

# MEETING NOTICE FOR THE CITY OF HUBBARD

TUESDAY

FEBRUARY 8, 2022

.....  
CITY COUNCIL: ROSTOCIL, AUDRITSH, PRINSLOW, THOMAS, YONALLY  
.....

The Hubbard City Council will meet for a regular City Council meeting. Council and Staff will meet at the Hubbard City Hall. Members of the public may attend/view the OPEN session via telephone, electronic device, and YouTube. **Should you wish to speak at the meeting, you may sign up by completing the form on the City's webpage or calling City Hall 48 hours prior to the meeting.** (Comments may be limited at the Mayor's discretion.)  
<https://www.cityofhubbard.org/bc/webform/sign-if-you-want-speak-meeting>

Join Zoom Meeting

<https://us02web.zoom.us/j/89029487991?pwd=MmRHOTI3VWF0d0RqRmNWNldrMlITdz09>

Meeting ID: 890 2948 7991

Passcode: 778718

One tap mobile

+13462487799,,89029487991#,,,,\*778718# US (Houston)

+14086380968,,89029487991#,,,,\*778718# US (San Jose)

Dial by your location

+1 346 248 7799 US (Houston)

+1 408 638 0968 US (San Jose)

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

+1 646 876 9923 US (New York)

Meeting ID: 890 2948 7991

Passcode: 778718

Find your local number: <https://us02web.zoom.us/j/89029487991>

Live streaming: <https://www.cityofhubbard.org/livestream>

## \*\*\*\*\*ACCESSIBILITY NOTICE\*\*\*\*\*

**Please contact the Director of Administration/City Recorder prior to the scheduled meeting if you need assistance accessing this electronic meeting at the following: [vlnogle@cityofhubbard.org](mailto:vlnogle@cityofhubbard.org); Phone No. 503.981.9633; or Hubbard City Hall, 3720 2<sup>nd</sup> St., Hubbard OR 97032. TTY users please call Oregon Telecommunications Relay Service at 1-800-735-2900.**

Agendas are posted at City Hall and on the City's website at [www.cityofhubbard.org](http://www.cityofhubbard.org). You may schedule Agenda items by contacting the Director of Administration/City Recorder Vickie Nogle at 503-981-9633. (TTY / Voice 1-800-735-2900)

SEE ATTACHED AGENDA

Posted 2/3/2022, 4:00 p.m.

Vickie L. Nogle, MMC

Director of Administration/City Recorder

**HUBBARD CITY COUNCIL MEETING AGENDA**  
**CITY HALL: (503)981-9633**

**FEBRUARY 8, 2022 – 6:30 PM**

**LOCATION: City Council and Staff will meet at the  
HUBBARD CITY HALL (3720 2<sup>ND</sup> STREET)**

The City Hall / Police Department Building is currently open to the public.

**(MEMBERS OF THE PUBLIC MAY ATTEND, CALL OR LOG IN WITH AN ELECTRONIC  
DEVICE -Refer to Cover Sheet for details)**

**MEETING Notice:** Members of the public may attend in person or attend/view via telephone, electronic device, YouTube. **Should you wish to speak at the meeting, you may sign up by completing the form on the City's webpage or calling City Hall 48 hours prior to the meeting.** (Comments may be limited at the Mayor's discretion.)

<https://www.cityofhubbard.org/bc/webform/sign-if-you-want-speak-meeting>

**Closed Executive Session 6:30 p.m.**

**1) CALL TO ORDER.**

A) Flag Salute.

**COUNCIL RECESS PUBLIC (OPEN) MEETING AND CONVENE THE (CLOSED) EXECUTIVE SESSION TO CONDUCT DELIBERATIONS WITH PERSONS DESIGNATED BY THE GOVERNING BODY TO CARRY ON LABOR NEGOTIATIONS ORS 192.660(2)(d). PURSUANT TO ORS 192.660(4) COUNCIL SPECIFICALLY REQUEST THAT MEMBERS OF THE MEDIA AND OTHER ATTENDEES NOT DISCLOSE MATTERS DISCUSSED IN THE EXECUTIVE SESSION.**

**2) COUNCIL CLOSE EXECUTIVE (CLOSED SESSION) AND RECONVENE PUBLIC (OPEN) MEETING.**

**Regular Session approximately 7:00 p.m.**

**3) AWARD PRESENTATION.**

**4) CONTINUED DISCUSSION REGARDING FUNDS RECEIVED UNDER THE CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS ESTABLISHED UNDER THE AMERICAN RESCUE PLAN ACT (ARPA) - City Attorney Emily Matasar, Beery Elsner and Hammond.**

A) Hubbard Fire District ARPA Request – Fire Chief Joe Budge.

**5) FY 2020-2021 AUDIT REPORT – Ryan Pasquarella, Grove, Mueller & Swank, P.C.**

**6) DISCUSSION REGARDING CITY ENGINEERING CONTRACT.**

**7) MAYOR'S AND/OR COUNCIL'S PRESENTATIONS.**

**8) STAFF REPORTS.**

- A) **Police Department**— Police Chief Dave Rash.
- B) **Hubbard Fire District** – Fire Chief Joseph Budge.
- C) **Administrative Department**—Director of Admin/Recorder Vickie Nogle.
- D) **Public Works Department**—Public Works Administrative Manager Melinda Olinger.

**9) CONSENT AGENDA.**

(Matters listed within the Consent Agenda have been distributed to each member of the Hubbard City Council for reading and study, are considered to be routine, and will be enacted by one motion of the Council with no separate discussion. If separate discussion is desired, that item may be removed from the Consent Agenda at the beginning of the meeting and placed on the Regular Agenda by request.)

**A) Approval of City Council meeting minutes:**

- 1. **December 13, 2021, Special.**
- 2. **December 14, 2021.**
- 3. **January 11, 2022.**

**B) Approval of the January 2022 Check Register Report.**

**C) Approval of Personal Service Agreement between the City of Hubbard and Prothman Company for the recruitment of a City Administrator, and authorize the Director of Administration/City Recorder to sign.**

**D) Resolution 722-2022. A Resolution transferring appropriations within the 2021/22 Budget. (Refer to Public Works Administrative Manager report).**

**E) Authorize Rivenes Park Use Application for Mobile Food Pantry 2<sup>nd</sup> Wednesday of the month contingent upon receipt of insurance documents. (Refer to Public Works Administrative Manager report).**

**F) Authorize Staff to start the recruitment process for the Utility Worker I position. (Refer to the Public Works Administrative Manager).**

**10) APPEARANCE OF INTERESTED CITIZENS.**

**(Should you wish to speak at the meeting, you may sign up by completing the form on the City's webpage or calling City Hall 48 hours prior to the meeting. Comments may be limited at the Mayor's discretion.)**

**<https://www.cityofhubbard.org/bc/webform/sign-if-you-want-speak-meeting>**

**11) OTHER CITY BUSINESS.**

**12) ADJOURNMENT. (Next regular scheduled City Council Meeting March 8, 2022, at 7:00 p.m.)**

**\*\*\*\*\*ACCESSIBILITY NOTICE\*\*\*\*\***

**Please contact the Director of Administration/City Recorder, Hubbard City Hall, 3720 2<sup>nd</sup> St., Hubbard OR 97032 (Phone No. 503-981-9633) prior to the scheduled meeting time if you need assistance accessing this electronic meeting. TCC users please call Oregon Telecommunications Relay Service at 1-800-735-2900.**

# HUBBARD POLICE



*PO Box 380/3720 Second Street*

*Hubbard, OR 97032 503-981-8738*

**TO:** Mayor and City Council Members

**FROM:** David J. Rash, Chief of Police  
Vickie Nogle, Director of Administration/City Recorder  
Mike Krebs, Public Works Superintendent

**DATE:** November 1, 2021  
Revised February 2, 2022

**RE: Staff Recommendation on American Rescue Plan Act(ARPA) Funds**

Synopsis: The City of Hubbard was awarded \$792, 504 in funds from the American Rescue Plan Act (ARPA). The funds are being dispersed in two tranches. The first Tranche of \$396, 252 was deposited into the city of Hubbard's bank account. The second Tranche of \$396, 252 will be deposited in the future.

The United States Treasury Department release guidance on what the ARPA Funds could be utilized for. Below are the six categories the United State Treasury Department gave in their guidelines:

- Support Public Health Expenditures
- Address Negative Economic Impacts caused by the Public Health Emergency
- Serving Hardest hit communities and families
- Replace lost Public Sector Revenue
- Provide Premium Pay for Essential Workers
- Invest in water, sewer, and broadband infrastructure.

At the September 2001, at the Hubbard City Council Meeting, council asked for staff input and recommendations on how the funds should be dispersed.

On October 25, 2021, staff met to discuss ways to utilize the funds allocated to the city. Below are our recommendations for the Hubbard City Council to review and consider.

At the December Council Meeting, the Hubbard Fire Department asked City Council to consider utilizing ARPA funds to offset costs for a remodeled of the sleeping quarters.



For many years, both male and female firefighters who staff the station overnight have had to sleep in the same quarters. Council stated they would consider utilizing funds for the project but requested Fire Chief Joe Budge provide an estimate. The estimate cost is \$150,278.

There were some questions about the entities staff recommended in regard to the ARPA funds with our Attorneys office. Staff were directed to work with the attorney's office on clarification. On February 1, 2022, Attorney Emily Matasar wrote that the US Treasury Department had come out with a final rule. Attorney Matasar stated that all the recommended uses of the ARPA were in compliance with the US Treasury's final rule. She recommended we move the requested ARPA funds for an upgraded cyber security for city's computer systems and a security camera system to be installed at City Hall/PD be moved to "government services replacing lost public sector revenue." This category requires a formula establishing lost revenue. The formula comes from the US Treasury Department. Staff recommends if Council decides to utilize ARPA funds for the cyber security and security cameras, we wait for a trained financial person to be hire in order to accurately apply the US Treasury's Office's Formula.

We did not compute the funds for the fire department sleeping quarters in the attached balance sheet. It is a stand-alone for Council to review. Once council decides if they are going to use and how much ARPA funds to be dedicated to the Fire Department's request and where the reductions will be, the balance sheet will be updated.

| CITY OF HUBBARD                |  |  |              |              |
|--------------------------------|--|--|--------------|--------------|
| AMERICAN RESCUE PLAN ACT FUNDS |  |  |              |              |
|                                |  |  | TRANCH 1     | TRANCH 2     |
|                                | FUNDS ALLOCATED TO CITY OF HUBBARD   |  | \$396,252    | \$396,252.00 |
|                                | SUPPORTING PUBLIC HEALTH EXPENDITURES                                      |  |              |              |
|                                | DEQ Required Filtration System for City Hall                               |  | \$10,000     |              |
|                                | ADDRESSING NEGATIVE ECONOMIC IMPACTS<br>CAUSED BY THE PUBLIC HEALTH CRISIS |  |              |              |
|                                | Love Santa Organizational Support  |  | \$5,000.00   | \$5,000.00   |
|                                | Liberty House  |  | \$5,000.00   | \$5,000.00   |
|                                | Jubilee Food Pantry  |  | \$5,000.00   | \$5,000.00   |
|                                | Bricks of North Marion   |  | \$5,000.00   | \$5,000.00   |
|                                | Marion E. Carl Veterans Memorial   |  | \$2,500.00   | \$2,500.00   |
|                                | SERVING HARDEST HIT COMMUNITIES AND FAMILIES                               |  |              |              |
|                                | Utility Assist/Vulnerable & Low Income Families                            |  | \$25,000.00  | \$25,000.00  |
|                                | GOVERNMENT SERVICES FROM REPLACING LOST PUBLIC SECTOR REVENUE              |  |              |              |
|                                | Upgrade Cyber Security for City's Computer Systems                         |  | \$17,000.00  |              |
|                                | Security Camera System installed at City Hall/PD                           |  | \$5,000.00   |              |
|                                | PROVIDE PREMIUM PAY FOR ESSENTIAL WORKERS                                  |  | \$36,000.00  | 0            |
|                                | INVEST IN WATER SEWER AND BROADBAND<br>INFRASTRUCTURE                      |  |              |              |
|                                | Water and Wastewater   |  | \$280,752.00 | \$348,752.00 |
|                                | 1. Treatment Process Improvements  |  |              |              |
|                                | 2. Static Water Pressure Project   |  |              |              |
|                                | 3. Scada System Upgrades   |  |              |              |
|                                | 4. Main Replacements   |  |              |              |
|                                | 5. Re-use Project (Wastewater)   |  |              |              |
|                                | BALANCE  |  | \$0          | \$0          |
|                                | Considering Fire Department Request (Off Set Costs)                        |  | 150,278      |              |
|                                | (Council was going to consider How much)                                   |  |              |              |
|                                |  |  |              |              |
|                                |  |  |              |              |
|                                |  |  |              |              |
|                                |  |  |              |              |



Hubbard Rural Fire Protection District  
PO Box 378 / 3161 Second Street  
Hubbard, OR 97032  
Phone: (503) 981-9454

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DATE: January 27, 2022  
TO: Mayor Rostocil and Hubbard City Council  
FROM: Joe Budge, Fire Chief – Hubbard Fire District  
SUBJECT: Request for American Rescue Plan Allocation Funds

As discussed at the December and January council meetings, the Hubbard Fire District is requesting a portion of the ARPA funds that have been allocated to the city of Hubbard. The APRP funds provided by the city will be used to offset a portion of the project costs that will be submitted to Marion County for ARPA grant funding consideration. The partnership between the city and fire district are expected to strengthen the application. This project qualifies for ARPA fund expenditures under the category of "Public Health related to responding to COVID-19".

A schematic of the Hubbard Fire Station dorm remodel and project cost estimate have been completed and are attached to this letter. The total project is not expected to exceed \$150,278.

### ***Background***

Currently, the Hubbard fire station has a small open dormitory with beds positioned within several feet of each other. This arrangement does not provide adequate privacy for firefighters and also increases the likelihood of cross infection if firefighters are exposed to COVID-19 while providing medical care. The allocation of ARPA funds will allow the construction of four separate sleeping rooms. This improvement is needed because the majority of Hubbard firefighters reside outside of the fire district and volunteer to staff the station at night to ensure immediate 24 hour response to medical and fire emergencies. The night staffing at the fire station usually includes a mix of male and female firefighters.

Thank you for considering this request that will help to maintain 24 hour emergency fire and medical response that directly benefits the residents of Hubbard.

Sincerely,

Joe Budge  
Hubbard Fire Chief

Encl: Hubbard Dorm Schematic  
Project Cost Estimate



Emerick Construction Conceptual Budget  
Hubbard Fire Conceptual Budget

Page 1  
1/27/2022 10:16 AM

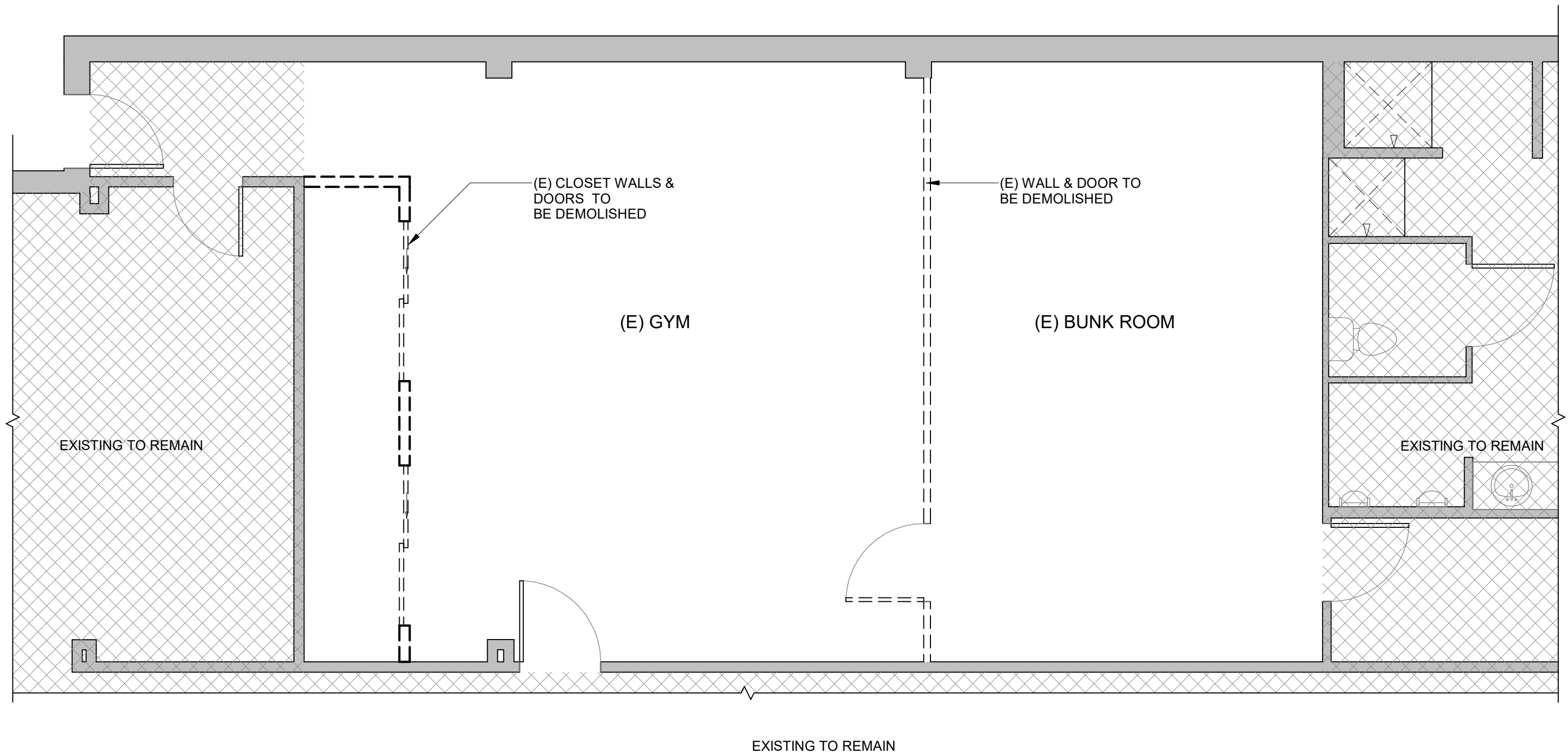
| Bid Packag | Description  | Takeoff Qty | Total Cost/Unit | Total Amount |
|------------|--|-------------|-----------------|--------------|
| 01-01      | <b>Demo</b>  |             |                 |              |
|            | <b>Interior</b>                                    |             |                 |              |
|            | <b>Demolition</b>                                  |             |                 |              |
|            | Demo interior walls ceilings flooring              | 950.00 sqft | 7.00 /sqft      | 6,650        |
| 07-01a     | <b>Insulation</b>                                  |             |                 |              |
|            | <b>INTERIOR CONSTRUCTION</b>                       |             |                 |              |
|            | <b>Insulation</b>                                  |             |                 |              |
|            | insulation   | 950.00 gsf  | 2.75 /gsf       | 2,613        |
| 08-01      | <b>Door Assemblies</b>                             |             |                 |              |
|            | <b>EXTERIOR CLOSURE</b>                            |             |                 |              |
|            | <b>Doors &amp; Frames</b>                          |             |                 |              |
|            | Supply interior wood doors, frames & hardware      | 5.00 ea     | 950.00 /ea      | 4,750        |
|            | Install doors, frames & hardware                   | 5.00 ea     | 350.00 /ea      | 1,750        |
|            | Door hardware                                      | 5.00 ea     | 300.00 /ea      | 1,500        |
| 09-02      | <b>Metal Studs, Drywall, ACC</b>                   |             |                 |              |
|            | <b>INTERIOR CONSTRUCTION</b>                       |             |                 |              |
|            | <b>GWB Systems</b>                                 |             |                 |              |
|            | Metal studs and drywall                            | 102.00 lnft | 102.00 /lnft    | 10,404       |
|            | AC Ceilings  | 950.00 gsf  | 7.00 /gsf       | 6,650        |
| 09-05      | <b>Flooring</b>                                    |             |                 |              |
|            | <b>INTERIOR CONSTRUCTION</b>                       |             |                 |              |
|            | <b>Flooring</b>                                    |             |                 |              |
|            | New LVT  | 950.00 sqft | 4.00 /sqft      | 3,800        |
|            | New Carpet   | 950.00 sqft | 3.75 /sqft      | 3,563        |
| 09-07      | <b>Painting</b>                                    |             |                 |              |
|            | <b>INTERIOR CONSTRUCTION</b>                       |             |                 |              |
|            | <b>Paint &amp; Wall Covering</b>                   |             |                 |              |
|            | Paint walls, ceilings, trim, doors and door frames | 950.00 gsf  | 3.75 /gsf       | 3,563        |
|            | paint touch-up allowance                           | 950.00 gsf  | 0.50 /gsf       | 475          |
| 10-03      | <b>Misc Specialties</b>                            |             |                 |              |
|            | <b>INTERIOR CONSTRUCTION</b>                       |             |                 |              |
|            | <b>Signage</b>                                     |             |                 |              |
|            | Interior code signage allowance                    | 1.00 ls     | 500.00 /ls      | 500          |
| 21-01      | <b>Fire Protection</b>                             |             |                 |              |
|            | <b>MECHANICAL</b>                                  |             |                 |              |
|            | <b>Fire Protection</b>                             |             |                 |              |
|            | Fire Protection                                    | 950.00 gsf  | 6.00 /gsf       | 5,700        |
| 22-01      | <b>Plumbing and HVAC</b>                           |             |                 |              |
|            | <b>MECHANICAL</b>                                  |             |                 |              |
|            | <b>HVAC</b>  |             |                 |              |
|            | HVAC   | 950.00 sf   | 20.00 /sf       | 19,000       |
| 26-01      | <b>Electrical</b>                                  |             |                 |              |
|            | <b>ELECTRICAL</b>                                  |             |                 |              |
|            | <b>Electrical Systems</b>                          |             |                 |              |
|            | Electrical   | 950.00 gsf  | 30.00 /gsf      | 28,500       |
| 99-00      | <b>ECCO Misc</b>                                   |             |                 |              |
|            | <b>SUPERSTRUCTURE</b>                              |             |                 |              |
|            | <b>Layout</b>                                      |             |                 |              |
|            | Layout   | 950.00 sf   | 0.96 /sf        | 910          |
|            | <b>Final Cleaning</b>                              |             |                 |              |
|            | <b>Final Clean</b>                                 |             |                 |              |
|            | Final Clean  | 950.00 sf   | 1.00 /sf        | 950          |



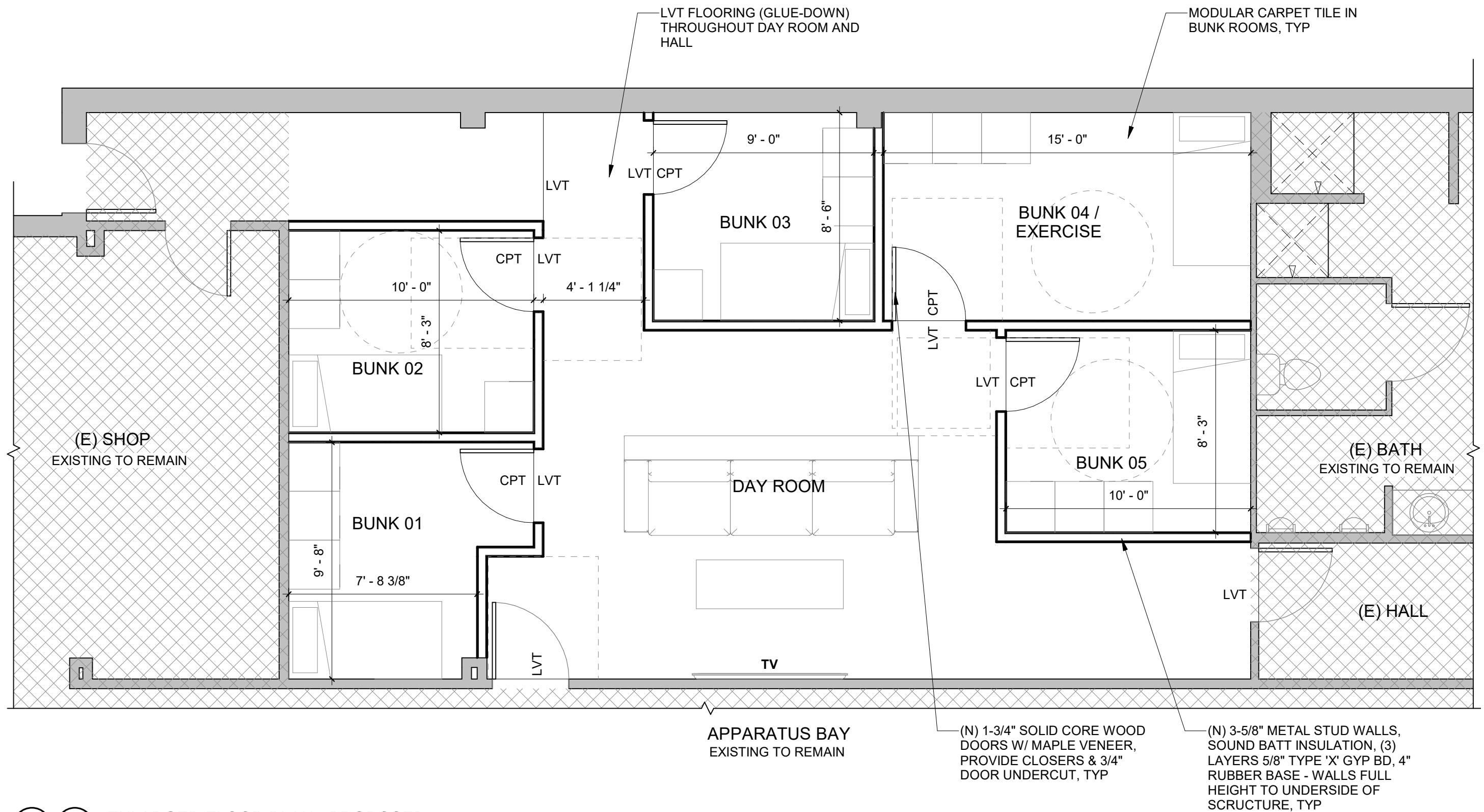
Emerick Construction Conceptual Budget  
**Hubbard Fire Conceptual Budget**

**Estimate Totals**

| Description                     | Amount         | Totals         | Rate    | Cost per Unit       |
|---------------------------------|----------------|----------------|---------|---------------------|
| <b>Direct Construction Cost</b> | <b>101,276</b> | <b>101,276</b> |         |                     |
| General Conditions and Site Se  | 35,000         |                |         |                     |
| Liability Ins.                  | 1,503          |                |         |                     |
| Sub Default mitigation          |                |                |         |                     |
| Builders Risk                   |                |                |         |                     |
| Construction Contingency        | 4,133          |                |         |                     |
|                                 | <b>40,636</b>  | <b>141,912</b> |         |                     |
| Fee                             | 7,514          |                |         |                     |
| <b>Total Construction costs</b> | <b>7,514</b>   | <b>149,426</b> |         | <b>157.291 /gsf</b> |
| Preconstruction Services        |                |                |         |                     |
| Design Contingency              |                |                |         |                     |
| Escalation 12 months            |                |                |         |                     |
|                                 |                | <b>149,426</b> |         | <b>157.291 /gsf</b> |
| Corporate Activity Tax          | 852            |                | 0.570 % |                     |
| <b>Total</b>                    |                | <b>150,278</b> |         | <b>158.187 /gsf</b> |



