

**WALDPORT CITY COUNCIL  
MAY 14, 2015  
MEETING NOTICE AND AGENDA**

The Waldport City Council will meet at 2:00 p.m. on Thursday, May 14, 2015 in the City Council Meeting Room, 125 Alsea Highway to take up the following agenda:

1. CALL TO ORDER AND ROLL CALL
2. MINUTES: *April 9 Regular Meeting, April 28 Budget Committee Meeting*
3. PUBLIC COMMENTS/PRESENTATIONS:
4. DISCUSSION/ACTION ITEMS
  - A) *Proclamation: "Older Americans Month"*
  - B) *Consideration of Auditor Engagement Letter for Fiscal Year Ending 2015*
  - C) *Other Issues\**
5. COUNCIL COMMENTS AND CONCERNS
6. REPORTS
  - City Manager\**
  - Public Works Director*
  - City Librarian*
  - City Planner*
  - Code Compliance Officer\**
7. EXECUTIVE SESSIONS:
  - A) *Pursuant to ORS 192.660(2)(e): To conduct deliberations with persons designated by the governing body to negotiate real property transactions.*
  - B) *Pursuant to ORS 192.660(2)(h): To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.*
8. ACTIONS, IF ANY, FROM EXECUTIVE SESSION
9. GOOD OF THE ORDER
10. ADJOURNMENT

The City Council Meeting Room is accessible to all individuals. If you will need special accommodations to attend this meeting, please call City Hall, (541)264-7417, during normal office hours.

\* Denotes no material in packet

Notice given this 7<sup>th</sup> day of May, 2015 - Reda Q. Eckerman, City Recorder

**WALDPORT CITY COUNCIL**  
**APRIL 9, 2015**  
**MEETING MINUTES**

1. CALL TO ORDER AND ROLL CALL: Mayor Woodruff called the meeting to order at 2:00 p.m. Mayor Woodruff and Councilors O'Brien, Gates, Christenson, Campbell and Holland answered the roll. Councilor Cutter was excused. A quorum was present.

2. MINUTES: The Council considered the minutes from the March 12 regular meeting and the April 2 workshop. Councilor Gates **moved** to approve the minutes as presented. Councilor Christenson **seconded**, and the motion **carried** unanimously on a voice vote.

3. PUBLIC COMMENTS/PRESENTATIONS: John Maré addressed the Council on behalf of the Waldport Walkers and the Waldport Trails Committee, noting that a video crew from Travel Oregon had accompanied the Walkers on their Thursday walk on the Woodland Trail. Mayor Woodruff explained that Travel Oregon had sponsored the Rural Tourism Studio which produced the trails map as well as several other projects.

Sheriff Dotson addressed the Council regarding the activities in the Sheriff's Department. He encouraged the Councilors to tour the jail or to do a ride-along with one of the deputies. Councilor Holland wondered if new reports for the numbers and types of calls were available yet, Sheriff Dotson responded that the current records management system was not being supported and reports are not possible at present, but new software is currently being developed. In the meantime, he referred interested individuals to the Oregon Criminal Justice Commission for general statistics on crime.

4. PUBLIC HEARING - Proposed Amendments to Waldport Municipal Code Chapter 16.76 "Signs": Mayor Woodruff opened the public hearing. City Planner Larry Lewis gave a review of the activities of the Planning Commission in bringing the document to the Council for approval. He noted that the intent of the Commission was to make changes that will benefit the business community with regard to attracting customers, and to enhance the appearance of commercial areas. The document before the Council for approval reflected changes that had been suggested by the Commission and by property owners and business owners that had attended the Commission's meetings. Mr. Lewis noted one clarification to Section 16.76.040 (2)(a)(4) "Roof Signs", adding the words "up to" before "the peak of the roof". Bo Smith addressed the Council, noting a difficulty in finding information about the proposed changes to the code on the City's website. There were no additional public comments. Mayor Woodruff closed the public hearing.

5. DISCUSSION/ACTION ITEMS:

A. Consideration of Ordinance Revision Title 16 of the Waldport Municipal Code by Amending Chapter 16.76 "Signs": Councilor Gates **moved** to consider adoption of the proposed ordinance with the minor change as outlined by the City Planner. Councilor Campbell **seconded**, and the motion **carried** unanimously. Hearing no objections, Mayor Woodruff read Ordinance No. 756 by title only for the first and second readings. Councilor Holland **moved** for the adoption of Ordinance No. 756. Councilor Campbell **seconded**, and the motion **carried** unanimously.

