

---

City of Falls City  
City Council Regular Meeting Minutes  
November 19, 2019 6:00 PM  
Meeting Location: 320 N Main Street, Falls City, Oregon 97344

---

**Council Present:** Lori Jean Sickles, Jennifer Drill, Tony Meier, Cliff Lauder, Dennis Sickles

**Staff Present:** Mac Corthell, City Manager; William Sullivan, Community Development & Outreach Coordinator; Jamie Ward, City Clerk

**1. Councilor Photographs**

William Sullivan has begun work on the new city website and took photographs of City Councilors.

**2. Meeting called to order**

Mayor Gordon called the meeting to order at 6:00pm.

**3. Roll Call**

Clerk Ward took roll call. Councilor Radke was absent

Council had a brief discussion about Councilor Radke having missed five (five) meetings in the past five (5) months. The subject will be readdressed at the December 9, 2019 meeting.

**4. Pledge of Allegiance**

Mayor Gordon led the pledge.

**5. Motion to accept the entire agenda**

A motion was made by Councilor Meier and seconded by Councilor D. Sickles to adopt the entire agenda with changes to the next City Council Meeting date. Motion carried 5-0-0-1. Ayes: Lori Jean Sickles, Jennifer Drill, Tony Meier, Cliff Lauder

**6. Announcements and Appointments**

- a. William Sullivan updated council on the Falls City Greenway project, a project tying outdoor activities together throughout the city. (See exhibit A). Sullivan discussed the Regional Solutions meeting that was hosted in the community center on Friday November 15, 2019. Regional Solutions Mid-Valley Region is a department of the Governor's office made up of eight to ten different Solutions coordinators ranging from Oregon Department of Transportation, Oregon Parks and Recreation, and Business Oregon. Regional Solutions is designed to help with local and economic development. Sullivan stated that they discussed funding options and hopefully can help cut some red tape that may come up in the future projects the City may want to engage in.

Mayor Gordon wanted to take a brief moment of to indicate all the wonderful work that is being done by the Falls City Steering committee.

Councilor D. Sickles mentioned that point out that the Mayor and Sullivan went up to the school board meeting and appreciates the relationship that is being formed between the City and the School district.

- b. Next City Council Meeting December 9, 2019 at 6:00pm.  
Mayor Gordon wanted to remind council that special meetings can be called either by the Mayor, the City Manager or three (3) Councilors.
- c. A Certificate of Appreciation was awarded to Jay Epperson for his dedicated service to the City of Falls City as a Public Works employee from August 2019 to November 2019. Epperson not only filled is responsibilities of his position, but used his mechanical expertise to save the city untold amounts of money and time. Epperson was not present to receive his certificate; his final day with the city will be November 25, 2019.

## **7. Community and Government Organizations**

- a. Public Works  
None
- b. Sheriff's Report  
None
- c. League of Oregon Cities  
League of Oregon municipal training classes are being held this month in multiple different cities. Registration is open now at [www.orcities.org](http://www.orcities.org). Mayor Gordon wanted to encourage Council to attend if they have not in the past. Gordon feels that it was really worthwhile and informative in understanding the roll as a city councilor.
- d. Falls City Fire Report  
None

## **8. Reports**

- a. Mayors Report  
Wanted to remind council that the Annual Community Thanksgiving dinner is Saturday November 21, 2019 from 11am-3pm and that his wife Dana Schowalter his running the event. He stated that donations they have received have been plentiful.
- b. Council Report  
Councilor Drill wanted to report that the Annual Christmas tree lighting will be held December 7, 2019 at 5:30pm at Mountain Gospel Fellowship.
- c. Manager Report  
Corthell went over his managers' report (See exhibit B) before leading into his presentation regarding the Falls City Financial Condition Project. (See exhibits C, D and E)

Councilor D. Sickles wanted to thank Corthell for his presentation and say that even though it was a lot of information to process he can see where we are going and that he really appreciates all that is being done by staff.

Councilor Lauder asked a question regarding the cost of outsourcing. Corthell stated that he has looked into the different costs of outsourcing that we do not currently use will have a better assessment of those costs when it gets closer to time to implement the City Manager job description changes.

Mayor Gordon would like to see the organizational structure on the divisional level to be visible to the public, possibly on the website. Gordon also wanted to ask if the department heads still report to the manager. Corthell responded that absolutely the City Manager will oversee all those departments still.

Councilor Drill asked Corthell when his last day would be and if he plans on going down to part time while training.

Corthell responded that as of now he is shooting for the July to August range and that he does not have a secession plan in place yet.

#### **9. Consent Agenda**

A motion made by Councilor Meier and Seconded by Councilor Drill to adopt the consent agenda. Motion carried 5-0-0-1. Ayes: Lori Jean Sickles, Jennifer Drill, Tony Meier, Cliff Lauder, Dennis Sickles.

#### **10. Public Comments**

- a. FY 18-19 Audit Summary & Letter (see exhibits F and G)

#### **11. New Business**

- a. Mill Lot Proposal

The City of Falls City was approached by Rick Taylor regarding interest in establishing a small mill in the old mill lot. Taylor advised staff that he would need some assistance getting established in Falls City due to costs associated with setting up a mill. Corthell advised Taylor that it's possible the City could assist with the location, and with locating and applying for business grants and loans, but that city would not be able to assist him with any sort of cash. Taylor currently is a Medical Doctor who works one (1) week a month at a clinic in Texas and operates a small mill on Estelle Rd. Corthell showed Taylor two (2) potential city owned sites for the mill. One was the old dump site, and that was deemed infeasible due to excessive startup cost, . The second was the current public works building on the Mill lot which was deemed ideal for the business.

A motion was made by Councilor Drill and seconded by Councilor D. Sickles that the City of Falls City table the decision until after the field trip to Taylors existing mill on Estelle Rd. Motion carried 5-0-0-1. Ayes: Lori Jean Sickles, Jennifer Drill, Tony Meier, Cliff Lauder, Dennis Sickles.

#### **12. Citizen Committees**

None

#### **13. Old business**

a. Code Services Update

Corthell impression from the most recent goal setting session is that Council all agreed that Code enforcement was a common goal amongst council. Corthell feels that with the impending changes in city structure and personnel, that initiative has been moved to the back burner. However, some significant code issues exist around town, some which present a danger to the community, and/or an exploitative situation to community members. City Staff has determined that the violations occurring at Greenhaven RV Park are the most egregious due to the number of persons affected, the variety of potential violations, the exploitative nature of potential violations, and the lack of compliance with a conditional use permit issued by the City.

Councilor Drill asked City Manager Corthell if he had seen the last Conditional use permit on how it was supposed to be maintained, and if it was still in effect?

Corthell stated that it is still as long as the conditional use is in operation the conditions on the conditional use will be in effect.

Councilor Meier stated that he feels that Greenhaven RV Park has never been in compliance of the condition use permit. He feels that they were supposed to have a six (6) foot fence around the property and that has never happened.

Councilor Lauder is curious to see if Corthell idea is to enforce the Greenhaven RV Park to follow the conditional use permit or pull their conditional use permit?