1 ENLARGED FLOOR PLAN - EXISTING  
1/4" = 1'-0"



1 ENLARGED FLOOR PLAN - PROPOSED  
1/4" = 1'-0"

NOTE: PROVIDE FULL NFPA 13  
FIRE SPRINKLER COVERAGE  
VIA (E) RISER

ARCHITECTURE

ORANGEWALLstudios

PLANNING

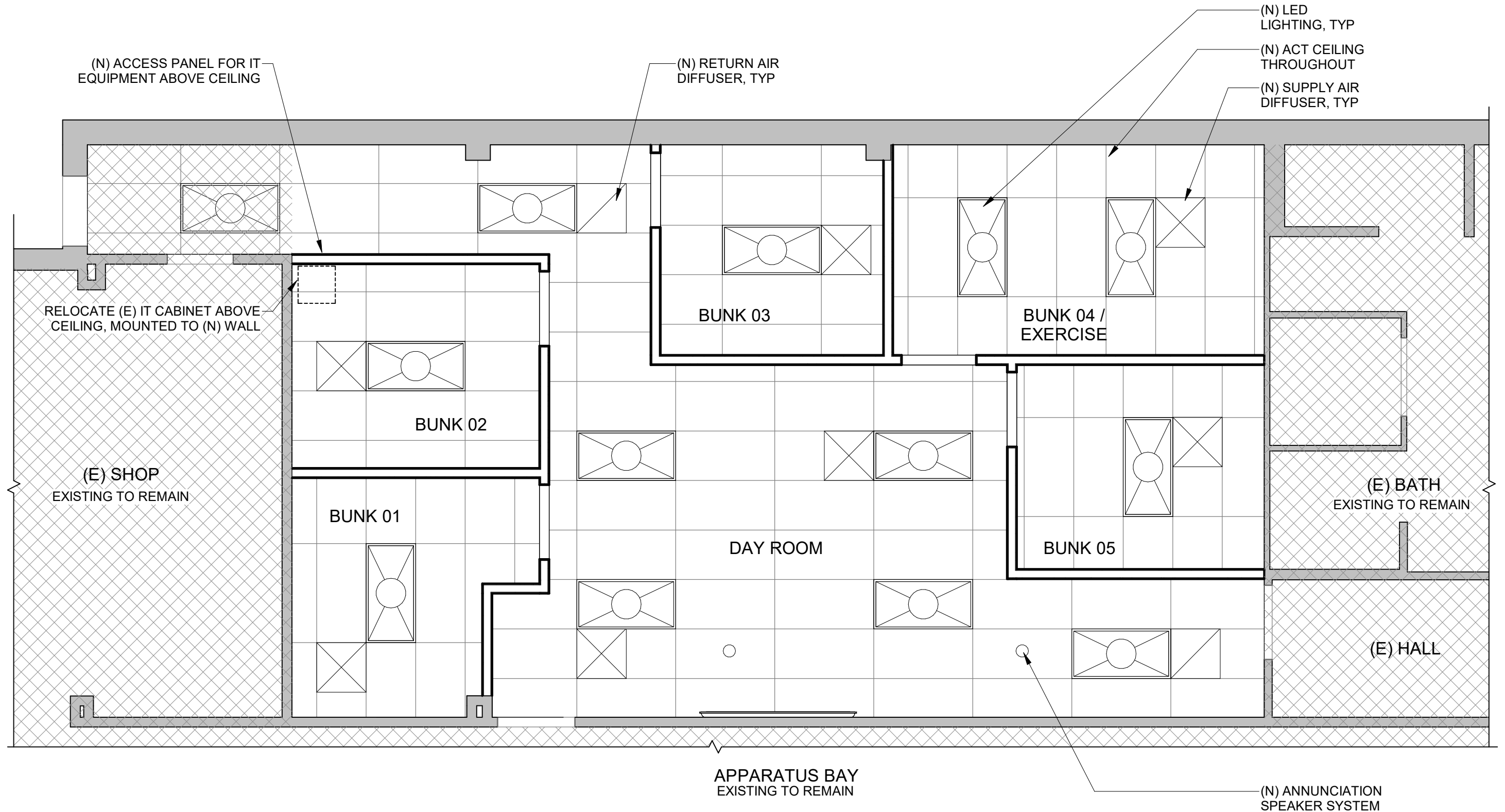
## PROPOSED FLOOR PLAN

HUBBARD FIRE STATION REMODEL  
3162 2ND STREET  
HUBBARD, OREGON 97032

A2

1/27/2022 9:59:17 AM





1 REFLECTED CEILING PLAN  
1/4" = 1'-0"

ARCHITECTURE

ORANGEWALLstudios

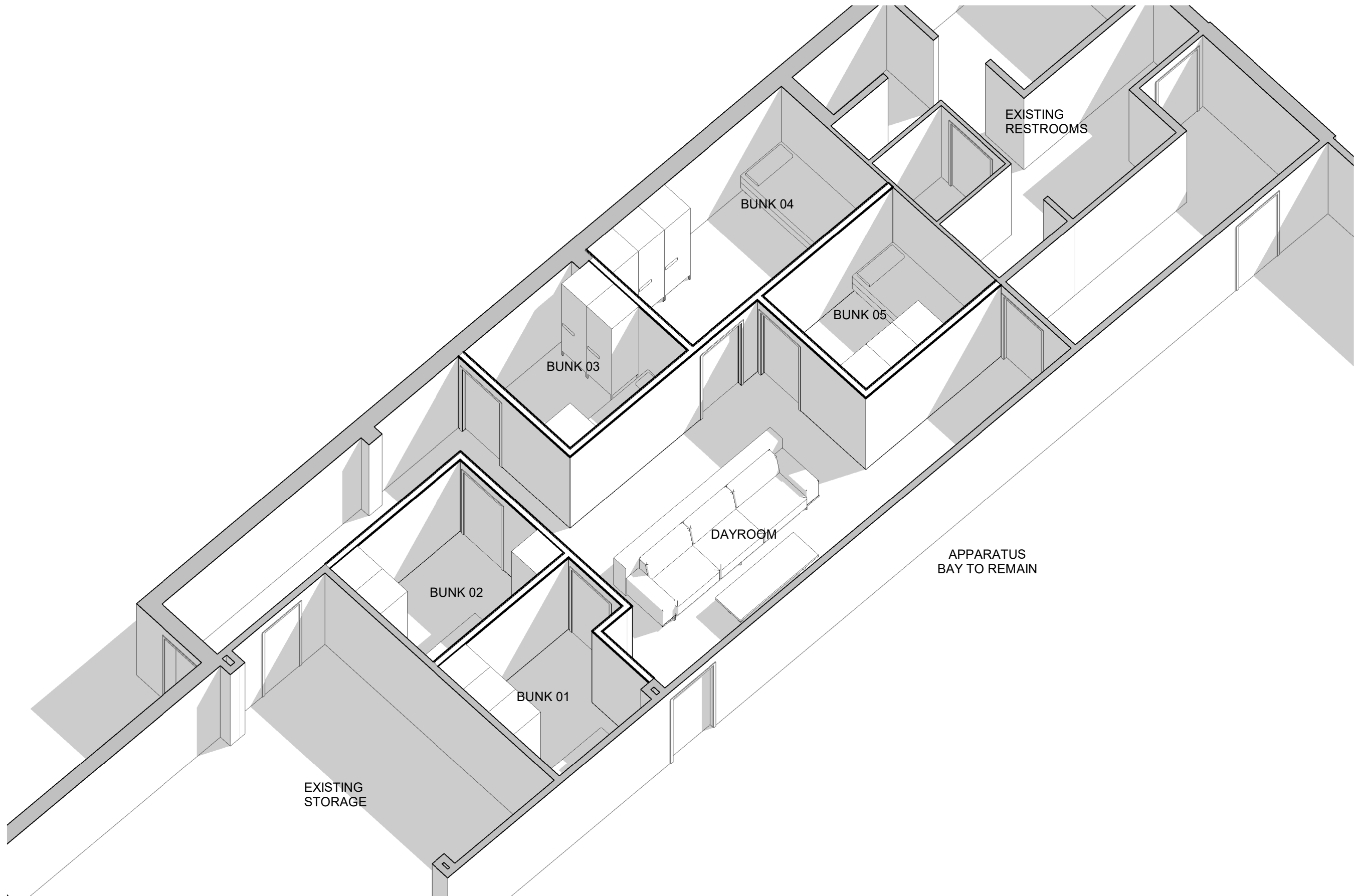
PLANNING

## REFLECTED CEILING PLAN

HUBBARD FIRE STATION REMODEL  
3162 2ND STREET  
HUBBARD, OREGON 97032

A3

1/27/2022 9:59:17 AM



ARCHITECTURE

ORANGEWALLstudios

PLANNING

## AXONOMETRIC

HUBBARD FIRE STATION REMODEL  
3162 2ND STREET  
HUBBARD, OREGON 97032

A4

1/27/2022 9:59:17 AM



# GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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

(503) 581-7788 • FAX (503) 581-0152

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

December 14, 2021

Honorable Mayor and Members of the City Council  
City of Hubbard  
3720 Second Street  
Hubbard, Oregon 97032

We have audited the financial statements of City of Hubbard (the City) as of and for the year ended June 30, 2021, and have issued our report thereon dated December 14, 2021. 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 May 14, 2021, 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 accounting principles generally accepted in the United States of America. 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.

## **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 City'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.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the City's financial statements relate to the City's long-term debt.

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.

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 attached schedule shows material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management.

## **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 attached letter dated December 14, 2021.

## **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 supplemental information, which accompanies the financial statements. With respect to this supplemental 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. 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 City of Hubbard and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

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

*CERTIFIED PUBLIC ACCOUNTANTS*

Client: **21800 - City of Hubbard**  
Engagement: **Audit 2021 - City of Hubbard**  
Period Ending: **6/30/2021**  
Trial Balance: **3000 - TB**  
Workpaper: **3700 - Combined Journal Entries Report**

| Account  | Description                    | W/P Ref      | Debit             | Credit            |
|--|--------------------------------|--------------|-------------------|-------------------|
| <b>Adjusting Journal Entries</b>                             |                                |              |                   |                   |
| <b>Adjusting Journal Entries JE # 1</b>                      |                                |              |                   |                   |
| To adjust YE loan balance to agree with loan statement.      |                                |              |                   |                   |
| 207-461-9002   | BOND PRINCIPAL                 | 5302         | 464.04            |                   |
| 207-461-9001   | BOND INTEREST                  |              |                   | 464.04            |
| <b>Total</b>   |                                |              | <b>464.04</b>     | <b>464.04</b>     |
| <b>Adjusting Journal Entries JE # 2</b>                      |                                |              |                   |                   |
| To adjust ODEQ loan balance to actual based on confirmation. |                                |              |                   |                   |
| 203-432-9001   | Loan Interest                  | 5303         | 3,522.00          |                   |
| 203-432-9002   | Loan Principal                 |              |                   | 3,522.00          |
| <b>Total</b>   |                                |              | <b>3,522.00</b>   | <b>3,522.00</b>   |
| <b>Adjusting Journal Entries JE # 3</b>                      |                                |              |                   |                   |
| To record transfers not originally recorded                  |                                |              |                   |                   |
| 100-000-1001   | Cash In Combined Cash Fund     | 3701         | 28,416.00         |                   |
| 121-491-8701   | Operational Overhead           |              | 3,209.00          |                   |
| 122-491-8801   | SDC Administration             |              | 234.00            |                   |
| 201-491-8601   | Franchise Fee                  |              | 8,440.00          |                   |
| 201-491-8701   | Operational Overhead           |              | 4,949.00          |                   |
| 205-491-8601   | Trans Out - Franch             |              | 7,358.00          |                   |
| 205-491-8701   | Trans Out OP OH                |              | 4,226.00          |                   |
| 100-391-3910   | Transfer In -Water             |              |                   | 7,358.00          |
| 100-391-3912   | Transfer In Sewer              |              |                   | 8,440.00          |
| 100-391-3914   | Transfer In- SDC A             |              |                   | 234.00            |
| 100-391-3920   | Trans In - OP OH               |              |                   | 12,384.00         |
| 121-000-1001   | Cash In Combined Cash Fund     |              |                   | 3,209.00          |
| 122-000-1001   | Cash In Combined Cash Fund     |              |                   | 234.00            |
| 201-000-1001   | Cash In Combined Cash Fund     |              |                   | 13,389.00         |
| 205-000-1001   | Cash In Combined Cash Fund     |              |                   | 11,584.00         |
| <b>Total</b>   |                                |              | <b>56,832.00</b>  | <b>56,832.00</b>  |
| <b>Adjusting Journal Entries JE # 4</b>                      |                                |              |                   |                   |
| Transfers for Ice storm debris cleanup                       |                                |              |                   |                   |
| 100-491-8001   | Trans To Street Fund           | 3701         | 15,000.00         |                   |
| 121-000-1001   | Cash In Combined Cash Fund     |              | 15,000.00         |                   |
| 100-000-1001   | Cash In Combined Cash Fund     |              |                   | 15,000.00         |
| 121-391-3901   | Transfer In - General fund     |              |                   | 15,000.00         |
| <b>Total</b>   |                                |              | <b>30,000.00</b>  | <b>30,000.00</b>  |
| <b>Adjusting Journal Entries JE # 5</b>                      |                                |              |                   |                   |
| Reclassify OLCC tax  |                                |              |                   |                   |
| 100-301-3402   | Business OLCC Fee              | 3702         | 21,852.82         |                   |
| 100-300-3303   | OLCC Tax                       |              |                   | 21,852.82         |
| <b>Total</b>   |                                |              | <b>21,852.82</b>  | <b>21,852.82</b>  |
| <b>Adjusting Journal Entries JE # 6</b>                      |                                |              |                   |                   |
| To reclassify sale of assets revenue for reporting purposes. |                                |              |                   |                   |
| 100-302-3601   | Miscellaneous Revene           | 7103 row 168 | 10,267.00         |                   |
| 100-302-3404   | Sale Of Surp Prop              |              |                   | 10,267.00         |
| <b>Total</b>   |                                |              | <b>10,267.00</b>  | <b>10,267.00</b>  |
| <b>Adjusting Journal Entries JE # 7</b>                      |                                |              |                   |                   |
| To move capital lease payments to debt service               |                                |              |                   |                   |
| 100-421-9100   | Debt Service - Lease Principal | 7202 row 55  | 42,733.00         |                   |
| 100-421-6200   | RENTALS AND LEASES             |              |                   | 42,733.00         |
| <b>Total</b>   |                                |              | <b>42,733.00</b>  | <b>42,733.00</b>  |
| <b>Total Adjusting Journal Entries</b>                       |                                |              | <b>165,670.86</b> | <b>165,670.86</b> |
| <b>Total All Journal Entries</b>                             |                                |              | <b>165,670.86</b> | <b>165,670.86</b> |



# CITY OF HUBBARD

3720 2nd Street • P.O. Box 380      Hubbard, Oregon 97032

503-981-9633 Fax: 503-981-8743  
[www.cityofhubbard.org](http://www.cityofhubbard.org)



December 14, 2021

Grove, Mueller & Swank, P.C.  
475 Cottage Street NE, Suite 200  
Salem, OR 97301

This representation letter is provided in connection with your audit of the financial statements of the City of Hubbard, Oregon as of June 30, 2021, and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the City in accordance with the modified cash basis of accounting.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of December 14, 2021, the following representations made to you during your audit.

## **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 14, 2021, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with the modified cash basis of accounting and for preparation of the supplemental information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with the modified cash basis of accounting and include all properly classified funds and other financial information of the primary government required by the modified cash basis of accounting to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
6. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
7. We have a process to track the status of audit findings and recommendations.



8. We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
9. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
10. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the modified cash basis of accounting.
11. All journal entries identified during the audit process have been recorded in the accounting records. The financial statements as drafted agree to the accounting records.
12. All events subsequent to the date of the financial statements that would require adjustment or disclosure have been properly made.
13. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with the modified cash basis of accounting.
14. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
15. All funds and activities are properly classified.
16. All funds that meet the quantitative criteria in GASB Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, GASB Statement No. 37, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus as amended, and GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
17. All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
18. Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
19. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
20. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
21. All interfund and intra-entity transactions and balances have been properly classified and reported.
22. Special items and extraordinary items have been properly classified and reported.
23. Deposit and investment risks have been properly and fully disclosed.
24. The City does not maintain historical cost or depreciation records for capital assets.
25. We acknowledge our responsibility for the supplemental information (SI). The SI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SI.
26. We acknowledge our responsibility to present the supplemental information with the audited financial statements or, if the supplemental information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the

supplemental information no later than the date of issuance by the City of the supplemental information and the auditor's report thereon.

27. We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments.
28. We have disclosed to you all guarantees, whether written or oral, under which the City is contingently liable.
29. With respect to preparation of the financial statements, we have performed the following:
  - Made all management decisions and performed all management functions;
  - Assigned a competent individual to oversee the services;
  - Evaluated the adequacy of the services performed;
  - Evaluated and accepted responsibility for the result of the service performed; and
  - Established and maintained internal controls, including monitoring ongoing activities.

### **Information Provided**

30. We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - Additional information that you have requested from us for the purpose of the audit;
  - Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence; and
  - Minutes of the meetings of City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
31. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
32. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
33. We have no knowledge of any fraud or suspected fraud that affects the City and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
34. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the City's financial statements communicated by employees, former employees, vendors, regulators, or others.
35. We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions of which we are aware.
36. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
37. The City has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
38. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.

39. There are no:

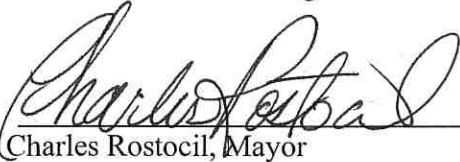
- Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
- Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
- Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
- Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).

40. The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.

41. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.



Vickie Nogle, Director of Administration/City Recorder



Charles Rostocil, Mayor

***CITY OF HUBBARD, OREGON  
ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2021***

***CITY OF HUBBARD, OREGON***  
***CITY OFFICIALS***  
***JUNE 30, 2021***

---

| <u><i>Name</i></u> | <i>MAYOR</i> | <u><i>Term</i></u> |
|--------------------|--------------|--------------------|
| Charles Rostocil   |              | December 31, 2022  |

***CITY COUNCIL MEMBERS***

|                           |                   |
|---------------------------|-------------------|
| James Audritsh, President | December 31, 2024 |
| Michelle Dodge            | December 31, 2022 |
| Robert Prinslow           | December 31, 2022 |
| Tyler Thomas              | December 31, 2024 |

The above individuals may be contacted at the address below.

3720 2nd Street  
Hubbard, Oregon 97032

***DIRECTOR OF ADMINISTRATION / CITY RECORDER***

Vickie Nogle

***FINANCE DIRECTOR***

Vacant

***CITY OF HUBBARD, OREGON***  
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***FINANCIAL SECTION***





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

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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

(503) 581-7788 • FAX (503) 581-0152

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

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

Honorable Mayor and Council Members  
City of Hubbard  
3720 Second Street  
Hubbard, Oregon 97032

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

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining funds of the City of Hubbard, Oregon (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in the notes to the financial statements. This includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

## ***Opinions***

In our opinion, the modified cash basis financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining funds of the City of Hubbard, Oregon as of June 30, 2021, and the respective changes in modified cash basis financial position and, where applicable, cash flows, thereof for the year then ended in accordance with the modified cash basis of accounting described in the summary of significant accounting policies in the notes to the financial statements.

## ***Basis of Accounting***

We draw attention to the notes of the financial statements that describes the basis of accounting. The financial statements are prepared on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

## ***Other Matters***

### ***Report on Supplemental and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the City's basic financial statements. Management's discussion and analysis and the supplemental information, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Management's discussion and analysis 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 such information.

### ***Report on Other Legal and Regulatory Requirements***

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 14, 2021, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

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

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



Ryan T. Pasquarella, A Shareholder  
December 14, 2021

CITY OF HUBBARD  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021

As management of the City of Hubbard, we offer readers of the financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2021.

FINANCIAL HIGHLIGHTS

|                                     | June 30,     |              |            |
|-------------------------------------|--------------|--------------|------------|
|                                     | 2021         | 2020         | change     |
| Net position                        | \$ 6,054,475 | \$ 5,599,160 | \$ 455,315 |
| Change in net position              | 455,315      | 754,649      | (299,334)  |
| Governmental net position           | 2,388,197    | 2,329,945    | 58,252     |
| Proprietary net position            | 3,666,278    | 3,269,215    | 397,063    |
| Change in governmental net position | 58,252       | 213,248      | (154,996)  |
| Change in proprietary net position  | 397,063      | 541,401      | (144,338)  |

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

*Government-wide Financial Statements.* The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. These statements include:

*Statement of Net Position (Modified Cash Basis).* The *statement of net position (modified cash basis)* presents information on all of the assets and liabilities of the City as of the date on the statement. Net position is what remains after the liabilities have been paid off or otherwise satisfied. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

*Statement of Activities (Modified Cash Basis).* The *statement of activities (modified cash basis)* presents information showing how the net position of the City changed over the most recent fiscal year by tracking revenues, expenditures and other transactions that increase or reduce net position. All changes in net position are reported as soon as funds are received or paid. Thus, revenues and expenditures are reported in this statement as cash flows occur.

In the government-wide financial statements, the City's activities are shown as governmental and business-type activities. All basic governmental functions are shown here, such as police and court, streets, parks, community development and administration. These activities are primarily financed through property taxes and other intergovernmental revenues. The City's business-type (water and sewer) activities are primarily financed through user charges.

*Fund Financial Statements.* The fund financial statements provide more detailed information about the City's funds, focusing on its most significant or "major" funds - not the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

*Governmental Funds.* The governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

*Proprietary Funds.* The City charges customers for the services it provides. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information.

*Notes to the Financial Statements.* The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

*Other Information.* In addition to the basic financial statements and accompanying notes, this report also presents certain *supplemental information* including combining reconciliations, schedules of revenues, expenditures and changes in fund balance - budget and actual for all funds.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

*Statement of Net Position (Modified Cash Basis).* The statement of net position (modified cash basis) is provided on a comparative basis.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$6.1 million as of June 30, 2021.

Net position - restricted represent resources that are subject to external restrictions on their use, such as debt service payments or capital acquisitions.

Net position - unrestricted are available for general operations of the City.

**Statements of Net Position (Modified Cash Basis)**  
**June 30,**

|                           | 2021                       |                             |              | 2020                       |                             |              |
|---------------------------|----------------------------|-----------------------------|--------------|----------------------------|-----------------------------|--------------|
|                           | Governmental<br>Activities | Business-type<br>Activities | Total        | Governmental<br>Activities | Business-type<br>Activities | Total        |
| <i>Assets</i>             |                            |                             |              |                            |                             |              |
| Cash and cash equivalents | \$ 2,411,085               | \$ 3,682,440                | \$ 6,093,525 | \$ 2,343,529               | \$ 3,292,297                | \$ 5,635,826 |
| <i>Liabilities</i>        |                            |                             |              |                            |                             |              |
| Due to other governments  | 11,910                     | -                           | 11,910       | 13,056                     | -                           | 13,056       |
| Deposits                  | 10,978                     | 16,162                      | 27,140       | 528                        | 23,082                      | 23,610       |
| Total liabilities         | 22,888                     | 16,162                      | 39,050       | 13,584                     | 23,082                      | 36,666       |
| <i>Net Position</i>       |                            |                             |              |                            |                             |              |
| Restricted                | 781,556                    | 2,889,766                   | 3,671,322    | 697,752                    | 2,638,235                   | 3,335,987    |
| Unrestricted              | 1,606,641                  | 776,512                     | 2,383,153    | 1,632,193                  | 630,980                     | 2,263,173    |
| Total net position        | \$ 2,388,197               | \$ 3,666,278                | \$ 6,054,475 | \$ 2,329,945               | \$ 3,269,215                | \$ 5,599,160 |

*Statement of Activities.* During the current fiscal year, the City's net position increased by \$455 thousand. The key elements of the change in the City's net position for the year ended June 30, 2021 are as follows:

- Capital grants and contributions decreased by \$63 thousand primarily due to a decrease in building projects within the City which resulted in decreased system development charges revenue.
- Property tax revenue increased by \$46 thousand due to increased collections by the County.
- Intergovernmental revenues increased \$30 thousand during the year as a result of an increase in state shared revenue received during the current year.
- Police and court expenses increased by \$244 thousand as a result of additional staffing in comparison to the prior year and the addition of three new vehicle capital leases.
- Sewer expenses increased by \$39 thousand as a result of an increase in personnel costs as compared to the prior year.

**Statements of Activities (Modified Cash Basis)**  
**Year Ended June 30,**

|                                 | 2021                       |                                 |                     | 2020                       |                                 |                     |
|---------------------------------|----------------------------|---------------------------------|---------------------|----------------------------|---------------------------------|---------------------|
|                                 | Governmental<br>Activities | Business-<br>type<br>Activities | Total               | Governmental<br>Activities | Business-<br>type<br>Activities | Total               |
| Revenues                        |                            |                                 |                     |                            |                                 |                     |
| Program Revenues                |                            |                                 |                     |                            |                                 |                     |
| Charges for services            | \$ 423,281                 | \$ 1,222,560                    | \$ 1,645,841        | \$ 439,380                 | \$ 1,230,299                    | \$ 1,669,679        |
| Operating grants                | 267,001                    | -                               | 267,001             | 251,211                    | 20,000                          | 271,211             |
| Capital grants                  | 121,528                    | 16,682                          | 138,210             | 98,008                     | 102,909                         | 200,917             |
| General Revenues                |                            |                                 |                     |                            |                                 |                     |
| Property taxes                  | 946,108                    | -                               | 946,108             | 900,135                    | -                               | 900,135             |
| Franchise and other taxes       | 219,182                    | -                               | 219,182             | 225,167                    | -                               | 225,167             |
| Intergovernmental               | 152,740                    | -                               | 152,740             | 122,647                    | -                               | 122,647             |
| Miscellaneous                   | 78,374                     | 42,531                          | 120,905             | 118,035                    | 52,910                          | 170,945             |
| <i>Total Revenues</i>           | <u>2,208,214</u>           | <u>1,281,773</u>                | <u>3,489,987</u>    | <u>2,154,583</u>           | <u>1,406,118</u>                | <u>3,560,701</u>    |
| Expenses                        |                            |                                 |                     |                            |                                 |                     |
| General government              | 206,617                    | -                               | 206,617             | 221,236                    | -                               | 221,236             |
| Police and court                | 1,268,178                  | -                               | 1,268,178           | 1,023,802                  | -                               | 1,023,802           |
| Community development           | 91,386                     | -                               | 91,386              | 112,672                    | -                               | 112,672             |
| Parks                           | 172,802                    | -                               | 172,802             | 170,491                    | -                               | 170,491             |
| Streets                         | 513,968                    | -                               | 513,968             | 529,267                    | -                               | 529,267             |
| Water                           | -                          | 403,598                         | 403,598             | -                          | 409,030                         | 409,030             |
| Sewer                           | -                          | 378,123                         | 378,123             | -                          | 339,554                         | 339,554             |
| <i>Total Expenses</i>           | <u>2,252,951</u>           | <u>781,721</u>                  | <u>3,034,672</u>    | <u>2,057,468</u>           | <u>748,584</u>                  | <u>2,806,052</u>    |
| Transfers                       | 102,989                    | (102,989)                       | -                   | 116,133                    | (116,133)                       | -                   |
| Change in net position          | 58,252                     | 397,063                         | 455,315             | 213,248                    | 541,401                         | 754,649             |
| Net position, beginning of year | 2,329,945                  | 3,269,215                       | 5,599,160           | 2,116,697                  | 2,727,814                       | 4,844,511           |
| Net position, end of year       | <u>\$ 2,388,197</u>        | <u>\$ 3,666,278</u>             | <u>\$ 6,054,475</u> | <u>\$ 2,329,945</u>        | <u>\$ 3,269,215</u>             | <u>\$ 5,599,160</u> |

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements,

*Governmental Funds.* The focus of the City's governmental funds is to provide information on relatively short-term cash flow and funding for future basic services on a fund basis. Such information is useful in assessing the City's financing requirements. In particular, *fund balance* may serve as a useful measure of net resources available for spending at the end of a fiscal year.

At June 30, 2021, the City's governmental funds reported combined ending fund balances of \$2.4 million, an increase of \$58 thousand in comparison with prior year.

*General Fund* - The General Fund is the primary operating fund of the City. The fund balance was \$1.5 million as of June 30, 2021. The fund balance increased by \$164 thousand during the current fiscal year, primarily due to increases in taxes and assessments and intergovernmental revenue. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance represents 90 percent of the total of General Fund expenditures.

*Street Fund* - Fund balance increased by \$43 thousand during the current fiscal year primarily due to increases in charges for services and intergovernmental revenue.

*Parks Improvement Fund* - Fund balance increased by \$22 thousand during the current fiscal year as a result of system development charges with limited expenditures to offset the revenue.

*Enterprise Funds* - The City's enterprise funds provide water and sanitary sewer services to customers. As with the governmental funds, net position may serve as a useful measure of net resources available for spending at the end of a fiscal year.

*Water Operations* – Net position increased by \$158 thousand during the current fiscal year. This was due primarily to an increase in charges for services and system development charges without a significant increase in operational expenses.

*Sewer Operations* – Net position increased by \$239 thousand during the current fiscal year. This was due primarily to an increase in charges for services and system development charges and decreases in operational expenses.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The City Council approved one budget modification for the fiscal year ended June 30, 2021. Resolution number 718-2021 increased appropriations by \$19,525 increasing capital outlay by \$13,000 and transfers out by \$15,000 partially offset by a \$8,475 reduction in contingency.

## LONG-TERM DEBT

The City had total debt outstanding of \$496 thousand at the end of the current fiscal year. During the current fiscal year, the City's total debt decreased by \$28 thousand (5 percent). The decrease is due to scheduled repayments of the debt offset by three new capital leases in the current fiscal year.

### Outstanding Debt

|                       | Governmental Activities |             | Business-type Activities |                   | Totals            |                   |
|-----------------------|-------------------------|-------------|--------------------------|-------------------|-------------------|-------------------|
|                       | 2021                    | 2020        | 2021                     | 2020              | 2021              | 2020              |
| Capital leases        | \$ 107,951              | \$ -        | \$ -                     | \$ -              | \$ 107,951        | \$ -              |
| Oregon DEQ loan       | -                       | -           | 203,509                  | 250,589           | 203,509           | 250,589           |
| Water Refunding bonds | -                       | -           | 184,201                  | 273,059           | 184,201           | 273,059           |
|                       | <u>\$ 107,951</u>       | <u>\$ -</u> | <u>\$ 387,710</u>        | <u>\$ 523,648</u> | <u>\$ 495,661</u> | <u>\$ 523,648</u> |

State statutes limit the amount of general obligation debt a governmental entity may issue to 3 percent of its total real market value. The City has no outstanding general obligation debt.

Additional information on the City's long-term debt can be found in the notes to the basic financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City's Budget Committee considered all the following factors while preparing the budget for the 2021-22 fiscal year.

