effective date of this Ordinance shall be July 1, 2021.

**SUBMITTED** to the Canby City Council and read the first time at a regular meeting therefore on Wednesday, May 5, 2021 ordered posted as required by the Canby City Charter; and scheduled for second reading on Wednesday, May 19, 2021 commencing at the hour of 7:30 PM in the Council Chambers located at 222 NE 2<sup>nd</sup> Avenue, 1<sup>st</sup> Floor Canby, Oregon.

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Melissa Bisset, CMC  
City Recorder

**PASSED** on second and final reading by the Canby City Council at a regular meeting thereof on the 19<sup>th</sup> day of May 2021, by the following vote:

YEAS \_\_\_\_\_

NAYS \_\_\_\_\_

\_\_\_\_\_  
Brian Hodson  
Mayor

ATTEST:

\_\_\_\_\_  
Melissa Bisset, CMC  
City Recorder

## EXHIBIT "A"

### PERSONAL SERVICES AGREEMENT

THIS AGREEMENT is between the CITY OF CANBY (City) and Heard Farms (Contractor).

- A. City requires services which Contractor is capable of providing, under terms and conditions hereinafter described.
- B. Contractor is able and prepared to provide such services as City requires, under those terms and conditions set forth.

The Parties Agree a Follows:

- 1. Scope of Services. Contractor's services under this Agreement are set forth in Exhibit "A", attached hereto.
- 2. Contractor Identification. Contractor shall furnish to City its employer identification number as designated by the Internal Revenue Service, or Contractor's Social Security Number, as City deems applicable. **Contractor understands it is required to obtain a City of Canby Business License for conducting business in the City. Contractor agrees to obtain a Canby Business License prior to commencing work under this contract.**
- 3. Compensation:
  - A. City agrees to pay Contractor according to the proposed rate schedule submitted with the Contractor's proposal. See Exhibit "A" attached hereto.
  - B. City agrees to pay Contractor within 30 days after receipt of Contractor's itemized statement reporting completed work. Amounts disputed by the City may be withheld pending settlement.
  - C. City certifies that sufficient funds are available and authorized for expenditure to finance costs of the Agreement.
- 4. Contractor is Independent Contractor.
  - A. Contractor's services shall be provided under the general supervision of the City Administrator. Contractor shall be an independent contractor for all purposes and shall be entitled to no compensation other than the compensation provided for under Paragraph #3 of this Agreement.
  - B. Contractor certifies that it is either a carrier-insured employer or a self-

insured employer as provided in Chapter 656 of the Oregon Revised Statutes.

- C. Contractor hereby represents that no employee of the City, or any partnership or corporation in which a City Employee has an interest, will or has received any remuneration of any description from Contractor, either directly or indirectly, in connection with the letting or performance of this contract, except as specifically declared in writing.
- 5. Subcontractors and Assignment. Contractor shall neither subcontract any of the work, nor assign any rights acquired hereunder, without obtaining prior written approval from City. City, by this Agreement, incurs no liability to third persons for payment of any compensation provided herein to Contractor. Any subcontract between Contractor and subcontractor shall require the subcontractor to comply with all terms and conditions this agreement as well as applicable OSHA regulations and requirements.
- 7. Term.
  - A. This Agreement may be terminated by:
    - 1. Mutual written consent of the parties.
    - 2. Either party, upon thirty (30) days written notice to the other, delivered by certified mail or in person.
    - 3. City, effective upon delivery of written notice to Contractor by certified mail, or in person, under any of the following:
      - a. If Contractor fails to provide services called for by this Agreement within the time specified or any extension thereof.
      - b. If Contractor fails to abide by the terms of this Agreement.
      - c. If services are no longer required.
- 8. Professional Standards. Contractor shall be responsible to the level of competency presently maintained by others practicing the same type of work in City's community, for the professional and technical soundness, accuracy and adequacy of all work and materials furnished under this authorization.
- 9. Insurance. Insurance shall be maintained by the Contractor with the following limits:
  - A. For General Liability Insurance, Contractor shall provide a Certificate of

Insurance naming the City of Canby as an additional insured showing policy limits of not less than \$1,000,000 Combined Single Limit for Bodily Injury/Property Damage on an occurrence basis.

B. For Automobile Insurance, Contractor shall provide a Certificate of Insurance naming the City of Canby as an additional insured showing policy limits of not less than \$1,000,000 Combined Single Limit for Bodily Injury/Property Damage on an occurrence basis for any vehicle used for City business or use otherwise related to this contract.

C. For Professional Liability-errors and omissions-a \$1,000,000 Combined Single Limit for Bodily Injury/Property Damage limit. **(Required for Architects, Appraisers, Attorneys, Consultants, Engineers, Planners, Programmers, etc.).** For purposes of professional liability, Contractor shall provide proof of a Certificate of Insurance naming the City of Canby as a Certificate Holder.

D. For Worker's Compensation, Contractor shall provide a Certificate of Insurance naming the City of Canby as a Certificate Holder showing Worker's Compensation Insurance with statutory limits of coverage.

Procuring of such required insurance at the above-stated levels shall not be construed to limit the Contractor's liability hereunder. Notwithstanding said insurance, Contractor shall be obligated for the total amount of any damage, injury, loss, or related costs caused by or related to Contractor's negligence or neglect connected with this Agreement.

10. Legal Expense. In the event legal action is brought by City or Contractor against the other to enforce any of the obligations hereunder or arising out of any dispute concerning the terms and conditions hereby created, the losing party shall pay the prevailing party such reasonable amounts for attorney's fees, costs, and expenses as may be set by the court both at trial and all appeals there from.
11. Modifications. Any modification of the provisions of this Agreement shall be in writing and signed by the parties.
12. Notices. Any notice, bills, invoices, reports, or other documents required by this Agreement shall be sent by the parties by United States mail, postage paid, or personally delivered to the address below. All notices shall be in writing and shall be effective when delivered. If mailed, notices shall be deemed effective forty-eight (48) hours after mailing unless sooner received.
13. Entire Agreement. This Agreement contains the entire understanding of the parties regarding the subject matter of this Agreement and supersedes all prior and contemporaneous negotiations and agreements, whether written or oral, between the parties with respect to the subject matter of this Agreement.