Corthell wanted to make it clear this is not just about this property solely I but that it stands out in the most egregious way. He would approach each land owner with code enforcement violations and arrange an agreement to clean up the property or be forced to take stronger enforcement actions. The City has municipal court action in place to help enforce ticketing. Each situation will be assessed accordingly.

**14. Adjourn**

No motion was made to Adjourn

The meeting adjourned at 7:59 pm.

\_\_\_\_\_ Mayor, Jeremy Gordon

Attested: \_\_\_\_\_ City Clerk, Jamie Ward

City of Falls City  
 299 Mill Street  
 Falls City, OR 97344  
 Phone: 503-787-3631



## Greenway Project Scope of Work & Timeline

The Falls City Greenway consists of three sections:

### Connecting the Falls to Main Street

**Overview:** This portion of the Greenway begins at the Little Luckiamute River Falls, where new fencing and signage is required to prevent visitors from jumping over the Falls and injuring themselves. Residents have also expressed a desire to have a footbridge built between the Falls site and the Michael Harding Park to connect the two areas and provide a scenic view from above the Falls. Restroom facilities, benches and tables, and a parking area will enhance visitors' experiences and should also be added. A paved pathway would lead out to Parry Road, along which a sidewalk would be installed to link up with an existing sidewalk that starts at the intersection of Parry Road and Bridge Street. On the opposite side of Bridge Street, directly in front of the bridge, a portion of the guard rail would be removed and an ADA-accessible ramp down to an 8' pedestrian path would lead to the basketball court in Fay Wilson Memorial Park. No improvements need to be made to the area around the basketball court or to the 3<sup>rd</sup> Street Footbridge. The short path between 3<sup>rd</sup>/Mill Streets and the footbridge will need to be paved. Mill and 3<sup>rd</sup> Streets (south of North Main Street) will be repaved in the upcoming months with funds from the recently awarded ODOT Small City Allotment grant.

**Plans:** This proposal is in alignment with Riverwalk proposed in Falls City's Master Parks Plan, adopted in December 2017. This portion of the Greenway would help Falls City, as a low-income community, in meeting the State of Oregon's priority of providing close-to-home outdoor recreation (as laid out in the Oregon Parks and Recreation Department's 2019-2023 Statewide Comprehensive Outdoor Recreation Plan)

**Stakeholders:** Falls City community, Falls City Steering Committee, Falls City Parks & Recreation Committee, Falls City Public Works Committee, Falls City City Council, Westech Engineering, Inc., Polk County officials, Oregon Parks and Recreation Department, Oregon Department of Transportation Small City Allotment Program

### Revitalizing the Main Street Business Area

**Overview:** Our North Main Street business area is the center of Falls City's community, but has fallen into decline. Landscaping along this strip (particularly towards Bridge Street) is needed. Business owners are interested in taking steps to make the grass strips along the sidewalk and the bump-outs more inviting spaces to congregate through the addition of seating and pocket parks that harkens back to Falls City's identity as a logging town. Separately from the Greenway Project, the Falls City Steering Committee is considering rehabilitation of the old Luckiamute Clinic and conversion into an innovation hub, which would serve as a community center and anchor to the North Main Street business area. To tie in the City's parks and outdoor recreation spots, wayfinding signage should also be added along North Main and Bridge Streets, directing visitors to the Falls, Black Rock Mountain Bike Area, and Valley of the Giants. A grant application to provide bike racks and a repair station to the City from Cycle Oregon is currently pending; the goal is to encourage visitors to the Black Rock Mountain Bike Area to stop and patronize Falls City's businesses.

Stakeholders: Falls City community, Falls City Steering Committee, Falls City Public Works Committee, Falls City City Council, North Main Street business owners, Kate Schwarzler (Independence business owner/landscape architect), Cycle Oregon

### Connecting Falls City Schools

Overview: The wooded area that students cut through between the Elementary School and the High School is currently unsafe. There is no visibility from the street and no paving or lighting along the route. Rusted vehicles have been abandoned at the bottom of the hill and there have been reports of known predators loitering in the wooded area. The City aims to pave and connect Boundary Street through the wooded area and add lighting. This will provide the Polk County Sheriff's deputy a straight line of vision between North Main Street and Prospect Avenue. Lighting and adequate sidewalks should also be installed on Prospect Avenue between the Elementary School and Boundary Street. The City also seeks to make North Main Street and Bridge Street sidewalks ADA-accessible and add a traffic island at the city's most troublesome intersection (at Mitchell & Bridge Streets).

Plans: A local road and sidewalk on Boundary Street between North Main Street & Prospect Avenue and a traffic island and pedestrian crosswalks at Bridge & Mitchell Streets were proposed as a potential priority in Falls City's Transportation Systems Plan, adopted in July 2013.

Stakeholders: Falls City community, Falls City Public Works Committee, Falls City City Council, Falls City School District, Oregon Department of Transportation's Safe Routes to Schools Program, Polk County Sheriff's Office

Chronologically, there are three phases to the project:

1. The City needs to finalize the design and planning for the project. To achieve this, the City seeks technical assistance funding to cover a portion of the engineer's fees.
2. Once the design phase is complete and the planning documents are in hand, the City will apply for a patchwork of grants to cover the Greenway. Fundraising can also be undertaken by the Falls City Steering Committee.
3. When funding is secured, construction may begin. Easily achievable portions, such as the landscaping on North Main Street can be completed by the end of next Summer, but more ambitious sections, such as the pathway between schools may take 2-3 years to complete (given scheduling of grant cycles).

Timeline

November 2019	<ul style="list-style-type: none"> <li>• Regional Solutions Team meets in Falls City</li> <li>• School Board provides letter of support for portion of pathway between schools</li> </ul>
December 2019	<ul style="list-style-type: none"> <li>• Application(s) for technical assistance grants are submitted</li> <li>• Falls City Steering Committee completes action planning and will begin action on prioritized portions of this project</li> <li>• Grant decisions from Cycle Oregon announced</li> </ul>
January – March 2020	<ul style="list-style-type: none"> <li>• Technical assistance grant recipients are announced and engineering/design plans completed</li> <li>• 2020-2021 Safe Routes to School Infrastructure Program schedule announced in January</li> </ul>
February – April 2020	<ul style="list-style-type: none"> <li>• Grant applications are submitted for Parks &amp; Main Street portions of the Greenway               <ul style="list-style-type: none"> <li>○ Main Street portion may not require outside funding</li> <li>○ Best funding opportunities for Parks portion has not been identified yet, so timeline is not yet clear; construction will likely take 6-18 months, depending on what is ultimately included (footbridge, restrooms, etc.)</li> </ul> </li> </ul>
July 2020	<ul style="list-style-type: none"> <li>• Letter of Inquiry to be submitted for Safe Routes to Schools Program and application assembled</li> <li>• Estimated completion of the landscaping portion on North Main Street</li> </ul>
October 2020	<ul style="list-style-type: none"> <li>• Final application is submitted for Safe Routes to Schools Program</li> </ul>
December 2021	<ul style="list-style-type: none"> <li>• Estimated completion of the schools pathway construction</li> </ul>



City of Falls City  
299 Mill Street  
Falls City, OR 97344  
Phone: 503-787-3631

## Greenway Project Potential Funding Sources

### Main Street Portion

#### **ODOT Small City Allotment Grant**

Overview: Eligible projects are those on streets within a city that are not part of the state highway system, streets that are "inadequate for the capacity they serve, or streets that are in a condition detrimental to safety". Awards are made up to \$100,000.