- Expected rates and consumption for business-type funds
- Staffing requirements and the desired level of service
- Capital outlay



## REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the City of Hubbard's finances and to demonstrate the City's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

City of Hubbard  
Attn: Director of Administration/City Recorder  
P.O. Box 380  
3720 2nd Street  
Hubbard, Oregon 97032  
503-981-9633

## ***BASIC FINANCIAL STATEMENTS***

**CITY OF HUBBARD, OREGON**  
**STATEMENT OF NET POSITION (MODIFIED CASH BASIS)**  
**JUNE 30, 2021**

|                            | <b><i>Governmental<br/>Activities</i></b> | <b><i>Business-type<br/>Activities</i></b> | <b><i>Totals</i></b> |
|----------------------------|---|--|----------------------|
| <b><i>ASSETS</i></b>       |   |  |                      |
| Cash and cash equivalents  | \$ 2,411,085                              | \$ 3,682,440                               | \$ 6,093,525         |
| <b><i>LIABILITIES</i></b>  |   |  |                      |
| Due to other governments   | 11,910                                    | -  | 11,910               |
| Deposits                   | 10,978                                    | 16,162                                     | 27,140               |
| <i>Total Liabilities</i>   | 22,888                                    | 16,162                                     | 39,050               |
| <b><i>NET POSITION</i></b> |   |  |                      |
| Restricted for:            |   |  |                      |
| Capital acquisition        | 648,883                                   | 2,780,023                                  | 3,428,906            |
| Debt payments              | -   | 109,743                                    | 109,743              |
| Streets                    | 132,673                                   | -  | 132,673              |
| Unrestricted               | 1,606,641                                 | 776,512                                    | 2,383,153            |
| <i>Total Net Position</i>  | \$ 2,388,197                              | \$ 3,666,278                               | \$ 6,054,475         |

*The accompanying notes are an integral part of the financial statements.*

**CITY OF HUBBARD, OREGON**  
**STATEMENT OF ACTIVITIES (MODIFIED CASH BASIS)**  
**YEAR ENDED JUNE 30, 2021**

|   |                     | <i>Program Revenues</i>                             |   |   | <i>Net (Expenses) Revenues<br/>and Changes in Net Position</i> |                                     |                     |
|---|---------------------|---|---|---|--|-------------------------------------|---------------------|
|   | <i>Expenses</i>     | <i>Fees, Fines<br/>and Charges<br/>for Services</i> | <i>Operating<br/>Grants and<br/>Contributions</i> | <i>Capital<br/>Grants and<br/>Contributions</i> | <i>Governmental<br/>Activities</i>                             | <i>Business-type<br/>Activities</i> | <i>Total</i>        |
| <b>FUNCTIONS/PROGRAMS</b>               |                     |   |   |   |  |                                     |                     |
| <i>Governmental activities</i>          |                     |   |   |   |  |                                     |                     |
| General government                      | \$ 206,617          | \$ 154,682  | \$ 13,836   | \$ -  | \$ (38,099)  | \$ -                                | \$ (38,099)         |
| Police and court                        | 1,268,178           | 127,382   | -   | -   | (1,140,796)  | -                                   | (1,140,796)         |
| Community development                   | 91,386              | 41,628  | 15,000  | -   | (34,758)   | -                                   | (34,758)            |
| Parks                                   | 172,802             | -   | -   | 4,300   | (168,502)  | -                                   | (168,502)           |
| Streets                                 | 513,968             | 99,589  | 238,165   | 117,228   | (58,986)   | -                                   | (58,986)            |
| <i>Total Governmental activities</i>    | 2,252,951           | 423,281   | 267,001   | 121,528   | (1,441,141)  | -                                   | (1,441,141)         |
| <i>Business-type activities</i>         |                     |   |   |   |  |                                     |                     |
| Water                                   | 403,598             | 566,632   | -   | 6,628   | -  | 169,662                             | 169,662             |
| Sewer                                   | 378,123             | 655,928   | -   | 10,054  | -  | 287,859                             | 287,859             |
| <i>Total Business-type activities</i>   | 781,721             | 1,222,560   | -   | 16,682  | -  | 457,521                             | 457,521             |
| <i>Total Activities</i>                 | <u>\$ 3,034,672</u> | <u>\$ 1,645,841</u>                                 | <u>\$ 267,001</u>                                 | <u>\$ 138,210</u>                               | (1,441,141)  | 457,521                             | (983,620)           |
| <i>General Revenues</i>                 |                     |   |   |   |  |                                     |                     |
| Property taxes                          |                     |   |   |   | 946,108  | -                                   | 946,108             |
| Franchise and other taxes               |                     |   |   |   | 219,182  | -                                   | 219,182             |
| Intergovernmental                       |                     |   |   |   | 152,740  | -                                   | 152,740             |
| Miscellaneous                           |                     |   |   |   | 78,374   | 42,531                              | 120,905             |
| <i>Total General Revenues</i>           |                     |   |   |   | 1,396,404  | 42,531                              | 1,438,935           |
| <i>Transfers</i>                        |                     |   |   |   | 102,989  | (102,989)                           | -                   |
| <i>Change in Net Position</i>           |                     |   |   |   | 58,252   | 397,063                             | 455,315             |
| <i>Net Position - beginning of year</i> |                     |   |   |   | 2,329,945  | 3,269,215                           | 5,599,160           |
| <i>Net Position - end of year</i>       |                     |   |   |   | <u>\$ 2,388,197</u>  | <u>\$ 3,666,278</u>                 | <u>\$ 6,054,475</u> |

*The accompanying notes are an integral part of the financial statements.*

**CITY OF HUBBARD, OREGON****BALANCE SHEET (MODIFIED CASH BASIS) - GOVERNMENTAL FUNDS****JUNE 30, 2021**

|   |                | <u>Special Revenue</u> | <u>Capital Projects</u>            | <u>Other</u>                        |              |
|---|----------------|------------------------|------------------------------------|-------------------------------------|--------------|
|   | <u>General</u> | <u>Street</u>          | <u>Parks</u><br><u>Improvement</u> | <u>Governmental</u><br><u>Funds</u> | <u>Total</u> |
| <b>ASSETS</b>                             |                |                        |                                    |                                     |              |
| Cash and cash equivalents                 | \$ 1,542,591   | \$ 132,673             | \$ 373,849                         | \$ 361,972                          | \$ 2,411,085 |
| <b>LIABILITIES AND FUND BALANCE</b>       |                |                        |                                    |                                     |              |
| <b>Liabilities</b>                        |                |                        |                                    |                                     |              |
| Due to other governments                  | \$ 11,910      | \$ -                   | \$ -                               | \$ -                                | \$ 11,910    |
| Deposits                                  | 10,978         | -                      | -                                  | -                                   | 10,978       |
| <i>Total Liabilities</i>                  | 22,888         | -                      | -                                  | -                                   | 22,888       |
| <b>Fund Balance</b>                       |                |                        |                                    |                                     |              |
| Restricted for:                           |                |                        |                                    |                                     |              |
| Capital acquisition                       | -              | -                      | 373,849                            | 275,034                             | 648,883      |
| Streets                                   | -              | 132,673                | -                                  | -                                   | 132,673      |
| Committed to:                             |                |                        |                                    |                                     |              |
| Capital acquisition                       | -              | -                      | -                                  | 86,938                              | 86,938       |
| Unassigned                                | 1,519,703      | -                      | -                                  | -                                   | 1,519,703    |
| <i>Total Fund Balance</i>                 | 1,519,703      | 132,673                | 373,849                            | 361,972                             | 2,388,197    |
| <i>Total Liabilities and Fund Balance</i> | \$ 1,542,591   | \$ 132,673             | \$ 373,849                         | \$ 361,972                          | \$ 2,411,085 |

The accompanying notes are an integral part of the financial statements.

**CITY OF HUBBARD, OREGON****STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****(MODIFIED CASH BASIS) - GOVERNMENTAL FUNDS****YEAR ENDED JUNE 30, 2021**

|   |                     | <u>Special Revenue</u> | <u>Capital Projects</u> | <u>Other</u>        |              |
|---|---------------------|------------------------|-------------------------|---------------------|--------------|
|   | <u>General Fund</u> | <u>Street</u>          | <u>Parks</u>            | <u>Governmental</u> | <u>Total</u> |
| <b>REVENUES</b>                             |                     |                        | <u>Improvement</u>      | <u>Funds</u>        |              |
| Taxes and assessments                       | \$ 973,678          | \$ -                   | \$ -                    | \$ -                | \$ 973,678   |
| Fines and forfeitures                       | 277,710             | -                      | -                       | -                   | 277,710      |
| Licenses and permits                        | 45,981              | 1,890                  | 4,300                   | 17,228              | 69,399       |
| Charges for services                        | 191,612             | 97,699                 | -                       | -                   | 289,311      |
| Intergovernmental                           | 163,898             | 178,624                | 17,679                  | 159,541             | 519,742      |
| Miscellaneous                               | 58,969              | 4,758                  | 679                     | 3,701               | 68,107       |
| <i>Total Revenues</i>                       | 1,711,848           | 282,971                | 22,658                  | 180,470             | 2,197,947    |
| <b>EXPENDITURES</b>                         |                     |                        |                         |                     |              |
| Current                                     |                     |                        |                         |                     |              |
| General government                          | 191,235             | -                      | -                       | -                   | 191,235      |
| Police and court                            | 1,167,801           | -                      | -                       | -                   | 1,167,801    |
| Community development                       | 84,480              | -                      | -                       | -                   | 84,480       |
| Parks                                       | 172,802             | -                      | -                       | -                   | 172,802      |
| Streets                                     | -                   | 236,680                | -                       | -                   | 236,680      |
| Capital acquisitions                        | 7,118               | -                      | -                       | 350,102             | 357,220      |
| Debt service                                |                     |                        |                         |                     |              |
| Principal                                   | 42,733              | -                      | -                       | -                   | 42,733       |
| <i>Total Expenditures</i>                   | 1,666,169           | 236,680                | -                       | 350,102             | 2,252,951    |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | 45,679              | 46,291                 | 22,658                  | (169,632)           | (55,004)     |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                     |                        |                         |                     |              |
| Transfers in                                | 123,284             | 15,000                 | -                       | -                   | 138,284      |
| Transfers out                               | (15,000)            | (18,511)               | (173)                   | (1,611)             | (35,295)     |
| Proceeds from sale of assets                | 10,267              | -                      | -                       | -                   | 10,267       |
| <i>Total Other Financing Sources (Uses)</i> | 118,551             | (3,511)                | (173)                   | (1,611)             | 113,256      |
| <b>NET CHANGE IN FUND BALANCE</b>           | 164,230             | 42,780                 | 22,485                  | (171,243)           | 58,252       |
| <b>FUND BALANCE, beginning of year</b>      | 1,355,473           | 89,893                 | 351,364                 | 533,215             | 2,329,945    |
| <b>FUND BALANCE, end of year</b>            | \$ 1,519,703        | \$ 132,673             | \$ 373,849              | \$ 361,972          | \$ 2,388,197 |

The accompanying notes are an integral part of the financial statements.

**CITY OF HUBBARD, OREGON****STATEMENT OF FUND NET POSITION (MODIFIED CASH BASIS) - PROPRIETARY FUNDS****JUNE 30, 2021**

|                            | <i><b>Water<br/>Operations</b></i> | <i><b>Sewer<br/>Operations</b></i> | <i><b>Total</b></i> |
|----------------------------|------------------------------------|------------------------------------|---------------------|
| <hr/>                      |                                    |                                    |                     |
| <b>ASSETS</b>              |                                    |                                    |                     |
| Cash and cash equivalents  | \$ 1,620,842                       | \$ 2,061,598                       | \$ 3,682,440        |
| <br>                       |                                    |                                    |                     |
| <b>LIABILITIES</b>         |                                    |                                    |                     |
| <b>Current liabilities</b> |                                    |                                    |                     |
| Deposits                   | 16,162                             | -                                  | 16,162              |
| <br>                       |                                    |                                    |                     |
| <b>NET POSITION</b>        |                                    |                                    |                     |
| Restricted for:            |                                    |                                    |                     |
| Capital acquisition        | 1,055,307                          | 1,724,716                          | 2,780,023           |
| Debt payments              | 82,500                             | 27,243                             | 109,743             |
| Unrestricted               | 466,873                            | 309,639                            | 776,512             |
|                            | <hr/>                              | <hr/>                              | <hr/>               |
| <i>Total Net Position</i>  | <i>\$ 1,604,680</i>                | <i>\$ 2,061,598</i>                | <i>\$ 3,666,278</i> |
|                            | <hr/> <hr/>                        | <hr/> <hr/>                        | <hr/> <hr/>         |

*The accompanying notes are an integral part of the financial statements.*

**CITY OF HUBBARD, OREGON****STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION****(MODIFIED CASH BASIS) - PROPRIETARY FUNDS****YEAR ENDED JUNE 30, 2021**

|  | <i><b>Water<br/>Operations</b></i> | <i><b>Sewer<br/>Operations</b></i> | <i><b>Total</b></i> |
|--|------------------------------------|------------------------------------|---------------------|
| <b>OPERATING REVENUES</b>                                |                                    |                                    |                     |
| Charges for services                                     | \$ 566,632                         | \$ 655,928                         | \$ 1,222,560        |
| Miscellaneous  | 32,912                             | 1,022                              | 33,934              |
| <i>Total Operating Revenues</i>                          | 599,544                            | 656,950                            | 1,256,494           |
| <b>OPERATING EXPENSES</b>                                |                                    |                                    |                     |
| Personnel services                                       | 186,036                            | 189,335                            | 375,371             |
| Materials and services                                   | 117,992                            | 125,935                            | 243,927             |
| <i>Total Operating Expenses</i>                          | 304,028                            | 315,270                            | 619,298             |
| <b>OPERATING INCOME</b>                                  | 295,516                            | 341,680                            | 637,196             |
| <b>NONOPERATING REVENUES (EXPENSES)</b>                  |                                    |                                    |                     |
| Proceeds from sale of capital assets                     | 43                                 | -                                  | 43                  |
| Interest revenue   | 4,077                              | 4,477                              | 8,554               |
| Capital acquisitions                                     | (3,843)                            | (8,367)                            | (12,210)            |
| Debt payments  |                                    |                                    |                     |
| Principal  | (88,858)                           | (47,080)                           | (135,938)           |
| Interest   | (6,869)                            | (7,406)                            | (14,275)            |
| <i>Total Nonoperating Revenues (Expenses)</i>            | (95,450)                           | (58,376)                           | (153,826)           |
| <b>NET INCOME BEFORE CONTRIBUTIONS<br/>AND TRANSFERS</b> | 200,066                            | 283,304                            | 483,370             |
| Capital contributions                                    | 6,628                              | 10,054                             | 16,682              |
| Transfers out  | (48,780)                           | (54,209)                           | (102,989)           |
| <b>CHANGE IN NET POSITION</b>                            | 157,914                            | 239,149                            | 397,063             |
| <b>NET POSITION, beginning of year</b>                   | 1,446,766                          | 1,822,449                          | 3,269,215           |
| <b>NET POSITION, end of year</b>                         | \$ 1,604,680                       | \$ 2,061,598                       | \$ 3,666,278        |

The accompanying notes are an integral part of the financial statements.



**CITY OF HUBBARD, OREGON****STATEMENT OF CASH FLOWS (MODIFIED CASH BASIS) - PROPRIETARY FUNDS****YEAR ENDED JUNE 30, 2021**

|   | <b><i>Water<br/>Operations</i></b> | <b><i>Sewer<br/>Operations</i></b> | <b><i>Total</i></b> |
|---|------------------------------------|------------------------------------|---------------------|
| <b><i>CASH FLOWS FROM OPERATING ACTIVITIES</i></b>  |                                    |                                    |                     |
| Cash received from customers  | \$ 563,584                         | \$ 652,056                         | \$ 1,215,640        |
| Cash received from other sources  | 32,912                             | 1,022                              | 33,934              |
| Cash paid to employees and others for salaries and benefits   | (186,036)                          | (189,335)                          | (375,371)           |
| Cash paid to suppliers and others   | (117,992)                          | (125,935)                          | (243,927)           |
| <i>Net Cash Provided by Operating Activities</i>  | 292,468                            | 337,808                            | 630,276             |
| <b><i>CASH FLOWS FROM NON-CAPITAL FINANCING<br/>ACTIVITIES</i></b>  |                                    |                                    |                     |
| Transfers out   | (48,780)                           | (54,209)                           | (102,989)           |
| <b><i>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES</i></b>  |                                    |                                    |                     |
| Purchase of capital assets  | (3,843)                            | (8,367)                            | (12,210)            |
| Principal paid on debt  | (88,858)                           | (47,080)                           | (135,938)           |
| Interest paid on debt   | (6,869)                            | (7,406)                            | (14,275)            |
| Capital contributions   | 6,628                              | 10,054                             | 16,682              |
| <i>Net Cash Used in Capital and Related<br/>Financing Activities</i>  | (92,942)                           | (52,799)                           | (145,741)           |
| <b><i>CASH FLOWS FROM INVESTING ACTIVITIES</i></b>  |                                    |                                    |                     |
| Proceeds from sale of capital assets  | 43                                 | -                                  | 43                  |
| Interest received   | 4,077                              | 4,477                              | 8,554               |
| <i>Net Cash Provided by Investing Activities</i>  | 4,120                              | 4,477                              | 8,597               |
| <i>Increase in Cash and Cash Equivalents</i>  | 154,866                            | 235,277                            | 390,143             |
| <b><i>CASH AND CASH EQUIVALENTS, Beginning of year</i></b>  | <b>1,465,976</b>                   | <b>1,826,321</b>                   | <b>3,292,297</b>    |
| <b><i>CASH AND CASH EQUIVALENTS, End of year</i></b>  | <b>\$ 1,620,842</b>                | <b>\$ 2,061,598</b>                | <b>\$ 3,682,440</b> |
| <b><i>RECONCILIATION OF OPERATING INCOME (LOSS) TO<br/>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</i></b> |                                    |                                    |                     |
| Operating income  | \$ 295,516                         | \$ 341,680                         | 637,196             |
| Adjustments   |                                    |                                    |                     |
| Increase (decrease) in:   |                                    |                                    |                     |
| Customer deposits   | (3,048)                            | (3,872)                            | (6,920)             |
| <i>Net Cash Provided by Operating Activities</i>  | <b>\$ 292,468</b>                  | <b>\$ 337,808</b>                  | <b>\$ 630,276</b>   |

The accompanying notes are an integral part of the financial statements.

**CITY OF HUBBARD, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Hubbard, Oregon was incorporated in 1878 under the provisions of the Oregon Statutes. The City is governed by a City Council and Mayor who are responsible for rule-making, budget preparation and enforcement, expenditure approval, and hiring of the City management personnel. The Mayor and four Councilors are elected by vote of the general public. The Councilors are elected for four years, the Mayor for two years.

There are certain governmental agencies and various service districts which provide services within the City. These agencies have independently elected governing boards and the City is not financially accountable for these organizations. Therefore, financial information for these agencies is not included in the accompanying basic financial statements.

As discussed further under *Measurement Focus and Basis of Accounting*, these financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting.

*Basic Financial Statements*

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

*Government-wide financial statements* display information about the reporting government as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position (Modified Cash Basis) and the Statement of Activities (Modified Cash Basis).

The Statement of Net Position (Modified Cash Basis) presents information on all of the assets and liabilities of the City of Hubbard as of the date on the statement. Net position is what remains after the liabilities have been paid off or otherwise satisfied. Net position is shown as restricted and unrestricted.

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

*Fund financial statements* display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary, or fiduciary. Currently, the City has governmental funds (general, special revenue, and capital projects) and proprietary type funds (enterprise). Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

**CITY OF HUBBARD, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2021**

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***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

*Basis of Presentation*

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

Accounting principles generally accepted in the United States of America set forth minimum criteria (percentage of the assets liabilities, revenues or expenditures/expenses of either fund category or the government and enterprise combined) for the determination of major funds.

The City reports the following governmental funds as major:

*General Fund*

This fund accounts for the financial operations of the City not accounted for in any other fund. Principal sources of revenue are property taxes, licenses and permits, franchise fees and State shared revenues. Primary expenditures are for administration, police and courts, parks, streets and community development.

*Street Fund*

Gas tax apportionments received from the State are recorded in this fund. Expenditures are for road construction and maintenance.

*Parks Improvement Fund*

This fund is used to accumulate resources for future improvements to the City's parks. Primary resources are system development charges and transfers from other funds.

The proprietary funds are used to account for the acquisition, operation, and maintenance of the sewer and water systems. These funds are entirely or predominantly self-supported through user charges to customers. The City reports the following major proprietary funds:

*Water Operations* - accounts for the operations, maintenance, debt service, and capital construction projects for water system, which is funded through utility fees, construction fees, and debt proceeds.

*Sewer Operations* - accounts for the operations, maintenance, and capital construction projects for wastewater system, which is funded through utility fees, construction fees, and debt proceeds.

*Fund Balance*

Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale.

## **CITY OF HUBBARD, OREGON**

### **NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2021**

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#### ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

##### *Fund Balance (Continued)*

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the City Council takes formal action that places specific constraints on how the resources may be used. The City Council can modify or rescind the commitment at any time through taking a similar formal action.

Resources that are constrained by the City's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the City Council approves which resources should be "reserved" during the adoption of the annual budget. The City uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the City's Annual Financial Report.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

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

##### *Definitions of Governmental Fund Types*

The General Fund is used to account for all financial resources not accounted for in another fund.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenues sources" means that the revenue sources for the fund must be from restricted or committed sources, specifically that a substantial portion of the revenue must be from these sources and be expended in accordance with those requirements.

Capital Projects Funds are utilized to account for financial resources to be used for the acquisition or construction of capital equipment and facilities.

##### *Measurement Focus and Basis of Accounting*

Measurement focus is a term used to describe what transactions or events are recorded within the various financial statements. Basis of accounting refers to when and how transactions or events are recorded, regardless of the measurement focus applied.

In the government-wide Statement of Net Position (Modified Cash Basis) and Statement of Activities (Modified Cash Basis), both governmental and business-type activities are presented using the economic resource measurement focus, within the limitations of the modified cash basis of accounting, as defined below.

## **CITY OF HUBBARD, OREGON**

### **NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2021**

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#### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### *Measurement Focus and Basis of Accounting (Continued)*

In the fund financial statements, the current financial resources measurement focus or the economic resources measurement focus is applied to the modified cash basis of accounting, is used as appropriate:

- a. All governmental funds utilize a current financial resources measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds utilize an economic resource measurement focus within the limitations of the modified cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, change in net position (or cost recovery), net financial position, and cash flows. All assets, deferred outflows, liabilities, and deferred inflows (whether current or noncurrent or financial or nonfinancial) associated with their activities are generally reported within the limitations of the modified cash basis of accounting.
- c. The financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. This basis of accounting involves modifications to the cash basis of accounting to report in the statements of net position or balance sheets cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include:
  1. Interfund receivables and payables that are temporary borrowing and result from transactions involving cash or cash equivalents are recognized.
  2. Assets that normally convert to cash or cash equivalents (e.g., certificates of deposit, external cash pools, and marketable investments) that arise from transactions and events involving cash or cash equivalents are recognized.
  3. Liabilities for cash (or cash equivalents) held on behalf of others or held in escrow are recognized.

The modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods and services received but not yet paid and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value. Additionally, long-term liabilities such as debt are only reported in the notes to the financial statements.

If the City utilized the basis of accounting recognized as generally accepted in the United States of America, the fund financial statements for the governmental funds would use the modified accrual basis of accounting, and the fund financial statements for the proprietary funds would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

The City's policy, although not in accordance with accounting principles generally accepted in the United States of America, is acceptable under Oregon Law (ORS 294.333), which leaves the selection of the method of accounting to the discretion of the municipal corporation.

**CITY OF HUBBARD, OREGON****NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2021**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Measurement Focus and Basis of Accounting (Continued)*

Proprietary funds distinguish between operating revenues and expenses and nonoperating items. Operating revenues and expenses result from providing services to customers in connection with ongoing utility operations. The principal operating revenues are charges to customers for service. Operating expenses include payroll and related costs, and materials and supplies. All revenues not considered operating are reported as nonoperating items.

*Cash and Cash Equivalents*

The City maintains cash and cash equivalents in a common pool that is available for use by all funds. Each fund type's portion of this pool is displayed as cash and cash equivalents. The City considers cash on hand, demand deposits and savings accounts, and short-term investments with an original maturity of three months or less from the date of acquisition to be cash and cash equivalents.

Oregon Revised Statutes authorize the City to invest in certificates of deposit, savings accounts, bank repurchase agreements, bankers' acceptances, general obligations of U.S. Government and its agencies, certain bonded obligations of Oregon municipalities and the State Treasurer's Local Government Investment Pool, among others.

Investments are stated at cost, which approximates fair value.

*Property Taxes*

Property taxes are levied by the County Assessor and collected by the County Tax Collector. The taxes are levied and become a lien as of July 1. They may be paid in three installments payable in equal payments due November 15, February 15, and May 15. The City's property tax collection records show that most of the property taxes due are collected during the year of levy and delinquent taxes are collected in the next few years.

*Capital Assets*

The City does not maintain historical cost or depreciation records for capital assets. Therefore, capital assets are not reported on the government-wide Statement of Net Position, the Proprietary Fund Statement of Net Position, or in the notes to the financial statements.

*Long-Term Debt*

Long-term debt is presented only in the notes to the financial statements. Payments of principal and interest are recorded as expenditures/expenses when paid.

*Accrued Compensated Absences*

Accumulated unpaid vacation pay is not accrued. Earned but unpaid sick pay is recorded as an expenditure when paid.

**CITY OF HUBBARD, OREGON****NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2021**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Budget and Budgetary Accounting*

A budget is prepared for each fund in accordance with the modified accrual basis of accounting with certain modifications and legal requirements set forth in the Oregon Local Budget Law. Appropriations are made at the program/function level for all funds. Expenditures may not legally exceed appropriations. Appropriations lapse at the end of each fiscal year. Budget amounts include original approved amounts and all subsequent appropriation transfers approved by the City Council. After budget approval, the City Council may approve supplemental appropriations if an occurrence, condition or need exists which has not been ascertained at the time when the budget was adopted. Management may not amend the budget. A supplemental budget requires hearings before the public, publications in newspapers and approval by the City Council.

*Use of Estimates*

The preparation of basic financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results may differ from those estimates.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are comprised of the following at June 30, 2021:

|                                  | <i><b>Carrying<br/>Value</b></i> |
|----------------------------------|----------------------------------|
| <i><b>Cash</b></i>               |                                  |
| Cash on hand                     | \$ 250                           |
| Deposits with Xpress pay         | 4,520                            |
| Cash in checking accounts        | 249,763                          |
| <i><b>Investments</b></i>        |                                  |
| Local Government Investment Pool | 5,838,992                        |
|                                  | <hr/>                            |
|                                  | \$ 6,093,525                     |
|                                  | <hr/>                            |

*Deposits*

The book balance of the City's bank deposits (checking accounts) was \$249,763 and the bank balance was \$290,515 at year end. The difference is due to transactions in process. Bank deposits are secured to legal limits by federal deposit insurance. The remaining amount is secured in accordance with ORS 295 under a collateral program administered by the Oregon State Treasurer.

## **CITY OF HUBBARD, OREGON**

### **NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2021**

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#### **CASH AND CASH EQUIVALENTS (Continued)**

##### *Custodial Credit Risk – Deposits*

This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits with financial institutions for up to \$250,000 each for the aggregate of all demand accounts and the aggregate of all time and savings deposits accounts at each institution. Deposits in excess of FDIC coverage are with institutions participating in the Oregon Public Funds Collateralization Program (PFCP). The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. As of June 30, 2021, \$40,515 of the City's bank balances were covered by the PFCP.

##### *Local Government Investment Pool*

The State Treasurer of the State of Oregon maintains the Oregon Short Term Fund, of which the Local Government Investment Pool is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. The Oregon Short Term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council. At June 30, 2021, the fair value of the position in the Oregon State Treasurer's Short Term Investment Pool was approximately equal to the value of the pool shares. The investment in the Oregon Short Term Fund is not subject to risk evaluation. LGIP is not rated for credit quality. Separate financial statements for the Oregon Short-Term Fund are available from the Oregon State Treasurer.

##### *Deposits with Xpress pay*

The City contracts with Xpress pay to facilitate online payments for water and sewer customers. The amounts in this account are those payments received by Xpress pay.

##### *Interest Rate Risk*

In accordance with its investment policy, the City manages its exposure to declines in fair value of its investments by limiting the weighted average maturity of its investments through use of the Local Government Investment Pool.

##### *Custodial Risk - Investments*

For an investment, this is the risk that, in the event of a failure of the counterparty, the City will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The City's investment policy limits the types of investments that may be held and does not allow securities to be held by the counterparty.



**CITY OF HUBBARD, OREGON****NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2021**

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**CASH AND CASH EQUIVALENTS (Continued)***Custodial Risk – Investments (Continued)*

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short Term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP.

**LONG-TERM DEBT**

As a result of the use of the modified cash basis of accounting in this report, obligations related to long-term debt and other obligations are not reported as liabilities in the financial statements. Long-term debt transactions for the year were as follows:

*Governmental Activities*

|                | <i><b>Outstanding<br/>July 1,<br/>2020</b></i> | <i><b>Issued</b></i> | <i><b>Matured/<br/>Redeemed<br/>During Year</b></i> | <i><b>Outstanding<br/>June 30,<br/>2021</b></i> | <i><b>Due within<br/>One Year</b></i> |
|----------------|--|----------------------|---|---|---------------------------------------|
| Capital leases | \$ -   | \$ 150,684           | \$ (42,733)   | \$ 107,951                                      | \$ 36,089                             |

*Notes from Direct Borrowings – Governmental Activities*

Leasing Specialists, LLC Lease Payable: In January 2021, the City entered into three separate \$50,228 agreements with Leasing Specialists, LLC to finance the lease of three police vehicles and related attachments. The leases mature in 2023, 2024 and 2025 respectively with 6% interest. This loan is secured by equipment. In the event of default, the loan becomes immediately due and payable.

**CITY OF HUBBARD, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

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**LONG-TERM DEBT (Continued)**

Future debt service requirements are as follows:

| <b><i>Fiscal Year<br/>Ending<br/>June 30,</i></b> | <b><i>Principal</i></b> | <b><i>Interest</i></b> | <b><i>Total</i></b> |
|---|-------------------------|------------------------|---------------------|
| 2022  | \$ 36,089               | \$ 6,644               | \$ 42,733           |
| 2023  | 38,348                  | 4,385                  | 42,733              |
| 2024  | 22,913                  | 1,984                  | 24,897              |
| 2025  | 10,601                  | 622                    | 11,223              |
|   | <u>\$ 107,951</u>       | <u>\$ 13,635</u>       | <u>\$ 121,586</u>   |

**Business-Type Activities**

|   | <b><i>Outstanding<br/>July 1,<br/>2020</i></b> | <b><i>Issued</i></b> | <b><i>Matured/<br/>Redeemed<br/>During Year</i></b> | <b><i>Outstanding<br/>June 30,<br/>2021</i></b> | <b><i>Due within<br/>One Year</i></b> |
|---|--|----------------------|---|---|---------------------------------------|
| 2006 Clean Water Revolving<br>Fund Loan | \$ 250,589                                     | \$ -                 | \$ (47,080)   | \$ 203,509                                      | \$ 48,551                             |
| 2013 Water Refunding<br>Bonds           | 273,059  | -                    | (88,858)  | 184,201   | 90,994                                |
|   | <u>\$ 523,648</u>                              | <u>\$ -</u>          | <u>\$ (135,938)</u>                                 | <u>\$ 387,710</u>                               | <u>\$ 139,545</u>                     |

**Notes from Direct Borrowings – Business-Type Activities**

The 2006 Clean Water Revolving Fund loan originally issued for \$1,076,123 is paid from the Sewer Bond Fund. The note requires annual payments of \$54,486 with interest of 3.1% and is secured by the full faith and credit of the City. In the event of default, the note becomes immediately due and payable. The loan agreement requires a restricted reserve account to be maintained in the amount of \$27,243. The City was in compliance with this requirement at June 30, 2021.