LIST OF SUBCONTRACTORS

*As per Section 5 of the Personal Services Agreement, the following businesses will be subcontractors. Subcontractors are required to have a City of Canby Business License prior to commencing work under this contract.*

<u>Narne of Business</u>	<u>Address</u>	<u>Phone</u>	<u>CCB#</u>
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[illegible]

The City hereby approves the above listed subcontractors.

City of Canby

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Date



## **EXHIBIT "A"**

### **Memorandum of Agreed Terms for Personal Services Agreement between City of Canby, Oregon (City) and Heard Farms, Inc. for Sewage Sludge Pickup and Disposal**

In addition to the terms agreed upon in the signed Personal Services Agreement, the City of Canby, Oregon (City) and Heard Farms, Inc. agree to the following:

1. Heard Farms will pick up and dispose of sewage sludge from the City of Canby Wastewater Treatment Plant located at 1480 NE Territorial Road in Canby, Oregon, at a price of \$74.50 per ton the first year, \$76 per ton the second year and \$78 per ton the third year.
2. In the second and third year of the agreement Heard Farms may request to open the contract and bargain a shared cost in fuel based on the previous year's increase.
  - A. The increase in Diesel fuel will be based on Oregon's average from July to June and must exceed a 50% increase before requesting to bargain a shared cost on the percent increase.
3. The Personal Services Agreement shall be effective from July 1, 2021 through June 30, 2024.
4. Sewage sludge is not required to meet the Class B standard in order for Heard Farms to haul and dispose of. The sewage sludge shall be in the range of 5 to 9 on the pH scale. Any testing of the sewage sludge for disposal purposes will be the responsibility of Heard Farms and will be done at the Heard Farms facility. The City is not responsible for this testing at all.
5. Containers and/or trailers will be hauled off by Heard Farms within 24 hours of the load being ready.
6. The City does not guarantee a specific amount of sewage sludge each month, but parties assume that amounts should be fairly consistent from month to month.
7. The City continues to reserve the right to haul off or have any excess sludge removed that Heard Farms cannot pick up and dispose of in a timely manner (by the end of each work week). The goal is to not store any sewage sludge.
8. Ownership of the sewage sludge transfers to Heard Farms upon pick-up by Heard Farms.
9. Heard Farms must have their own spill management, notification and cleanup plan.



# City of Canby

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## City Council Staff Report

DATE: May 5, 2021

TO: Honorable Mayor Hodson and City Council

THRU: Scott Archer, City Administrator

FROM: Jerry Nelzen, Interim Public Works Director

ITEM: County Road Transfers

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### **Summary**

This IGA between the County and the City will allow for portions of N. Maple Street, S. Redwood Street, N. Locust Street, and N. Redwood Street to become city streets. There are two IGAs, one for road transfers within the City limits, and the other is for road transfers technically outside City limits.

### **Background**

This Transfer was vetted through the Clackamas County Coordinating Committee in early 2020, and it will be the first transfer under the Community Road Fund's Strategic Investment Fund.

Transferring the rights and duties as road authority for these portions of N. Locust Street, N. Maple Street, N. Redwood Street and S. Redwood Street to the City of Canby will eliminate confusion and improve efficiencies of maintenance and public service. Maintenance will then be up to the City to be done to City standards moving into the future.

### **Discussion**

The City will perform all construction and reconstruction; improvements or repairs and maintenance; review and issuance of access permits; establishment of roadway standards; acquisition of right of way; storm water and drainage facility repair and maintenance; and review and issuance of street opening permits. The County will retain official jurisdiction of these portions of the roadways until such time as jurisdictional transfer as outlined in this agreement with the County has been completed.

### **Attachments**

- IGA between Clackamas County and the City of Canby for road transfers in Canby City Limits.
- IGA between Clackamas County and the City of Canby for road transfers outside Canby City Limits.

### **Fiscal Impact**

The City will receive payment of \$433,342, which represents the cost of a 2" asphalt overlay and ADA improvements along that portions being transferred outside City Limits.

The City will also receive payment of \$348,523, which represents the cost of a 2" asphalt overlay, one area of pre-overlay preparation and ADA improvements along the portions being transferred inside the City Limits.

**Recommendation**

Staff respectfully recommends that the Council approve this Intergovernmental Agreements (IGAs) with Clackamas County to transfer rights and duties as road authority for portions of N. Locust Street, N. Maple Street, N. Redwood and S. Redwood Street to the City of Canby.

**Proposed Motion:**

“I move to pass **Ordinance 1553**, An Ordinance Approving two Intergovernmental Agreements Between Clackamas County and the City of Canby Permitting Authority and Maintenance Responsibility for Portions of N. Locust Street, N. Maple Street, N. Redwood Street, and S. Redwood Street Both In and Out of Canby City Limits to a second reading on May 19, 2021.”

## **ORDINANCE NO. 1553**

### **AN ORDINANCE APPROVING TWO INTERGOVERNMENTAL AGREEMENTS (IGAs) BETWEEN CLACKAMAS COUNTY AND THE CITY OF CANBY PERMITTING AUTHORITY AND MAINTENANCE RESPONSIBILITY FOR PORTIONS OF N. LOCUST STREET, N. MAPLE STREET, N. REDWOOD STREET, AND S. REDWOOD STREET BOTH IN AND OUT OF CITY LIMITS.**

**WHEREAS**, Clackamas County currently has authority and maintenance responsibility for portions of N. Locust St., N. Maple St., N. Redwood St., and S. Redwood St., some within and some technically outside the Canby city limits; and

**WHEREAS**, the City of Canby desires to accept the authority and maintenance responsibility of the aforementioned roads moving forward; and

**WHEREAS**, Clackamas County is willing to pay certain amounts to allow the City to repair these roads with an overlay in exchange for the City accepting these into its street system; and

**WHEREAS**, Clackamas County has offered two IGAs that effectuate this exchange of authority and monetary compensation.

### **NOW, THEREFORE, THE CITY OF CANBY, OREGON, ORDAINS AS FOLLOWS:**

**Section 1.** The City Administrator is hereby authorized on behalf of the City to enter into two Intergovernmental Agreements between Clackamas County and the City of Canby Permitting Authority and Maintenance Responsibility for Portions of N. Locust Street, N. Maple Street, N. Redwood Street, and S. Redwood Street Both In and Out of Canby City Limits. Copies of the IGAs are attached hereto as Exhibits “A and B.”