Deadline: 2019 Cycle is closed.

Status: Falls City awarded \$100,000 in late October 2019

### Parks Pathway Portion

#### **OPRD Local Community Grant**

Overview: Project types: development, rehabilitation, acquisition, acquisition & development, and planning; 20% match

Deadline: Applications open on January 1, 2020; large grant applications due on April 1, 2020; small grant applications due on May 1, 2020; planning grant applications due on May 15, 2020; announcements made in Fall 2020

Status: No contact made yet; 2020 cycle workshops in February 2020

#### **OPRD Recreational Trails Grant**

Overview: RTP grant funds are used to provide, expand and improve public recreational trails for both motorized and non-motorized trail users. Types of projects include: Building new recreation trails, including building trail bridges and installing wayfinding signs; Restoring existing trails, including trail bridges and signing; Developing and rehabilitating trailhead facilities; Acquiring land and permanent easements; and Water trails. Program requires 20% match if project cost is under \$250,000 or 40% if the project cost exceeds \$250,000.

Deadline: 2020 Cycle schedule not posted, but in 2019, LOI were due in April and application in June

Status: No contact made yet

#### **Oregon Community Foundation Community Grant**

Overview: Evaluation criteria includes the strength of local support for the project, the strength of the applicant organization, and whether the project addresses a significant community need. Grants generally range from \$5,000 to \$50,000, but \$20,000 is the average award amount.

Deadline: Applications due January 15, 2020; announcements in May 2020

Status: Falls City hosted OCF Leadership Board on October 4, 2019. OCF has funded Falls City School District, but not City projects. Contact has not been made with grant administrator.



### **Travel Oregon Grants**

Overview: These grant projects support Travel Oregon's mission of 'a better life for all Oregonians through strong, sustainable local communities that welcome a diversity of explorers.' To be eligible for funding, projects must be for tourism purposes and demonstrate a direct tie to the mission of Travel Oregon.

Deadline: Small grants closed; medium grants expected to re-open in April 2020; large grants only opened at discretion of Oregon Tourism Condition

Status: No contact made yet

### **PeopleForBikes Community Grant**

Overview: PeopleForBikes focuses most grant funds on bicycle infrastructure projects such as bike paths, lanes, trails, and bridges, mountain bike facilities, bike parks and pump tracks, BMX facilities, and end-of-trip facilities such as bike racks, bike parking, bike repair stations and bike storage. PeopleForBikes will fund engineering and design work, construction costs including materials, labor, and equipment rental, and reasonable volunteer support costs. For advocacy projects, we will fund staffing that is directly related to accomplishing the goals of the initiative.

Deadline: Online application opens on December 9, 2019; Online Letter of Interest due on January 17, 2020, Notification of LOI status on February 21, 2020; Full Applications due on April 3, 2020; Grant award notifications by May 22, 2020

Status: No contact made yet

### Schools Pathway Portion

#### **ODOT Safe Routes to Schools Infrastructure Grant**

Overview: The Infrastructure Competitive Grant Program funds safety projects on the public road right of way, consistent with jurisdictional plans, supported by the school or school district, are within a one-mile radius of a school, and that positively affects the ability of children to walk and bicycle to school. Project examples include sidewalks, median refuge islands, rapid flashing beacons, etc. Match for communities of under 5,000 and with Title I schools is 20%.

Deadline: Next cycle will open in July 2020

Status: Mac & William will meet with Infrastructure Program Director LeeAnne Ferguson on November 25, 2019

### Planning and Technical Assistance

#### **Department of Housing and Urban Development Distressed Cities Technical Assistance Grant**

Overview: HUD technical assistance funds aim to meet three goals: Adopt effective, efficient, and sustainable financial management practices. This includes the management of disaster recovery and resilience funds; Build capacity for financial management, economic revitalization, affordable housing, and disaster recovery and resilience by building partnerships with public agencies, community members, non-profits, and private organizations; and Improve knowledge of federal development programs. This includes indirect subsidy sources, such as Opportunity Zones and the Low-Income Housing Tax Credit.

Deadline: N/A

Status: No contact made yet

### **Ford Family Foundation Technical Assistance Grant**

Overview: Has previously provided funding to: Hire a consultant to assist your organization in developing a strategic plan; Hire a trainer to train board and staff on effective fundraising strategies; Pay for staff members to attend a training or conference that builds their skills and capacity; and to Hire an outside accountant to help build financial systems to make your organization eligible for governmental grants.

Technical Assistance Grant requests need to: Meet the Foundation's eligibility and readiness requirements; Serve communities in rural Oregon or Siskiyou County, Calif., with less than 35,000 in population not adjacent to or part of an urban or metropolitan area. The recipient organization's mission must align with one of the following Foundation program areas: Children, Youth and Families; Postsecondary Success; Ford Institute for Community Building; and Community Economic Development.

Deadline: N/A, applications accepted year-round

Status: FFF funding of RARE position does not preclude City from applying for a Technical Assistance grant. However, FFF TA grants are not commonly granted to Cities. William has been in conversation with FFF Community Economic Development department.

### **Salem Foundation by Pioneer Trust Bank**

Overview: Funds variety of projects between \$1,000 and \$5,000

Deadline: December 1, 2019; next cycle is due May 1, 2020

Status: No contact made yet

### **USDA Community Facilities Technical Assistance and Trainings Grant**

Overview: Funds can be used to: Assist communities in identifying and planning for community facility needs; Identify resources to finance community facility needs from public and private sources; Prepare reports and surveys necessary to request financial assistance to develop community facilities; Prepare applications for Agency financial assistance; Improve the management, including financial management, related to the operation of community facilities; or Assist with other areas of need identified by the Secretary.