B. Consideration of Ordinance Amending Waldport Municipal Code by adding Chapter 12.32 "Special Events": City Manager Kemp noted the addition of language to the implementing ordinance to include a waiver of fees for the first year. Hearing no objections, Mayor Woodruff read Ordinance No. 757 by title only for the first and second

readings. Councilor Gates **moved** for the adoption of Ordinance No. 757. Councilor Campbell **seconded**, and the motion **carried** unanimously.

C. Consideration of Resolution to Apply for Oregon Parks & Recreation Grant for Development of a Park, Recreation and Trails Master Plan: City Planner Lewis explained that the City was applying for funding from the Oregon Parks & Recreation Department (ORPD), and one of their requirements was that the City adopt a resolution to demonstrate the support for the project obligation of matching funds. He noted that the Master Plan is estimated to cost \$30,000, and the required city match would be 20% or \$6000, which is anticipated to be in-kind services provided by City staff. Councilor Campbell **moved** to approve Resolution 1195. Councilor Holland **seconded**, and the motion **carried** unanimously on a voice vote.

D. Urban Renewal: An Overview (PowerPoint): The Council watched the PowerPoint presentation on urban renewal.

6. COUNCIL COMMENTS AND CONCERNS: A brief discussion took place regarding the status of the Mercantile Building. City Manager Kemp noted that the Code Compliance Officer is apprising the owner of the need to clean up the property. Mayor Woodruff gave a brief update on the upcoming hospital bond measure which will be on the May ballot. Councilor Campbell noted an upcoming fireworks fundraiser on April 30<sup>th</sup>, to be held at the Greenside Steakhouse.

7. REPORTS: The written reports from the Public Works Director, City Librarian, City Planner and Code Compliance Officer were included in the packet materials. City Manager Kemp reminded the Council that June 17 was the date of the joint meeting with the County Commissioners, and suggested the Council consider topics for that meeting. The budget document for FY 2015/16 has been distributed and the Budget Committee meeting will be held on April 28 at 1:30 p.m. He gave a brief report on road mirror research and the need for additional options, an update on the progress at the Open Space, broached the idea of participating in the Resource Assistance for Rural Environments (RARE) program through the University of Oregon, and the possibility of including the City's Industrial are in an application for a county-wide Regionally Significant Industrial Area, which may provide favorable consideration from the state in grant or loan funding applications.

8. ADJOURNMENT: At 5:05 p.m., there being no further business to come before the Council, the meeting was adjourned.

Respectfully submitted,

Reda Q. Eckerman, City Recorder

APPROVED by the Waldport City Council this \_\_\_ day of \_\_\_\_\_, 2015.

SIGNED by the Mayor this \_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
Susan Woodruff, Mayor

**WALDPOR T BUDGET COMMITTEE**  
**APRIL 28, 2015**  
**MEETING MINUTES**

1. CALL TO ORDER AND ROLL CALL: Mayor Woodruff called the meeting to order at 1:30 p.m. Mayor Woodruff and Councilors Holland, Campbell, Cutter, Gates and O'Brien, and Laypersons Perkins, Welch and Canfield answered the roll. Councilor Christenson and Laypersons O'Neil and Watson were absent. A quorum was present.

2. SELECTION OF BUDGET COMMITTEE CHAIR: Mr. Holland nominated Mr. Campbell. Mr. Cutter seconded the nomination. There were no other nominations. Mr. Campbell was declared Chair on a unanimous voice vote.

3. PUBLIC HEARINGS:

A. State Revenue Sharing: Mr. Campbell opened the public hearing on State Revenue Sharing. City Manager Kemp explained revenue sharing is calculated by the State and in order to participate in the program, the Budget Committee has to hold a public hearing on the possible uses of the monies, which would be included in the General Fund. Mr. Cutter wondered if marijuana taxes would be part of this in the future, and Ms. Gates responded that her understanding was that the City portion of revenues from sales will be based on the number of retailers and growers within the City limits. If a city has a moratorium, they will not be eligible to receive those funds. Mr. Welch asked if the City incurred any potential liability or obligation by accepting the funds from State Revenue Sharing, and Mr. Kemp indicated that he did not believe there was, as long as the funds are properly accounted for. There was no comment from the public. Mr. Campbell closed the public hearing and opened the Budget meeting for deliberations. Mr. Holland **moved** to recommend acceptance of the State Revenue Sharing. Mr. Welch **seconded**, and the motion **carried** unanimously on a voice vote.