**Bonds Payable – Business-Type Activities**

2013 Water Refunding Bonds originally issued for \$825,000 are paid from the Water Bond Fund. The note is secured by the full faith and credit of the City. The note requires annual payments of \$95,727 with interest of 2.92% and is secured by the full faith and credit of the City. In addition, net revenues of the system have been pledged as payment for the obligation. In the event of default, the note becomes immediately due and payable. The bond agreement requires a restricted reserve account be maintained in the amount of \$82,500. The City was in compliance with this requirement at June 30, 2021.

**CITY OF HUBBARD, OREGON****NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2021**

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**LONG-TERM DEBT (Continued)**

Future debt service requirements are as follows:

| <b><i>Fiscal Year<br/>Ending<br/>June 30,</i></b> | <b><i>Principal</i></b> | <b><i>Interest</i></b> | <b><i>Total</i></b> |
|---|-------------------------|------------------------|---------------------|
| 2022  | \$ 139,545              | \$ 10,668              | \$ 150,213          |
| 2023  | 143,274                 | 6,475                  | 149,749             |
| 2024  | 51,631                  | 2,855                  | 54,486              |
| 2025  | 53,260                  | 1,226                  | 54,486              |
|   | <b>\$ 387,710</b>       | <b>\$ 21,224</b>       | <b>\$ 408,934</b>   |

**PENSION PLAN**

Plan Description – City employees are provided pension benefits through the Oregon Public Employees Retirement System (PERS). PERS is a cost-sharing multiple-employer defined benefit pension plan for units of state and local government in Oregon, containing multiple actuarial pools. Benefits are established and amended by the Oregon State Legislature pursuant to ORS Chapters 238 and 238A. The legislature has delegated the authority to administer and manage PERS to the Public Employees Retirement Board. PERS issues a publicly available financial report that can be found at:

<https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

Benefits Provided – PERS provides retirement, disability, and death benefits which vary based on a qualified employee's hiring date and employment class (general service or police/fire). All City employees are eligible to participate after six months of covered employment. Details applicable to police/fire employees are noted in [square brackets] where different.

The Tier One/Tier Two Retirement Plan applies to qualifying employees hired before August 29, 2003 and is closed to new members.

Monthly retirement benefits are based on final 3-year average salary multiplied by years of service and a factor of 1.67% [2.00%]. Benefits may also be based on a money match computation, or formula plus annuity (for members contributing before August 21, 1981), if a greater benefit results. Employees are fully vested after making contributions in each of five calendar years, and are eligible to retire at age 55 [50]. Tier One benefits are reduced if retirement occurs prior to age 58 [55] with less than 30 [25] years of service; Tier Two benefits are reduced for retirement prior to age 60.

## **CITY OF HUBBARD, OREGON**

### **NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2021**

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#### ***PENSION PLAN (Continued)***

Employees are eligible for service-related disability benefits regardless of length of service; 10 years of service is required for nonservice-related benefits. Disability benefits are determined in the same manner as retirement benefits with service time computed to age 58 [55].

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance. The beneficiary may also receive a matching lump-sum payment from employer funds if the member was in covered employment at the time of death, or if the member died less than 120 days after termination, while on official leave of absence, or as a result of a job-related injury.

Monthly benefits are subject to annual cost-of-living adjustments (COLA). For benefits earned after the relevant effective dates, the COLA is subject to a cap of 1.25% on the first \$60,000 of annual benefits and 0.15% thereafter (ORS 238.360).

The Oregon Public Service Retirement Plan (OPSRP) applies to qualifying employees hired on or after August 29, 2003.

Monthly retirement benefits are based on final 3-year average salary multiplied by years of service and a factor of 1.50% [1.80%]. Employees are fully vested after completing 600 hours of service in each of five calendar years and are eligible to retire at age 58 [53] with 30 [25] years of service, or at age 65 [60] otherwise.

Employees are eligible for service-related disability benefits regardless of length of service; 10 years of service is required for nonservice-related benefits. The benefit is 45% of the employee's salary during the last full month of employment before the disability occurred.

Upon the death of a non-retired member, the beneficiary receives a monthly benefit equal to 50% of the retirement benefit that would have been paid to the member.

Monthly benefits are subject to annual cost-of-living adjustments (COLA). For benefits earned after the relevant effective dates, the COLA is subject to a cap of 1.25% on the first \$60,000 of annual benefits and 0.15% thereafter (ORS 238A.210).

**Contribution Requirements** – As a participating employer, the City is required to make monthly contributions to PERS based on actuarially determined percentages of covered payroll. Rates in effect for fiscal year 2021 were 28.65% for Tier One/Tier Two employees, 19.97% for OPSRP general service employees, and 24.60% for OPSRP police/fire employees. The City's total contributions to PERS were \$236,630 for fiscal year ended June 30, 2021.

Contribution requirements are established by Oregon statute and may be amended by an act of the Oregon State Legislature. Employer contribution rates for fiscal year 2021 were based on the December 31, 2017 actuarial valuation using the entry age normal actuarial cost method. It is important to note that the actuarial valuations used for rate setting are based on different methods and assumptions than those used for financial reporting which are described later in this note.

Employee contributions are set by statute at 6% of salary and are remitted by participating employers, who may agree to make employee contributions on the employee's behalf. Prior to January 1, 2004, employee contributions were credited to the defined benefit pension plan. Beginning January 1, 2004, all employee contributions were placed in the OPSRP Individual Account Program (IAP), a defined contribution pension plan described further at the end of this note.

## **CITY OF HUBBARD, OREGON**

### **NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2021**

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#### ***PENSION PLAN (Continued)***

Pension Assets/Liabilities, Pension Expense, and Pension-Related Deferrals – At June 30, 2021, the City reported a net pension liability of \$1,662,108 as its proportionate share of the collective net pension liability for PERS, measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was based on a December 31, 2018 actuarial valuation, rolled forward to the measurement date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to PERS relative to the projected contributions of all participating employers, as actuarially determined. The City's proportion was 0.00761616% as of the June 30, 2020 measurement date, compared to 0.00650377% as of June 30, 2019.

Actuarial Methods and Assumptions – The total pension liability in the December 31, 2018 actuarial valuation was determined using the entry age normal method and the following actuarial assumptions, applied to all periods included in the measurement: inflation rate of 2.50%, projected salary increases of 3.50%, investment rate of return of 7.20%, and mortality rates based on the Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs. These assumptions were based on the results of the December 31, 2018 actuarial experience study.

The long-term expected rate of return on pension plan investments was developed by combining estimated rates of return for each major asset class weighted by target asset allocation percentages and adjusting for inflation.

Target allocations and estimated geometric rates of return for each major asset class are available in the PERS publicly available financial report previously mentioned.

The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following chart shows the sensitivity of the net pension liability (asset) to changes in the discount rate, based on calculations using discount rates of 6.20%, 7.20%, and 8.20%.

|   | <b>1% Decrease<br/>(6.20%)</b> | <b>Discount Rate<br/>(7.20%)</b> | <b>1% Increase<br/>(8.20%)</b> |
|---|--------------------------------|----------------------------------|--------------------------------|
| Proportionate share of the<br>net pension liability | \$ 2,468,093                   | \$ 1,662,108                     | \$ 986,252                     |

Pension Plan Fiduciary Net Position – Detailed information about PERS' net position is available in its separately issued financial report.

Defined Contribution Plan – PERS-eligible employees are statutorily required to contribute 6% of their annual covered salary to the OPSRP Individual Account Program (IAP), a defined contribution pension plan. Benefits terms, including contribution requirements, are established by the Oregon Legislature. As permitted, the City has opted to pick-up the contributions on behalf of employees. Employees are fully vested after completing 600 hours of service in each of five calendar years. PERS contracts with VOYA Financial to administer the IAP. Total paid on behalf of employees for the fiscal year was \$41,491.

**CITY OF HUBBARD, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2021**

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**INTERFUND TRANSFERS**

Interfund transfers for the year were as follows:

| <i><b>Fund</b></i>  | <i><b>Transfers In</b></i> | <i><b>Transfers Out</b></i> |
|---------------------|----------------------------|-----------------------------|
| General             | \$ 123,284                 | \$ 15,000                   |
| Street              | 15,000                     | 18,511                      |
| Street Construction | -                          | 1,611                       |
| Parks Improvement   | -                          | 173                         |
| Sewer               | -                          | 108,047                     |
| Sewer Construction  | -                          | 648                         |
| Sewer Bond          | 54,486                     | -                           |
| Water               | -                          | 143,853                     |
| Water Construction  | -                          | 654                         |
| Water Bond          | 95,727                     | -                           |
|                     | <u>\$ 288,497</u>          | <u>\$ 288,497</u>           |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move revenues restricted to debt service from the funds collecting the revenues to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**CONTINGENCIES**

The City purchases commercial insurance to cover all commonly insurable risks, which includes property damage, liability and employee bonds. Most policies carry a small deductible amount. No insurance claims settled in each of the prior three years have exceeded policy coverage.

From time to time, the City is a defendant in various litigation proceedings. Management believes any losses arising from these actions will not materially affect the City's financial position.

**RISKS AND UNCERTAINTIES**

As a result of the recent coronavirus pandemic (COVID-19), numerous sectors of the economy are suffering damage and the long-term economic and business consequences of this remain unknown. The extent to which this will impact the City is uncertain.

**EXPENDITURES IN EXCESS OF APPROPRIATIONS**

Debt service payments in the General Fund exceeded the budget amount by \$42,733 due to the City not appropriating capital lease payments as debt service.

***SUPPLEMENTAL INFORMATION***

**CITY OF HUBBARD, OREGON**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENT FUNDS**  
**(MODIFIED CASH BASIS)**  
**YEAR ENDED JUNE 30, 2021**

|   | <i>Capital Projects</i> |                |              |
|---|-------------------------|----------------|--------------|
|   | <i>Street</i>           |                |              |
|   | <i>Construction</i>     | <i>Reserve</i> | <i>Total</i> |
| <b>ASSETS</b>                             |                         |                |              |
| Cash and cash equivalents                 | \$ 275,034              | \$ 86,938      | \$ 361,972   |
| <b>LIABILITIES AND FUND BALANCE</b>       |                         |                |              |
| <b>Liabilities</b>                        | \$ -                    | \$ -           | \$ -         |
| <b>Fund Balance:</b>                      |                         |                |              |
| Restricted for:                           |                         |                |              |
| Capital acquisition                       | 275,034                 | -              | 275,034      |
| Committed to:                             |                         |                |              |
| Capital acquisition                       | -                       | 86,938         | 86,938       |
| <i>Total Fund Balance</i>                 | 275,034                 | 86,938         | 361,972      |
| <i>Total Liabilities and Fund Balance</i> | \$ 275,034              | \$ 86,938      | \$ 361,972   |



**CITY OF HUBBARD, OREGON****COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES****(MODIFIED CASH BASIS)****YEAR ENDED JUNE 30, 2021**

|   | <b>Capital Projects</b>        |                  |                   |
|---|--------------------------------|------------------|-------------------|
|   | <b>Street<br/>Construction</b> | <b>Reserve</b>   | <b>Total</b>      |
| <b>REVENUES</b>                           |                                |                  |                   |
| Licenses and permits                      | \$ 17,228                      | \$ -             | \$ 17,228         |
| Intergovernmental                         | 159,541                        | -                | 159,541           |
| Miscellaneous                             | 3,325                          | 376              | 3,701             |
| <i>Total Revenues</i>                     | 180,094                        | 376              | 180,470           |
| <b>EXPENDITURES</b>                       |                                |                  |                   |
| Capital acquisitions                      | 159,944                        | 190,158          | 350,102           |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b> | 20,150                         | (189,782)        | (169,632)         |
| <b>OTHER FINANCING SOURCES (USES)</b>     |                                |                  |                   |
| Transfers out                             | (1,611)                        | -                | (1,611)           |
| <b>NET CHANGE IN FUND BALANCE</b>         | 18,539                         | (189,782)        | (171,243)         |
| <b>FUND BALANCE, beginning of year</b>    | 256,495                        | 276,720          | 533,215           |
| <b>FUND BALANCE, end of year</b>          | <u>\$ 275,034</u>              | <u>\$ 86,938</u> | <u>\$ 361,972</u> |

**CITY OF HUBBARD, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - GENERAL FUND****YEAR ENDED JUNE 30, 2021**

|   | <b>Budget Amounts</b> |              | <b>Actual</b> | <b>Variance</b> |
|---|-----------------------|--------------|---------------|-----------------|
|   | <b>Original</b>       | <b>Final</b> |               |                 |
| <b>REVENUES</b>                             |                       |              |               |                 |
| Taxes and assessments                       | \$ 981,740            | \$ 981,740   | \$ 973,678    | \$ (8,062)      |
| Fines and forfeitures                       | 242,373               | 242,373      | 277,710       | 35,337          |
| Licenses and permits                        | 77,630                | 77,630       | 45,981        | (31,649)        |
| Charges for services                        | 193,300               | 193,300      | 191,612       | (1,688)         |
| Intergovernmental                           | 149,000               | 149,000      | 163,898       | 14,898          |
| Miscellaneous                               | 50,950                | 63,950       | 58,969        | (4,981)         |
| <i>Total Revenues</i>                       | 1,694,993             | 1,707,993    | 1,711,848     | 3,855           |
| <b>EXPENDITURES</b>                         |                       |              |               |                 |
| Administration                              | 203,682               | 203,682      | 182,044       | 21,638          |
| Court                                       | 66,922                | 66,922       | 59,503        | 7,419           |
| Council                                     | 25,200                | 25,200       | 9,191         | 16,009          |
| Community development                       | 119,620               | 119,620      | 84,480        | 35,140          |
| Police                                      | 1,298,872             | 1,311,872    | 1,115,416     | 196,456         |
| Parks                                       | 184,383               | 184,383      | 172,802       | 11,581          |
| Debt service                                |                       |              |               |                 |
| Principal                                   | -                     | -            | 42,733        | (42,733)        |
| Contingency                                 | 284,802               | 276,327      | -             | 276,327         |
| <i>Total Expenditures</i>                   | 2,183,481             | 2,188,006    | 1,666,169     | 521,837         |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | (488,488)             | (480,013)    | 45,679        | 525,692         |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                       |              |               |                 |
| Transfers in                                | 135,344               | 141,869      | 123,284       | (18,585)        |
| Transfers out                               | -                     | (15,000)     | (15,000)      | -               |
| Proceeds from sale of assets                | 250                   | 250          | 10,267        | 10,017          |
| <i>Total Other Financing Sources (Uses)</i> | 135,594               | 127,119      | 118,551       | (8,568)         |
| <b>NET CHANGE IN FUND BALANCE</b>           | (352,894)             | (352,894)    | 164,230       | 517,124         |
| <b>FUND BALANCE, beginning of year</b>      | 1,185,164             | 1,185,164    | 1,355,473     | 170,309         |
| <b>FUND BALANCE, end of year</b>            | \$ 832,270            | \$ 832,270   | \$ 1,519,703  | \$ 687,433      |

**CITY OF HUBBARD, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - STREET FUND****YEAR ENDED JUNE 30, 2021**

|   | <b>Budget Amounts</b> |              | <b>Actual</b> | <b>Variance</b> |
|---|-----------------------|--------------|---------------|-----------------|
|   | <b>Original</b>       | <b>Final</b> |               |                 |
| <b>REVENUES</b>                             |                       |              |               |                 |
| Charges for services                        | \$ 100,000            | \$ 100,000   | \$ 97,699     | \$ (2,301)      |
| Licenses and permits                        | 1,750                 | 1,750        | 1,890         | 140             |
| Intergovernmental                           | 165,000               | 165,000      | 178,624       | 13,624          |
| Miscellaneous                               | 5,100                 | 5,100        | 4,758         | (342)           |
| <i>Total Revenues</i>                       | 271,850               | 271,850      | 282,971       | 11,121          |
| <b>EXPENDITURES</b>                         |                       |              |               |                 |
| Street                                      | 247,620               | 247,620      | 236,680       | 10,940          |
| Contingency                                 | 40,788                | 55,788       | -             | 55,788          |
| <i>Total Expenditures</i>                   | 288,408               | 303,408      | 236,680       | 66,728          |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | (16,558)              | (31,558)     | 46,291        | 77,849          |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                       |              |               |                 |
| Transfers in                                | -                     | 15,000       | 15,000        | -               |
| Transfers out                               | (24,300)              | (24,300)     | (18,511)      | 5,789           |
| <i>Total Other Financing Sources (Uses)</i> | (24,300)              | (9,300)      | (3,511)       | 5,789           |
| <b>NET CHANGE IN FUND BALANCE</b>           | (40,858)              | (40,858)     | 42,780        | 83,638          |
| <b>FUND BALANCE, beginning of year</b>      | 96,663                | 96,663       | 89,893        | (6,770)         |
| <b>FUND BALANCE, end of year</b>            | \$ 55,805             | \$ 55,805    | \$ 132,673    | \$ 76,868       |

**CITY OF HUBBARD, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - PARKS IMPROVEMENT FUND**  
**YEAR ENDED JUNE 30, 2021**

|   | <b>Budget Amounts</b> |              | <b>Actual</b> | <b>Variance</b> |
|---|-----------------------|--------------|---------------|-----------------|
|   | <b>Original</b>       | <b>Final</b> |               |                 |
| <b>REVENUES</b>                           |                       |              |               |                 |
| Licenses and permits                      | \$ 21,510             | \$ 21,510    | \$ 4,300      | \$ (17,210)     |
| Intergovernmental                         | 215,200               | 215,200      | 17,679        | (197,521)       |
| Miscellaneous                             | 300                   | 300          | 679           | 379             |
| <i>Total Revenues</i>                     | 237,010               | 237,010      | 22,658        | (214,352)       |
| <b>EXPENDITURES</b>                       |                       |              |               |                 |
| Parks improvement                         | 236,140               | 236,140      | -             | 236,140         |
| Contingency                               | 35,552                | 35,552       | -             | 35,552          |
| <i>Total Expenditures</i>                 | 271,692               | 271,692      | -             | 271,692         |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b> | (34,682)              | (34,682)     | 22,658        | 57,340          |
| <b>OTHER FINANCING SOURCES (USES)</b>     |                       |              |               |                 |
| Transfers out                             | (870)                 | (870)        | (173)         | 697             |
| <b>NET CHANGE IN FUND BALANCE</b>         | (35,552)              | (35,552)     | 22,485        | 58,037          |
| <b>FUND BALANCE, beginning of year</b>    | 370,439               | 370,439      | 351,364       | (19,075)        |
| <b>FUND BALANCE, end of year</b>          | \$ 334,887            | \$ 334,887   | \$ 373,849    | \$ 38,962       |

**CITY OF HUBBARD, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - STREET CONSTRUCTION FUND****YEAR ENDED JUNE 30, 2021**

|   | <b>Budget Amounts</b> |              | <b>Actual</b> | <b>Variance</b> |
|---|-----------------------|--------------|---------------|-----------------|
|   | <b>Original</b>       | <b>Final</b> |               |                 |
| <b>REVENUES</b>                           |                       |              |               |                 |
| Licenses and permits                      | \$ 20,395             | \$ 21,420    | \$ 17,228     | \$ (4,192)      |
| Intergovernmental                         | 155,000               | 155,000      | 159,541       | 4,541           |
| Miscellaneous                             | 3,000                 | 3,000        | 3,325         | 325             |
| <i>Total Revenues</i>                     | 178,395               | 179,420      | 180,094       | 674             |
| <b>EXPENDITURES</b>                       |                       |              |               |                 |
| Street construction                       | 177,420               | 177,420      | 159,944       | 17,476          |
| Contingency                               | 26,759                | 26,759       | -             | 26,759          |
| <i>Total Expenditures</i>                 | 204,179               | 204,179      | 159,944       | 44,235          |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b> | (25,784)              | (24,759)     | 20,150        | 44,909          |
| <b>OTHER FINANCING SOURCES (USES)</b>     |                       |              |               |                 |
| Transfers out                             | (975)                 | (2,000)      | (1,611)       | 389             |
| <b>NET CHANGE IN FUND BALANCE</b>         | (26,759)              | (26,759)     | 18,539        | 45,298          |
| <b>FUND BALANCE, beginning of year</b>    | 316,492               | 316,492      | 256,495       | (59,997)        |
| <b>FUND BALANCE, end of year</b>          | \$ 289,733            | \$ 289,733   | \$ 275,034    | \$ (14,699)     |

**CITY OF HUBBARD, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - RESERVE FUND****YEAR ENDED JUNE 30, 2021**

|  | <b>Budget Amounts</b> |              | <b>Actual</b> | <b>Variance</b> |
|--|-----------------------|--------------|---------------|-----------------|
|  | <b>Original</b>       | <b>Final</b> |               |                 |
| <b>REVENUES</b>                        |                       |              |               |                 |
| Miscellaneous                          | \$ 850                | \$ 850       | \$ 376        | \$ (474)        |
| <b>EXPENDITURES</b>                    |                       |              |               |                 |
| Capital outlay                         | 279,424               | 279,424      | 190,158       | 89,266          |
| <b>NET CHANGE IN FUND BALANCE</b>      | (278,574)             | (278,574)    | (189,782)     | 88,792          |
| <b>FUND BALANCE, beginning of year</b> | 279,423               | 279,423      | 276,720       | (2,703)         |
| <b>FUND BALANCE, end of year</b>       | \$ 849                | \$ 849       | \$ 86,938     | \$ 86,089       |

**CITY OF HUBBARD, OREGON****COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
(MODIFIED CASH BASIS) - WATER OPERATIONS****YEAR ENDED JUNE 30, 2021**

|   | <i><b>Water</b></i> | <i><b>Water<br/>Construction</b></i> | <i><b>Water Bond</b></i> | <i><b>Eliminations</b></i> | <i><b>Total Water<br/>Operations</b></i> |
|---|---------------------|--------------------------------------|--------------------------|----------------------------|--|
| <b>REVENUES</b>                             |                     |                                      |                          |                            |  |
| Charges for services                        | \$ 480,700          | \$ 85,932                            | \$ -                     | \$ -                       | \$ 566,632                               |
| Licenses and permits                        | -                   | 6,628                                | -                        | -                          | 6,628                                    |
| Intergovernmental                           | -                   | -                                    | -                        | -                          | -  |
| Miscellaneous                               | 33,761              | 3,083                                | 145                      | -                          | 36,989                                   |
| <i>Total Revenues</i>                       | 514,461             | 95,643                               | 145                      | -                          | 610,249                                  |
| <b>EXPENDITURES</b>                         |                     |                                      |                          |                            |  |
| Water                                       | 304,028             | -                                    | -                        | -                          | 304,028                                  |
| Debt service                                |                     |                                      |                          |                            |  |
| Principal                                   | -                   | -                                    | 88,858                   | -                          | 88,858                                   |
| Interest                                    | -                   | -                                    | 6,869                    | -                          | 6,869                                    |
| Capital outlay                              | -                   | 3,843                                | -                        | -                          | 3,843                                    |
| <i>Total Expenditures</i>                   | 304,028             | 3,843                                | 95,727                   | -                          | 403,598                                  |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | 210,433             | 91,800                               | (95,582)                 | -                          | 206,651                                  |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                     |                                      |                          |                            |  |
| Transfers in                                | -                   | -                                    | 95,727                   | (95,727)                   | -  |
| Transfers out                               | (143,853)           | (654)                                | -                        | 95,727                     | (48,780)                                 |
| Proceeds from sale of capital assets        | 43                  | -                                    | -                        | -                          | 43                                       |
| <i>Total Other Financing Sources (Uses)</i> | (143,810)           | (654)                                | 95,727                   | -                          | (48,737)                                 |
| <b>CHANGE IN FUND BALANCE</b>               | 66,623              | 91,146                               | 145                      | -                          | 157,914                                  |
| <b>FUND BALANCE, beginning of year</b>      | 399,467             | 964,161                              | 83,138                   | -                          | 1,446,766                                |
| <b>FUND BALANCE, end of year</b>            | <u>\$ 466,090</u>   | <u>\$ 1,055,307</u>                  | <u>\$ 83,283</u>         | <u>\$ -</u>                | <u>\$ 1,604,680</u>                      |

**CITY OF HUBBARD, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - WATER FUND****YEAR ENDED JUNE 30, 2021**

|   | <b>Budget Amounts</b> |              | <b>Actual</b> | <b>Variance</b> |
|---|-----------------------|--------------|---------------|-----------------|
|   | <b>Original</b>       | <b>Final</b> |               |                 |
| <b>REVENUES</b>                             |                       |              |               |                 |
| Charges for services                        | \$ 474,625            | \$ 476,625   | \$ 480,700    | \$ 4,075        |
| Miscellaneous                               | 28,840                | 28,840       | 33,761        | 4,921           |
| <i>Total Revenues</i>                       | 503,465               | 505,465      | 514,461       | 8,996           |
| <b>EXPENDITURES</b>                         |                       |              |               |                 |
| Water                                       | 352,849               | 352,849      | 304,028       | 48,821          |
| Contingency                                 | 75,521                | 75,521       | -             | 75,521          |
| <i>Total Expenditures</i>                   | 428,370               | 428,370      | 304,028       | 124,342         |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | 75,095                | 77,095       | 210,433       | 133,338         |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                       |              |               |                 |
| Transfers out                               | (150,626)             | (152,626)    | (143,853)     | 8,773           |
| Proceeds from sale of assets                | -                     | -            | 43            | 43              |
| <i>Total Other Financing Sources (Uses)</i> | (150,626)             | (152,626)    | (143,810)     | 8,816           |
| <b>CHANGE IN FUND BALANCE</b>               | (75,531)              | (75,531)     | 66,623        | 142,154         |
| <b>FUND BALANCE, beginning of year</b>      | 355,736               | 355,736      | 399,467       | 43,731          |
| <b>FUND BALANCE, end of year</b>            | \$ 280,205            | \$ 280,205   | \$ 466,090    | \$ 185,885      |



**CITY OF HUBBARD, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - WATER CONSTRUCTION FUND****YEAR ENDED JUNE 30, 2021**

|                                    | Budget Amounts |            |              |            |
|------------------------------------|----------------|------------|--------------|------------|
|                                    | Original       | Final      | Actual       | Variance   |
| REVENUES                           |                |            |              |            |
| Charges for services               | \$ 93,634      | \$ 93,634  | \$ 85,932    | \$ (7,702) |
| Licenses and permits               | 16,590         | 16,590     | 6,628        | (9,962)    |
| Intergovernmental                  | -              | -          | -            | -          |
| Miscellaneous                      | 4,000          | 4,000      | 3,083        | (917)      |
| Total Revenues                     | 114,224        | 114,224    | 95,643       | (18,581)   |
| EXPENDITURES                       |                |            |              |            |
| Water construction                 | 130,000        | 130,000    | 3,843        | 126,157    |
| Contingency                        | 19,748         | 19,748     | -            | 19,748     |
| Total Expenditures                 | 149,748        | 149,748    | 3,843        | 145,905    |
| REVENUES OVER (UNDER) EXPENDITURES | (35,524)       | (35,524)   | 91,800       | 127,324    |
| OTHER FINANCING SOURCES (USES)     |                |            |              |            |
| Transfers out                      | (1,650)        | (1,650)    | (654)        | 996        |
| CHANGE IN FUND BALANCE             | (37,174)       | (37,174)   | 91,146       | 128,320    |
| FUND BALANCE, beginning of year    | 951,968        | 951,968    | 964,161      | 12,193     |
| FUND BALANCE, end of year          | \$ 914,794     | \$ 914,794 | \$ 1,055,307 | \$ 140,513 |

**CITY OF HUBBARD, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - WATER BOND FUND****YEAR ENDED JUNE 30, 2021**

|   | <b>Budget Amounts</b> |                  | <b>Actual</b>    | <b>Variance</b> |
|---|-----------------------|------------------|------------------|-----------------|
|   | <b>Original</b>       | <b>Final</b>     |                  |                 |
| <b>REVENUES</b>                           |                       |                  |                  |                 |
| Miscellaneous                             | \$ 80                 | \$ 80            | \$ 145           | \$ 65           |
| <b>EXPENDITURES</b>                       |                       |                  |                  |                 |
| Debt service                              |                       |                  |                  |                 |
| Principal                                 | 88,394                | 88,394           | 88,858 *         | (464)           |
| Interest                                  | 7,333                 | 7,333            | 6,869 *          | 464             |
| <i>Total Expenditures</i>                 | <u>95,727</u>         | <u>95,727</u>    | <u>95,727</u>    | <u>-</u>        |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b> | (95,647)              | (95,647)         | (95,582)         | 65              |
| <b>OTHER FINANCING SOURCES (USES)</b>     |                       |                  |                  |                 |
| Transfers in                              | <u>95,727</u>         | <u>95,727</u>    | <u>95,727</u>    | <u>-</u>        |
| <b>CHANGE IN FUND BALANCE</b>             | 80                    | 80               | 145              | 65              |
| <b>FUND BALANCE, beginning of year</b>    | <u>83,127</u>         | <u>83,127</u>    | <u>83,138</u>    | <u>11</u>       |
| <b>FUND BALANCE, end of year</b>          | <u>\$ 83,207</u>      | <u>\$ 83,207</u> | <u>\$ 83,283</u> | <u>\$ 76</u>    |

\* Budget was adopted at the program level. This is not a budget violation.