Deadline: Not currently open

Status: No contact made

### **Walmart Community Grant**

Overview: General grants between \$250 and \$5,000

Deadline: December 31, 2019

Status: No contact made

**FALLS CITY FINANCIAL CONDITION PROJECT: Corrective Action****Highlights: Total savings estimated FY20-21: \$171k**

1. Public Works Department: **Total savings estimated FY20-21: \$104k scheduled + \$21k unscheduled**
  - a. Don will begin phase out in 1/2020; full retirement at the fiscal year 7/2020.
  - b. Jay has resigned effective 11/25/2019.
  - c. PW staffing philosophy: 1 water/sewer/director, 1 worker, 0.5 Utility Biller.
    - i. Cost of water/sewer certified too high to pay for 1, much less 2;
    - ii. Will increase turnover in unskilled position, create sustainability and consistency in skilled position;
  - d. Surplus
    - i. 2 PW Trucks; 1 PW Grader; 1 Dump truck
  - e. Outsource
    - i. Grading,
    - ii. Capital Improvements,
    - iii. Net DMR temporarily (water/sewer monitoring)
2. Administrative Department: **Total savings estimated FY20-21: \$40k.**
  - a. Administrative Staffing Philosophy: 1 City Manager, 1 City Clerk.
    - i. Clerk assumes a supervisory role over biller, and operates as a front office manager. City Manager focus on Finance, Project Management, and Grants... in other words, Capital Improvements.
    - ii. Will increase turnover in unskilled position, create sustainability and consistency in skilled position;
3. Fire Department: **Total savings estimated FY20-21: \$6k**
  - a. Surplus Pumper Truck and SUV
  - b. Remove Inactive from Roster
4. Additional Financial Benefits
  - a. **Surplus Sale of Equipment \$50k-\$125k**
  - b. Life-Cycle Capital planned and accounted for

### Falls City Financial Conditioning Project: Corrective Action



Prepared by:  
Mac Corthell  
City Manager  
Falls City, OR

### Financial Conditioning Project: Review

- I. **Organizational Development**
  - I. Assess
  - II. Make Findings
  - III. Corrective Action
    - I. Physical Organization Development
    - II. Create and Define Overall Structure
    - III. Create and Define Roles
    - IV. Optimize departments and resources
- II. **Correcting, and Creating revenue streams**
  - I. MUROW, SDC's, Rate Study, Administrative, CPI, Assessments

### Organizational Development Condition Assessment

- ▶ What Departments, Divisions, Programs, Tasks?
- ▶ How are they organized, what resources do they need, how do we know?
- ▶ What issues exist from the top (Citywide) down (Departmental, Divisional, Programmatic, Task)
- ▶ Which issues are the most concerning or emergent, which ones can wait?

Inventory & Immerse

Identify & Triage

### Organizational Development Assessment Findings

- ▶ Organizational Structure is largely undefined leading to:
  - ▶ Disorganization;
  - ▶ Ambiguity in roles;
  - ▶ Lack of accountability;
  - ▶ Inefficient use of human and capital resources;
  - ▶ Inability to modernize;
  - ▶ Paying more and getting less;
  - ▶ Reactionary approach

**Optimize: Public Works**

Total Savings Approximately: \$125k...\$104k scheduled

Falls City  
SUSTAINABILITY  
PROPOSAL

**New Equipment Model**

- ▶ Surplus 2 PW trucks, 1 grader, 1 dump truck
  - ▶ \$3k insurance savings, \$10k maintenance and operation savings, \$21k/year life-cycle capital savings (\$70k/10 years for 2 trucks, \$60k/15 years for 1 dump, \$150k/15 years for 1 grader), plus a one time injection of funds from surplussing
- ▶ Outsource
  - ▶ Road Grading by TRTL, or IGA, (Approx. \$10k cost max)
- ▶ **New Operations and Capital Improvement Model**
  - ▶ PW Staff focus on operations, maintenance, emergencies, small capital projects as able.
  - ▶ City Management focus on executing major capital plans and funding major capital projects
  - ▶ PW Vehicles on 5 year life-cycle, budgeted at 1/5 new cost per year
  - ▶ PW Equipment on 15 year life-cycle, budgeted at 1/15 replacement cost per year
  - ▶ Outsource
    - ▶ Major capital improvement projects in accordance with need and capital improvement plans (e.g. Water Master Plan)

**Optimize: Public Works**

Total Savings Approximately: \$125k...\$104k scheduled

- |   |  |
|---|--|
| ▶ 1 PW Director, 2 PW Workers, 0.75 PW Clerical- Approximately \$260k | ▶ 1 PW Director, 1 PW Worker, 0.5 PW Clerical- Approximately \$147k (\$113k) |
| ▶ Worker's Compensation- Approximately \$9k                           | ▶ Worker's Compensation- Approximately \$6k (\$3k)                           |
| ▶ Vehicle/Equipment Insurance- Approximately \$3k                     | ▶ Vehicle/Equipment Insurance- Approximately \$1.5k (\$1.5k)                 |
| ▶ Vehicle/Equipment Operations/Maintenance- Approximately \$10k       | ▶ Vehicle/Equipment Operations/Maintenance- Approximately \$3k (\$7k)        |
| ▶ Life-Cycle Capital Outlay- Approximately \$45k                      | ▶ Life-Cycle Capital Outlay- Approximately \$24k (\$21k)                     |
|   | ▶ Outsourcing- \$20k   |

Current Costs Affected

New Model Costs

**Optimize: Administrative**

Total Savings Approximately: \$35k

- ▶ **Events**
  - ▶ Delayed Resignation of City Manager circa August, 2019
  - ▶ Streamlining, Standardization, Technology, Outsourcing
- ▶ **New Personnel Model**
  - ▶ City Manager (\$70k up to \$85k cost)
    - ▶ Focus on Leadership, Finance, Special Projects, Administration, Planning, and Supervision of City Clerk and PW Director
  - ▶ City Clerk (\$60k up to \$70k cost)
    - ▶ Focus on Public Bodies, Community Development, Supervision of PW Clerical
  - ▶ PW Clerical (Paid in PW)
    - ▶ Utility Billing and Clerical
  - ▶ Outsource
    - ▶ Planning & Land Use, Legal, IT, Muni Court, Accounting, some grant management, some project management, human resources (when available), code services (when feasible)

**Optimize: Administrative**

Total Savings Approximately: \$35k

- |   |   |
|---|---|
| ▶ Current: 1 City Manager, 1 Clerk, 0.5 Code Services- \$170k                     | ▶ Streamlining processes to reduce staff time and costs                                 |
| ▶ Optimized: 1 City Manager (reduced), 1 City Clerk- Approximately \$130k (\$40k) | ▶ Elimination of staff time and supplies used creating useless and/or redundant records |
|   | ▶ Calendaring to improve organization, efficiency, and communication                    |
|   | ▶ Questioning status quo's  |
|   | ▶ <b>Technology &amp; Outsourcing</b>   |
|   | ▶ Utilizing technology to promote organization, and efficiency                          |
|   | ▶ Reducing outsource costs through technology   |
|   | ▶ Outsourcing to reduce costs for technical work  |

What?

How?