B. City of Waldport Budget for Fiscal Year 2015-2016: Mr. Campbell opened the public hearing on the City of Waldport budget. Maxine Centalia and Diana Purdy addressed the Council regarding the request for participation in the "no spray" project. They noted that the County was willing to donate \$7000 toward the project, which would be administered by Community Services Consortium (CSC). However, the allocation was contingent on the cities of Waldport, Newport and Yachats each voting to donate \$1000 to the program. Ms. Purdy explained that currently there is a small group of people who volunteer to remove weeds by hand along a 25-mile stretch of Highway 101, but they can only use hand tools. CSC has the liability insurance to allow the use of power tools, and the program will give at-risk young adults an opportunity for work experience as well. The Council thanked them for their presentation.

The Committee reviewed the Capital Improvement Plan. Mr. Kemp mentioned that a packet of information on goalsetting was distributed, in order to provide background on some of the goals which were included in the proposed budget. Mr. Canfield confirmed that the Lint Slough waterline was completed. Public Works Director Andry noted that the McKinney Slough waterline included in the 2016/2017 list is a new project.

Mr. Welch asked about the amount in the "Reserved & Unappropriated" line under the Summary of Resources and Requirements. Mr. Kemp directed the Committee to the

chart on page 16, which showed the cash flow, noting that this allows for cash flow for the first months of the fiscal year, until tax monies start coming in. A brief discussion ensued regarding property taxes and depreciation costs. It was noted that the City had made a decision to underfund the sewer depreciation costs in order to decrease the financial impact on its customers, as Urban Renewal funds can be used as a resource for plant upgrades.

Discussion ensued regarding personnel costs. Mr. Kemp explained the need for an additional half-time position in the office, in order to continue to provide customer service while allowing senior staff to work on other projects. Discussion then ensued regarding benefits, the number of positions and their funding sources.

The Committee reviewed the General Fund. Discussion revolved around departmental costs such as the copier lease, law enforcement costs, and disaster-preparedness supplies. Mr. Kemp explained that the City had applied for the annual grant from Lincoln County and the proceeds this year will be used for the purchase of two large tents and additional food supplies. Mayor Woodruff noted the reduction in the Sheriff's contract, due to cost savings related to a new healthcare plan, and suggested the City might also explore options for insurance benefits.

At 3:20 p.m. the meeting was recessed for a short break. When it resumed at 3:30, it was noted for the record that Mr. Perkins had to leave due to a prior commitment.

Under the Community Fund, discussion took place regarding the formula for Library funding, the \$2500 contribution from the Izaak Walton League for parks, and rental increases for the Community Center. Noting that the Committee wished to take action regarding the Economic Development fund, Chair Campbell closed the public hearing and opened the meeting to deliberations.

4. DISCUSSION/ACTION ON BUDGET: Discussion ensued regarding the Economic Development Fund. Mr. Canfield indicated that the Citizen's Patrol appreciated the allocation from last year's budget, but didn't feel it was necessary to do it again this year. **Consensus** was to put the \$500 back into the contingency. Mr. Kemp gave a review of the RARE program from the information in the meeting packet, and discussion ensued. Mr. Kemp noted that the Port had submitted the RARE preapplication, and would be applying for \$4400 in economic development grant monies from the County. This could be identified in Contributions to be put toward the \$22,000 cost for the RARE student. **Consensus** of the Committee was to allocate \$1000 toward the "no spray" program. Mr. Cutter proposed allocating \$200 to "Website & Social Media". Mr. Campbell proposed removing the \$1500 allocation to Beachcombers and putting it back into Contingency, as no request had been forthcoming. It was also proposed to reduce the \$3500 "Event Participation" line item by \$1000 and putting that back into Contingency. As no request had been received from the college, it was proposed to reduce the OCCC Entrepreneurship line to 0 and put those monies back into Contingency. Mr. Cutter proposed to increase the allocation for Meals on Wheels to \$1000. Following these proposals, the calculated amount in Contingency was \$21,700. Mr. Cutter **moved** to accept these changes and create a line item for the RARE student for \$22,000 and a line item for the "no spray" for \$1000. Ms. Gates **seconded**, and the motion **carried** unanimously. Following these changes the balance in Contingency was \$4,100.