**CITY OF HUBBARD, OREGON****COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****(MODIFIED CASH BASIS) - SEWER OPERATIONS****YEAR ENDED JUNE 30, 2021**

|   | <b><i>Sewer</i></b> | <b><i>Sewer<br/>Construction</i></b> | <b><i>Sewer Bond</i></b> | <b><i>Eliminations</i></b> | <b><i>Total Sewer<br/>Operations</i></b> |
|---|---------------------|--------------------------------------|--------------------------|----------------------------|--|
| <b>REVENUES</b>                             |                     |                                      |                          |                            |  |
| Charges for services                        | \$ 500,347          | \$ 155,581                           | \$ -                     | \$ -                       | \$ 655,928                               |
| Licenses and permits                        | -                   | 10,054                               | -                        | -                          | 10,054                                   |
| Miscellaneous                               | 1,330               | 3,765                                | 404                      | -                          | 5,499                                    |
| <i>Total Revenues</i>                       | 501,677             | 169,400                              | 404                      | -                          | 671,481                                  |
| <b>EXPENDITURES</b>                         |                     |                                      |                          |                            |  |
| Sewer                                       | 315,270             | -                                    | -                        | -                          | 315,270                                  |
| Debt service                                |                     |                                      |                          |                            |  |
| Principal                                   | -                   | -                                    | 47,080                   | -                          | 47,080                                   |
| Interest                                    | -                   | -                                    | 7,406                    | -                          | 7,406                                    |
| Capital outlay                              | -                   | 8,367                                | -                        | -                          | 8,367                                    |
| <i>Total Expenditures</i>                   | 315,270             | 8,367                                | 54,486                   | -                          | 378,123                                  |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | 186,407             | 161,033                              | (54,082)                 | -                          | 293,358                                  |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                     |                                      |                          |                            |  |
| Transfers in                                | -                   | -                                    | 54,486                   | (54,486)                   | -  |
| Transfers out                               | (108,047)           | (648)                                | -                        | 54,486                     | (54,209)                                 |
| <i>Total Other Financing Sources (Uses)</i> | (108,047)           | (648)                                | 54,486                   | -                          | (54,209)                                 |
| <b>CHANGE IN FUND BALANCE</b>               | 78,360              | 160,385                              | 404                      | -                          | 239,149                                  |
| <b>FUND BALANCE, beginning of year</b>      | 217,839             | 1,564,331                            | 40,279                   | -                          | 1,822,449                                |
| <b>FUND BALANCE, end of year</b>            | <u>\$ 296,199</u>   | <u>\$ 1,724,716</u>                  | <u>\$ 40,683</u>         | <u>\$ -</u>                | <u>\$ 2,061,598</u>                      |

**CITY OF HUBBARD, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - SEWER FUND****YEAR ENDED JUNE 30, 2021**

|   | <b>Budget Amounts</b> |              | <b>Actual</b> | <b>Variance</b> |
|---|-----------------------|--------------|---------------|-----------------|
|   | <b>Original</b>       | <b>Final</b> |               |                 |
| <b>REVENUES</b>                           |                       |              |               |                 |
| Charges for services                      | \$ 480,000            | \$ 483,500   | \$ 500,347    | \$ 16,847       |
| Miscellaneous                             | 30                    | 30           | 1,330         | 1,300           |
| <i>Total Revenues</i>                     | 480,030               | 483,530      | 501,677       | 18,147          |
| <b>EXPENDITURES</b>                       |                       |              |               |                 |
| Sewer                                     | 374,767               | 374,767      | 315,270       | 59,497          |
| Contingency                               | 72,038                | 72,038       | -             | 72,038          |
| <i>Total Expenditures</i>                 | 446,805               | 446,805      | 315,270       | 131,535         |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b> | 33,225                | 36,725       | 186,407       | 149,682         |
| <b>OTHER FINANCING SOURCES (USES)</b>     |                       |              |               |                 |
| Transfers out                             | (105,486)             | (108,986)    | (108,047)     | 939             |
| <b>CHANGE IN FUND BALANCE</b>             | (72,261)              | (72,261)     | 78,360        | 150,621         |
| <b>FUND BALANCE, beginning of year</b>    | 110,134               | 110,134      | 217,839       | 107,705         |
| <b>FUND BALANCE, end of year</b>          | \$ 37,873             | \$ 37,873    | \$ 296,199    | \$ 258,326      |

**CITY OF HUBBARD, OREGON**

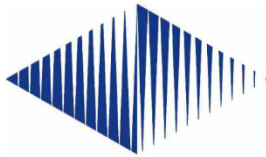
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - SEWER CONSTRUCTION FUND**  
**YEAR ENDED JUNE 30, 2021**

|   | <b>Budget Amounts</b> |                     |                     |                   |
|---|-----------------------|---------------------|---------------------|-------------------|
|   | <b>Original</b>       | <b>Final</b>        | <b>Actual</b>       | <b>Variance</b>   |
| <b>REVENUES</b>                           |                       |                     |                     |                   |
| Charges for services                      | \$ 141,000            | \$ 141,000          | \$ 155,581          | \$ 14,581         |
| Licenses and permits                      | 25,180                | 25,180              | 10,054              | (15,126)          |
| Miscellaneous                             | 3,000                 | 3,000               | 3,765               | 765               |
| <i>Total Revenues</i>                     | 169,180               | 169,180             | 169,400             | 220               |
| <b>EXPENDITURES</b>                       |                       |                     |                     |                   |
| Sewer construction                        | 130,000               | 130,000             | 8,367               | 121,633           |
| Contingency                               | 19,748                | 19,748              | -                   | 19,748            |
| <i>Total Expenditures</i>                 | 149,748               | 149,748             | 8,367               | 141,381           |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b> | 19,432                | 19,432              | 161,033             | 141,601           |
| <b>OTHER FINANCING SOURCES (USES)</b>     |                       |                     |                     |                   |
| Transfers out                             | (1,650)               | (1,650)             | (648)               | 1,002             |
| <b>CHANGE IN FUND BALANCE</b>             | 17,782                | 17,782              | 160,385             | 142,603           |
| <b>FUND BALANCE, beginning of year</b>    | 1,564,380             | 1,564,380           | 1,564,331           | (49)              |
| <b>FUND BALANCE, end of year</b>          | <u>\$ 1,582,162</u>   | <u>\$ 1,582,162</u> | <u>\$ 1,724,716</u> | <u>\$ 142,554</u> |

**CITY OF HUBBARD, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - SEWER BOND FUND****YEAR ENDED JUNE 30, 2021**

|   | <b>Budget Amounts</b> |              | <b>Actual</b> | <b>Variance</b> |
|---|-----------------------|--------------|---------------|-----------------|
|   | <b>Original</b>       | <b>Final</b> |               |                 |
| <b>REVENUES</b>                           |                       |              |               |                 |
| Miscellaneous                             | \$ 800                | \$ 800       | \$ 404        | \$ (396)        |
| <b>EXPENDITURES</b>                       |                       |              |               |                 |
| Debt service                              |                       |              |               |                 |
| Principal                                 | 47,080                | 47,080       | 47,080        | -               |
| Interest                                  | 7,406                 | 7,406        | 7,406         | -               |
| <i>Total Expenditures</i>                 | 54,486                | 54,486       | 54,486        | -               |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b> | (53,686)              | (53,686)     | (54,082)      | (396)           |
| <b>OTHER FINANCING SOURCES (USES)</b>     |                       |              |               |                 |
| Transfers in                              | 54,486                | 54,486       | 54,486        | -               |
| <b>CHANGE IN FUND BALANCE</b>             | 800                   | 800          | 404           | (396)           |
| <b>FUND BALANCE, beginning of year</b>    | 94,718                | 94,718       | 40,279        | (54,439)        |
| <b>FUND BALANCE, end of year</b>          | \$ 95,518             | \$ 95,518    | \$ 40,683     | \$ (54,835)     |

***COMPLIANCE SECTION***



# GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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

(503) 581-7788 • FAX (503) 581-0152

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

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

Honorable Mayor and Members of the City Council  
City of Hubbard  
3720 Second Street  
Hubbard, Oregon 97032

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Hubbard, Oregon as of and for the year ended June 30, 2021, and have issued our report thereon dated December 14, 2021.

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

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

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

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Highway revenues used for public highways, roads, and streets.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Accountability for collecting or receiving money by elected officials - no money was collected or received by elected officials.**

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



***OAR 162-10-0230 - Internal Control***

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

***Restriction on Use***

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

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

By: 

Ryan T. Pasquarella, A Shareholder  
December 14, 2021

## **CITY OF HUBBARD, OREGON**

### **PERSONAL SERVICES AGREEMENT**

AN AGREEMENT between the City of Hubbard, an Oregon municipal corporation ("City") and Civil West Engineering Services, Inc., an Oregon limited liability company ("Provider").

WHEREAS, City and Provider believe it is in their respective and mutual interests to enter into a written Agreement setting out their understandings concerning Provider's provision of on-call civil engineering services for the City.

#### **1. Term**

This Agreement shall run from March 2, 2020 through and including March 1, 2021 or when City pays provider \$100,000.00 for services rendered, whichever occurs first, unless sooner terminated under the provisions of this Agreement.

#### **2. Provider's Service**

The scope of Provider's services, hourly rate and time of performance under this Agreement are set forth in Exhibit "A". All provisions and covenants contained in the exhibit are hereby incorporated by reference and shall become a part of this Agreement as if fully set forth. Any conflict between this Agreement and Provider's proposal (if any) shall be resolved first in favor of this written contract. Provider will, in the rendering of its services to City, use its best efforts and due diligence and provide such personnel as are necessary to successfully provide the services covered under this Agreement (including Exhibit "A").

#### **3. Provider Identification**

Provider shall furnish to City Provider's employer identification number, as designated by the Internal Revenue Service.

#### **4. Compensation**

City agrees to pay Provider at the times and in the amount(s) set out in and in accordance with Exhibit "A".

#### **5. Project Managers**

City's Project Manager is Michael Krebs. Provider's Project Manager is Matt Wadlington. Each party shall give the other written notification of any change in their respective Project Manager.

#### **6. Project Information**

Provider agrees to share all project information, to fully cooperate with all corporations, firms, contractors, governmental entities, and persons involved in or associated with the project. No information, news, or press releases related to the project shall be made to representatives of newspapers, magazines, television and radio stations, or any other news medium without the prior authorization of City's Project Manager.

**7. Duty to Inform**

Provider shall give prompt written notice to City's Project Manager if, at any time during the performance of this contract, Provider becomes aware of actual or potential problems, faults or defects in the project, any nonconformity with the contract, or with any federal, state, or local law, rule or regulation, or has any objection to any decision or order made by City. Any delay or failure on the part of City to provide a written response to Provider shall constitute neither agreement with nor acquiescence in Provider's statement or claim and shall not constitute a waiver of any of City's rights.

**8. Provider is Independent Contractor**

Provider is an independent contractor for all purposes and shall be entitled to no compensation other than the compensation expressly provided by this contract. Provider hereby expressly acknowledges and agrees that as an independent contractor, Provider is not entitled to indemnification by the City or the provision of a defense by the City under the terms of ORS 30.285. This acknowledgment by Provider shall not affect his/her independent ability (or the ability of his/her insurer) to assert the monetary limitations found at ORS 30.270, the immunities listed at ORS 30.265, or other limitations affecting the assertion of any claim under the terms of the Oregon Tort Claims Act (ORS 30.260 to ORS 30.300).

**9. Overtime**

Any person employed on work under this contract, other than a person subject to being excluded from the payment of overtime pursuant to either ORS 653.010 to 653.261 or 29 USC§201 to 209, shall be paid at least time and a half for all overtime worked in excess of 40 hours in any one week.

**10. Indemnity and Insurance**

- i. Indemnity: Provider acknowledges responsibility for any and all liability arising out of the performance of this Agreement and shall hold City harmless from and indemnify and defend City for any and all liability, settlements, loss, costs, and expenses in connection with any action, suit, or claim resulting or allegedly resulting from Provider's acts, omissions, activities or services in the course of performing this contract. Nothing in this contract requires Provider to indemnify City for liability resulting from City's acts, omissions or activities.
- ii. Liability Insurance: Provider shall maintain occurrence form commercial general liability and automobile liability insurance for the protection of Provider, City, its Councilors, officers, agents and employees. Coverage shall include personal injury, bodily injury (including death) and broad form property damage, including loss of use of property, occurring in the course of or in any way related to Provider's operations, in an amount not less than Two Million Dollars (\$2,000,000.00) combined single limit per occurrence. Such insurance shall name City as an additional insured.
- iii. Errors and Omissions Insurance: Provider shall maintain professional liability insurance with limits of not less than Two Million Dollars (\$2,000,000.00) per occurrence covering personal injury and property damage arising from Provider's errors, omissions or malpractice.



- iv. Workers' Compensation Coverage: Provider certifies that Provider has qualified for State of Oregon Workers' Compensation statute, either as a carrier-insured employer as provided by ORS 656.407, or as a self-insured employer. Provider shall provide to City within ten (10) days after Agreement award a certificate of insurance evidencing coverage of all subject workers under Oregon's Workers' Compensation statutes insured by an insurance company satisfactory to City, if any. The certificate and policy shall indicate that the policy shall not be terminated by the insurance carrier without thirty (30) days' advance written notice to City. A copy of the certificate of self-insurance issued by the State shall be provided to City if the Provider is self-insured.
- v. Certificates: Provider shall furnish City certificates evidencing the date, amount, and type of insurance required by this contract. All policies will provide for not less than thirty (30) days' written notice to City before they may be canceled.
- vi. Primary Coverage: The coverage provided by insurance required under this Agreement shall be primary, and any other insurance carried by City shall be excess.

#### **11. Work is Property of City**

All work, including but not limited to documents, drawings, papers, computer programs, and photographs, performed or produced by Provider under this Agreement shall be the property of City.

#### **12. Law of Oregon**

The Agreement shall be governed by the laws of the State of Oregon. Venue shall be in Marion County, Oregon.

#### **13. Errors**

Contractor shall perform such additional work as may be necessary to correct errors in the work required under this without undue delays and without additional cost.

#### **14. Extra or Changes in Work**

Only the Project Manager may authorize extra (and/or change) work. Failure of Provider to secure authorization for extra work shall constitute a waiver of all right to adjustment in the Agreement price or Agreement time due to such unauthorized extra work and Provider thereafter shall be entitled to no compensation whatsoever for the performance of such work.

#### **15. Successors and Assignments**

- i. Both City and Provider bind themselves and any partner, successor, executor, administrator, or assign to this contract.
- ii. Neither City nor Provider shall assign or transfer their rights or obligations in this Agreement without the written consent of the other. Provider must seek and obtain City's written consent before subcontracting any part of the work required of Provider under this contract. Any assignment, transfer, or subcontract attempted in violation of this subparagraph shall be void.

## **16. Records**

- i. Provider shall retain all books, documents, papers, and records that are directly pertinent to this Agreement for at least three years after City makes final payment on this Agreement and all other pending matters are closed.
- ii. Provider shall allow City (or any of its authorized representatives to audit, examine, copy, take excerpts from or transcribe any books, documents, papers, or records that are subject to the foregoing retention requirement.

## **17. Breach of Contract**

- i. Provider shall remedy any breach of this Agreement within the shortest reasonable time after Provider first has actual notice of the breach or City notifies Provider of the breach, whichever is earlier. If Provider fails to remedy a breach in accordance with this paragraph, City may terminate that part of the Agreement affected by the breach upon written notice to Provider, may obtain substitute services in a reasonable manner, and may recover from Provider the amount by which the price for those substitute services exceeds the price for the same services under this contract.
- ii. If the breach is material and Provider fails to remedy the breach in accordance with this paragraph, City may declare Provider in default and pursue any remedy available for a default.
- iii. Pending a decision to terminate all or part of this contract, City unilaterally may order Provider to suspend all or part of the services under this contract. If City terminates all or part of the Agreement pursuant to this paragraph, Provider shall be entitled to compensation only for services rendered prior to the date of termination, but not for any services rendered after City ordered suspension of those services. If City suspends certain services under this Agreement and later orders Provider to resume those services, Provider shall be entitled to reasonable damages actually incurred, if any, as a result of the suspension.
- iv. To recover amounts due under this paragraph, City may withhold from any amounts owed by City to Provider, including but not limited to, amounts owed under this or any other Agreement between Provider and City.

## **18. Mediation/ Trial Without A Jury**

Should any dispute arise between the parties to this Agreement concerning their respective obligations of either or the terms hereof, it is agreed that such dispute will be submitted to a mediator prior to any litigation and the parties hereby expressly agree that no claim or dispute arising under the terms of this Agreement shall be resolved other than first through mediation and only in the event said mediation efforts fail, through litigation. Any litigation arising under or as a result of this Agreement shall be tried to the court without a jury. Each party agrees to be responsible for payment of its own professional fees, including attorneys' fees in both mediation and litigation.

The parties shall exercise good faith efforts to select a mediator who shall be compensated equally by both parties. Mediation will be conducted in Portland, Oregon, unless both parties



agree in writing otherwise. Both parties agree to exercise good faith efforts to resolve disputes covered by this section through this mediation process. If a party requests mediation and the other party fails to respond within ten (10) days or if the parties fail to agree on a mediator within ten (10) days, a mediator shall be appointed by the presiding judge of the Marion County Circuit Court upon the request of either party. The parties shall have any rights at law or in equity with respect to any dispute not covered by this Section.

#### **19. Termination for Convenience**

Either party may terminate this Agreement at any time for its own convenience by providing at least 30 days prior written notice to the other party. Upon termination under this paragraph by City, Provider shall be entitled to compensation for all services rendered prior to actual notice of the termination or the receipt of the City's written notice of termination, whichever is earlier, plus Provider's reasonable costs actually incurred in closing out the contract. Upon termination of under this paragraph by Provider, City is entitled to receive services from Provider up to the termination date.

#### **20. Intellectual Property**

The interest in any intellectual property, including but not limited to copyrights and patents of any type, arising from the performance of this Agreement shall vest in the City. Provider shall execute any assignment or other documents necessary to effect this paragraph. Provider may retain a nonexclusive right to use any intellectual property that is subject to this paragraph. Provider shall transfer to the City any data or other tangible property generated by Provider under this Agreement and necessary for the beneficial use of intellectual property covered by this paragraph.

#### **21. Payment for Labor or Material**

Provider shall make payment promptly, as due, to all persons supplying to Provider labor or material for the prosecution of the work provided for in this contract.

#### **22. Contributions to the Industrial Accident Fund**

Provider shall pay all contributions or amounts due the Industrial Accident Fund from Provider incurred in the performance of this contract, and shall ensure that all subcontractors pay those amounts due from the subcontractors.

#### **23. Income Tax Withholding**

Provider shall pay to the Oregon Department of Revenue all sums withheld from employees pursuant to ORS 316.167.

#### **24. Payment of Claims by the City**

If Provider fails, neglects, or refuses to make prompt payment of any claim for labor or services furnished to Provider or a subcontractor by any person in connection with this Agreement as the claim becomes due, the City may pay the claim to the person furnishing the labor or services and charge the amount of the payment against funds due or to become due to Provider pursuant to this contract. The City's payment of a claim under this Paragraph shall not relieve Provider or Provider's surety, if any, from responsibility for those claims.

**25. Hours of Labor**

Provider shall pay employees for overtime work performed under the terms of this Agreement in accordance with ORS 653.010 to ORS 653.261 and the Fair Labor Standards Act of 1938.

**26. Workers' Compensation**

Provider is a subject employer that will comply with ORS 656.017. Provider warrants that all persons engaged in contract work and subject to the Oregon Workers' Compensation law are covered by a workers' compensation plan or insurance policy that fully complies with Oregon law. Provider shall indemnify City for any liability incurred by City as a result of Provider's breach of the warranty under this Paragraph.

**27. Medical Care for Employees**

Provider shall make payment of all sums to any person, co-partnership, association or corporation, furnishing medical, surgical and/or hospital care incident to the sickness or injury of Provider's employee(s), all sums which Provider agrees to pay for such services and all monies and sums which Provider collected or deducted from the wages of employees pursuant to any law, contract or contract for the purpose of providing or paying for such service.

**28. Modification**

Any modification of the provisions of this Agreement shall be reduced to writing and signed by authorized agents of City and Provider.

**29. No Waiver of Legal Rights**


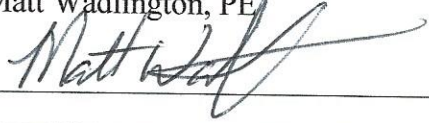
A waiver by a party of any breach by the other shall not be deemed to be a waiver of any subsequent breach.

**30. Integration**

This Agreement contains the entire agreement between the parties and supersedes all prior written or oral discussions or agreements regarding the same subject.

***{SIGNATURES ON FOLLOWING PAGE}***

**SIGNED:**

|   |  |
|---|--|
| <p>City of Hubbard<br/>Michael Krebs, Superintendent</p> <p></p> | <p>Civil West Engineering Services, Inc.<br/>Matt Wadlington, PE</p> <p></p> |
|---|--|





| Civil West Engineering Services, Inc. - 2020 Rate Schedule  |               |
|---|---------------|
| STAFF/ITEM  | BILLING RATE  |
| <b>ENGINEERING</b>  |               |
| Principal Engineer  | \$150         |
| Project Manager   | \$150         |
| Senior Project Engineer   | \$145         |
| Project Engineer  | \$134         |
| Engineering Technician  | \$114         |
| Staff Engineer  | \$84          |
| Inspector 1   | TBD           |
| Inspector 2   | \$134         |
| Inspector 3   | \$114         |
| Engineering Intern  | \$50          |
| Clerical  | \$52          |
| <b>Surveying</b>  |               |
| Senior Surveyor (PLS)   | \$150         |
| Senior Survey Technician  | \$120         |
| Survey Technician   | \$103         |
| 1-person Survey Crew  | \$160         |
| 2-person Survey Crew  | \$188         |
| 3-person Survey Crew  | \$225         |
| <b>REIMBURSABLES</b>  |               |
| Mileage - or current IRS Rate   | \$0.575       |
| Lodging, meals as required for travel   | Cost          |
| Reproduction, Printing, Etc.  | Cost plus 10% |
| Subconsultants  | Cost plus 10% |
| * Scoped Support Services Approved Travel Budgets Will be Developed and Approved by City Using Standard Biling Rates. |               |

Exhibit "A"



**NOTICE OF  
REQUEST FOR PROPOSALS  
CITY ENGINEER OF RECORD SERVICES  
CITY OF HUBBARD OREGON**

**CITY OF HUBBARD**  
**PUBLIC WORKS DEPARTMENT**  
3607 Sunset Drive P.O. Box 380  
Hubbard, OR 97032  
(503)981-9429 Fax: (503)981-8743  
TTY VOICE (503) 735-2900  
[www.cityofhubbard.org](http://www.cityofhubbard.org)

Michael Krebs - Superintendent  
Melinda Olinger - P.W. Administrative Manager  
Heidi Wheeler - Office Assistant  
Juan Hernandez - Utility Worker II  
Tim Steele - Utility Worker I

The City of Hubbard is soliciting Request for Proposals (RFP) for an Engineer of Record to provide engineering services typically conducted by a City engineering department including, but not necessarily limited to planning, design, cost estimation and bidding services for the City of Hubbard's infrastructure, surveying, funding assistance, participation in public meetings and other related or functions as assigned. The City is willing to consider proposals from Engineering firms or individuals. The current City Engineer of Record averages 10 to 20 hours per month, although hours can vary depending on current development and other projects. Responding firm's staff engineers/individuals shall be licensed to practice engineering in the State of Oregon and be members in good standing with the Oregon State Board of Examiners for Engineering and Land Surveying (OSBEELS).

Interested firms/individuals respond solely at their own expense.

**BACKGROUND**

The City of Hubbard (City), population 3305, is located in Marion County, approximately 20 miles from Salem. The City Council consists of the Mayor and four council members elected from the City at large. The City is organized into three departments, Public Works, Administration/Finance and Police. The City operates its own water, wastewater and street utilities. Garbage collection services are provided by a franchise with Republic Services.

The City owns and operates a number of public facilities including the following:

1. Water wells (4); storage reservoir (2); elevated tank storage/water pressure (1); distribution piping.
2. Wastewater Treatment Plant; collection piping.
3. Stormwater collection
4. Transportation
5. Parks System

## PROPOSAL SUBMITTAL AND DUE DATE

Respondents shall provide five hard copies of their proposal clearly marked as "CITY OF HUBBARD CITY ENGINEERING SERVICES PROPOSAL" **by 5:00 p.m. on January 13, 2020** to:

Melinda Olinger  
Public Works Administrative Manager  
City of Hubbard  
3720 2<sup>nd</sup> Street  
P.O. Box 380  
Hubbard OR 97032

## RFP QUESTIONS

Questions regarding this RFP may be directed to Melinda Olinger at [molinger@cityofhubbard.org](mailto:molinger@cityofhubbard.org).

## ANTICIPATED SELECTION SCHEDULE

The City anticipates the following general timeline for the selection process. The schedule may change if it is in the City's best interest to do so.

- |  |                     |
|--|---------------------|
| • RFP Requested                            | December 16, 2019   |
| • Proposals Due                            | January 13, 2020    |
| • Selection Committee Proposal Evaluations | January 14-16, 2020 |
| • Interviews (if needed)                   | January 20-22, 2020 |
| • Notice of Intent to Award                | January 22, 2020    |
| • Contract Execution                       | January 23-30, 2020 |
| • Commencement of Contract                 | March 2, 2020       |

## CONTRACT TERM

It is anticipated the City will enter into a renewable one-year/\$100,000.00 maximum (whichever occurs first) agreement.

## SCOPE OF SERVICES

The City wishes to retain an engineering consultant to perform the work typically conducted by a city engineering department including, but not limited to, the following:

1. Attend meetings as requested by the City, including regular meetings, City Council meetings, special meetings, executive sessions and work sessions.
2. Attend, as needed and requested by the City, meetings of commissions and committees and represent the City in other meetings as necessary and appropriate.
3. Provide civil engineering advice, upon request, to the City and its members/staff.
4. When requested, attend Engineering/Pre-design/Pre-application meetings held at City Hall.



5. Review plans and other data submitted for City approval for compliance with Hubbard Design Standards and for compliance with Public Works conditions of approval from the Design Review Decision. Prepare public works comments for staff reports and conditions of approval on land use applications.
6. Prepare plans and bid documents on designated City infrastructure projects. Provide inspection services on designated City public works projects as requested.
7. Assist the City in obtaining necessary permits from other governmental agencies as requested.
8. Assist Public Works Department in periodic updates to Design and Construction Standards including specification drawings and standard detail drawings.
9. Provide technical civil engineering guidance for Public Works permit applications and public infrastructure improvements in the City's right-of-way or easements.
10. Provide other consulting services as specifically requested by the City.
11. Provide prompt, detailed invoices for work completed for approval and payment.

Much of this work occurs via telephone conferences and email. It is specifically noted that inquiries from the general public and/or the press are outside the purview of the City Engineer and that any and all inquiries for the City Engineer's time shall be channeled through the Public Works Superintendent, Director of Administration/City Recorder, or designee.

### **COMPENSATION**

Generally the City anticipates payment for services on an hourly basis, however the City will also consider alternative proposals. The City reserves the right to negotiate the compensation package to best meet the needs of the City.

### **INSURANCE**

The successful contractor shall be required to carry professional liability insurance of at least \$2,000,000, and upon successful acceptance of the contract, the City of Hubbard shall be named as "additional insured." Proposals shall include delineation of the carrier and overage limits per occurrence. The successful contractor shall indemnify the City of Hubbard from all suits, actions, claims of any kind resulting or as a consequence of any act or omission by the legal firm or its employee or contractor acting under this contract for legal services. See **EXHIBIT A**, *City of Hubbard Personal Services Agreement* for additional details.

### **QUALIFICATIONS OF CITY ENGINEER**

Responding firms shall provide a clear delineation of the size and experience of the firm including resumes of all staff and associates, including registration status in the OSBEELS. It is required that the engineering firm have a transportation engineer and an Oregon licensed surveyor as part of their team (sub consultants are acceptable). In addition, the firm shall provide a representative listing of clients, preferably municipal government clients or clients of public agencies, with contact names and telephone numbers.

The proposal shall identify the primary engineer of the firm to be appointed City Engineer and that individual shall be authorized to represent the firm in all matters between the firm and the City of Hubbard. In addition, the proposal shall include a narrative explaining how the firm shall manage

fulfillment of the duties and responsibilities of the designated City Engineer in his or her absence or inability to act at any given time.

## EVALUATION CRITERIA

The following information will be taken into consideration during the evaluation process:

- Qualifications identified in this RFP
- Familiarity with laws and regulations governing public water, wastewater, storm water and transportation systems, including operations, construction and maintenance of the City's current systems.
- Expertise in the following areas:
  - Civil, Electrical, Mechanical and Transportation Engineering
  - Deep well groundwater pumps and distribution systems
  - Municipal ground water rights acquisition and maintenance
  - Pump stations and gravity wastewater collection systems
  - Wastewater treatment with land applied biosolids
  - Wastewater permit regulations and compliance
  - Municipal transportation systems
  - Street maintenance techniques and applications
  - Oregon land use law/planning and development related infrastructure issues
  - Long range infrastructure planning
  - Public improvement contracting and administration
  - Contract law and intergovernmental agreements
  - Public finance and infrastructure financing
- Demonstration of workload capacity and a level of experience commensurate with the level of service required by the City.
- Adequate support staff and range of services offered.
- Professional reputation for providing high-quality services, ability to work cooperatively with City Councils, City Staff and citizens.
- Demonstrates sound judgment, integrity, and reliability as determined by the references provided.
- Results of interview (if conducted).

## PROPOSAL ORGANIZATION

Proposals should be prepared in generally the following format for the ease of the selection committee in reviewing multiple proposals:

1. **General Overview:** Provide a general overview of the firm or individual, including a discussion relative to the Qualifications section of this RFP. Include relevant information for the firm/individuals included in your staffing plan.
2. **Response to Scope of Services:** Discussion of experience and ability to provide City Engineer services as outlined in the Scope of Services section of this RFP.



3. **Client References/Background:** Provide a representative listing of clients, preferably municipal government clients or clients of public agencies, with contact names and telephone numbers. The City reserves the right to explore the background, previous experience, training, financial affairs or related matters of any firm/individual under consideration for this contract.
4. **Insurance/Indemnification:** A discussion of the proposer's ability to provide the required level of insurance coverage and indemnification of the City of Hubbard as per the Insurance section of this RFP and EXHIBIT A.