**Optimize: Fire**

Total Savings Approximately: \$6k

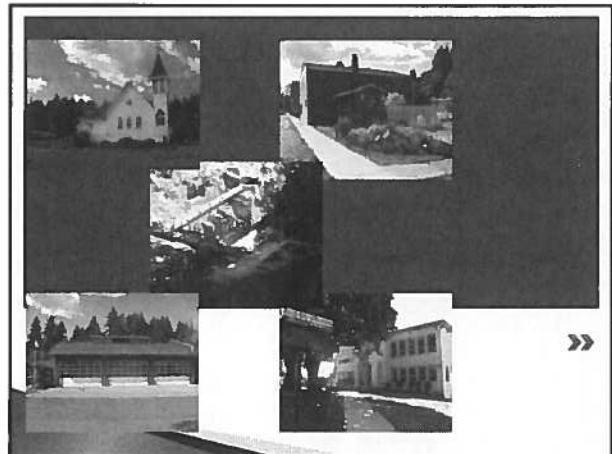
- ▶ **Events**
  - ▶ Three more years of \$40k/year fire levy
  - ▶ Agreement between City and Department Leadership that joining a district is inevitable; under the right circumstances is ideal
- ▶ **Apparatus Plan**
  - ▶ Chief to Develop and Present a Capital Improvement Plan
  - ▶ Surplus Pumper Truck and SUV (\$1,500 insurance, \$3,500 maintenance and operation)
  - ▶ Remove inactive volunteers from roster (\$1,000)
    - ▶ Worker's Comp, Outfitting Gear, Outfitting Uniforms, Training

**REVENUES... Again**

- ▶ **Already In-Work:** MUROW, SDC's, Utility Rate Study
- ▶ **New Found Administrative Revenues and Savings:**
  - ▶ **Revenues:** Costs associated with chargeable work orders not tracked, Planning & Land Use fees not tracked and often waived
  - ▶ **Savings:** Planning & Land Use costs mitigated through internal processing, staff time & associated material costs to produce unnecessary records and to perform prohibited and risky tasks (e.g. work on customer side of water/sewer connections)
  - ▶ **Lost Savings:** Planning & Land use will be returned to outsource
- ▶ **Recommendation:** Create automatic annual inflation increases for water and sewer rates
- ▶ **Reminder:** Utility Assessments can pay for parks, street lights, drainage, public safety (code services), operations.

**Summary of Main Points**

- ▶ **Physical Organization Addressed (a continuous undertaking)**
- ▶ **Organizational Structure and Roles Defined**
- ▶ **Fire Department Management and City Management agree that joining a fire district is inevitable**
- ▶ **Administration and Public Works Optimized**
  - ▶ \$145k saved through Departmental Optimization
- ▶ **Staff recommends considering the following with saved funds:**
  - ▶ Lack of dedicated law enforcement to enforce city rules (Foundational- manage relationships/provide services)
  - ▶ The need for capital outlay in Utility Divisions
  - ▶ The need for community development to help increase revenue



# CITY OF FALLS CITY PUBLIC WORKS DIRECTOR

## POSITION DETAILS

**Position Title:** Public Works Director  
**Pay Range:** \$41,600-\$50,000/Year  
**FLSA Status:** Exempt  
**Probation Period:** 6 Months  
**Assignment Category:** Regular, Full-Time, Salary  
**Location:** Falls City Hall, 299 Mill St. Falls City, OR 97344  
**Position Type:** Staff  
**Hours:** M-F, 6:30am-3:00pm, alternating weekends  
**Weekend Work:** Every other weekend

**Position Summary:** The Public Works Director is responsible for Administration of, and staff-work in all Public Works Divisions including: Water, Sewer, Streets, Wastewater (TMDL), Parks, Cemeteries, Facilities Maintenance, and Interdepartmental. The Public Works Director provides supervision and training to Public Works employees, and coordinates contractors for outsourced work and projects. Also, the Public Works Director assists the City Manager in preparation and management of the Public Works budget, and capital improvement planning and execution. The Public Works Director will be expected to become qualified for Water and Sewer daily monitoring and testing within 2 years of hire, and will cooperate with the Utility Biller to insure bills and invoices are timely and accurate. The Public Works Director will assist in project management and compliance with the City Code relevant to public works.

A qualified candidate for this role should have a valid state driver's license with acceptable driving record. At least a High School Diploma, two years of experience in Public Works (preferably in Water and/or Sewer), strong verbal and written communication skills, and an ability to work well with a team.

**Special Demands:** Vision, hearing and speech are required along with manual dexterity. Position requires extensive physical exertion, constant exposure to the elements, and movement of heavy materials. Will also operate vehicles and heavy equipment on occasion.

## POSITION DUTIES

The listed duties are a summary of those typically performed by the City Clerk. Additional accountabilities and duties may be assigned from time to time. This list is not meant to be a comprehensive accounting of each duty or task performed.

Key Accountability	PUBLIC WORKS ADMINISTRATION (Managerial)
Duty Statement	Responsible to ensure daily operational and legal/regulatory requirements of all public works divisions (water, sewer, wastewater, streets, parks, cemeteries, facilities, interdepartmental, and all associated programs. Engages with City Clerk to prepare appropriate staff reports for Parks and Public Works Committees. Serves as subject matter expert on the City's various public works functions. Ensures all relevant records are properly created, maintained, and filed. Anticipates divisional needs outside of existing plans, and budgets/prepares accordingly. Responds to emergencies in the Public Works Department and takes appropriate action to remedy them. Supervises and trains public works personnel. Ensures proper maintenance and upkeep of all city assets within the public works

	<b>Other:</b>
<b>Performance Standards</b>	

## POSITION FACTORS

<b>Minimum Education and Experience</b>	High School Diploma required. Prefer two years of public works experience, preferably in water and/or sewer, and an Associate's Degree.
<b>Supervision Received</b>	Incumbent will report directly to the City Manager. After probationary faze, incumbent will receive cooperative guidance from the City Manager, but is expected to perform basic duties independently.
<b>Analytical Skills Required</b>	This position requires excellent analytical and communication skills based both on the main functions, and the breadth of the role.
<b>Financial Accountability</b>	Accountable for management of the public works discretionary budget, and for providing public works budget inputs yearly.
<b>Impact of Actions Carried by This Position</b>	Poor execution of the tasks associated with this role could lead to liability for the city and the incumbent. Also may lead to inadvertent administrative, legislative, and quasi-judicial decisions. Finally, may lead to adulteration of drinking water, and/or violation of state and federal permits.
<b>Supervision Exercised</b>	This position will supervise all public works staff and volunteers. Responsible for ensuring PW staff and volunteer conduct is in compliance with city personnel policies, and for assisting City Manager in conducting yearly reviews, and remedial action plans as necessary.
<b>Human Resources Impact of this Position</b>	Occasionally responsible for assisting with interviewing and providing input on hiring.
<b>Internal Contacts</b>	Has regular contact and interaction with Committee members, Council Members, the Mayor, the City Manager, the Utility Biller, and Public Works Staff.
<b>External Contacts</b>	Regular contact and interaction with outside City, County, and State Staff and Officials. Also has regular contact with contract City Staff, and City Contractors. Finally, has extensive contact with the public.



# CITY OF FALLS CITY

## PUBLIC WORKS WORKER

### POSITION DETAILS

**Position Title:** Public Works Worker  
**Pay Range:** \$13.50-\$17.00/hour  
**FLSA Status:** Non-Exempt  
**Probation Period:** 6 Months  
**Assignment Category:** Regular, Full-Time, Hourly  
**Location:** Falls City Hall, 299 Mill St. Falls City, OR 97344  
**Position Type:** Staff  
**Hours:** M-F, 8:30am-5:00pm, alternating weekends

**Position Summary:** The Public Works Worker is responsible for performing a plethora of tasks under the supervision of the Public Works Director. This position will be responsible to perform work in the Water, Sewer, Wastewater, Streets, Parks & Cemeteries, Facilities, and Interdepartmental Divisions. The work will consist of both planned and unplanned maintenance, and project work. Additionally, the Public Works Worker will be the program manager for several low-impact public works programs.