At 4:45 p.m., Mr. Holland cited a prior engagement and had to leave. At 5:03 p.m., the Budget Committee meeting was recessed for the Road District #3 and Urban Renewal budget meetings. At 5:50 p.m., the Budget Committee meeting was resumed.

Discussion ensued regarding the Public Works Fund, Street Fund, Water Fund and Sewer Fund. Mr. Cutter ascertained that the Water Fund could absorb the costs of the proposed tie-in for the Skyline/Chad waterline, which had originally been proposed to come from Urban Renewal #2. He then **moved** to reduce the Water Capital Reserve by \$10,000 and add the waterline tie-in as a line item in Water Reserves Capital Outlay for \$10,000. Councilor Welch **seconded**, and the motion **carried** unanimously. Mr. Welch asked about the annual 3% increases in the water and sewer funds and was assured that they were still viable and necessary, providing the City with the means to maintain and improve the systems without drastic increases in the cost of service. Mr. Cutter suggested that staff explore the options of e-billing, which would provide convenience for customers and a potential reduction in postage costs.

With no further changes to be made to the Budget document, Mr. Cutter **moved** to accept the proposed budget as amended, recommend its adoption to the Waldport City Council, and to approve taxes for the 2015/2016 fiscal year at the rate of \$2.3328 per \$1000 of assessed value for operating purposes and in the amount of \$86,053 for general obligation bond principal and interest. Councilor Gates **seconded**, and the motion **carried** unanimously.

5. ADJOURNMENT: At 6:03 p.m., there being no further business to come before the Budget Committee, the meeting was adjourned.

Respectfully submitted,

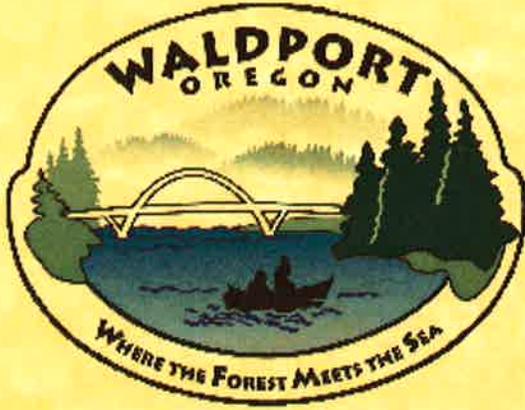
Reda Q. Eckerman, City Recorder

APPROVED by the Waldport City Council this \_\_\_\_ day of \_\_\_\_\_, 2015.

SIGNED by the Mayor this \_\_\_\_ day of \_\_\_\_\_, 2015.

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Susan Woodruff, Mayor



# City of Waldport

P.O. Box 1120  
Waldport, Oregon  
Phone: (541) 264-7417 Fax: (541) 264-7418  
TTY: (800)735-2900

## PROCLAMATION

\*\*\*\*\*HEAR YE\*\*\*\*\*HEAR YE\*\*\*\*\*HEAR YE\*\*\*\*\*

*WHEREAS*, WALDPORT INCLUDES A THRIVING COMMUNITY OF OLDER AMERICANS WHO DESERVE RECOGNITION FOR THEIR CONTRIBUTIONS AND SACRIFICES TO ENSURE A BETTER LIFE FOR FUTURE GENERATIONS; AND

*WHEREAS*, THE CITY OF WALDPORT IS COMMITTED TO HELPING ALL INDIVIDUALS LIVE LONGER, HEALTHIER LIVES IN THE COMMUNITIES OF THEIR CHOICE FOR AS LONG AS POSSIBLE; AND

*WHEREAS*, SINCE 1965, THE OLDER AMERICANS ACT HAS PROVIDED SERVICES THAT HELP OLDER ADULTS REMAIN HEALTHY AND INDEPENDENT BY COMPLEMENTING EXISTING MEDICAL AND HEALTH CARE SYSTEMS, HELPING PREVENT HOSPITAL READMISSIONS, AND SUPPORTING SOME OF LIFE'S MOST BASIC FUNCTIONS, SUCH AS BATHING OR PREPARING MEALS; AND

*WHEREAS*, THESE PROGRAMS ALSO SUPPORT FAMILY CAREGIVERS, ADDRESS ISSUES OF EXPLOITATION, NEGLECT AND ABUSE OF OLDER ADULTS, AND ADAPT SERVICES TO THE NEEDS OF NATIVE AMERICAN ELDERS; AND