#### **PROPOSAL EVALUATION AND SCORING:**

Proposals which conform to the proposal instructions will be evaluated. The evaluation process will begin with an analysis of each proposal using the evaluation criteria and weighting identified below.

- Qualifications 35%
- Experience 35%
- Staffing Plan 20%
- References 10%

#### **OTHER PROVISIONS AND NOTICES**

**Rejection of Proposals:** The City of Hubbard may reject any proposal not in compliance with all the prescribed public proposal procedures and requirements, and may reject for good cause any or all proposals in accordance with ORS 279B.100.

#### **Public Records:**

All submissions are the property of the City of Hubbard and are public records. If you believe your documents are exempt public records, please clearly mark each document and/or portion of document as such and indicate what exemption may apply. The City makes no guarantees that document submitted to the City will be kept confidential.



# Chief's Report

*"Committed to our community"*

**TO:** Mayor and City Council Members

**FROM:** David J. Rash, Chief of Police

**DATE:** February 1, 2022

**RE:** **January 2022** Police Department Report

## The Success Of Teamwork

*"Coming together is a beginning; keeping together is progress; working together is success." – Henry Ford*

- **Notable Police Activity January 2022**

We took a burglary at one of our businesses on January 29, 2022. A citizen interrupted the burglary and the suspect fled in a stolen truck and trailer leading several agencies on a chase. Our officers were not involved in the pursuit. The vehicle was found near the Portland State University Campus unoccupied. Our officer assigned to the case is working with the owner on determining what was taken.

Officer Bentley worked a theft of a trailer case that was taken by Sergeant Anderson in December. The victim of the theft found the trailer on Facebook Marketplace. Officer Bentley came in early and worked with Woodburn Police Department Detectives. They were able to arrest a prolific thief and recover the trailer for our citizen.

FBI agents came to the police department on January 27, 2022 and wanted me to be aware that they were impressed with our officers on a child pornography case. The case is approximately a year old, but originated

with ICAT of the Oregon Department of Justice. Our officers conducted the initial investigation and obtain necessary information to seize evidence under a search warrant. The case was submitted for prosecution.

Please refer to the monthly statistical report for a complete list of incidents we responded to.

- **Accreditation Update:**

Administrative Assistant Molly Schwartz will have accreditation completed in the next month or two and we should be re-accredited by OAA with the award presented at the Chief's Conference in April.

- **Hiring/Personnel**

Officer Mark Wai has completed his field training and has been released to solo status.

We have three applicants for the vacant police officer position. Testing is set for February 16, 2022.

- **Community Outreach**

National Night Out is on Tuesday, August 2, 2022 at 6:00 p.m. Please contact Police Administrative Assistant Molly Schwarz if you would like to host an event. [mschwartz@cityofhubbard.org](mailto:mschwartz@cityofhubbard.org) or 503-981-8738

- **Training**

Officer Bentley and Officer Wai are attending a class designed for officers who have been through a deadly encounter on February 8, 2022. This class focuses on the officer's mental health if involved in such an incident.

Officer Holliman is attending a C.A.L.M seminar on February 11, 2022 at the Portland Police Bureau's Training Division. PPB brought this training out and offered seats for free. C.A.L.M gives officer advanced skills and techniques in de-escalating situations where subjects are in mental crisis.

All officers are completing the OSHA Yearly Mandatory Training of Blood borne Pathogens and Hazmat.



Officers will be attending Emergency Vehicle Operations Training in March. The training is throughout the month and will be at PIR in Portland.

Respectfully Submitted,

David J. Rash, Chief of Police  
Hubbard Police Department

# HUBBARD POLICE



*PO Box 380/3720 Second Street  
Hubbard, OR 97032 503-981-8738*

## Monthly Statistical Report

To: Mayor and City Council Members  
From: Chief David Rash  
Date: February 1, 2022  
RE: January 2022 Statistics

|                             |     |
|-----------------------------|-----|
| Adult and Juvenile Arrests: | 18  |
| Citations Issued:           | 61  |
| Towed Vehicles:             | 5   |
| Calls for service:          | 408 |

| HPD Calls for Service     |            |
|---------------------------|------------|
| Jan-22                    |            |
| Call Type                 | Total      |
| 911 Investigation         | 1          |
| Alarm - Burg              | 3          |
| Area Check                | 64         |
| Assist - Police           | 4          |
| Assist - Traffic          | 7          |
| Attempt to Locate         | 3          |
| Bar Check                 | 6          |
| Burglary                  | 2          |
| Civil Situation           | 5          |
| Crash - Non Injury        | 2          |
| Death Investigation       | 1          |
| DHS Referral              | 5          |
| Disturbance               | 4          |
| EDP                       | 13         |
| Elude                     | 2          |
| Family Disturbance        | 2          |
| FIR                       | 1          |
| Foot Patrol               | 7          |
| Forgery                   | 2          |
| Harassment - Verbal       | 3          |
| Info                      | 1          |
| Intoxicated Subject       | 5          |
| Menacing                  | 1          |
| Missing Child/Elder       | 2          |
| Narcotics Investigation   | 1          |
| Noise Complaint           | 3          |
| Ordinance - Other         | 5          |
| Parking Violation         | 1          |
| Public Assist             | 51         |
| Radar                     | 2          |
| Reckless Driving          | 4          |
| Robbery                   | 1          |
| Stolen Vehicle            | 1          |
| Suspicious Activity       | 4          |
| Suspicious Person/Vehicle | 18         |
| Theft - Other             | 2          |
| Traffic Stop              | 150        |
| Vandalism                 | 2          |
| Warrant Service           | 12         |
| Welfare Check             | 3          |
| <b>Total</b>              | <b>434</b> |

**RESOLUTION NO. 722-2022**

**A RESOLUTION TRANSFERRING APPROPRIATIONS WITHIN THE 2021/22 BUDGET**

**Findings:**

- A. After the budget process for the fiscal year 2021-2022 was completed, an occurrence or condition arose that could not have been ascertained at the time of the budget preparation.
- B. ORS 294.463 allows the Council to authorize transfer within a given fund and ORS 294.463(2) allows less than 15 percent of the total appropriations in the fund to be transferred from contingency.
- C. The Wastewater Treatment Plant (WWTP) screw pump system requires replacement to keep the treatment process operating as required.
- D. Funds in the amount of \$19,960 are required to meet the wastewater equipment procurement costs as was approved and directed by City Council.

**Based on the findings, the City of Hubbard ordains as follows:**

- a. \$19,960 will be transferred from the Sewer Fund Contingency (201-900-9900) to the Sewer Fund Equipment & Supplies (201-432-6700).
- 1. This Resolution will be effective following its adoption by the Hubbard City Council.

**ADOPTED BY THE CITY COUNCIL this 8<sup>th</sup> day of February, 2022.**

**APPROVED:**

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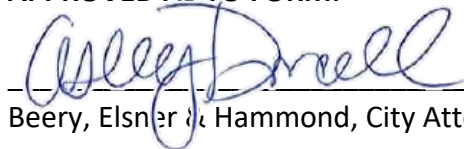
Charles Rostocil, Mayor

**ATTEST:**

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Vickie Nogle, MMC  
Director of Administration/City Recorder

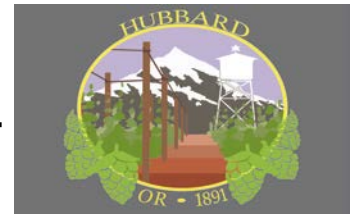
**APPROVED AS TO FORM:**



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Beery, Elsner & Hammond, City Attorney

# DIRECTOR OF ADMINISTRATION/ CITY RECORDER MONTHLY REPORT



To: CITY COUNCIL  
From: VICKIE NOGLE, MMC, Director of Administration/City Recorder  
Date: FEBRUARY 2, 2022  
RE: REPORT FOR FEBRUARY 8, 2022, CITY COUNCIL MEETING

## PLANNING COMMISSION MEETING

The following application will be before the Planning Commission at the February 15, 2022, meeting:

- Continued Site Development Review #DR 2021-03 / 2755 Pacific Highway 99E (Architect Michael Wellman for Westside Drywall / Moshen Salem, Abiqua Investments LLC) for the development of a new 6,210 SF warehouse.

## NEWSLETTER

Please submit your information for the Newsletter no later than **February 15, 2021**. You can submit them in writing or e-mail the Administrative Assistant/Court Clerk Julie Hedden at [jhedden@cityofubbard.org](mailto:jhedden@cityofubbard.org).

## BUILDING PERMITS

0 building permit applications have been submitted January 2022.

## Report Criteria:

Suppress employee name and number

Employee.Employee number &lt;&gt; 104

| Employee Number          | Name                | Rate Desc | Hours Beg Bal | Hours Accrued | Hours Used | Hours Remain | Liability Amount |
|--------------------------|---------------------|-----------|---------------|---------------|------------|--------------|------------------|
| Administration           |                     |           |               |               |            |              |                  |
| 137                      | Hedden, Julie       | Vac       | 190.22        | .00           | .00        | 190.22       | 4,519.17         |
|                          |                     | Sic       | 199.75        | .00           | .00        | 199.75       |                  |
|                          |                     | Hol       | .00           | .00           | .00        | .00          | .00              |
|                          |                     | Com       | 39.21         | .00           | .00        | 39.21        | 931.42           |
| 117                      | Nogle, Vickie Lynne | Vac       | 258.23        | .00           | .00        | 258.23       | 10,189.60        |
|                          |                     | Sic       | 985.25        | .00           | .00        | 985.25       |                  |
|                          |                     | Hol       | 20.00         | .00           | .00        | 20.00        | 789.19           |
|                          |                     | Com       | 60.28         | .00           | .00        | 60.28        | 2,378.61         |
| Total Administration:    |                     |           | 1,752.94      | .00           | .00        | 1,752.94     |                  |
| Police Department        |                     |           |               |               |            |              |                  |
| 101                      | Anderson, Chris     | Vac       | 250.21        | .00           | .00        | 250.21       | 9,639.97         |
|                          |                     | Sic       | 1,237.00      | .00           | .00        | 1,237.00     |                  |
|                          |                     | Hol       | 44.50         | .00           | .00        | 44.50        | 1,714.47         |
|                          |                     | Com       | 7.82          | .00           | .00        | 7.82         | 301.29           |
| 103                      | Bentley, Glen W     | Vac       | 130.34        | .00           | .00        | 130.34       | 4,265.65         |
|                          |                     | Sic       | 1,434.00      | .00           | .00        | 1,434.00     |                  |
|                          |                     | Hol       | 30.00         | .00           | .00        | 30.00        | 981.81           |
|                          |                     | Com       | .00           | .00           | .00        | .00          | .00              |
| 139                      | Holliman, Steve     | Vac       | 55.65         | .00           | .00        | 55.65        | 1,684.24         |
|                          |                     | Sic       | 25.75         | .00           | .00        | 25.75        |                  |
|                          |                     | Hol       | 75.00         | .00           | .00        | 75.00        | 2,269.86         |
|                          |                     | Com       | 4.75          | .00           | .00        | 4.75         | 143.76           |
| 128                      | Rash, David         | Vac       | 43.84         | .00           | .00        | 43.84        | 2,218.21         |
|                          |                     | Sic       | 301.00        | .00           | .00        | 301.00       |                  |
|                          |                     | Hol       | .00           | .00           | .00        | .00          | .00              |
|                          |                     | Com       | 23.50         | .00           | .00        | 23.50        | 1,189.05         |
| 129                      | Schwartz, Molly     | Vac       | 14.75         | .00           | .00        | 14.75        | 364.44           |
|                          |                     | Sic       | 38.50         | .00           | .00        | 38.50        |                  |
|                          |                     | Hol       | 3.00          | .00           | .00        | 3.00         | 74.12            |
|                          |                     | Com       | .01           | .00           | .00        | .01          | .25              |
| 140                      | Wai, Mark-Carlo     | Vac       | 30.00         | .00           | .00        | 30.00        | 777.51           |
|                          |                     | Sic       | 26.00         | .00           | .00        | 26.00        |                  |
|                          |                     | Hol       | 100.00        | .00           | .00        | 100.00       | 2,591.70         |
|                          |                     | Com       | 15.00         | .00           | .00        | 15.00        | 388.76           |
| Total Police Department: |                     |           | 3,890.62      | .00           | .00        | 3,890.62     |                  |
| Public Works             |                     |           |               |               |            |              |                  |
| 138                      | Caballero, Aaron    | Vac       | 65.34         | .00           | .00        | 65.34        | 1,306.81         |
|                          |                     | Sic       | 155.00        | .00           | .00        | 155.00       |                  |
|                          |                     | Hol       | 36.25         | .00           | .00        | 36.25        | 725.00           |
|                          |                     | Com       | .00           | .00           | .00        | .00          | .00              |
| 109                      | Hernandez, Juan M   | Vac       | 249.47        | .00           | .00        | 249.47       | 6,470.75         |
|                          |                     | Sic       | 672.50        | .00           | .00        | 672.50       |                  |
|                          |                     | Hol       | .00           | .00           | .00        | .00          | .00              |
|                          |                     | Com       | 14.27         | .00           | .00        | 14.27        | 370.01           |
| 112                      | Krebs, Michael R    | Vac       | 260.23        | .00           | .00        | 260.23       | 10,253.89        |
|                          |                     | Sic       | 1,346.50      | .00           | .00        | 1,346.50     |                  |
|                          |                     | Hol       | 30.25         | .00           | .00        | 30.25        | 1,191.95         |
|                          |                     | Com       | 79.79         | .00           | .00        | 79.79        | 3,143.98         |
| 118                      | Olinger, Melinda L  | Vac       | 257.27        | .00           | .00        | 257.27       | 8,586.23         |

| Employee Number     | Name            | Rate Desc | Hours Beg Bal | Hours Accrued | Hours Used | Hours Remain | Liability Amount |
|---------------------|-----------------|-----------|---------------|---------------|------------|--------------|------------------|
| 124                 | Steele, Timothy | Sic       | 1,269.75      | .00           | .00        | 1,269.75     |                  |
|                     |                 | Hol       | 21.25         | .00           | .00        | 21.25        | 709.21           |
|                     |                 | Com       | 63.15         | .00           | .00        | 63.15        | 2,107.59         |
|                     |                 | Vac       | 226.92        | .00           | .00        | 226.92       | 5,003.96         |
|                     |                 | Sic       | 195.00        | .00           | .00        | 195.00       |                  |
|                     |                 | Hol       | 3.50          | .00           | .00        | 3.50         | 77.18            |
| 136                 | Wheeler, Heidi  | Com       | 8.75          | .00           | .00        | 8.75         | 192.96           |
|                     |                 | VPT       | 80.07         | .00           | .00        | 80.07        | 1,544.66         |
|                     |                 | Sic       | 9.71          | .00           | .00        | 9.71         |                  |
| Total Public Works: |                 |           | 5,044.96      | .00           | .00        | 5,044.96     |                  |
| Grand Totals:       |                 |           | 10,688.51     | .00           | .00        | 10,688.51    |                  |

Pay Code Summary

| Hours Beg Bal | Hours Accrued | Hours Used | Hours Remain | Liability Amount |
|---------------|---------------|------------|--------------|------------------|
| 2,112.54      | .00           | .00        | 2,112.54     | 66,825.09        |
| 7,895.71      | .00           | .00        | 7,895.71     |                  |
| 363.75        | .00           | .00        | 363.75       | 11,124.49        |
| 316.52        | .00           | .00        | 316.52       | 11,147.68        |

Report Criteria:

Suppress employee name and number  
Employee.Employee number <> 104

## - MONTHLY REPORT -

**DATE:** February 8, 2022  
**TO:** City Council  
**FROM:** Melinda Olinger, P.W. Administrative Manager

**ITEM #1** As requested by Council, Mike has completed his review of the condition of the City's sidewalks. His report is attached.

**ITEM #2** Per our grant application to Marion County, the City has been awarded \$1,000,000 in ARPA funds for the City's water system improvements. These funds will go a long way to assist with moving this project forward!

As requested by Marion County with the award notification, we are preparing an updated project budget and deliverables schedule, to be submitted to Marion County no later than February 11, 2022. In addition, we will be making recommendations to the pending grant agreement for these funds. We hope the agreement will be ready for Council approval and signature at the March, 2022 council meeting.

**ITEM #3** On December 24, 2021, a truck hit and damaged the hydrant on the corner of 7<sup>th</sup> and "J" Streets. I have been working with their insurance company, and anticipate the repair will be completed within the next 60-90-days. As part of the repair, the hydrant will be relocated by 6-feet as its current location makes a similar situation likely to happen again in the future. With the exception of the cost to relocate the hydrant, the trucking company's insurance company will reimburse the cost of repair.

**ITEM #4** At the time I am writing this report, Staff continues to work on the procurement of the WWTP screw pump replacement equipment. We have one firm quote in the amount of \$19,960. As procurement laws require, we are working to obtain two additional quotes.

There is an 8-12 week delay in delivery of this equipment once the order has been placed, so in order to expedite the process, Public Works requests Council authorization and approval to transfer up to \$19,960 from our wastewater contingency fund (201-900-9900) and move it to our wastewater equipment maintenance and supplies (201-432-6700). We know the cost of this equipment will not exceed this amount and could be slightly less dependent on additional pending quotes.

Once Staff has received and compared all equipment quotes, we will move forward to place the order for the most cost-effective option, and will bring a resolution for signature to the March, 2022 council meeting.

As council recalls, this equipment will replace the screw pump system. The replacement cost for the screw pump was originally quoted at \$154,000. Working with WWTP equipment specialists, Mike was able to find a significantly less costly option for this critical equipment. To date, the rental equipment has been working flawlessly. We will continue to rent the equipment until the replacement equipment is ready for install. The rental cost is \$1,898.21 per month.



**ITEM #5** We anticipate the delivery of the WWTP replacement gear box by the time of the Council meeting. The cost of this equipment was \$3,933.

**ITEM #6** On the Consent Agenda is a Park Use Application request to approve and authorize the Marion Polk Food Share program to use Rivenes Park for a mobile food pantry, once per month from 2:30 to 6:00, including set-up and tear down of their pop-up tent. Please see the attached program description.

Public Works recommends Council approve this park use request contingent upon receiving the mandatory insurance documentation.

**ITEM #7** The Well #2 motor has stopped working, and we have requested quotes for both a repair/rebuild and replacement. Additional information will be shared once we receive it.

**ITEM #8** We regret to inform Council that Utility Worker I Tim Steele has submitted his resignation notice. His last day with the City will be Wednesday, February 9, 2022. We wish him the best of luck with his new endeavors.

On the Consent Agenda is a request for Council authorization to begin the recruitment process for his replacement.

|  |
|--|
| <b>The Public Works Department completed 27 requests for locates for the month of January.</b> |
|--|

## **JANUARY 2022 SIDEWALK CONDITION INVENTORY**

**Note:** There are properties that have sidewalk frontage that are not included in this inventory. In these areas sidewalks would need to be removed if sidewalk construction projects were done. Due to existing continuity issues. (Example 3501 7<sup>th</sup> St.)

### **GOOD CONDITION**

| <b><u>STREET</u></b> | <b><u>SECTION</u></b>              |
|----------------------|------------------------------------|
| 1. 10 <sup>th</sup>  | D St. to Thomas Way East/West Side |
| 2. 9 <sup>th</sup>   | B St. to C St. East/West Side      |
| 3. 8 <sup>th</sup>   | A St. to Thomas Way East/West Side |
| 4. 7 <sup>th</sup>   | B St. to D St. West Side           |
| 5. 5 <sup>th</sup>   | A St. to North End East/ West Side |
| 6. 5 <sup>th</sup>   | D St. to F St. West Side           |
| 7. 5 <sup>th</sup>   | G St. to J St. West Side           |
| 8. 5 <sup>th</sup>   | Half block at J St. East Side      |
| 9. 4 <sup>th</sup>   | D St. to E St. East Side           |
| 10. 4 <sup>th</sup>  | Half Block at E St. East Side      |
| 11. 4 <sup>th</sup>  | Half Block at F St. West Side      |
| 12. 4 <sup>th</sup>  | J St. to S. Lydia Loop West Side   |
| 13. 3 <sup>rd</sup>  | Moonbeam to North End West Side    |
| 14. 3 <sup>rd</sup>  | D St. to F St. West Side           |
| 15. 3 <sup>rd</sup>  | Half Block at E St. East Side      |
| 16. 3 <sup>rd</sup>  | G St. to J St. West Side           |
| 17. 2 <sup>nd</sup>  | A St. to C St. East Side           |
| 18. 2 <sup>nd</sup>  | Half Block at H St. East Side      |
| 19. 2 <sup>nd</sup>  | Half Block at I St. East Side      |
| 20. 1 <sup>st</sup>  | Half Block at I St. East Side      |
| 21. 99E              | D St. to North End East Side       |
| 22. 99E              | 4215 99E West Side                 |
| 23. 99E              | Half Block at J St. West Side      |
| 24. 99E              | 2755 99E West Side                 |
| 25. 99E              | 2754 99E East Side                 |

|                                   |                                     |                  |
|-----------------------------------|-------------------------------------|------------------|
| 26. 99E                           | Block S. at Schmidt Ln.             | East Side        |
| 27. 99E                           | Block S. at Schmidt Ln.             | West Side        |
| 28. 99E                           | Half Block N. at Schmidt Ln.        | West Side        |
| 29. Thomas Way                    | 10 <sup>th</sup> to 8 <sup>th</sup> | North/south Side |
| 30. Thomas Ct.                    | 8 <sup>th</sup> to East End         | North/South Side |
| 31. Dorsey Dr.                    | W. Baines to E. Baines              | North/South Side |
| 32. Baines Blvd.                  | West End to 3 <sup>rd</sup> St.     | North/South Side |
| 33. Morfitt                       | Baines to Dorsey                    | East/West Side   |
| 34. Munker                        | Baines to Dorsey                    | East/West Side   |
| 35. Kurth                         | Baines to North End                 | East/West Side   |
| 36. Mill Creek Ln. (Private Road) | Baines to 3 <sup>rd</sup>           | North Side       |
| 37. Nina Place                    | 3 <sup>rd</sup> to West End         | North/South Side |
| 38. Riveria Ave.                  | 5 <sup>th</sup> to West End         | North/South Side |
| 39. Kari Ln.                      | 5 <sup>th</sup> to Allan Ave.       | North/South Side |
| 40. Moonbeam Ct.                  | 3 <sup>rd</sup> to West End         | North/South Side |
| 41. A St.                         | 10 <sup>th</sup> to 7 <sup>th</sup> | North/South Side |
| 42. A St.                         | Half Block at 4 <sup>th</sup>       | North Side       |
| 43. B St.                         | 10 <sup>th</sup> to 7 <sup>th</sup> | South Side       |
| 44. B St.                         | 10 <sup>th</sup> to 9 <sup>th</sup> | North Side       |
| 45. B St.                         | Half Block at 9 <sup>th</sup>       | North Side       |
| 46. C St.                         | 9 <sup>th</sup> to 7 <sup>th</sup>  | North/South Side |
| 47. C St.                         | 2 <sup>nd</sup> to 1 <sup>st</sup>  | North Side       |
| 48. D St.                         | 10 <sup>th</sup> to 3 <sup>rd</sup> | North Side       |
| 49. D St.                         | 7 <sup>th</sup> to 99E              | South Side       |
| 50. D St.                         | 99E to Casteel St.                  | North Side       |
| 51. E St.                         | 4 <sup>th</sup> to 3 <sup>rd</sup>  | South Side       |
| 52. F St.                         | 5 <sup>th</sup> to 4 <sup>th</sup>  | North Side       |
| 53. G St.                         | Half Block at 3 <sup>rd</sup>       | South Side       |
| 54. G St.                         | 2 <sup>nd</sup> to 99E              | North/South Side |
| 55. I St.                         | 2 <sup>nd</sup> to 1 <sup>st</sup>  | North/South Side |
| 56. J St.                         | Half Block at Walnut                | North Side       |
| 57. J St.                         | Walnut Ct. to 5 <sup>th</sup>       | North/South Side |

|                      |                              |                  |
|----------------------|------------------------------|------------------|
| 58. J St.            | 1 <sup>st</sup> to 99E       | South Side       |
| 59. J St.            | 99E to G St.                 | North/South Side |
| 60. Walnut Ct.       | J to South End               | East/West Side   |
| 61. Beaver Ct.       | 4 <sup>th</sup> to South End | East/West Side   |
| 62. North Lydia Loop | 4 <sup>th</sup> to West End  | North/South Side |
| 63. South Lydia Loop | 4 <sup>th</sup> to West End  | North/South Side |
| 64. Industrial Ave.  | 2966 Industrial Ave.         | East Side        |
| 65. Industrial Ave.  | 2967 Industrial Ave.         | West Side        |
| 66. Industrial Ave.  | 2900 Industrial Ave.         | East Side        |
| 67. Industrial Ave.  | 2800-2850 Industrial Ave.    | East Side        |
| 68. Industrial Ave.  | 2600 Industrial Ave.         | East Side        |
| 69. Industrial Ave.  | 2500 Industrial Ave.         | East Side        |
| 70. Industrial Ave.  | 2405 Industrial Ave.         | North/West Side  |
| 71. Industrial Ave.  | 2360 Industrial Ave.         | South Side       |
| 72. Industrial Ave.  | 2363 Industrial Ave.         | North Side       |
| 73. Industrial Ave.  | 2354 Industrial Ave.         | South Side       |
| 74. Industrial Ave.  | 2350 Industrial Ave.         | South Side       |
| 75. Industrial Ave.  | 2340 Industrial Ave.         | South Side       |

#### **POOR CONDITION**

| <b><u>STREET</u></b> | <b><u>SECTION</u></b>               |                  |
|----------------------|-------------------------------------|------------------|
| 1. 10 <sup>th</sup>  | At Allan S. 1 Block                 | West Side        |
| 2. 5 <sup>th</sup>   | A St. to D St.                      | West Side        |
| 3. 5 <sup>th</sup>   | F St., to G St.                     | West Side        |
| 4. 4 <sup>th</sup>   | Half Block at E St.                 | West Side        |
| 5. 4 <sup>th</sup>   | Half block at F St.                 | East Side        |
| 6. 3 <sup>rd</sup>   | A St. to D St.                      | West Side        |
| 7. 3 <sup>rd</sup>   | F St. to G St.                      | West Side        |
| 8. 2 <sup>nd</sup>   | Half Block N. at B St.              | West Side        |
| 9. 2 <sup>nd</sup>   | B St. to c St.                      | West Side        |
| 10. 2 <sup>nd</sup>  | E St. to H St.                      | East Side        |
| 11. 2 <sup>nd</sup>  | H St. to I St.                      | West Side        |
| 12. Allan Ave.       | 10 <sup>th</sup> to 5 <sup>th</sup> | North/South Side |

|                  |                                    |                  |
|------------------|------------------------------------|------------------|
| 13. Vickie Ct.   | At Allan                           | East/West Side   |
| 14. Sunset Dr.   | S. of F St.                        | East/West Side   |
| 15. Sunset Dr.   | N. of F St.                        | East/West Side   |
| 16. Hillside Ct. | At Sunset                          | North/South Side |
| 17. West Place   | At F St.                           | East/West Side   |
| 18. A St.        | 1 Block at 4 <sup>th</sup> St.     | North Side       |
| 19. C St.        | 7 <sup>th</sup> to 6 <sup>th</sup> | North Side       |
| 20. E St.        | 5 <sup>th</sup> to 4 <sup>th</sup> | South Side       |
| 21. E St.        | 2 <sup>nd</sup> to 99E             | South Side       |
| 22. F St.        | 7 <sup>th</sup> to Sunset          | North/South Side |
| 23. G St.        | 7 <sup>th</sup> to 3 <sup>rd</sup> | South Side       |
| 24. G St.        | Across Railroad                    | South Side       |
| 25. J St.        | 5 <sup>th</sup> to 3 <sup>rd</sup> | South Side       |

#### **NO SIDEWALKS**

| <b><u>STREET</u></b> | <b><u>SECTION</u></b> |                |
|----------------------|-----------------------|----------------|
| 1. 7 <sup>TH</sup>   | A St. to B St.        | East/West Side |
| 2. 7 <sup>th</sup>   | B St. to D St.        | East Side      |
| 3. 7 <sup>th</sup>   | D St. to J St.        | East/West Side |
| 4. 6 <sup>th</sup>   | A St. to C St.        | East/West Side |
| 5. 5 <sup>th</sup>   | A St. to D St.        | East Side      |
| 6. 5 <sup>th</sup>   | A St. to J St.        | East Side      |
| 7. 4 <sup>th</sup>   | A St. to D St.        | East/West Side |
| 8. 4 <sup>th</sup>   | D St. to E St.        | West Side      |
| 9. 4 <sup>th</sup>   | F St. to J St.        | East/West Side |
| 10. 3 <sup>rd</sup>  | A St. to Moonbeam Ct. | West Side      |
| 11. 3 <sup>rd</sup>  | N. End to S. End      | East Side      |
| 12. 3 <sup>rd</sup>  | J St. to S. End       | West Side      |
| 13. 2 <sup>nd</sup>  | A St. to B St.        | East Side      |
| 14. 2 <sup>nd</sup>  | C St. to D St.        | East/West Side |
| 15. 2 <sup>nd</sup>  | D St. to E St.        | West Side      |
| 16. 1 <sup>st</sup>  | N. End to S. End      | East Side      |

|                     |                                    |                  |
|---------------------|------------------------------------|------------------|
| 17. 99E             | D St. to S. End                    | East Side        |
| 18. 99E             | D St. to N. End                    | West Side        |
| 19. A St.           | 7 <sup>th</sup> to 5 <sup>th</sup> | North/South Side |
| 20. A St.           | 5 <sup>th</sup> to 99E             | South Side       |
| 21. A St.           | 5 <sup>th</sup> to 4 <sup>th</sup> | North Side       |
| 22. A St.           | 4 <sup>th</sup> to 99E             | North Side       |
| 23. B St.           | 6 <sup>th</sup> to 3 <sup>rd</sup> | North/South Side |
| 24. B St.           | 1 Block West of 7 <sup>th</sup>    | North Side       |
| 25. B St.           | 2 <sup>nd</sup> to 1 <sup>st</sup> | North/South Side |
| 26. C St.           | 7 <sup>th</sup> to 3 <sup>rd</sup> | North/South Side |
| 27. D St.           | 3 <sup>rd</sup> to 99E             | North Side       |
| 28. D St.           | 99E to Rainbow Loop                | South Side       |
| 29. E St.           | 7 <sup>th</sup> to 5 <sup>th</sup> | North/South Side |
| 30. E St.           | 5 <sup>th</sup> to 4 <sup>th</sup> | North Side       |
| 31. E St.           | 2 <sup>nd</sup> to 1 <sup>st</sup> | North Side       |
| 32. F St.           | 5 <sup>th</sup> to 3 <sup>rd</sup> | South Side       |
| 33. F St.           | 4 <sup>th</sup> to 3 <sup>rd</sup> | North Side       |
| 34. G St.           | 7 <sup>th</sup> to 2 <sup>nd</sup> | North Side       |
| 35. G St.           | 99E to J St.                       | North/South Side |
| 36. H St.           | 5 <sup>th</sup> to 3 <sup>rd</sup> | North/South Side |
| 37. I St.           | 5 <sup>th</sup> to 3 <sup>rd</sup> | North/South Side |
| 38. J St.           | 7 <sup>th</sup> to Walnut Ct.      | South Side       |
| 39. J St.           | 5 <sup>th</sup> to 3 <sup>rd</sup> | North Side       |
| 40. J St.           | 2 <sup>nd</sup> to 1 <sup>st</sup> | South Side       |
| 41. J St.           | 2 <sup>nd</sup> to 99E             | North Side       |
| 42. J St.           | G St. East End                     | North/West Side  |
| 43. Casteel St.     | D St. to North End                 | East/West Side   |
| 44. Hoodview St.    | D St. to J St.                     | East/West Side   |
| 45. Oak St.         | D St. to North End                 | East/West Side   |
| 46. Oakridge Ln.    | D St. to J St.                     | East/West Side   |
| 47. Industrial Ave. | J St. to 99E                       | East/West Side   |
| 48. Industrial Ave. | J St. to 99E                       | North/South Side |

**CITY OF HUBBARD  
CITY COUNCIL MEETING MINUTES  
SPECIAL EXECUTIVE  
DECEMBER 13, 2021**

**CALL TO ORDER:** The Hubbard City Council meeting was called to order by Mayor Charles Rostocil at 6:00 p.m. at the Hubbard City Hall, 3720 Second St., Hubbard.