**Section 2.** The effective date of this Ordinance shall be June 18, 2021.

**SUBMITTED** to the Canby City Council and read the first time at a regular meeting therefore on Wednesday, May 5, 2021 ordered posted as required by the Canby City Charter; and scheduled for second reading on Wednesday, May 19, 2021 commencing at the hour of 7:30 PM in the Council Chambers located at 222 NE 2<sup>nd</sup> Avenue, 1<sup>st</sup> Floor Canby, Oregon.

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Melissa Bisset, CMC  
City Recorder

**PASSED** on second and final reading by the Canby City Council at a regular meeting thereof on the 19<sup>th</sup> day of May 2021, by the following vote:

YEAS \_\_\_\_\_

NAYS \_\_\_\_\_

\_\_\_\_\_  
Brian Hodson  
Mayor

ATTEST:

\_\_\_\_\_  
Melissa Bisset, CMC  
City Recorder



**DAN JOHNSON**  
DIRECTOR

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

DEVELOPMENT SERVICES BUILDING

150 BEAVERCREEK ROAD OREGON CITY, OR 97045

April 22, 2021

Board of Commissioners  
Clackamas County

Members of the Board:

**Approval of an Intergovernmental Agreement between Clackamas County and the City of Canby to Transfer Permitting Authority and Maintenance Responsibility for of Portions N. Locust Street (County Road #1782, DTD #31077, N. Maple Street (County Road #2579, DTD #31029) and S. Redwood Street (County Road #0277, DTD #41023 to the City**

<b>Purpose/Outcomes</b>	Transfers permitting authority and maintenance responsibility for construction on portions of N. Locust Street, N. Maple Street and S. Redwood Street to the City of Canby.
<b>Dollar Amount and Fiscal Impact</b>	Cost savings in the form of staff time and materials related to the permitting, maintenance and oversight of this roadway and a onetime payment of \$348,523, which represents the cost of a 2" asphalt overlay, one area of pre-overlay preparation and ADA improvements along the portions being transferred.
<b>Funding Source</b>	Community Road Fund
<b>Duration</b>	Upon execution; permanent
<b>Previous Board Action</b>	April 13, 2021: Discussion item at issues
<b>Strategic Plan Alignment</b>	1. This transfer will directly align with our departments Business Plan goal of completing jurisdictional transfer of roads to cities.  2. The cost savings realized by this transfer will allow transparency for the budget.
<b>Counsel Review</b>	1. Date of Counsel review: March 04, 2021 2. NB
<b>Procurement Review</b>	Was this item processed through Procurement? No This item is an IGA related to a transfer of Jurisdiction
<b>Contact Person</b>	Michael Bays, Survey Cadd Supervisor; 503-742-46667

Clackamas County currently has jurisdiction, including permitting authority, enforcement of road standards and maintenance responsibility of N. Locust Street, N. Maple Street and S. Redwood Street. This intergovernmental agreement addresses transferring rights and duties as "road authority," including permitting authority, development of road standards, and maintenance responsibility to the City for portions of N. Locust Street, N. Maple Street and S. Redwood Street. This Transfer was vetted though the Clackamas County Coordinating Committee in early 2020 and will be the first transfer under the Community Road Fund's Strategic Investment Fund.

Transferring the rights and duties as road authority for these portions of N. Locust Street, N. Maple Street and S. Redwood Street to the City of Canby will eliminate confusion and improve efficiencies of maintenance and public service. The City will perform all construction and reconstruction; improvement or repair and maintenance; review and issuance of access permits; establishment of roadway standards; acquisition of right of way; storm water and drainage facility repair and maintenance; and review and issuance of street opening permits. The County will retain official jurisdiction of these portions of the roadways until such time as jurisdictional transfer as outlined in this agreement with the County has been completed.

**RECOMMENDATION:**

Staff respectfully recommends that the Board approve this Intergovernmental Agreement with the City of Canby to transfer rights and duties as road authority for portions of N. Locust Street, N. Maple Street and S. Redwood Street to the City.

Respectfully submitted,

*Michael Bays*

Michael Bays, Survey Cadd Supervisor  
Attachments: IGA, Exhibits

**INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF CANBY AND  
CLACKAMAS COUNTY RELATED TO THE TRANSFER OF A PORTION OF N.  
LOCUST STREET, N. MAPLE STREET AND S. REDWOOD STREET**

This agreement (the “Agreement”) is made on the date all required signatures have been obtained, between the City of Canby (“CITY”), a municipal corporation of the State of Oregon, and Clackamas County (“COUNTY”), a political subdivision of the State of Oregon, pursuant to ORS Chapter 190 (Intergovernmental Cooperation), collectively referred to as the “PARTIES” and each a “PARTY.”

**RECITALS**

WHEREAS, ORS Chapter 190 authorizes local governments to enter into intergovernmental agreements for the performance of any or all functions and activities that a local government, its officers or agencies, have the authority to perform;

WHEREAS, the portions of N. Locust Street, N. Maple Street and S. Redwood Street subject to this Agreement are located entirely within the boundaries of the City and are County Roads, as defined in ORS 368.001 (“N. Locust Street, N. Maple Street and S. Redwood Street”);

WHEREAS, N. Locust Street, N. Maple Street and S. Redwood Street are depicted in Exhibits “B-1, B-2 and B-3”, and more particularly described in Exhibits “A-1, A-2 and A-3”, all of which are attached hereto and incorporated herein;

WHEREAS, the Parties agree that the City is best suited to assume primary responsibility for maintenance and permitting of N. Locust Street, N. Maple Street and S. Redwood Street;

WHEREAS, ORS 373.270 provides a procedure whereby a county may transfer jurisdiction over any county roads within a city to that city, and the Parties desire to pursue a transfer of jurisdiction of N. Locust Street, N. Maple Street and S. Redwood Street pursuant to the terms of this Agreement; and

WHEREAS, the Parties agree that N. Locust Street, N. Maple Street and S. Redwood Street should be improved, or the City should be compensated, consistent with the terms of this Agreement at, or prior to, the completion of the full transfer pursuant to ORS 373.270.