*WHEREAS*, WE RECOGNIZE THE VALUE OF COMMUNITY ENGAGEMENT AND SERVICE IN HELPING OLDER ADULTS REMAIN HEALTHY AND ACTIVE WHILE GIVING BACK TO OTHERS; AND

*WHEREAS*, OUR COMMUNITY CAN PROVIDE OPPORTUNITIES TO ENRICH THE LIVES OF INDIVIDUALS OF ALL AGES BY:

- PROMOTING AND ENGAGING IN ACTIVITY, WELLNESS, AND SOCIAL INCLUSION;
- EMPHASIZING HOME- AND COMMUNITY-BASED SERVICES THAT SUPPORT INDEPENDENT LIVING; AND
- ENSURING COMMUNITY MEMBERS OF ALL AGES BENEFIT FROM THE CONTRIBUTIONS AND EXPERIENCE OF OLDER ADULTS;

*NOW THEREFORE*, I, SUSAN WOODRUFF, HONORABLE MAYOR, DO HEREBY *PROCLAIM THE FOLLOWING*:

*THAT*, THE MONTH OF MAY, 2015 BE DECLARED AS *OLDER AMERICANS MONTH*, AND URGE EVERY CITIZEN TO TAKE TIME THIS MONTH TO RECOGNIZE OLDER ADULTS AND THE PEOPLE WHO SERVE AND SUPPORT THEM AS POWERFUL AND VITAL CITIZENS WHO GREATLY CONTRIBUTE TO THE COMMUNITY.

*SIGNED*, THIS 14<sup>TH</sup> DAY OF MAY, 2015.

SUSAN WOODRUFF, MAYOR

The City of Waldport is an equal opportunity employer and a drug-free workplace





**Hough, MacAdam, Wartnik,  
Fisher & Gorman, LLC**

CERTIFIED PUBLIC ACCOUNTANTS

JIM HOUGH, CPA  
SHIRLEY MacADAM, CPA  
JAYSON WARTNIK, CPA  
LAURA FISHER, CPA  
BOB GORMAN, CPA

BRIAN BRAS, CPA  
JOE COLO, CPA  
SALLY JAEGGLI, CPA  
TINA JONES, CPA  
BRYAN WILLIAMS, CPA

April 24, 2015

City Council  
C/O Dona H. Lawson, City Accountant  
City of Waldport  
P. O. Box 1120  
Waldport, OR 97394

We are pleased to confirm our understanding of the services we are to provide the City of Waldport (the City) for the fiscal year ended June 30, 2015. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the City's basic financial statements as of and for the fiscal year ended June 30, 2015.

Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A) and budgetary comparison information on the General Fund and the Major Special Revenue Funds to supplement the City's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited.

1. Management's Discussion and Analysis.

The budgetary comparison schedules for the General Fund and major special revenue funds is also required by generally accepted accounting principles and will be subjected to the auditing procedures applied in the audit of the basic financial statements, and we will provide an opinion on them in relation to the basic financial statements as a whole.

We have also been engaged to report on supplementary information other than RSI that accompanies the City's financial statements. We will subject the following supplementary information to the auditing procedures applied in our 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

1. Budgetary comparison schedules for non-major funds.
2. Combining schedules of individual funds.

## **Audit Objectives**

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

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the Minimum Standards for Audits of Oregon Municipal Corporations, and will include tests of the accounting records of the City of Waldport and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the City of Waldport's financial statements. Our report will be addressed to management and the governing board of the City of Waldport.

We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unqualified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on the internal control related to the financial statements and compliance with the provisions of applicable laws, regulations, contracts, agreements and grants, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will include a paragraph that states that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose.

If during our audit we become aware that the City of Waldport is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

## **Management Responsibilities**

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will assist you with preparation of your financial statements and related notes. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the written management representation letter our assistance with the preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them.

You agree to assume all management responsibilities for any nonaudit services we provide; oversee the services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience to oversee and evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; for following laws and regulations; and for ensuring that management is reliable and financial information is reliable and properly recorded. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

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

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. As part of our engagement, we may propose standard, adjusting, or correcting journal entries to your financial statements. You are responsible for reviewing the entries and understanding the nature of any proposed entries and the impact they have on the financial statements.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud, or illegal acts affecting the City involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities also include informing us of your knowledge of any allegations of fraud or suspected fraud, or illegal acts affecting the City received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the City complies with applicable laws, regulations, contracts, agreements and grants, and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

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

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

## **Audit Procedures—General**

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

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

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

## **Audit Procedures—Internal Control**

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

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

## **Audit Procedures–Compliance**

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

## **Engagement Administration, Fees, and Other**

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

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing. We understand that your financial records will be in auditable condition with all requested schedules prepared timely and accurately and will require a minimal number of adjusting entries.