A qualified candidate for this role should have a valid state driver's license with acceptable driving record. At least a High School Diploma, experience working with their hands, a desire to learn, an ability to take direction, and a desire to ensure the success of the City and the Department.

**Special Demands:** Vision, hearing and speech are required along with manual dexterity. Position requires extensive physical exertion, constant exposure to the elements, and movement of heavy materials. May operate heavy equipment and/or vehicles on occasion.

### POSITION DUTIES

The listed duties are a summary of those typically performed by the City Clerk. Additional accountabilities and duties may be assigned from time to time. This list is not meant to be a comprehensive accounting of each duty or task performed.

Key Accountability	PUBLIC WORKS LABOR
<b>Duty Statement</b>	Perform various public works labor intensive tasks including Water and Sewer system monitoring and maintenance, parks and cemeteries maintenance and improvements, street maintenance and improvements, and facilities maintenance and improvements. The tasks will be of both a scheduled and unscheduled nature, and at times will require emergency response.
<b>Percentage of Time</b>	80% (32 Hours/Week)

Key Accountability	OTHER DUTIES
<b>Duty Statement</b>	<p><b>Program Management:</b> Will be the primary manager of the Parks &amp; Cemeteries Maintenance program. Will take on management of additional programs at the discretion of the Public Works Director.</p> <p><b>Program Development:</b> Makes recommendations to the Public Works Director on increasing program efficiency, and/or decreasing program waste.</p>

# CITY OF FALLS CITY

## CITY CLERK

### POSITION DETAILS

---

**Position Title:** City Clerk

**Pay Range:** \$15.00-\$22.00

**FLSA Status:** Non-Exempt

**Probation Period:** 6 Months

**Assignment Category:** Regular, Full-Time

**Location:** Falls City Hall, 299 Mill St. Falls City, OR 97344

**Position Type:** Staff

**Hours:** M-F, 8:30am-5:00pm

**Weekend Work:** Rarely

**Position Summary:** The City Clerk is responsible for administration of the Public Bodies Division. This includes, but is not limited to, coordination and administration of all public meetings, keeping minutes, preparing agendas, writing staff reports, educating committees, and attending all City Council meetings. The Clerk bears additional responsibility for administering city elections, and city events. The Clerk is also a point of contact for customers both in-person and via telephone, and takes payments as needed. Finally, the Clerk will have primary or secondary responsibility for other programs, and will perform other tasks and projects as assigned by the City Manager.

A qualified candidate for this role should have at least a High School Diploma, two years of experience in local government, strong verbal and written communication skills, and an ability to work well with a team.

**Special Demands:** Vision, hearing and speech are required along with manual dexterity. Position requires prolonged sitting, reaching, twisting, turning, kneeling, bending, and stooping in the performance of daily activities. Must be able to drag, lift, and push materials weighing up to 35 pounds.

### POSITION DUTIES

---

The listed duties are a summary of those typically performed by the City Clerk. Additional accountabilities and duties may be assigned from time to time. This list is not meant to be a comprehensive accounting of each duty or task performed.

Key Accountability	PUBLIC BODIES DIVISION
<b>Duty Statement</b>	<p><b>Elections program.</b> Ensures electors are qualified and appropriate documentation is submitted. Liaisons with Polk County to ensure electors are placed on the ballot, ballot titles are correct, and all city responsibilities are covered.</p> <p><b>City Committees program.</b> Manages the program and ensures City Committees are meeting with regulatory requirements, have the information they need, and are operating efficiently. Composes and posts meeting minutes and shares recommendations with the City Council. Main point of contact for city committees. Prepares agendas, performs limited research, prepares staff reports.</p> <p><b>City Council program.</b> Coordinate, attend and take minutes at all City Council meetings. Ensure materials are prepared and provided, maintain meeting related records, manage ordinance and resolution logs. Process and disseminate information and documents related to council decisions. Ensures notices are posted, and council/committee related records are properly retained. Keeps</p>

	<p>necessary information is present, and all is valid.</p> <p><b>Key Control Program:</b> Issues, tracks, and recovers keys for all City Facilities and equipment. Maintains a log of key possessors, and ensures appropriate documentation has been signed and filed for receipt of keys.</p> <p><b>Calendars:</b> Manages the City's events, rentals, permits, and public meetings calendars.</p> <p><b>Public Information Clerk:</b> Maintains the city website, posts Council and Committee related documents, and other items as directed by the City's Public Information Officer. Manages the City Facebook page, and is the central hub for collection of proposed inputs from the public and elected officials.</p> <p><b>Program Development:</b> Assists in creation of operating procedures, standardized forms, and "how to" guides in all areas of accountability. Provides technical support to other city staff in all areas of accountability.</p> <p><b>Other:</b> Cross Trains with Utility Biller and serves as secondary on all Utility Biller accountabilities. Other tasks and projects as assigned.</p>
<b>Percentage of Time</b>	37% (15 hours/week)

## PERFORMANCE STANDARDS

<b>Key Accountability</b>	<b>PUBLIC BODIES DIVISION</b>
<b>Task List</b>	
<b>Performance Standards</b>	

<b>Key Accountability</b>	<b>COMMUNITY DEVELOPMENT DIVISION</b>
<b>Task List</b>	
<b>Performance Standards</b>	

<b>Key Accountability</b>	<b>OTHER DUTIES</b>
<b>Task List</b>	
<b>Performance Standards</b>	

## POSITION FACTORS

<b>Minimum Education and Experience</b>	High School Diploma required. Prefer two years of local government experience, and an Associate's Degree.
<b>Supervision Received</b>	Incumbent will report directly to the City Manager. After probationary faze, incumbent will receive general direction from the City Manager, but is

# CITY OF FALLS CITY UTILITY BILLER

## POSITION DETAILS

---

**Position Title:** Utility Biller  
**Pay Range:** \$12.50-\$17.00  
**FLSA Status:** Non-Exempt  
**Probation Period:** 6 Months  
**Assignment Category:** Regular, Part-Time (20 hours/week)  
**Location:** Falls City Hall, 299 Mill St. Falls City, OR 97344  
**Position Type:** Staff  
**Hours:** M-F, 9am-1pm or 1pm-5pm  
**Weekend Work:** Rarely

**Position Summary:** The Utility Biller is responsible for administering the Utility Billing Program, and providing administrative and/or clerical support to the Public Works Department. This includes, but is not limited to utilizing the utility billing system to issue bills, process payments, and issue notices (late, shut-off, non-sufficient funds, etc.). The Utility Biller will also be the main point of contact for customers both in-person and via telephone. Additionally, the Utility Biller will have primary responsibility for the clerical aspects of non-utility accounts payable and receivable. The Utility Biller will also have primary or secondary responsibility for other programs, and will perform other tasks and projects as assigned by the City Manager.