**FLAG SALUTE:** Mayor Charles Rostocil led the group in reciting the Pledge of Allegiance.

**City Council Present:** Mayor Charles Rostocil, City Councilor James Audritsh, City Councilor Tyler Thomas, City Councilor Robert Prinslow.

**Staff Present:** Director of Administration/City Recorder Vickie Nogle, MMC; Police Chief Dave Rash; Public Works Superintendent Mike Krebs.

**EXECUTIVE SESSION.**

**COUNCIL RECESS OPEN PUBLIC MEETING AND CONVENE CLOSED EXECUTIVE SESSION TO REVIEW AND EVALUATE EMPLOYMENT-RELATED PERFORMANCE OF EMPLOYEES ORS 192.660(2)(i). PURSUANT TO ORS 192.660(4) COUNCIL SPECIFICALLY REQUEST THAT MEMBERS OF THE MEDIA AND OTHER ATTENDEES SHALL NOT DISCLOSE MATTERS DISCUSSED IN THE EXECUTIVE SESSION.** Mayor Charles Rostocil declared the ORS for the executive session and opened the closed executive session at 6:02 p.m.

**COUNCIL CLOSE EXECUTIVE (CLOSED) SESSION AND RECONVENE THE PUBLIC (OPEN) MEETING.** Mayor Charles Rostocil closed the executive (closed) session and reconvened the public (open) meeting at 8:04 p.m.

MSA/Mayor Charles Rostocil/City Councilor Robert Prinslow made a motion to give a 2% merit increase from the base pay to the Director of Administration/City Recorder Vickie Nogle retroactive to October 1, 2021. City Councilor Robert Prinslow, City Councilor Tyler Thomas, City Councilor James Audritsh, and Mayor Charles Rostocil were in favor. Motion carried unanimously.

**ADJOURNMENT - (NEXT REGULAR CITY COUNCIL MEETING IS TUESDAY, JANUARY 12, 2021, AT 7:00 P.M.)** MSA/City Councilor Tyler Thomas/City Councilor James Audritsh moved to adjourn the meeting. City Councilor Robert Prinslow, City Councilor Tyler Thomas, City Councilor James Audritsh, and Mayor Charles Rostocil were in favor. Motion carried unanimously. Meeting adjourned at 8:05 p.m.

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Mayor Charles Rostocil

**ATTEST:**

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Vickie L. Nogle, MMC, Director of Admin/City Recorder  
Transcribing

**CITY OF HUBBARD  
CITY COUNCIL MEETING MINUTES  
DECEMBER 14, 2021**

**CALL TO ORDER:** The Hubbard City Council meeting was called to order by Mayor Charles Rostocil at 7:00 p.m.

**FLAG SALUTE:** Mayor Charles Rostocil led the group in reciting the Pledge of Allegiance.

**CITY COUNCIL PRESENT:** Mayor Charles Rostocil, City Councilor James Audritsh, City Councilor Robert Prinslow, City Councilor Tyler Thomas (via Zoom).

**STAFF PRESENT:** Director of Administration/City Recorder Vickie Nogle, Public Works Superintendent Michael Krebs, Police Sergeant Chris Anderson, Public Works Administrative Manager Melinda Olinger, Administrative Assistant / Court Clerk Julie Hedden, City Attorney Emily Matasar, Beery Elsner and Hammond, Fire Chief Joe Budge.

**APPOINT CITY COUNCIL MEMBER TO VACANT POSTION.**

*(Term ending – December 31, 2022)*

A) James Yonally

MSA/ Mayor Charles Rostocil/City Councilor James Audritsh made a motion to appoint James Yonally to fill the vacant City Council position. City Councilor Robert Prinslow, City Councilor James Audritsh, Mayor Charles Rostocil and City Councilor Tyler Thomas were in favor. Motion passed unanimously.

**SWEARING IN OF CITY COUNCIL MEMBER.** Director of Administration/City Recorder Vickie Nogle swore in City Council member James Yonally.

**FURTHER DISCUSSION REGARDING CITY MANAGER.**

A) **RESOLUTION NO 720-2021. A RESOLUTION CREATING A JOB DESCRIPTION FOR “CITY ADMINISTRATOR” POSITION AND REPEALING RESOLUTION NO. 653-2018 REGARDING THE FINANCE DIRECTOR JOB DESCRIPTION – City Attorney Emily Matasar, Beery, Elsner and Hammond.**

Mayor Charles Rostocil said this item was postponed from the November City Council meeting so the full Council would be in attendance to make this important decision. He went on to say he was hoping the Financial Consultant Summer Sears could have attended this meeting to discuss the financial impact, but she had a family emergency and could not get on the call. He state the Director of Administration/City Recorder Vickie Nogle did provide in the Council packet the PowerPoint presentation that Summer Sears had put together on this subject.

Mayor Charles Rostocil asked to hear the opinions of the Department Heads regarding the hiring of a City Administrator.

Police Chief Dave Rash said it would be good to have a go to person, but he is unsure where we will be able to find someone because there seems to be a shortage of City Managers, and it may be hard to find candidates.

Public Works Superintendent Michael Krebs said he concurs with Police Chief Dave Rash.



## **PAGE 2 – CITY COUNCIL MEETING MINUTES DECEMBER 14, 2021**

Director of Administration/City Recorder Vickie Nogle said this is time to move toward hiring a City Administrator to have someone that can move the City forward, as well as having that go to person will allow the City Council to focus on being policy makers. She went on to say finding someone for either position, City Administrator or Finance Director, will be difficult because there are a lot of open finance positions right now.

Mayor Charles Rostocil asked each City Councilor to give their opinion and asks any questions or voice any concerns regarding the hiring of a City Administrator.

City Councilor Robert Prinslow asked if we hire a City Manager how that would change the structure of the city employees, and Department Heads, specifically how it will affect the Director of Administration/City Recorder Vickie Nogle position. He went on to say he is also concerned about being able to afford a City Manager, and finding someone who is qualified.

Mayor Charles Rostocil said he believes the Department Heads would report to the City Manager and the City Manager would then report to the City Council.

City Attorney Emily Matasar said the Director of Administration/City Recorder Vickie Nogle position is in the City Charter and is safe, it will not affect it to the extent that her position would be removed.

Mayor Charles Rostocil said regarding the question of affordability, we do know the first couple of years it will be a drain on the reserve funds but looking at the spreadsheet Financial Consultant Summer Sears put together, we have money, and she suggests we try it now with a 2-year contract to see how it works.

City Councilor James Yonally stated his concerns were that it was not in the City Budget but said there is plenty of cushion for a 2-year contract, we have been underspending, so we have that saved up. Another concern is the challenge to meet the open meeting laws when things come up, which having a City Manager would help with. He went on to say Hubbard is growing and we need to grow in the right direction and believes we need an on-site manager that will help develop a direction for the City Council vision, and a City Manager may be able to find monies available to the City utilizing Grants, etc.

City Councilor James Audritsh said City Attorney Ashley Driscoll stated in an earlier Council meeting a City Manager would be able to assist with some of the issues that her office assists with now and the Attorney would not have to be used as much which would be a cost savings. He went on to state we have been without a Finance Director this year, so we should have that money that was not spent on the that position to use for the City Manager position.

City Councilor Tyler Thomas said he thinks the most insulting and egregious thing he has heard since his time on City Council is that we are willing to make a \$300,000 experiment. He went on to say Council is willing to go knock on your neighbor's door and tell them the tax money they are paying is going to a \$300,000 experiment. Furthermore, he stated he is voting 100% no.

MSA/Mayor Charles Rostocil/City Councilor James Audritsh motioned to approve Resolution No. 720-2021 to create a job description for "City Administrator" position and repeal Resolution No. 653-2018 regarding the Finance Director job description. City Councilor James Yonally, City

Councilor Robert Prinslow, City Councilor James Audritsh, Mayor Charles Rostocil were in favor. City Councilor Tyler Thomas opposed. Motion passed 4-1 in favor.

**B) DISCUSSION REGARDING RECRUITMENT OF CITY MANAGER – City Attorney Emily Matasar, Beery, Elsner and Hammond.**

City Attorney Emily Matasar said the City Council can hire a local or National firm to help with recruiting of a City Administrator, and there are some very good local firms her office has worked with in the past. She went on to say the process can take a few months and there is a range of options that a firm can help with, such as helping to refine the job description, develop application materials, advertise the position, do the initial review of applicants and then develop a list of finalists, etc., with the cost ranging anywhere between \$10,000 - \$25,000.

Police Chief Dave Rash said he knows of a couple of smaller cities that are looking for a City Manager, Mt Angel being one of them and he will reach out to them and ask about the process they are using to recruit for the position.

Consensus of City Council is to give Director of Administration/City Recorder Vickie Nogle permission to work with City Attorney Emily Matasar to solicit bids from local recruiters and bring the information to the January City Council meeting.

**CONTINUED DISCUSSION REGARDING FUNDS RECEIVED UNDER THE CORONVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS ESTABLISHED UNDER THE AMERICAN RESCUE PLAN ACT (ARPA).** Mayor Charles Rostocil said at the last City Council Meeting Chief Dave Rash provided the City Council with a list of suggestions on ways to use the ARPA funds, but since then Fire Chief Joe Budge sent an email asking to be included in the allocation of the City's ARPA funds.

Chief Joe Budge said he will be putting in an application to Marion County for ARPA funds for a remodel project of the Hubbard Fire Station and he would like City Council to consider partial funding for these renovations which he feels will strengthen their application with the County. He went on to say the funds will be used for renovation of the dormitory. There are both female and male firefighters and it is a very small, open, dormitory with the beds pushed close, because of this there is a lack of privacy, and the renovations will remedy this.

Chief Joe Budge said the plan has been to wait until the current general bond expires in 2026 and then go out and ask voters for funding for that project then, but now with the allocation of the ARPA funds he is in a position to ask for the funding sooner. He went on to say they have roughly estimated the cost for renovations at \$200,000, but will come back with a specific number when they get a true estimate.

Mayor Charles Rostocil said we got an updated email on how to use the ARPA funds, and asked staff if they have had a chance to look at in detail so we know if the funds can be used for the projects that were on the spreadsheet that Police Chief Dave Rash presented at the last meeting.

Police Chief Dave Rash said he basically took the information from the City of Woodburn's presentation to Council and the places they were putting their ARPA funds to help construct the presentation he gave to City Council.

City Attorney Emily Matasar said she has some concerns, unless the city demonstrates using that

## **PAGE 4 – CITY COUNCIL MEETING MINUTES DECEMBER 14, 2021**

formula lost revenue then every expenditure with the exception of water sewer and broadband must respond to a pandemic related need and that can be either caused by the pandemic or caused by the economic restrictions that were put into place because of the pandemic. She went on to say she does not have enough information to know if the expenditures qualify, but as long as they respond to a need created by the pandemic then they would qualify.

City Attorney Emily Matasar clarified the City of Hubbard is receiving ARPA funds, in 2 tranches, and the city can use them to respond to any need created by the pandemic, whether it is financial impact caused by restrictions or closures, or from the pandemic itself, so under that category the money can be spend on premium pay for essential employees, non-profits that clearly helped the community recover from the pandemic or economic impacts, which would include food pantries, cyber security upgrades if required because staff is working remotely more. She went on to say the two categories that are exempt from meeting the requirements are the water/sewer and broadband infrastructure, and then there is a lost revenue calculation and to meet that calculation the city has to use the formula given by ARPA to prove the City lost revenue due to the pandemic, and she and Financial Consultant Summer Sears can help the city with that.

Mayor Charles Rostocil said we need to go to the next level with this and outline which items the funds can be used for and also sit down with the Fire District to see what we can allocate to them. He also said in looking at the list that Chief Dave Rash put together, he sees the biggest priority is premium pay for our staff is definitely a must for all the extra effort, and the wastewater and water treatment items which is also benefiting the fire district by bringing up the water pressure throughout the city.

City Attorney Emily Matasar said there is time to decide how to allocate the funds, the money does not need to be spent until 2024 or 2026.

Mayor Charles Rostocil asked Fire Chief Joe Budge when he is going to make his presentation to Marion County.

Fire Chief Joe Budge responded that it would not be until mid-January.

City Councilor Tyler Thomas said it would be helpful if we knew the cost of the Fire Department project first before we allocate a percentage of funds to them.

Fire Chief Joe Budge said he should have an estimate of the cost of the renovation project to bring to the January Council meeting.

It was decided the Department heads, Fire Chief Joe Budge, City Attorney Emily Matasar, would meet after the holiday to further work on how to allocate the ARPA funds, and how much can be allocated to the Fire District.

Director of Administration/City Recorder Vickie Nogle said Financial Consultant Summer Sears should also be included in this meeting.

Director of Administration/City Recorder Vickie Nogle asked Fire Chief Joe Budge if he is asking any other cities for part of their ARPA funds.

Fire Chief Joe Budge said this is also coming up in the City of Gervais with the Woodburn Fire

District, so they are asking them for the same type of partnership on a building project.

**MAYOR'S AND/OR COUNCIL'S PRESENTATIONS.** City Councilor James Audritsh said Love Santa concluded most of their activities on Saturday with a large amount of assistance from volunteers and they were able to help 465 families. He went on to send out a big thank you to everyone involved in helping to make this a success.

City Councilor Robert Prinslow said there were untold number of business that donated either their time, equipment, or money and it was a great community event.

Mayor Rostocil thanked City Councilor James Audritsh and City Councilor Robert Prinslow for their participation and volunteering their time to this event.

City Councilor James Yonally thanked the City Council for appointing him to the Council and said he will do his best to serve the community He also thanked City Councilor James Audritsh and City Councilor Robert Prinslow for their participation in Love Santa.

**STAFF REPORTS:**

**POLICE DEPARTMENT- Police Chief Dave Rash.** Police Chief Dave Rash said the policy updates from Lexipol are completed, and it includes all the legislation updates that came out of the last session as well as grammatical changes.

Police Chief Dave Rash said Sergeant Anderson reached out to the North Marion School District to see if they have brought back their lunch program that we were involved with before COVID hit, but it looks like the schools are still not ready to bring that program back yet.

Police Chief Dave Rash stated Police Administrative Assistant Molly Schwartz is working on renewing our accreditation and we should be accredited by January and get the certificate in April.

Police Chief Dave Rash said we have an officer that got a conditional offer from another agency, and he will be leaving December 22nd so he is asking for Council's permission to start the hiring process.

MSA/City Councilor James Audritsh/City Councilor Robert Prinslow motioned to let Police Chief Dave Rash start the hiring process for another Police Officer. City Councilor James Yonally, City Councilor Robert Prinslow, City Councilor James Audritsh, Mayor Charles Rostocil and City Councilor Tyler Thomas were in favor. Motion passed unanimously.

**HUBBARD FIRE DISTRICT – Chief Joseph Budge.** Chief Joseph Budge said he spent a couple hours last week working with Melinda with a hazard mitigation plan. It is a County wide project identifying all types of hazards the district may be subject to. It was a long process identifying all different types of hazards, natural disasters, hazards materials, domestic terrorism, etc., there's a long list but we worked all through it. This has to do with us taking a good look at our preparation measures, and what we're doing and then if we're taking steps that way we're also eligible for direct federal grants that might come towards the fire district or the city, so it's a good process to go through and Melinda really did a good job leading that process.

**ADMINISTRATION DEPARTMENT – Director of Administration/City Recorder Vickie Nogle.** Director of Administration/City Recorder Vickie Nogle said she just received the financials from the audit and the City Council will be receiving the report soon.

**PUBLIC WORKS DEPARTMENT-Public Works Superintendent Michael Krebs.** Public Works Superintendent Michael Krebs said regarding Item #1 on his report, they were able to make the Marion County American Rescue Plan Act Round 1 application deadline. He went on to say they asked for the entire amount of the project which is going to cost 3.64 million and the county has assured us that we can submit the application for the whole amount, but might only get a partial amount.

Public Works Superintendent Michael Krebs said he talked to the City Council briefly yesterday about Item # 2 on the report. He said they have had various issues that have been ongoing with the treatment and collection equipment at the Waste Water Treatment Plant with the most recent issue being the submersible screw pump and gear box that have quit working. They have been trying to get a gearbox replacement for, but with COVID and supply change issues it has been difficult. In regards to the screw pump he has gotten a quote of \$150,000 to replace it which is a bit expensive, so they are continuing their search for a solution. He said in the meantime they are running two sump-pumps which are taking a beating, they are looking at going through two pumps a month at a cost of \$450 for each pump.

Public Works Superintendent Michael Krebs said the screw pump was put in in 1984, and there are other pieces of equipment that are older and will need to be replaced, such as the main lift station that was also put in service in 1984. He went on to say the cost for these will be factored into the facility plan, so when the engineer finishes with that plan, they will have a cost estimate for replacement of obsolete equipment.

Mayor Charles Rostocil said if the equipment that needs to be replaced is not included in the waste treatment plant upgrades, then we need to get it forecasted out so we can start planning on whether we replace them now, or in two–three years. He went on to ask Public Works Superintendent Michael Krebs to put together a timeline so in the future they can understand when they have things coming up that the City Council will know replacement costs a head of time.

Public Works Superintendent Michael Krebs said this is the reason he pushed to get the facility plan done, because we are looking at needing to do upgrades that will be forced on us by DEQ, and we will know what needs to be replaced and have a cost estimate for those items that will be included in that facility plan, but it does take time.

Mayor Charles Rostocil said the biggest concern right now is the one where we are burning through pumps.

Public Works Superintendent Michael Krebs says he has a line on a dewatering system, that will cost about \$25,000 and should take care of that problem, but they take 480 amps, and we only have 220 amps so we will have to find some way of bringing some more electricity in.

Mayor Charles Rostocil asked if there was any update on Union Pacific about the railroad crossing.

Public Works Superintendent Michael Krebs said the person they are dealing with had COVID, so they are still waiting on him.

Mayor Charles Rostocil asked if we can do anything about the weeds that are growing out between the street and the sidewalk on 99E in front of the furniture store.

## **PAGE 7 – CITY COUNCIL MEETING MINUTES DECEMBER 14, 2021**

Public Works Superintendent Michael Krebs said he will go over and take a look and if necessary he can send someone over with a weed-eater.

Mayor Charles Rostocil asked if there was anything we can do about the backup flooding by the Hubbard sign off of 99E.

Public Works Superintendent Michael Krebs said that is ODOT territory, and he will keep hounding ODOT about it.

Public Works Superintendent Michael Krebs said we are going to have to move the Hubbard sign that is on the corner of “D” and 99E and he is going to approach Matt Kennedy and see if it can be put right next to his sidewalk on “D” Street because that is actually where historical Hubbard downtown is.

City Councilor James Yonally asked when the projected finish date is on the wastewater treatment plant plan.

Public Works Superintendent Michael Krebs said the facility plan will be nearing completion around August, but the timeline for actually putting in the new equipment takes longer because you have to submit the facility plan to DEQ for approval, and then go through the engineering stage and bid stages, so it would be a minimum of 24 months.

City Councilor James Yonally asked why the Hubbard sign needs to be moved.

Public Works Superintendent Michael Krebs said there is a requirement from ODOT to put in ADA ramps and the sign is in direct conflict of where the ramps will go.

### **CONSENT AGENDA.**

- A) Approval of November 9, 2021, City Council meeting minutes.**
- B) Approval of the November 2021 Check Register Report.**
- C) Resolution No. 721-2021. A Resolution amending Resolutions 655-2019, 682-2019, 688-2020, 702-2020 Police Personnel Policies and Procedures for the City of Hubbard.**
- D) Approval of an Intergovernmental Agreement for Police Firearms Range Usage between the City of Woodburn and the City of Hubbard and authorize the Mayor to sign.**

MSA/City Councilor James Audritsh/City Councilor James Yonally motioned to approve Consent Agenda as read. City Councilor James Yonally, City Councilor Robert Prinslow, City Councilor James Audritsh, Mayor Charles Rostocil and City Councilor Tyler Thomas were in favor. Motion passed unanimously.

**APPEARANCE OF INTERESTED CITIZENS.** None.

**OTHER CITY BUSINESS.** City Councilor James Audritsh asked Public Works Superintendent Mike Krebs if there are any event requests to use the parks and if there were any applications pending.

**PAGE 8 – CITY COUNCIL MEETING MINUTES DECEMBER 14, 2021**

Public Works Superintendent Mike Krebs said the only event coming up is the canned food and toy drive that Rocky Sherwood is putting on Dec. 21st at Rivenes Park, but because he is only using the parking lot, it was deemed not necessary for him to have a park usage permit.

Public Works Superintendent Michael Krebs and Police Chief Dave Rash said Rocky Sherwood told them the truck cancelled on him so it would just be a toy drive in the parking lot. M. Krebs said at one time Rocky Sherwood suggested to Public Works Superintendent Michael Krebs there would be a musical group and we told him if that was the case, he would have to submit a park application, but decided it was not necessary because it is only a toy drive.

**ADJOURNMENT - (NEXT REGULAR CITY COUNCIL MEETING IS JANUARY 11, 2022, AT 7:00 P.M.)** MSA/Mayor Charles Rostocil /City Councilor James Audritsh motioned to adjourn the meeting. City Councilor James Yonally, City Councilor Robert Prinslow, City Councilor Tyler Thomas, City Councilor James Audritsh and Mayor Charles Rostocil were in favor. Meeting adjourned at 8:19 p.m.

**ATTEST:**

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Charles Rostocil, Mayor

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Vickie L. Nogle MMC  
Director of Admin/ Recorder, Recording

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Julie Hedden  
Administrative Assistant / Court Clerk  
Transcribing

**CITY OF HUBBARD  
CITY COUNCIL MEETING MINUTES  
JANUARY 11, 2022**

**CALL TO ORDER:** The Hubbard City Council meeting was called to order by Mayor Charles Rostocil at 7:00 p.m.

**FLAG SALUTE:** Mayor Charles Rostocil led the group in reciting the Pledge of Allegiance.

**CITY COUNCIL PRESENT:** Mayor Charles Rostocil, City Councilor James Audritsh, City Councilor Robert Prinslow (Zoom), City Councilor Tyler Thomas (Zoom), City Councilor James Yonally.

**STAFF PRESENT:** Director of Administration/City Recorder Vickie Nogle, Public Works Superintendent Michael Krebs (Zoom), Police Sergeant Chris Anderson, Public Works Administrative Manager Melinda Olinger, Administrative Assistant / Court Clerk Julie Hedden, City Attorney Emily Matasar (Zoom).

**GUESTS:** Crystal Rostocil, Gina Audritsh, Rocky Sherwood, Michael Kahrman (Hubbard Fire District).

**CONTINUED DISCUSSION REGARDING RECRUITMENT OF CITY ADMINISTRATOR – City Attorney Emily Matasar, Beery Elsner and Hammond.** Director of Administration/City Recorder Vickie Nogle City stated staffed worked together with City Attorney Emily Matasar to provide the City Council with recommendations for recruitment of a City Administrator and proposals came from Jensen Strategies, Prothman, Local Government Personnel Services/Lane Council of Governments, and Mid-Willamette Valley Council of Governments. Director of Administration/City Recorder Vickie Nogle City said some of the proposals included doing the background check, but that the City Council may want to consider doing that in house as Police Chief Dave Rash has performed those in the past and did a good job.

Mayor Charles Rostocil asked Director of Administration/City Recorder Vickie Nogle if she had any recommendation of what recruiting firm to go with based off of the information they had gathered.

Director of Administration/City Recorder Vickie Nogle said she has seen quite a few advertisements come through the City from Prothman, they are well known, and a lot of people use them, Jensen Strategies is one of the firms she had approached when Council was looking for someone to facilitate the Goal Setting and liked them as well. She went on to say she was a bit nervous about using the Mid-Willamette Valley Council of Governments because we used their recommendation for the Goal Setting and were disappointed with the results.

City Attorney Emily Matasar agreed with Director of Administration/City Recorder Vickie Nogle comments, and feels they are all reputable organizations. She said she does know the Lane Council



**PAGE 2 – CITY COUNCIL MEETING MINUTES JANUARY 11, 2022**

of Governments (LCOG) noticed that tend to be less expensive and they tailor their services for the expense that you need, but they are all good organizations.

City Councilor Robert Prinslow asked City Attorney Emily Matasar if she thought it would be a problem with the Hubbard Police Department doing the background check on the potential head of the city.

City Attorney Emily Matasar said she does not think there would be an ethical problem or a conflict of interest, unless it was a relative of one of the officers that they were doing the background check on.

MSA/Mayor Charles Rostocil/City Councilor James Audritsh motioned to direct Director of Administration/City Recorder Vickie Nogle to work with Prothman on the recruitment of a City Administrator. City Councilor James Yonally, City Councilor Robert Prinslow, City Councilor James Audritsh, Mayor Charles Rostocil were in favor. City Councilor Tyler Thomas opposed. Motion passed 4-1 in favor.

City Councilor Tyler Thomas asked City Attorney Emily Matasar if a current city employee was entertaining the idea of applying for this position, would it be a conflict of interest to work on this project since the employee would be working on their own recruitment.

City Attorney Emily Matasar said she believes under state ethics laws it would not be a legal conflict of interest, she thinks it would be a political situation the city might want to address but does not believe it is illegal under the conflict-of-interest laws.

Mayor Rostocil said if this situation does arise, and an employee does apply for the position, then the City Council will revisit this to ensure we do not have a conflict of interest.

City Attorney Emily Matasar said she would help with this if the situation should arise.

Director of Administration/City Recorder Vickie Nogle asked City Council if they want Prothman to do the background, or if they want the Hubbard Police Department to do it.

City Council asked Director of Administration/City Recorder Vickie Nogle to ask Prothman is that can be separated out from their fee if we do it.

**CONTINUED DISCUSSION REGARDING FUNDS RECEIVED UNDER THE CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS ESTABLISHED UNDER THE AMERICAN RESCUE PLAN ACT (ARPA). Refer to PW Administrative Manager Inter-Office Memorandum)**

Mayor Charles Rostocil said Public Works is requesting City Council approve and authorize up to \$500,000 of the City's designated ARPA funds be appropriated to water infrastructure improvements. He went on to say that Public Works is looking into submitting a grant application to Marion County and they feel that authorizing this money would strengthen that application.

**PAGE 3 – CITY COUNCIL MEETING MINUTES JANUARY 11, 2022**

Public Works Administrative Manager Melinda Olinger said there technically is not a required match for the application and the grant application has already been submitted, but when she was speaking with Marion County after she submitted the application, they had questions about how much of the city's own funds are they going to commit to this project and that is the reason for the request.

City Councilor James Audritsh asked if \$500,000 is the minimum and was concerned there would not be enough money to cover the other items on the list that was brought before them at the last meeting.

Public Works Administrative Manager Melinda Olinger said there was no minimum, and a match is not a requirement.

City Councilor James Audritsh asked if we had any other funds that we can utilize for this, or if it all of the \$500,000 has to come out of the ARPA funds.

Public Works Administrative Manager Melinda Olinger said the city has been saving for unknown issues that may arise regarding water pressure, piping, etc., and those saved funds could be used for this, and there is also approximately \$150,000 of SDC funds that could be put towards this.

Mayor Charles Rostocil asked if then it is possible to authorize \$250,000 to put toward this to help strengthen the application.

Public Works Administrative Manager Melinda Olinger said that can be done.

City Councilor James Audritsh said he would like to see a larger amount committed to this.

City Councilor James Audritsh said he does not want to see all of the \$500,000 come out of the ARPA funds, he would rather see half come from other City funds.

Mayor Charles Rostocil asked if it is acceptable to use \$250,000 out of the ARPA funds and \$250,000 of the funds that have already been saved up for the project or come out of other City funds.

Public Works Administrative Manager Melinda Olinger said that would be acceptable.