At the conclusion of the engagement, we will assist management by submitting copies of our reports to the City of Waldport, Lincoln County and the State of Oregon Audit Division; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Hough, MacAdam, Wartnik, Fisher & Gorman LLC and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to regulatory agencies, their designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Hough, MacAdam, Wartnik, Fisher & Gorman, LLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other government agencies.

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

We expect to begin the advance work for our audit in May 2015, with substantive fieldwork expected to begin in July. We plan to issue our reports no later than October 31, 2015. Laura Fisher is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be \$16,400. Should the City require a Single audit, an additional fee of \$2,500 will be charged. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit.

Our invoices for these services will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 45 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement, will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit.

If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. It is understood and agreed that either Party may cancel this contract by giving notice in writing to the other Party at least ninety (90) days prior to July 1 of any year.

Our engagement will be highly detailed in nature, and there are inherent difficulties in accurately recalling such details over a long period of time. You therefore agree that, notwithstanding the statutes of limitations established by the laws of the State of Oregon, any suit or counterclaim based on this engagement must be instituted within 12 months after the performance of our services, unless you have previously provided us with written notice specifically calling our attention to the defects in our services which form the basis of such a claim. You agree that our maximum liability to you for any negligent errors or omissions committed by us in the performance of the engagement will be limited to our annual amount of fees for this engagement, except to the extent determined to result from our gross negligence or willful misconduct.

Our fee estimate discussed herein is based on accounting and professional standards that exist and are applicable as of the date of this letter. To the extent that future rule-making activities require modification of our audit approach, procedures, scope of work, etc., we will advise you of such changes and the impact on our fee estimate. If we are unable to agree on the additional fees, if any, that may be required to implement any new accounting and auditing standards that are required to be adopted and applied as part of our engagement, we reserve the right to withdraw from the engagement, regardless of the stage of completion. If we withdraw from the engagement prior to completing our audit procedures, our engagement will be deemed to have been completed, and no report will be issued as a result of our work. In that event, you will be obligated to compensate us for all time incurred through the date of withdrawal.

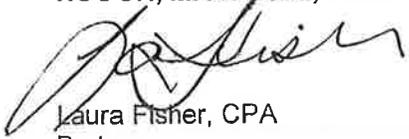
In the interest of facilitating our services for you, we may communicate by facsimile transmission or send electronic mail over the Internet. Such communications may include information that is confidential to you. Our firm employs measures in the use of facsimile machines and computer technology designed to provide reasonable assurance that data security is maintained. While we use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent. Unless you issue specific instructions to do otherwise, we will assume that you consent to our use of facsimile transmissions to your representatives and other use of these electronic devices during this engagement as we deem appropriate.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

We appreciate the opportunity to be of service to the City of Waldport and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign below, retain a copy for your records, and return this letter to our office in the envelope provided.

Very truly yours,

**HOUGH, MACADAM, WARTNIK, FISHER & GORMAN, LLC.**



Laura Fisher, CPA  
Partner

RESPONSE:

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

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

Title: \_\_\_\_\_

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

## Public Works Department Report for the month of Aug. 2014

### Water Treatment Plant

Plant Production:	<u>5.74</u>	MG
Rainfall:	<u>4.5</u>	inches

### Wastewater Treatment Facility

Effluent Flow:	<u>5.3</u>	MG
Public works:	<u>5.3</u>	Inches

### Public Works Dept.

Alarm call outs:	<u>0</u>
Locates:	<u>5</u>
Sewer plugs:	<u>0</u>
Water service installations:	<u>0</u>
Sewer connections:	<u>0</u>
Water Leaks:	<u>1</u>

### Department General Overview

The City of Waldport Public Works Department again has been working diligently to serve the citizens of Waldport. They spent April working on several different projects that ensure clean water, maintained equipment, and up kept streets to help make Waldport visually appealing. As we return to the spring and summer months, we have been very busy mowing the public rights of way and sweeping the streets. The plant operators have been ensuring the city has a good supply of water daily as our water reservoir is currently offline for repair. We are also excited to assist the new Samaritan clinic in their water and sewer needs for their new facility.