**AGREEMENT**

NOW, THEREFORE, in consideration of the mutual promises set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Term.** This Agreement shall be effective upon execution, and shall expire automatically at the time the City assumes jurisdiction of N. Locust Street, N. Maple Street and S. Redwood Street pursuant to ORS 373.270, and the County has paid the amount of money set forth herein.



2. **Transfer of Authority.**

- A. Responsibility for Road Authority activities (as outlined in Section 3) for N. Locust Street, N. Maple Street and S. Redwood Street shall be surrendered to the City pursuant to the terms and conditions of this Agreement. The only portions of N. Locust Street, N. Maple Street and S. Redwood Street subject to this Agreement measures approximately 1,823 feet and 85,569 square feet in area, 1,132 feet and 52,988 square feet in area and 1,354 feet and 87,938 square feet in area, respectively, as more particularly depicted on Exhibit “B-1, B-2 and B-3”, and more specifically described on Exhibit “A-1, A-2 and A-3”.
- B. To facilitate the performance of responsibilities under this Agreement, the City hereby accepts responsibility for Road Authority activities (as outlined in Section 3) for N. Locust Street, N. Maple Street and S. Redwood Street, as described herein.
- C. The City shall be solely responsible for all costs associated with the Road Authority activities assumed by the City as set forth in this Agreement.

3. **Road Authority Obligations.** For purposes of this Agreement, the Road Authority activities include those activities the City deems necessary in accordance with City standards, including but not necessarily limited to, the following:

- A. Construction and reconstruction (including capital improvements);
- B. Improvement or repair, and maintenance;
- C. Maintenance and repair of related facilities within the roadway, including but not limited to storm water drainage facilities, traffic control devices, street lights and roadside barriers;
- D. Timely repair or mitigation of known hazards to the road users;
- E. Issuance of permits for work or the establishment of roadway standards on N. Locust Street, N. Maple Street and S. Redwood Street; and
- F. All other responsibilities the County may have under ORS 368 with regards to N. Locust Street, N. Maple Street and S. Redwood Street which may be assumed by the City under state law.

4. **Maintenance Standard.** Any maintenance on N. Locust Street, N. Maple Street and S. Redwood Street required by this Agreement shall be carried out in a manner that is similar to other roads with similar features, function, and characteristics under the City’s jurisdiction.

5. **County Responsibilities.**

- A. The County shall give notice and shall carry out those procedures set forth in ORS 373.270 to determine whether it is necessary, expedient or for the best interests of the County to surrender jurisdiction over N. Locust Street, N. Maple Street and S. Redwood Street

- B. The County shall provide to the City the sum of \$348,523, which is equivalent to the cost of the following improvement: a 2-inch asphalt overlay, one area of pre-overlay preparation and ADA ramp improvements on the portions of N. Locust Street (\$126,482), N. Maple Street (\$95,583) and S. Redwood Street (\$126,458) identified in the exhibits attached to this Agreement. The sum of \$330,523 identified in this paragraph shall be payable to the City within 30 days of the date that full and absolute jurisdiction over N. Locust Street, N. Maple Street and S. Redwood Street is surrendered by the County and accepted by the City as described below.

**6. City Responsibilities.**

- A. After the County has initiated the process to transfer jurisdiction of N. Locust Street, N. Maple Street and S. Redwood Street, the City shall carry out any additional procedures necessary, as set forth in ORS 373.270, for purposes of finalizing the transfer. The City shall not unreasonably delay or withhold its consent to the transfer of N. Locust Street, N. Maple Street and S. Redwood Street, and shall complete the process to finalize the transfer within 90 days from the date that the County concludes its hearing and decision on the matter. This obligation shall terminate in the event the governing body of the County fails to find that it is necessary, expedient or for the best interests of the County to surrender jurisdiction over N. Locust Street, N. Maple Street and S. Redwood Street
- B. The City agrees to assume full and absolute jurisdiction over the portion of N. Locust Street, N. Maple Street and S. Redwood Street identified in the exhibits attached to this Agreement, if the governing body of the City and the governing body of the County both determine that it is necessary, expedient or for the best interests of their respective jurisdictions to complete the transfer described herein.

**7. Termination.**

- A. The County and the City, by mutual written agreement, may terminate this Agreement at any time.
- B. Either the County or the City may terminate this Agreement in the event of a breach of the Agreement by the other. Prior to such termination however, the Party seeking the termination shall give the other Party written notice of the breach and of the Party's intent to terminate. If the breaching Party has not entirely cured the breach within fifteen (15) days of deemed or actual receipt of the notice, then the Party giving notice may terminate the Agreement at any time thereafter by giving written notice of termination stating the effective date of the termination. If the default is of such a nature that it cannot be completely remedied within such fifteen (15) day period, this provision shall be complied with if the breaching Party begins correction of the default within the fifteen (15) day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable. The Party giving notice shall not be required to give more than one (1) notice for a similar default in any twelve (12) month period.
- C. The County or the City shall not be deemed to have waived any breach of this Agreement by the other Party except by an express waiver in writing. An express written waiver as to one breach shall not be deemed a waiver of any other breach not expressly identified, even though the other breach is of the same nature as that waived.

- D. Nothing herein shall prevent the Parties from meeting to mutually discuss the Project. Each Party shall use best efforts to coordinate with the other to minimize conflicts.
- E. Any termination of this Agreement shall not prejudice any rights or obligations accrued to the Parties prior to termination.

**8. Indemnification.**

- A. Subject to the limits of the Oregon Constitution and the Oregon Tort Claims Act or successor statute, the County agrees to indemnify, save harmless and defend the City, its officers, elected officials, agents and employees from and against all costs, losses, damages, claims or actions and all expenses incidental to the investigation and defense thereof (including legal and other professional fees) arising out of or based upon damages or injuries to persons or property caused by the negligent or willful acts of the County or its officers, elected officials, owners, employees, agents, or its subcontractors or anyone over which the County has a right to control.
- B. Subject to the limits of the Oregon Constitution and the Oregon Tort Claims Act or successor statute, the City agrees to indemnify, save harmless and defend the County, its officers, elected officials, agents and employees from and against all costs, losses, damages, claims or actions and all expenses incidental to the investigation and defense thereof (including legal and other professional fees) arising out of or based upon damages or injuries to persons or property caused by the negligent or willful acts of the City or its officers, elected officials, owners, employees, agents, or its subcontractors or anyone over which the City has a right to control.