A qualified candidate for this role should have at least a High School Diploma, and cash handling experience. Prefer experience with book keeping or utility billing, and customer service.

**Special Demands:** Vision, hearing and speech are required along with manual dexterity. Position requires prolonged sitting, reaching, twisting, turning, kneeling, bending, and stooping in the performance of daily activities. Must be able to drag, lift, and push materials weighing up to 35 pounds.

## POSITION DUTIES

---

The listed duties are a summary of those typically performed by the City Clerk. Additional accountabilities and duties may be assigned from time to time. This list is not meant to be a comprehensive accounting of each duty or task performed.

Key Accountability	UTILITY BILLING
Duty Statement	Performs all aspects of the utility billing process. Prepares monthly meter reading routes and maintains hand-held meter reader. Utilizes utility billing software to issue monthly bills and process payments. Main point of contact for several software suites related to utility billing. Issues appropriate notices and correspondence related to utility billing. Prepares all necessary reports to ensure proper information is available for deposits, monthly reconciliations, yearly audits, utility billing inquiries, reporting requirements, and budget preparation. Issues, monitors, and closes all utility work orders. Serves as the administrative assistant for the Water and Sewer Divisions. Issues liens and lien payoff amounts for past due accounts. Provides reception services at City Hall by answering telephone, fax, email, and in-person inquiries. Ensures all billing supplies and equipment are stocked and functional; takes corrective action if not.

	communication skills to problem solve billing issues.
<b>Financial Accountability</b>	Extensive cash handling, financial documentation, and financial reporting responsibilities. Funds in a given transaction or set of transactions will typically be \$15,000 or less, but may exceed \$100,000 on occasion.
<b>Impact of Actions Carried by This Position</b>	Poor execution of the tasks associated with this role could lead to liability for the city and the incumbent. Also may lead to loss or misapplication of funds.
<b>Supervision Exercised</b>	This position will exercise occasional supervision over interns, volunteers, and/or community service workers.
<b>Human Resources Impact of this Position</b>	None.
<b>Internal Contacts</b>	Has regular contact and interaction with Public Works Staff, the City Manager, and the City Clerk.
<b>External Contacts</b>	Regular contact and interaction with outside City, County, and State Staff and Officials. Also has regular contact with contract City Staff, and City Contractors. Finally, has extensive contact with the public.

# CITY OF FALLS CITY

## CITY MANAGER

### POSITION DETAILS

---

**Position Title:** City Manager  
**Pay Range:** \$45,000-\$60,000  
**FLSA Status:** Exempt  
**Probation Period:** 6 Months  
**Assignment Category:** Regular, Full-Time, Salaried  
**Location:** Falls City Hall, 299 Mill St. Falls City, OR 97344  
**Position Type:** Management  
**Hours:** Negotiable  
**Weekend Work:** As needed

**Position Summary:** The City Manager serves as the Chief Executive Officer of the City, responsible for operations and compliance of the City's three Departments (Administration, Public Works, Fire). The City Manager will serve as the Budget Officer, Procurement Officer, Public Information Officer, Elections Officer, Grant and Program Manager. The City Manager is also responsible for the hiring, training, and conduct of all City Employees. The City Manager also serves as advisor, and provider of information to the City Council, and assists with legislative, administrative, and quasi-judicial functions of the City Council. The City Manager bears ultimate responsibility for all city operations and responsibilities.

A qualified candidate for this role should have at least a Bachelor's Degree, preferably in Public Administration, Finance, or some other related field. An additional two years of local government experience and two years of project and personnel management are preferred. Strong verbal and written communication skills, and an ability to work well with a team are required.

**Special Demands:** Vision, hearing and speech are required along with manual dexterity. Position requires prolonged sitting, reaching, twisting, turning, kneeling, bending, and stooping in the performance of daily activities. Must be able to drag, lift, and push materials weighing up to 35 pounds.

### POSITION DUTIES

---

The listed duties are a summary of those typically performed by the City Clerk. Additional accountabilities and duties may be assigned from time to time. This list is not meant to be a comprehensive accounting of each duty or task performed.

Key Accountability	FINANCE DIVISION
Duty Statement	<p> <b>Budget Development, Compliance, Management programs:</b> Responsible for all aspects of the mentioned programs. Develops and promulgates annual budget to the Budget Committee and City Council. Ensures the budget process and budget product are compliant with federal, state, and local requirements. Manages the adopted budget, makes adjustments and amendments as needed.                 </p> <p> <b>Accounts Payable &amp; Receivable programs:</b> Responsible for all aspects of A/R and A/P. Ensures appropriate invoices are generated and sent out, monitors A/R index, and classifies payments upon receipt. Ensures all bills are legitimate, classifies and issues payments, and ensures accounting software is appropriately updated.                 </p>

<b>Percentage of Time</b>	25% (10 Hours per Week)

<b>Key Accountability</b>	<b>OTHER DUTIES</b>
<b>Duty Statement</b>	<p><b>City Council Program:</b> Coordinate, attend and take minutes at all City Council meetings. Ensure materials are prepared and provided, maintain meeting related records, manage ordinance and resolution logs. Process and disseminate information and documents related to council decisions. Main point of contact for city committees. Prepares agendas, performs limited research, prepares staff reports. Ensures notices are posted, and council/committee related records are properly retained. Keeps calendar of all public meetings, and waypoints to ensure all meeting related tasks are complete. Train and/or assist other city staff in composing staff reports and making recommendations.</p> <p><b>Program Development:</b> Creates operating procedures, standardized forms, and "how to" guides in all areas of accountability. Provides technical support to other city staff in all areas of accountability.</p> <p><b>Code Services Program:</b> Primary staff member for limited code services program.</p> <p><b>Other:</b> Exercises supervision and management over all city staff.</p>
<b>Percentage of Time</b>	12% (5 hours/week)

## **PERFORMANCE STANDARDS**

<b>Key Accountability</b>	<b>FINANCE DIVISION</b>
<b>Task List</b>	
<b>Performance Standards</b>	

<b>Key Accountability</b>	<b>ADMINISTRATIVE DIVISION</b>
<b>Task List</b>	
<b>Performance Standards</b>	

<b>Key Accountability</b>	<b>SPECIAL PROJECTS DIVISION</b>
<b>Task List</b>	
<b>Performance Standards</b>	

<b>Key Accountability</b>	<b>OTHER DUTIES</b>
<b>Task List</b>	
<b>Performance Standards</b>	



# Summary of Revenues and Expenditures

Please refer to instructions on next page.