Administratively, Mike and I have been working very hard planning our future and direction as a successfully operating department. We are still working with Bee Hive Industries in creating our new mapping system. The mapping system is well on its way and should be ready soon for preview.

**Waldport Public Library  
Board of Trustees  
Minutes of Regular Meeting March 10, 2015**

**Members Present:**

Norm Hooker  
Vic Bucy  
Jan Hansen  
Barbara Smith-Huggins

**Members Absent:**

Shirley Hanes

**Others Present:**

Jill Tierce, Director

**Call to Order:** Chairman Hooker called the meeting to order at 9:30 a.m.

**Minutes** for regular meeting February 10, 2015 were approved with corrections.

**Financial** The Board reviewed a financial report for February 28. Revenues were only the minimal Library Fees Revenues of \$46. Next month's report will reflect the deposit of the February payment from LCLD. Expenditures included purchase of new borrower cards and programing cost for January and February.

Materials & Services expenditures to date are running at 48% of budget.

**Committee Reports: Friends of the Library.** The Friends held a board meeting and a Sponenburgh committee meeting last month. Though Ms. Tierce was unavailable for the meetings she has encouraged the group to sponsor the Young Writers Competition, the purchase of art and picture rails and a new sign. As the City is formulating new sign rules now, the library will need to outline rules for the sign, especially if the group sponsors a "design competition".

**Director's Report:** Circulation for February totaled 5,410. The public computers logged 1,016 sessions for the month. The library hosted 13 programs attended by 84 children and 50 adults.

Oregon State Library Youth Services Consultant, Katie Anderson, made a special trip to Waldport on March 4 to observe our Baby Story Time. Nearly six years ago Sharon McCrum participated in "Every Child Ready to Read" training which Ms. Anderson helped to establish. Katie was very impressed with Sharon's program and enjoyed hearing from parents how this program has enhanced their children's literacy skills.

Mr. Hooker has installed brackets on many of the wooden shelves which pull the vertical supports. This makes the horizontal shelves sit more fully on their clips. This has stabilized the system and should add years to their use. Staff and volunteers will flip horizontal boards that have developed a sway to further improve the fit of the shelves.

A hole in the floor at the east door opening has been discovered. As the carpet covers it, the extent of the rot is unknown. It does however extend into the door surround and siding. The director has asked for bids from local contractors. Public Works has installed a board to span the hole as a temporary safeguard. Mr. Hooker suggested we may want to close up the door, rather than replace it. It would give the opportunity to gain some shelf space. Ms. Tierce will investigate this option.

**Waldport Public Library, Board of Trustees  
Regular Meeting February 10, 2015**

The director provided a copy of the first draft of the Library Budget for FY 2015-16. The LCLD reimbursement to Waldport is estimated at \$180,432. This increase of \$21,000 reflects a rise in Waldport Library circulation for the year ending June 2014.

**Old Business: 3.2 Confidentiality Policy** At the last meeting Ms. Tierce was directed to incorporate the updates to the Confidentiality Policy and return the document for this meeting. Moved by Norm Hooker to adopt the Confidentiality of Library Records as amended. Seconded by Vic Bucy. All approved.

**3.3 Materials Selection and Retention Policy** Ms. Tierce returned this policy with suggested amendments to address handling of donated materials and giving surplus items to the Friends for their sales. Moved by Jan Hansen to approve as amended, seconded by Vic Bucy. So approved.

**“Walk-about” 2013** Ms. Tierce did not include this facility review in this month’s packet. It will be forwarded to the members for discussion next month.

**New Business: Policy Reviews:** The Director has incorporated a numerical outline for the policy list as suggested by Mr. Hooker. This is a clearer organization of the policies.

**3.2.2 Patriot Act Advisory** Much of this advisory needs updating. Some sections of the Federal law were scheduled to expire, some have been made permanent. Ms. Tierce asked to return next month with an updated version of this statement.

**1.2 Circulation Policy (describing service population)** The proposed revision to this statement included the removal of references to Coastal Resource Sharing Network. Motion by Vic Bucy to adopt the Circulation Policy: Describing Service Population and establishing Non-resident fees as presented. Seconded by Barbara Smith-Huggins. Approved by all. The policy 1.2.1 Oregon Passport Card Experiment previously adopted November 2012, is listed in association with this policy.