**9. General Provisions**

- A. **Oregon Law and Forum.** This Agreement shall be construed according to the laws of the State of Oregon, without giving effect to the conflict of law provisions thereof.
- B. **Applicable Law.** The Parties hereto agree to comply in all ways with applicable local, state and federal ordinances, statutes, laws and regulations.
- C. **Non-Exclusive Rights and Remedies.** Except as otherwise expressly provided herein, the rights and remedies expressly afforded under the provisions of this Agreement shall not be deemed exclusive, and shall be in addition to and cumulative with any and all rights and remedies otherwise available at law or in equity. The exercise by either Party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other remedies for the same default or breach, or for any other default or breach, by the other Party.
- D. **Access to Records.** The Parties acknowledge and agree that each Party, the federal government, and their duly authorized representatives shall have access to each Party's books, documents, papers, and records which are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts, and transcripts for a period of three

years after final payment. Copies of applicable records shall be made available upon request. The cost of such inspection shall be borne by the inspecting Party.

- E. **Debt Limitation.** This Agreement is expressly subject to the debt limitation of Oregon counties set forth in Article XI, Section 10, of the Oregon Constitution, and is contingent upon funds being appropriated therefore. Any provisions herein which would conflict with law are deemed inoperative to that extent.
- F. **Severability.** If any provision of this Agreement is found to be unconstitutional, illegal or unenforceable, this Agreement nevertheless shall remain in full force and effect and the offending provision shall be stricken. The Court or other authorized body finding such provision unconstitutional, illegal or unenforceable shall construe this Agreement without such provision to give effect to the maximum extent possible the intentions of the Parties.
- G. **Integration, Amendment and Waiver.** Except as otherwise set forth herein, this Agreement constitutes the entire agreement between the Parties on the matter of the Project. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver, consent, modification or change of terms of this Agreement shall bind either Party unless in writing and signed by both Parties and all necessary approvals have been obtained. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. The failure of either Party to enforce any provision of this Agreement shall not constitute a waiver by such Party of that or any other provision.
- H. **Interpretation.** The titles of the sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.
- I. **Independent Contractor.** Each of the Parties hereto shall be deemed an independent contractor for purposes of this Agreement. No representative, agent, employee or contractor of one Party shall be deemed to be a representative, agent, employee or contractor of the other Party for any purpose, except to the extent specifically provided herein. Nothing herein is intended, nor shall it be construed, to create between the Parties any relationship of principal and agent, partnership, joint venture or any similar relationship, and each Party hereby specifically disclaims any such relationship.
- J. **No Third-Party Beneficiary.** Neither Party intends that this Agreement benefit, or create any right or cause of action in, or on behalf of, any person or entity other than the County or the City.
- K. **No Assignment.** No Party shall have the right to assign its interest in this Agreement (or any portion thereof) without the prior written consent of the other Party, which consent may be withheld for any reason. The benefits conferred by this Agreement, and the obligations assumed hereunder, shall inure to the benefit of and bind the successors of the Parties.

L. **Counterparts.** This Agreement may be executed in any number of counterparts (electronic, facsimile or otherwise) all of which when taken together shall constitute one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart. Each copy of this Agreement so executed shall constitute an original.

M. **Authority.** Each Party represents that it has the authority to enter into this Agreement on its behalf and the individual signatory for a Party represents that it has been authorized by that Party to execute and deliver this Agreement.

N. **Necessary Acts.** Each Party shall execute and deliver to the others all such further instruments and documents as may be reasonably necessary to carry out this Agreement.

**CLACKAMAS COUNTY**



Chair

4/22/2021

Date



Recording Secretary

**CITY OF CANBY**

Mayor

Date

Recording Secretary



**DAN JOHNSON**  
DIRECTOR

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

DEVELOPMENT SERVICES BUILDING

150 BEAVERCREEK ROAD OREGON CITY, OR 97045

April 22, 2021

Board of Commissioners  
Clackamas County

Members of the Board:

**Approval of an Intergovernmental Agreement between Clackamas County and the City of Canby to Transfer Permitting Authority and Maintenance Responsibility for Portions of N. Maple Street (County Road #2579, DTD #31029) and N. Redwood Street (County Road #2163, DTD #31017) to the City**

<b>Purpose/Outcomes</b>	Transfers permitting authority and maintenance responsibility for construction on portions of N. Maple Street and N. Redwood Street to the City of Canby.
<b>Dollar Amount and Fiscal Impact</b>	Cost savings in the form of staff time and materials related to the permitting, maintenance and oversight of this roadway and a onetime payment of \$433,342, which represents the cost of a 2" asphalt overlay and ADA improvements along that portions being transferred.
<b>Funding Source</b>	Community Road Fund
<b>Duration</b>	Upon execution; permanent
<b>Previous Board Action</b>	April 13, 2021: Discussion item at issues
<b>Strategic Plan Alignment</b>	1. This transfer will directly align with our departments Business Plan goal of completing jurisdictional transfer of roads to cities.  2. The cost savings realized by this transfer will allow transparency for the budget.
<b>Counsel Review</b>	1. Date of Counsel review: March 4, 2021 2. NB
<b>Procurement Review</b>	Was this item processed through Procurement? No This item is an IGA related to a transfer of Jurisdiction
<b>Contact Person</b>	Michael Bays, Survey Cadd Supervisor; 503-742-4667

Clackamas County currently has jurisdiction, including permitting authority, enforcement of road standards and maintenance responsibility of N. Maple Street and N. Redwood Street. This intergovernmental agreement addresses transferring rights and duties as "road authority," including permitting authority, development of road standards, and maintenance responsibility to the City for portions of N. Maple Street and N. Redwood Street. This Transfer was vetted though

the Clackamas County Coordinating Committee in early 2020 and will be the first transfer under the Community Road Fund's Strategic Investment Fund.