<b>A. Municipal corporation information</b>		
Municipality name:	City of Falls City	Reporting period: From
Address line 1:	299 Mill Street	To
Address line 2:		07/01/2018
City, state, ZIP:	Falls City OR 97344	06/30/2019
Check if new address:	<input type="checkbox"/>	Report type: Audit
If this is the final report, please enter the last date of operations:		Opinion issued: Unmodified
		Basis of accounting: Modified cash

<b>B. Financial statement audit – Reported deficiencies</b>	
1. Regarding internal controls over financial reporting, how many significant deficiencies and material weaknesses were reported? 0	3. How were deficiencies communicated? Check all that apply. <input type="checkbox"/> Report issued in accordance with Government Auditing Standards <input type="checkbox"/> Communication in accordance with Statements on Auditing Standards AU-C 265 "Communicating Internal Control Related Matters Identified in an Audit" <input type="checkbox"/> Other (specify communication): _____ <input checked="" type="checkbox"/> No deficiencies
2. Of those control deficiencies reported, how many resulted in the following: Accounting errors/Misstatements: _____ Noncompliance: _____	Per OAR 162-010-0230, a copy must be filed with Secretary of State.

## C. Summary of revenues and expenditures

Revenues and/or receipts		Expenditures and/or disbursements	
a. Revenues from government-wide statement of activities:	\$ 1,009,793	a. Expenditures from government-wide statement of activities:	\$ 934,929
b. Fiduciary fund additions:	\$ 0	b. Fiduciary fund deductions:	\$ 0
<b>c. Gross revenues subtotal (a + b):</b>	<b>\$ 1,009,793</b>	<b>c. Gross expenditures subtotal (a + b):</b>	<b>\$ 934,929</b>
d. Revenues of component units:	\$ 0	d. Component unit expenditures reported with primary government:	\$ 0
e. Taxes, assessments and other collections to be distributed to other governments:	\$ 0	e. Turnovers to other municipal corporations:	\$ 0
<b>f. Exempt revenue subtotal (d + e):</b>	<b>\$ 0</b>	<b>f. Exempt expenditures subtotal (d + e):</b>	<b>\$ 0</b>
<b>g. Net revenues (c - f):</b>	<b>\$ 1,009,793</b>	<b>g. Net expenditures (c - f):</b>	<b>\$ 934,929</b>

**D. Filing fee:** \$ 200

<b>E. Submitted by</b>	
Auditor name: Devan W. Esch	Municipal license number: 1097
Firm name: Grove, Mueller & Swank, P.C.	Date: 11/01/2019
Municipal contact name, title: Macahan Corthell, City Manager	Municipal phone: (503) 787-3631

**Submit:** Click the "Submit" button on the right to submit this form via email. Save a copy for your records.

**Submit**

Within 30 days of delivering the audit report to the municipal corporation, one copy of this summary must be filed with the Secretary of State, Audits Division, and one copy must be delivered to the municipal corporation. If deficiencies are communicated in a separate letter or in a report issued in accordance with *Government Auditing Standards*, a copy of that communication must also be filed. (OAR 162-010-0230)



# Instructions

## Section A: Municipal corporation information

Type information or use drop-down menu to complete this section. Indicate new address by checking the box.

- **Report type:** Select Audit or Review
- **Opinion issued:** Select from unmodified, qualified, adverse, or disclaimer. If any opinion unit received other than unmodified, please identify that opinion type.
- **Basis of accounting:** Identify whether GAAP, cash, or modified cash basis statements are presented.

## Section B: Financial statement audit – Reported deficiencies

### B.1. How many significant deficiencies and material weaknesses were communicated?

Include the total number of *material weaknesses* and *significant deficiencies* reported in accordance with AU-C 265, ORS 297.466, and OAR 162-010-0230. Do not count "other matters" communicated.

If none were reported, insert a zero.

### B.2. Of those control deficiencies reported, how many resulted in accounting errors/misstatements or noncompliance?

Most deficiencies relate to internal controls over financial reporting. Some control deficiencies might also directly result in accounting errors and misstatements or non-compliance. If any of the findings communicated resulted in accounting errors and misstatements or noncompliance, indicate the number of deficiencies included in the total for B.1 that also pertain to those categories.

### B.3. How were deficiencies communicated?

Select the format used to communicate deficiencies to those charged with governance. Check all that apply. If no material weaknesses or significant deficiencies were communicated select No Deficiencies.

*NOTE: If deficiencies are communicated (including other matters), the auditor shall file a copy of the communication with the Secretary of State within 30 days of delivering the report to the municipal corporation. (OAR 162-010-0230)*

## Section C: Summary of revenues and expenditures

Revenues/receipts and expenditures/disbursements information is derived from amounts reported for government-wide and fiduciary activities and on the basis of accounting used in the audited or reviewed financial statements.

## Section D: Filing fee

The filing fee is based on net expenditures; section C, line g. Enter the fee based on the chart below:

Net expenditures over	Net expenditures do not exceed	Fee
\$ 0	\$ 50,000	\$ 20
\$ 50,000	\$ 150,000	\$ 40
\$ 150,000	\$ 500,000	\$ 150
\$ 500,000	\$ 1,000,000	\$ 200
\$ 1,000,000	\$ 5,000,000	\$ 250
\$ 5,000,000	\$ 10,000,000	\$ 300
\$ 10,000,000	\$ 50,000,000	\$ 350
\$ 50,000,000		\$ 400

### ORS 297.485(1):

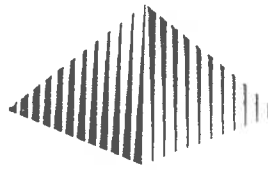
#### Net expenditures and/or disbursements

The filing fee shall be determined by the total **expenditures** made by the municipal corporation for any and all purposes during the calendar or fiscal year audited, except that **expenditures** for principal of bonded debt, principal of short-term loans, principal of warrants redeemed which were issued during prior audit periods, transfers or loans between funds and turnovers of taxes or other trust moneys to other municipal corporations shall not be included in the **total expenditures** upon which the amount of the fee is based.

## Section E: Submitted by

Include the name of the licensed municipal auditor who performed the engagement and is submitting this form. Also include their title, firm name, and date this summary form was completed.

- To submit:**
- Click the "Submit" button on page one to submit this form via email
  - Save and email the completed form to [municipalfilings.sos@oregon.gov](mailto:municipalfilings.sos@oregon.gov) or
  - Print a hardcopy and mail to: Audits Division, 255 Capitol St NE, Ste 500, Salem, Oregon 97310-0720

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

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

November 1, 2019

City Council  
City of Falls City  
299 Mill Street  
Falls City, Oregon 97344

We have audited the financial statements of the City of Falls City (the City) as of and for the year ended June 30, 2019, and have issued our report thereon dated November 1, 2019. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated June 24, 2019, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with the modified cash basis of accounting. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you in our letter dated June 24, 2019.

**Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in the notes to the financial statements.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

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

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements, and there are no uncorrected financial statement misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following material misstatements that we identified as a result of our audit procedures were brought to the attention, and corrected by, management:

- Community Services income in the amount of approximately \$26,900 had not been recorded.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the management representation letter dated November 1, 2019.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the City, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

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

We were not engaged to report on the management's discussion and analysis, which accompanies the financial statements but is not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Restriction on Use**

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

Very truly yours,

  
CERTIFIED PUBLIC ACCOUNTANTS