**Board members concerns:** For the April meeting, the Board chose to review: 3.4 Mandating Reporting, including record of staff training dates.

**Actions or recommendations to the City Council:** none

**Public Comment:** none

**Announcements:**

Family Night, “Dr. Seuss Pajama Party”, Thursday March 12, 5:30 pm

**Next Regular Meeting:** April 14, 9:30 am

**Adjournment:** The meeting was adjourned at 11:11 am.

jt: 4/9/15

**Approved in regular meeting April 14, 2015 as here corrected.**

**Waldport Public Library**  
**Monthly Circulation 2014-2015**

Patron Category	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	TOTAL
LCLD-Adult	3,238	3,152	2,686	2,830	2,615	2,652	2,575	2,443	2,726	2,646			27,563
LCLD-Youth	167	189	95	71	82	53	63	71	103	67			961
OCCC	0	1	2	7	10	7	14	6	1	8			1
Waldport Adult	2,041	1,895	1,586	1,833	1,856	2,185	2,109	1,803	1,872	1,729			18,909
Waldport Youth	174	207	122	148	70	41	103	181	127	52			1,225
Adult	71	38	43	55	44	59	83	41	91	58			583
Youth	0	0	0	4	7	0	0	1	0	0			0
Temporary 1-year	69	78	59	102	55	41	17	17	10	21			469
Temporary	111	126	19	8	0	0	6	57	24	13			364
Oregon Passport	65	41	38	29	27	11	16	21	50	53			351
Interlibrary loan out	<u>57</u>	<u>53</u>	<u>47</u>	<u>57</u>	<u>27</u>	<u>46</u>	<u>44</u>	<u>58</u>	<u>91</u>	<u>75</u>			<u>555</u>
Chinook Circ	5,993	5,780	4,697	5,144	4,793	5,095	5,030	4,699	5,095	4,722			51,048
Non-cataloged	563	699	658	814	679	649	594	561	843	788			6,848
Library2Go *	<u>162</u>	<u>196</u>	<u>150</u>	<u>181</u>	<u>134</u>	<u>165</u>	<u>159</u>	<u>150</u>	<u>140</u>	<u>137</u>			<u>1,574</u>
	725	895	808	995	813	814	753	711	983	925			8,422
<b>GRAND TOTAL</b>	<b>6,718</b>	<b>6,675</b>	<b>5,495</b>	<b>6,139</b>	<b>5,606</b>	<b>5,909</b>	<b>5,783</b>	<b>5,410</b>	<b>6,078</b>	<b>5,647</b>			<b>59,460</b>
<i>Last Year</i>	<b>6,328</b>	<b>6,533</b>	<b>6,053</b>	<b>6,508</b>	<b>6,252</b>	<b>6,343</b>	<b>6,636</b>	<b>5,910</b>	<b>6,087</b>	<b>5,836</b>	<b>5,888</b>	<b>6,089</b>	<b>74,463</b>
Interlibrary loan In	43	36	45	34	51	37	42	45	46	48			427
Computer Sessions	1,344	1,346	1,193	1,224	1,010	1,038	1,091	1,016	1,197	1,130			11,589
WiFi estimate	237	251	188	255	178	208	179	164	187	195			2,042
Patrons added	30	40	35	33	34	31	32	25	45	19			324

**15 Programs for children and families. Attendance = 81 adults, 99 children**

\*calculated at 44% of month's circ in Chinook public libraries

**City of Waldport  
2015 LAND USE / BUILDING PERMIT ACTIVITY**

<b>Date</b>	<b>Application/ Activity</b>	<b>Applicant</b>	<b>Zoning</b>	<b>Tax Map/Lot Location</b>	<b>Description</b>	<b>Status</b>
<b>For the Period <u>March 17, 2015</u> through <u>April 20, 2015</u></b>						
4/8/15	On-Site Waste Management Permit	Gene & Pam Nelson	R-3	13-11-29AB/4500 1420 Jefferson St Peterson Park	Septic tank replacement	Approved 4/10/15
4/21/15	On-Site Waste Management Permit	Ed Pond	R-3	13-11-29AB/2000 1540 Jefferson St Peterson Park	Septic repair permit and tank replacement	Approved 4/24/15
4/21/15	Building Permit	Brad & Michelle Putnam	D-D	13-11-19BD/4400 120 Hwy 101 (former bakery)	New commercial building	Approved 4/27/15