Transferring the rights and duties as road authority for these portions of N. Maple Street and N. Redwood Street to the City of Canby will eliminate confusion and improve efficiencies of maintenance and public service. The City will perform all construction and reconstruction; improvement or repair and maintenance; review and issuance of access permits; establishment of roadway standards; acquisition of right of way; storm water and drainage facility repair and maintenance; and review and issuance of street opening permits. The County will retain official jurisdiction of this portion of the roadway until such time as the roads are annexed into city limits and the County and the City of Canby can complete a transfer of jurisdiction of these portions of roadway as set forth in this Intergovernmental Agreement.

**RECOMMENDATION:**

Staff respectfully recommends that the Board approve this Intergovernmental Agreement with the City of Canby to transfer rights and duties as road authority for portions of N. Maple Street and N. Redwood Street to the City.

Respectfully submitted,

*Michael Bays*

Michael Bays, Survey Cadd Supervisor  
Attachments: IGA, Exhibits

**INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF CANBY AND  
CLACKAMAS COUNTY RELATED TO ROAD MAINTENANCE AND PERMITTING  
AUTHORITY ON A PORTION OF NORTH MAPLE STREET AND NORTH  
REDWOOD STREET**

This agreement (the “Agreement”) is made on the date all required signatures have been obtained, between the City of Canby (“CITY”), a municipal corporation, and Clackamas County (“COUNTY”), a political subdivision of the State of Oregon, pursuant to ORS Chapter 190 (Intergovernmental Cooperation), collectively referred to as the “PARITES” and each a “PARTY.”

**RECITALS**

WHEREAS, ORS Chapter 190 authorizes local governments to enter into intergovernmental agreements for the performance of any or all functions and activities that a local government, its officers or agencies, have the authority to perform, including the authority to perform as the “Road Authority” related to maintenance and permitting responsibilities for roads;

WHEREAS, portions of North Maple Street and North Redwood Street are County Roads, as defined in ORS 368.001, lying partially outside, but adjacent to the boundaries of the City.

WHEREAS, the Parties agree that the City is best suited to assume primary responsibility for maintenance and permitting of a portion of North Maple Street, measuring approximately 2,020 feet and 113,670 square feet in area, and a portion of North Redwood Street, measuring approximately 2,298 feet and 161,147 square feet in area as more particularly depicted on Exhibits “B-1 and B-2” and which are attached hereto and incorporated herein (“North Maple Street and North Redwood Street”).

WHEREAS, transfer of responsibility with regards to North Maple Street and North Redwood Street will lead to efficient and consistent road maintenance activities and reduce any confusion on the part of the public as to which Party is responsible for the condition and maintenance of North Maple Street and North Redwood Street, which primarily serves the residents of the City;

WHEREAS, the Parties agree that each will consider the full transfer of jurisdiction of North Maple Street and North Redwood Street to the City once North Maple Street and North Redwood Street are entirely annexed into the City’s boundary, and that this Agreement will no longer be necessary if North Maple Street and North Redwood Street are completely annexed into the City; and

WHEREAS, it is the intent of the Parties that the County transfer as much of its responsibility under ORS 368 with regards to North Maple Street and North Redwood Street as may be allowed under state law in order to grant the City control of North Maple Street and



North Redwood Street prior to the annexation and potential jurisdictional transfer of North Maple Street and North Redwood Street.

## **AGREEMENT**

NOW, THEREFORE, in consideration of the mutual promises set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Term.** This Agreement shall be effective upon execution. This Agreement shall expire automatically at the time North Maple Street and North Redwood Street are annexed into the City and the City assumes jurisdiction of North Maple Street and North Redwood Street pursuant to ORS 368 and ORS 373.
2. **Transfer of Authority.**
  - A. Responsibility for Road Authority activities (as outlined in Section 3) for North Maple Street and North Redwood Street shall be surrendered to the City pursuant to the terms and conditions of this Agreement. The only portion of North Maple Street and North Redwood Street subject to this Agreement measures approximately 2,020 feet and 113,670 square feet in area and 2,298 feet and 161,147 square feet in area, respectively, as more particularly depicted on Exhibit “B-1, and B-2”, and more specifically described on Exhibit “A-1 and A-2”.
  - B. To facilitate the performance of responsibilities under this Agreement, the City hereby accepts responsibility for Road Authority activities (as outlined in Section 3) for North Maple Street and North Redwood Street, as described herein.
  - C. The City shall be solely responsible for all costs associated with the Road Authority activities assumed by the City as set forth in this Agreement.
3. **Road Authority Obligations.** For purposes of this Agreement, the Road Authority activities include those activities the City deems necessary in accordance with City standards, including but not necessarily limited to, the following:
  - A. Construction and reconstruction (including capital improvements);
  - B. Improvement or repair, and maintenance;
  - C. Maintenance and repair of related facilities within the roadway, including but not limited to storm water drainage facilities, traffic control devices, street lights and roadside barriers;
  - D. Timely repair or mitigation of known hazards to the road users;
  - E. Issuance of permits for work or the establishment of roadway standards on North Maple Street and North Redwood Street; and

- F. All other responsibilities the County may have under ORS 368 with regards to North Maple Street and North Redwood Street which may be assumed by the City under state law.
4. **Maintenance Standard.** Any maintenance on North Maple Street and North Redwood Street required by this Agreement shall be carried out in a manner that is similar to other roads with similar features, function, and characteristics under the City's jurisdiction.
5. **County Responsibilities.**
- A. After such time that North Maple Street and North Redwood Street have been annexed into the City, the County shall give notice and shall carry out those procedures set forth in ORS 373.270 to determine whether it is necessary, expedient or for the best interests of the County to surrender jurisdiction over North Maple Street and North Redwood Street.
- B. The County shall provide to the City the sum of \$433,342, which is equivalent to the cost of the following improvement: a 2-inch asphalt overlay on the portions of North Maple Street (\$124,508) and North Redwood Street (\$303,834) identified in the exhibits attached to this Agreement. The sum of \$433,342 identified in this paragraph shall be payable to the City within 60 days of the effective date of this Agreement.
6. **City Responsibilities.**
- A. After the County has initiated the process to transfer jurisdiction of North Maple Street and North Redwood Street, the City shall carry out any additional procedures necessary, as set forth in ORS 373.270, for purposes of finalizing the transfer. The County may initiate separate processes to transfer jurisdiction of North Maple Street and North Redwood Street, or may process the jurisdictional transfer of the roads together. The City shall not unreasonably delay or withhold its consent to the transfer of North Maple Street or North Redwood Street., and shall complete the process to finalize the transfer within 90 days from the date that the County concludes its hearing and decision on the matter. This obligation shall terminate in the event the governing body of the City or County fails to find that it is necessary, expedient or for the best interests of the County to surrender jurisdiction over North Maple Street or North Redwood Street.
- B. The City agrees to assume full and absolute jurisdiction over the portion of North Maple Street and North Redwood Street identified in the exhibits attached to this Agreement, if the governing body of the City and the governing body of the County both determine that it is necessary, expedient or for the best interests of their respective jurisdictions to complete the transfer described herein.
7. **Termination.**
- A. The County and the City, by mutual written agreement, may terminate this Agreement at any time.
- B. Nothing herein shall prevent the Parties from meeting to mutually discuss the Project. Each Party shall use best efforts to coordinate with the other to minimize conflicts.
- C. Any termination of this Agreement shall not prejudice any rights or obligations accrued to the Parties prior to termination

## 8. Indemnification.

- A. Subject to the limits of the Oregon Constitution and the Oregon Tort Claims Act or successor statute, the County agrees to indemnify, save harmless and defend the City, its officers, elected officials, agents and employees from and against all costs, losses, damages, claims or actions and all expenses incidental to the investigation and defense thereof (including legal and other professional fees) arising out of or based upon damages or injuries to persons or property caused by the negligent or willful acts of the County or its officers, elected officials, owners, employees, agents, or its subcontractors or anyone over which the County has a right to control.
- B. Subject to the limits of the Oregon Constitution and the Oregon Tort Claims Act or successor statute, the City agrees to indemnify, save harmless and defend the County, its officers, elected officials, agents and employees from and against all costs, losses, damages, claims or actions and all expenses incidental to the investigation and defense thereof (including legal and other professional fees) arising out of or based upon damages or injuries to persons or property caused by the negligent or willful acts of the City or its officers, elected officials, owners, employees, agents, or its subcontractors or anyone over which the City has a right to control.

## 9. General Provisions

- A. **Oregon Law and Forum.** This Agreement shall be construed according to the laws of the State of Oregon, without giving effect to the conflict of law provisions thereof.
- B. **Applicable Law.** The Parties hereto agree to comply in all ways with applicable local, state and federal ordinances, statutes, laws and regulations.
- C. **Non-Exclusive Rights and Remedies.** Except as otherwise expressly provided herein, the rights and remedies expressly afforded under the provisions of this Agreement shall not be deemed exclusive, and shall be in addition to and cumulative with any and all rights and remedies otherwise available at law or in equity. The exercise by either Party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other remedies for the same default or breach, or for any other default or breach, by the other Party.
- D. **Access to Records.** The Parties acknowledge and agree that each Party, the federal government, and their duly authorized representatives shall have access to each Party's books, documents, papers, and records which are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts, and transcripts for a period of three years after final payment. Copies of applicable records shall be made available upon request. The cost of such inspection shall be borne by the inspecting Party.
- E. **Debt Limitation.** This Agreement is expressly subject to the debt limitation of Oregon counties set forth in Article XI, Section 10, of the Oregon Constitution, and is contingent

upon funds being appropriated therefore. Any provisions herein which would conflict with law are deemed inoperative to that extent.

- F. **Severability.** If any provision of this Agreement is found to be unconstitutional, illegal or unenforceable, this Agreement nevertheless shall remain in full force and effect and the offending provision shall be stricken. The Court or other authorized body finding such provision unconstitutional, illegal or unenforceable shall construe this Agreement without such provision to give effect to the maximum extent possible the intentions of the Parties.
- G. **Integration, Amendment and Waiver.** Except as otherwise set forth herein, this Agreement constitutes the entire agreement between the Parties on the matter of the Project. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver, consent, modification or change of terms of this Agreement shall bind either Party unless in writing and signed by both Parties and all necessary approvals have been obtained. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. The failure of either Party to enforce any provision of this Agreement shall not constitute a waiver by such Party of that or any other provision.
- H. **Interpretation.** The titles of the sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.
- I. **Independent Contractor.** Each of the Parties hereto shall be deemed an independent contractor for purposes of this Agreement. No representative, agent, employee or contractor of one Party shall be deemed to be a representative, agent, employee or contractor of the other Party for any purpose, except to the extent specifically provided herein. Nothing herein is intended, nor shall it be construed, to create between the Parties any relationship of principal and agent, partnership, joint venture or any similar relationship, and each Party hereby specifically disclaims any such relationship.
- J. **No Third-Party Beneficiary.** Neither Party intends that this Agreement benefit, or create any right or cause of action in, or on behalf of, any person or entity other than the County or the City.
- K. **No Assignment.** No Party shall have the right to assign its interest in this Agreement (or any portion thereof) without the prior written consent of the other Party, which consent may be withheld for any reason. The benefits conferred by this Agreement, and the obligations assumed hereunder, shall inure to the benefit of and bind the successors of the Parties.
- L. **Counterparts.** This Agreement may be executed in any number of counterparts (electronic, facsimile or otherwise) all of which when taken together shall constitute one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart. Each copy of this Agreement so executed shall constitute an original.

M. **Authority.** Each Party represents that it has the authority to enter into this Agreement on its behalf and the individual signatory for a Party represents that it has been authorized by that Party to execute and deliver this Agreement.

N. **Necessary Acts.** Each Party shall execute and deliver to the others all such further instruments and documents as may be reasonably necessary to carry out this Agreement.

**CLACKAMAS COUNTY**



Chair

4/22/2021

Date



Recording Secretary

**CITY OF CANBY**

City Manager

Date

Recording Secretary

Exhibit "A-1"

N. Maple Street Transfer of Jurisdiction (North of NE Territorial Rd.)

Clackamas County to City of Canby

Description

All that portion of N. Maple Street, County Road No. 2579, Department of Transportation and Development maintenance No. 31029; Situated in the NE 1/4 and the SE 1/4 of Section 28, T. 3 S., R 1 E., W.M. as shown in Exhibit "B", attached hereto, lying south of the Northerly boundary line of Tax Lot 31E28A 00402, as described in Document No. 2002-093016, Clackamas County deed records (mile point 0.09) and lying North of the Southerly Lot Line of Lot 50 of "Country Club Estates" subdivision, as recorded in Clackamas County records, also lying north of the northerly Right-of-Way of Territorial Road (mile post 0.48), being approximately 2,020 feet long.

Contain 113,670 square feet, more or less.

Exhibit "A-2"

N. Redwood Street Transfer of Jurisdiction (South of NE Territorial Rd.)

Clackamas County to City of Canby

Description

All that portion of N. Redwood Street, County Road No. 2163, Department of Transportation and Development maintenance No. 31017; Situated in the SW 1/4 of Section 27 and the NW 1/4 of Section 34, T. 3 S., R 1 E., W.M. as shown in Exhibit "B", attached hereto, lying south of and between, Mile Point 0.16 being the north Lot Line of Lot 92 of "Canby Gardens" Plat No. 0230 Clackamas County Plat Records and Mile Point 0.72, more or less, being the north Lot Line of Lot 8 of "Redwood Corner" Plat No. 3698 Clackamas County Plat Records, being 2,298 feet long more or less.

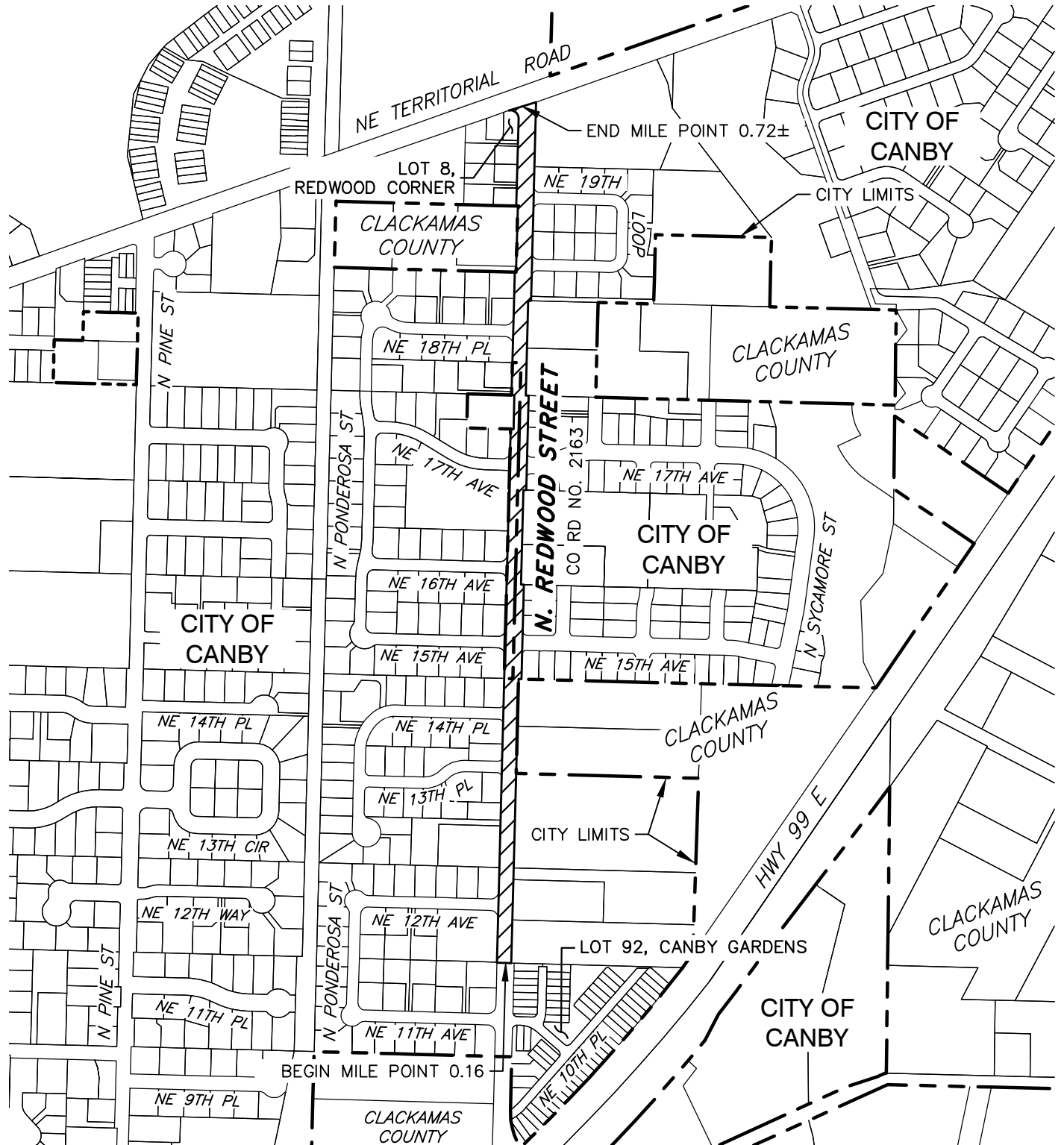
Containing 161,147 square feet, more or less.

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# EXHIBIT "B-2"

1' = 500'



LOCATED IN THE SW 1/4 OF SECTION 27,  
AND THE NW 1/4 OF SECTION 34,  
T. 3 S., R. 1 E., W.M.

CLACKAMAS COUNTY, OREGON

DEPARTMENT OF TRANSPORTATION  
AND DEVELOPMENT  
150 BEAVERCREEK ROAD  
OREGON CITY, OR 97045



02/25/2021

A. REITER

JURISDICTIONAL TRANSFER  
S. REDWOOD STREET  
COUNTY ROAD NO. 2163

SHEET

1 OF 1