MSA/City Councilor James Audritsh/City Councilor James Yonally motioned to dedicate \$500,000 from various funds to strengthen the Grant application to Marion County for water infrastructure improvements. City Councilor James Yonally, City Councilor Robert Prinslow, City Councilor James Audritsh, Mayor Charles Rostocil and City Councilor Tyler Thomas were in favor. Motion passed unanimously.

**APPOINT PLANNING COMMISSION MEMBER – 2 positions available.**

*(Terms are January 1, 2022 – December 31, 2024)*

**A) Fil Kartal**

MSA/Mayor Charles Rostocil/City Councilor James Audritsh motioned to appoint Fil Kartal to the Hubbard Planning Commission for the term of January 1, 2022 – December 31, 2024. City Councilor James Yonally, City Councilor Robert Prinslow, City Councilor James Audritsh, Mayor Charles Rostocil and City Councilor Tyler Thomas were in favor. Motion passed unanimously.

**MAYOR’S AND/OR COUNCIL’S PRESENTATIONS.** None.

**STAFF REPORTS:**

**POLICE DEPARTMENT- Sergeant Chris Anderson.** Sergeant Chris Anderson filled in for Police Chief Dave Rash while he was out of town. Sergeant Chris Anderson said they are recruiting for the open Police Officer position and have had some interest, but no applications as of yet.

**HUBBARD FIRE DISTRICT – Chief Joseph Budge.** Michael Kahrmann Assistant Fire Chief with the Hubbard Fire District filled in for Chief Joe Budge who was not present at the meeting. Michael Kahrmann said they have more time than anticipated to get their application in to Marion County for ARPA funds and will have a cost estimate of the Hubbard Fire Department dormitory renovation project for inclusion in the February City Council meeting packet. He went on to say Chief Joe Budge is requesting a letter of support from the City Council for the dorm remodel that they can give to Marion County with their application for ARPA funds, it does not need to have a dollar amount assigned, but he feels a letter of support would strengthen their application.

Consensus of City Council is to provide a letter of support to the Hubbard Fire District to submit with their application.

Director of Administration/City Recorder Vickie Nogle asked the Fire Department to provide any information regarding any requirements that needs to be included in the letter.

Assistant Fire Chief Michael Kahrmann said they ended up running 1149 calls last year which is a record year for the Fire District. It ended with a large house fire at the North end of 99 E in which they were battling freezing temperatures and other unseen challenges. He said they received mutual add from Woodburn and Aurora, and the house is a total loss, but there were no loss of life or firefighters injured in the blaze.

Assistant Fire Chief Michael Kahrmann said they have 8 firefighters out with COVID at this time.

**ADMINISTRATION DEPARTMENT – Director of Administration/City Recorder Vickie Nogle.** Director of Administration/City Recorder Vickie Nogle said on the consent agenda is an amendment to the IGA for the Community Prosperity Initiative that granted the City \$45,000 over 3 years, this is an extension of that, they are wanting to grant another \$30,000 over 2 years, \$15,000 each year and will need City Council approval.

Director of Administration/City Recorder Vickie Nogle said the audit is completed and asked City Council if they would like the auditors to attend a meeting. She said she sent out an email but did not get a response from all the Council members and was asking for verification.

City Council requested of her to schedule the auditors to come to the February City Council meeting.

Director of Administration/City Recorder Vickie Nogle asked City Council if they still preferred in person meetings or if they would like to have zoom meetings in light of the new COVID variant spreading.

City Councilor James Audritsh, City Councilor James Yonally, City Councilor Tyler Thomas, and Mayor Charles Rostocil were in support of to continue the in-person meetings. City Councilor Robert Prinslow recommendation was to do online only.

**PUBLIC WORKS DEPARTMENT-Public Works Superintendent Michael Krebs.** Public Works Administrative Manager Melinda Olinger said they are working on a fuel storage plan for emergencies and had a hazard mitigation plan update meeting with the county and she mentioned to them they are working on a fuel storage plan for emergencies. She went on to say they are hoping to coordinate with the Fire Department as well on this. Right now it is in the planning stages and is looking at how much we can do with having to go through major permitting processes, but still following all the guidelines for installation. Public Works Administrative Manager Melinda Olinger said her and Public Works Superintendent Michael Krebs have also talked about working with some of our private business on this and doing some sort of agreement with them, additional details will be brought to upcoming meetings.

**CONSENT AGENDA.**

- A) Approval of December 2021 Check Register Report.**
- B) Approval to move Aaron Caballero (Utility Worker I) from C to D of the Hubbard Salary Schedule, effective January 1, 2022.** *(Refer to Public Works Administrative Manager report).*
- C) Approval to move Steve Holliman (Police Officer) from C to D of the Hubbard Salary Schedule, effective January 16, 2022.** *(Refer to Police Chief's report).*
- D) Accept Amendment #1 to the Intergovernmental Agreement between Marion County and the City of Hubbard for Community Prosperity Initiative (CPI) and authorize the Mayor to sign.** *(Refer to the Director of Administration/City Recorder report).*

MSA/City Councilor James Audritsh/City Councilor James Yonally motioned to approve Consent Agenda as read. City Councilor James Yonally, City Councilor Robert Prinslow, City Councilor James Audritsh, Mayor Charles Rostocil and City Councilor Tyler Thomas were in favor. Motion passed unanimously.

**APPEARANCE OF INTERESTED CITIZENS.** Rocky Sherwood, 2622 Nina Place, Hubbard, suggested that we have extra money and would like to see the money go to the community, to the youth because of the uncertainty of school shutdowns and we need to protect our youth and families during this time. He also said he would like to see city funds go to putting on Community events, because he is doing it all out of pocket, and very few community members, so if he had a little money it could be put towards barbeques, bouncy houses, etc., which would bring the community together and keep the depression level down. Furthermore, the city asks the community for money for water bills and all the community is asking for is a little support for things to stay positive and that is why some money should go for Community events. Rocky

Sherwood said he is working full time and has been putting events on and said he needs more support; he gets nothing out of it but seeing the community happy and would like the city to help him to keep the morale up.

Crystal Rostocil, 3427 4<sup>th</sup> Street, Hubbard, wanted everyone to know there is the potential for students to be out and around town for the next 2 weeks because of the middle school closure (they are moving to online learning for the next 2 weeks), and she is asking for people to please treat them with grace as they are going through this difficult time of not being able to be in school and many of them could be unsupervised.

**OTHER CITY BUSINESS.** None

**ADJOURNMENT - (NEXT REGULAR CITY COUNCIL MEETING IS FEBRUARY 8, 2022, AT 7:00 P.M.)** MSA/City Councilor James Audritsh /City Councilor James Yonally motioned to adjourn the meeting. City Councilor James Yonally, City Councilor Robert Prinslow, City Councilor Tyler Thomas, City Councilor James Audritsh and Mayor Charles Rostocil were in favor. Meeting adjourned at 8:00 p.m.

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Charles Rostocil, Mayor

**ATTEST:**

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Vickie L. Nogle MMC  
Director of Administration / City Recorder  
Recording

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Julie Hedden  
Administrative Assistant / Court Clerk  
Transcribing

| Check Number  | Check Issue Date | Name                                | Description               | Amount    |
|---------------|------------------|-------------------------------------|---------------------------|-----------|
| 11548         | 01/06/22         | 911 Supply Inc.                     | Uniforms                  | 45.96     |
| 11549         | 01/06/22         | CANON FINANCIAL SERVICES, INC.      | COPIER-PW                 | 55.24     |
| 11550         | 01/06/22         | Cities Digital                      | Laserfiche Support        | 1,623.00  |
| 11551         | 01/06/22         | Code Publishing Co.                 | Muni Code Update          | 99.75     |
| 11552         | 01/06/22         | Don R Fleck                         | Fire Extinguisher Service | 963.50    |
| 11553         | 01/06/22         | Grove, Mueller & Swank              | Audit Services            | 6,000.00  |
| 11554         | 01/06/22         | GW Hardware Center                  | Supplies                  | 107.11    |
| 11555         | 01/06/22         | John Deer Financial                 | John Deer Financial       | 70.95     |
| 11556         | 01/06/22         | League Of Oregon Cities             | Citations                 | 504.88    |
| 11557         | 01/06/22         | Mid-Willamette Valley               | Land Use Services         | 3,525.00  |
| 11558         | 01/06/22         | Net Assets Corporation              | Lien Search               | 36.00     |
| 11559         | 01/06/22         | NW TECH SUPPORT                     | SPLIT                     | 982.00    |
| 11560         | 01/06/22         | Pacific Office Automation           | Copies                    | 167.38    |
| 11561         | 01/06/22         | PGE- Portland General Electric      | Utilities                 | 3,629.79  |
| 11562         | 01/06/22         | Profectus, INC.                     | Janitorial Services       | 501.27    |
| 11563         | 01/06/22         | SOS Lock Service                    | Lock Repair               | 119.00    |
| 11564         | 01/06/22         | Summer Sears CPA, LLC               | Split                     | 6,900.00  |
| 11565         | 01/06/22         | The Police & Sheriffs Press Inc.    | ID Cards                  | 17.58     |
| 11566         | 01/06/22         | TransUnion Risk                     | Background Check Service  | 75.00     |
| 11567         | 01/06/22         | Verizon Wireless                    | Verizon PD Bill           | 766.30    |
| 11568         | 01/06/22         | Walmart-Capital One                 | Supplies                  | 9.44      |
| 11569         | 01/11/22         | Beery Elsner & Hammond, LLP         | Legal Services            | 3,696.44  |
| 11570         | 01/11/22         | Caselle Inc                         | Contracted Support        | 1,963.00  |
| 11571         | 01/11/22         | Civil West Engineering Services Inc | Engineering Services      | 18,131.78 |
| 11572         | 01/11/22         | DATAVISION                          | utilities                 | 799.96    |
| 11573         | 01/11/22         | Don R Fleck                         | Fire Extinguisher Service | 34.50     |
| 11574         | 01/11/22         | Dryden Electric, Inc.               | Electrician Services      | 1,073.74  |
| 11575         | 01/11/22         | Great Western Sweeping, Inc.        | Street Sweeping           | 3,192.60  |
| 11576         | 01/11/22         | GW Hardware Center                  | Supplies                  | 90.37     |
| 11577         | 01/11/22         | PGE- Portland General Electric      | Utilities                 | 2,914.60  |
| 11578         | 01/11/22         | Republic Services                   | Garbage Service           | 545.91    |
| 11579         | 01/11/22         | SOS Lock Service                    | SOS Lock Service          | 144.00    |
| 11580         | 01/11/22         | WEX Bank                            | FUEL                      | 2,269.45  |
| 11583         | 01/25/22         | Beckwith & Kuffel                   | Equip Maint/Supplies      | 168.24    |
| 11584         | 01/25/22         | CIT                                 | Water                     | 216.07    |
| 11585         | 01/25/22         | City of Woodburn                    | Record Mgmt Svcs          | 3,575.00  |
| 11586         | 01/25/22         | ELAN Corporate Payment Systems      | Credit Card Payment       | 1,105.40  |
| 11587         | 01/25/22         | GW Hardware Center                  | Supplies                  | 52.24     |
| 11588         | 01/25/22         | Les Schwab-W                        | Auto Maint                | 331.98    |
| 11589         | 01/25/22         | Marion County Dept of Public Works  | Disposal                  | 49.00     |
| 11590         | 01/25/22         | Mid-Willamette Valley               | Land Use Services         | 2,048.00  |
| 11591         | 01/25/22         | National Assoc. Of Town Watch       | NATW Membership           | 35.00     |
| 11592         | 01/25/22         | NW Natural Gas                      | Utilities 454934-1        | 771.12    |
| 11593         | 01/25/22         | NW TECH SUPPORT                     | SPLIT                     | 982.00    |
| 11594         | 01/25/22         | Office Depot                        | Office Supplies           | 263.02    |
| 11595         | 01/25/22         | Pacific Office Automation           | Copies                    | 372.76    |
| 11596         | 01/25/22         | PGE- Portland General Electric      | Utilities                 | 2,832.97  |
| 11597         | 01/25/22         | Power Systems West, Oregon          | Bldg Maint                | 2,862.01  |
| 11598         | 01/25/22         | Purchase Power                      | Postage                   | 208.99    |
| 11599         | 01/25/22         | Rash, Dave                          | Reimbursement             | 219.87    |
| 11600         | 01/25/22         | Verizon Wireless                    | Verizon                   | 229.90    |
| 11601         | 01/25/22         | Waste Connections                   | Lemay Mobile Shredding    | 43.87     |
| 11602         | 01/25/22         | Waterlab Corporation                | Testiing                  | 360.00    |
| Grand Totals: |                  |                                     |                           | 77,782.94 |

| Check Number | Check Issue Date | Name | Description | Amount |
|--------------|------------------|------|-------------|--------|
|--------------|------------------|------|-------------|--------|

## CITY OF HUBBARD, OREGON

### PERSONAL SERVICES AGREEMENT

AN AGREEMENT between the CITY OF HUBBARD, OREGON ("CITY") and Prothman Company ("Provider").

WHEREAS, CITY and Provider believe it in their respective and mutual interests to enter into a written Agreement setting out their understandings concerning Provider's provision of recruitment of a City Administrator.

**1. Term**

This Agreement shall run from \_\_\_\_\_, 22\_\_ through and including \_\_\_\_\_, 22\_\_ unless sooner terminated under the provisions of this Agreement and may be extended for additional like periods.

**2. Provider's Service and Equipment**

The scope of Provider's services, labor, and time of performance under this Agreement are set forth in Exhibit "A". All provisions and covenants contained in said exhibits are hereby incorporated by reference and shall become a part of this Agreement as if fully set forth. Any conflict between this Agreement and Provider's proposal (if any) shall be resolved first in favor of this written contract. Provider will, in the rendering of its services to CITY, use its best efforts and due diligence and provide such personnel as are necessary to successfully provide the services covered under this Agreement (including the Exhibits).

**3. Provider Identification**

Provider shall furnish to CITY Provider's employer identification number, as designated by the Internal Revenue Service or, if the Internal Revenue Service has designated no employer identification number, Provider's Social Security number.

**4. Compensation**

CITY agrees to pay Provider in the amount(s) set out in and in accordance with Exhibit "A". CITY agrees to pay Provider for the equipment and labor at the rates set forth in Exhibit A upon successful installation. CITY will pay the Provider upon receipt of valid and accurate monthly invoices.

**5. Project Managers**

CITY's Project Manager is Vickie Nogle. Provider's Project Manager is Sonja Prothman. Each party shall give the other written notification of any change in their respective Project Manager.

**6. Project Information**

Provider agrees to share all project information, to fully cooperate with all corporations, firms, contractors, governmental entities, and persons involved in or associated with the project. No information, news, or press releases related to the project shall be made to representatives of newspapers, magazines, television and radio stations, or any other news medium without the prior authorization of CITY's Project Manager.

**7. Duty to Inform**

Provider shall give prompt written notice to CITY's Project Manager if, at any time during the



performance of this contract, Provider becomes aware of actual or potential problems, faults or defects in the project, any nonconformity with the contract, or with any federal, state, or local law, rule or regulation, or has any objection to any decision or order made by CITY. Any delay or failure on the part of CITY to provide a written response to Provider shall constitute neither agreement with nor acquiescence in Provider's statement or claim and shall not constitute a waiver of any of CITY's rights.

**8. Provider is Independent Contractor**

Provider is an independent contractor for all purposes and shall be entitled to no compensation other than the compensation expressly provided by this contract. Provider hereby expressly acknowledges and agrees that as an independent contractor, Provider is not entitled to indemnification by the CITY or the provision of a defense by the CITY under the terms of ORS 30.285. This acknowledgment by Provider shall not affect his/her independent ability (or the ability of his/her/its insurer) to assert the monetary limitations found at ORS 30.270, the immunities listed at ORS 30.265 or other limitations affecting the assertion of any claim under the terms of the Oregon Tort Claims Act (ORS 30.260 to ORS 30.300).

**9. Overtime**

Any person employed on work under this contract, other than a person subject to being excluded from the payment of overtime pursuant to either ORS 653.010 to 653.261 or 29 USC§201 to 209, shall be paid at least time and a half for all overtime worked in excess of 40 hours in any one week.

**10. Indemnity and Insurance**

- i. Indemnity: Provider acknowledges responsibility for any and all liability arising out of the performance of this Agreement and shall hold CITY harmless from and indemnify and defend CITY for any and all liability, settlements, loss, costs, and expenses in connection with any action, suit, or claim resulting or allegedly resulting from Provider's acts, omissions, activities or services in the course of performing this contract.
- ii. Liability Insurance: Provider shall maintain occurrence form commercial general liability and automobile liability insurance for the protection of Provider, CITY, its Councilors, officers, agents and employees. Coverage shall include personal injury, bodily injury (including death) and broad form property damage, including loss of use of property, occurring in the course of or in any way related to Provider's operations, in an amount not less than Two Million dollars (\$2,000,000.00) combined single limit per occurrence. Such insurance shall name CITY as an additional insured.
- iii. Workers' Compensation Coverage: Provider certifies that Provider has qualified for State of Oregon Workers' Compensation coverage for all Provider's employees who are subject to Oregon's Workers' Compensation statute, either as a carrier-insured employer as provided by ORS 656.407, or as a self-insured employer. Provider shall provide to CITY within ten (10) days after Agreement award a certificate of insurance evidencing coverage of all subject workers under Oregon's Workers' Compensation statutes insured by an insurance company satisfactory to CITY, if any. The certificate and policy shall indicate that the policy shall not be terminated by the insurance carrier without thirty (30) days' advance written notice to CITY. A copy of the certificate of self-insurance issued by the State shall be provided to CITY if the Provider is self-insured.
- iv. Certificates: Provider shall furnish CITY certificates evidencing the date, amount, and type of insurance required by this contract. All policies will provide for not less than thirty (30) days' written notice to CITY before they may be canceled.
- v. Primary Coverage: The coverage provided by insurance required under this Agreement shall be primary, and any other insurance carried by CITY shall be excess.

**11. Work is Property of CITY**

All work, including but not limited to documents, drawings, papers, computer programs, and photographs, performed or produced by Provider under this Agreement shall be the property of CITY.

**12. Law of Oregon**

The Agreement shall be governed by the laws of the State of Oregon. Venue shall be in Marion County, Oregon.

**13. Errors**

Contractor shall perform such additional work as may be necessary to correct errors in the work required under this without undue delays and without additional cost.

**14. Extra or Changes in Work**

Only the CITY Manager or Project Manager may authorize extra (and/or change) work. Failure of Provider to secure authorization for extra work shall constitute a waiver of all right to adjustment in the Agreement price or Agreement time due to such unauthorized extra work and Provider thereafter shall be entitled to no compensation whatsoever for the performance of such work.

**15. Successors and Assignments**

- i. Both CITY and Provider bind themselves and any partner, successor, executor, administrator, or assign to this contract.
- ii. Neither CITY nor Provider shall assign or transfer their interest or obligation hereunder in this Agreement without the written consent of the others. Provider must seek and obtain CITY's written consent before subcontracting any part of the work required of Provider under this contract. Any assignment, transfer, or subcontract attempted in violation of this subparagraph shall be void.

**16. Records**

- i. Provider shall retain all books, documents, papers, and records that are directly pertinent to this Agreement for at least three years after CITY makes final payment on this Agreement and all other pending matters are closed.
- ii. Provider shall allow CITY (or any of its authorized representatives) to audit, examine, copy, take excerpts from or transcribe any books, documents, papers, or records that are subject to the foregoing retention requirement.

**17. Breach of Contract**

- i. Provider shall remedy any breach of this Agreement within the shortest reasonable time after Provider first has actual notice of the breach or CITY notifies Provider of the breach, whichever is earlier. If Provider fails to remedy a breach in accordance with this paragraph, CITY may terminate that part of the Agreement affected by the breach upon written notice to Provider, may obtain substitute services in a reasonable manner, and may recover from

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Provider the amount by which the price for those substitute services exceeds the price for the same services under this contract.

- ii. If the breach is material and Provider fails to remedy the breach in accordance with this paragraph, CITY may declare Provider in default and pursue any remedy available for a default.
- iii. Pending a decision to terminate all or part of this contract, CITY unilaterally may order Provider to suspend all or part of the services under this contract. If CITY terminates all or part of the Agreement pursuant to this paragraph, Provider shall be entitled to compensation only for services rendered prior to the date of termination, but not for any services rendered after CITY ordered suspension of those services. If CITY suspends certain services under this Agreement and later orders Provider to resume those services, Provider shall be entitled to reasonable damages actually incurred, if any, as a result of the suspension.
- iv. To recover amounts due under this paragraph, CITY may withhold from any amounts owed by CITY to Provider, including but not limited to, amounts owed under this or any other Agreement between Provider and CITY.

#### **18. Mediation/ Trial without a jury**

Should any dispute arise between the parties to this Agreement concerning their respective obligations of either or the terms hereof, it is agreed that such dispute will be submitted to a mediator prior to any litigation and the parties hereby expressly agree that no claim or dispute arising under the terms of this Agreement shall be resolved other than first through mediation and only in the event said mediation efforts fail, through litigation. Any litigation arising under or as a result of this Agreement shall be tried to the court without a jury. Each party agrees to be responsible for payment of its own professional fees, including attorneys' fees in both mediation and litigation.

The parties shall exercise good faith efforts to select a mediator who shall be compensated equally by both parties. Mediation will be conducted in Portland, Oregon, unless both parties agree in writing otherwise. Both parties agree to exercise good faith efforts to resolve disputes covered by this section through this mediation process. If party requests mediation and the other party fails to respond within ten (10) days or if the parties fail to agree on a mediator within ten (10) days, a mediator shall be appointed by the presiding judge of the Marion County Circuit Court upon the request of either party. The parties shall have any rights at law or in equity with respect to any dispute not covered by this Section.

#### **19. Termination for Convenience**

The CITY may terminate all or part of this Agreement at any time for its own convenience by written notice to Provider. Upon termination under this paragraph, Provider shall be entitled to compensation for all services rendered prior to actual notice of the termination or the receipt of the CITY's written notice of termination, whichever is earlier, plus Provider's reasonable costs actually incurred in closing out the contract.

#### **20. Intellectual Property**

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The interest in any intellectual property, including but not limited to copyrights and patents of any type, arising from the performance of this Agreement shall vest in the CITY. Provider shall execute any assignment or other documents necessary to effect this paragraph. Provider may retain a nonexclusive right to use any intellectual property that is subject to this paragraph. Provider shall transfer to the CITY any data or other tangible property generated by Provider under this Agreement and necessary for the beneficial use of intellectual property covered by this paragraph.

**21. Payment for Labor or Material**

Provider shall make payment promptly, as due, to all persons supplying to Provider labor or material for the prosecution of the work provided for in this contract. (ORS 279B.220)

**22. Contributions to the Industrial Accident Fund**

Provider shall pay all contributions or amounts due the Industrial Accident Fund from Provider incurred in the performance of this contract, and shall ensure that all subcontractors pay those amounts due from the subcontractors. (ORS 279B.220)

**23. Income Tax Withholding**

Provider shall pay to the Oregon Department of Revenue all sums withheld from employees pursuant to ORS 316.167. (ORS279B.220)

**24. Payment of Claims by the CITY**

If Provider fails, neglects, or refuses to make prompt payment of any claim for labor or services furnished to Provider or a subcontractor by any person in connection with this Agreement as the claim becomes due, the CITY may pay the claim to the person furnishing the labor or services and charge the amount of the payment against funds due or to become due to Provider pursuant to this contract. The CITY's payment of a claim under this Paragraph shall not relieve Provider or Provider's surety, if any, from responsibility for those claims.

**25. Hours of Labor**

Provider shall pay employees for overtime work performed under the terms of this Agreement in accordance with ORS 653.010 to ORS 653.261 and the Fair labor standards Act of 1938. (29 USC §§ 201 *et. seq.*)

**26. Workers' Compensation**

Provider is a subject employer that will comply with ORS 656.017. Provider warrants that all persons engaged in contract work and subject to the Oregon Workers' Compensation law are covered by a workers' compensation plan or insurance policy that fully complies with Oregon law. Provider shall indemnify CITY for any liability incurred by CITY as a result of Provider's breach of the warranty under this Paragraph. (ORS 279B.230)

**27. Medical Care for Employees**

Provider shall make payment of all sums to any person, co-partnership, association or

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corporation, furnishing medical, surgical and/or hospital care incident to the sickness or injury of Provider's employee(s), all sums which Provider agrees to pay for such services and all monies and sums which Provider collected or deducted from the wages of employees pursuant to any law, contract or contract for the purpose of providing or paying for such service. (ORS 279B.230)

**28. Modification**


Any modification of the provisions of this Agreement shall be reduced to writing and signed by authorized agents of CITY and Provider.

**29. No Waiver of Legal Rights**

A waiver by a party of any breach by the other shall not be deemed to be a waiver of any subsequent breach.

**30. Integration**

This Agreement contains the entire agreement between CITY and Provider and supersedes all prior written or oral discussions or agreements regarding the same subject.

|   |   |
|---|---|
| <p>CITY OF HUBBARD, OREGON</p> <hr/> <p>Vickie Nogle<br/>Director of Administration<br/>City Recorder</p> | <p>Prothman Company</p> <p> 2/1/2022</p> <p>Sonja Prothman<br/>President</p> |
|---|---|



## EXHIBIT "A"

January 24, 2022

Ms. Vickie L. Nogle  
Director of Administration/City Recorder  
City of Hubbard  
3720 2<sup>nd</sup> Street  
PO Box 380  
Hubbard, OR 97032

Dear Ms. Nogle:

We thank the City of Hubbard for its confidence in Prothman to assist in providing services for the recruitment of its new City Administrator. The following represents a scope of work for these services and the associated professional fee and expenses.

## **Scope of Work**

### **1. Develop a Tailored Recruitment Strategy**

#### **Project Review**

The first step will be to:

- ◆ Review the scope of work and project schedule
- ◆ Review compensation and decide if a salary survey is needed

#### **Information Gathering and Research**

**We will meet via Zoom or travel to the City of Hubbard and spend as much time as it takes to learn everything we can about your organization.** Our goal is to thoroughly understand the values and culture of your organization, as well as the preferred qualifications you desire in your next City Administrator. We will:

- ◆ Meet with the Council
- ◆ Meet with staff, as directed
- ◆ Meet with other stakeholders, as directed
- ◆ Review all documents related to the position

#### **Position Profile Development**

We will develop a profile of your ideal candidate. Once the Position Profile is written and approved, it will serve as the foundation for our determination of a candidate's "fit" within the organization and community. Profiles include the following:

- ◆ **A description of the ideal candidate's qualifications**
- ◆ **Organization-specific information**
- ◆ **Community-specific information**
- ◆ **Compensation package details**
- ◆ **Information on how to apply**

## **2. Identify, Target, and Recruit Viable Candidates**

### **Outreach and Advertising Strategy**

We recognize that often the best candidates are not actively looking for a new position--*this is the person we want to reach and recruit*. We have an aggressive recruitment strategy which involves the following:

- ♦ **Print and Internet-based Ads** placed nationally in professional publications, journals and on related websites.
- ♦ **Targeted Direct Mail Brochures** sent nationally to hundreds of highly qualified city/county management professionals who are not actively searching for a new position.
- ♦ **Focused Candidate Outreach** via personal emails and networking from our database of city/county management professionals.
- ♦ **Posting the Position Profile on Prothman's Facebook and LinkedIn pages, and on the Prothman website**, which receives over five thousand visits per month from potential candidates.

## **3. Conduct Preliminary Screening**

### **Candidate Screening**

Once the application deadline has passed, we will conduct an extensive candidate review designed to gather detailed information on the leading candidates. The screening process has 3 key steps:

- 1) **Application Review:** Using the Position Profile as our guide, we will screen the candidates for qualifications based on the resumes, applications, and supplemental question responses (to determine a candidate's writing skills, analytical abilities, and communication style). After the initial screening, we take the yes's and maybe's and complete a second screening where we take a much deeper look into the training, work history and qualifications of each candidate.
- 2) **Internet Publication Background Search:** We conduct an internet publication search on all semifinalist candidates prior to their interviews. If we find anything out of the ordinary, we discuss this during the initial interview and bring this information to you.
- 3) **Personal Interviews:** We will conduct in-depth videoconference or in-person interviews with the top 6 to 12 candidates. During the interviews, we ask the technical questions to gauge their competency, and just as importantly, we design our interviews to measure the candidate's fit within your organization.

### **Candidate Presentation**

**We will prepare and send to you a detailed summary report for the semifinalist candidates and binders** which include each candidate's application materials and the results of the personal interviews and publication search.

**We will meet via Zoom or travel to Hubbard** and advise you of the candidates meeting the qualifications, our knowledge of them, and their strengths and weaknesses relative to fit within your organization. We will give you our recommendations and then work with you to identify the top 3 to 6 candidates to invite to the final interviews. We will discuss the planning and design of the final interview process during this meeting.

## **4. Prepare Materials and Process for Final Interviews**

### **Final Interview Process**

The design of the final interviews is an integral component towards making sure that all stakeholders have the opportunity to learn as much as possible about each candidate.

- ◆ **Elements of the design process include:**
  - **Deciding on the Structure of the Interviews**  
We will tailor the interview process to fit your needs. It may involve using various interview panels and an evening reception.
  - **Deciding on Candidate Travel Expenses** *(if the City chooses to provide travel expenses to finalist candidates)*  
We will help you identify which expenses your organization wishes to cover.
  - **Identifying Interview Panel Participants & Panel Facilitators**  
We will work with you to identify the participants of different interview panels.
- ◆ **Background Checks**  
Background checks include the following:
  - **References** *(if requested by the City)*  
We conduct 6-8 reference checks on each candidate. We ask each candidate to provide names of their supervisors, subordinates, and peers for the last several years.
  - **Education Verification, Criminal History, Driving Record and Sex Offender Check** *(if requested by the City)*  
We contract with Sterling for all background checks.
- ◆ **Candidate Travel Coordination** *(if the City chooses to provide travel expenses to finalist candidates)*  
After you have identified the expenses you wish to cover, we work with the candidates to organize the most cost-effective travel arrangements.
- ◆ **Final Interview Binders**  
The Final Interview Binders include suggested interview questions, as well as the candidates' applications, supplemental question responses, and resumes, and are the tool that keeps the final interview process organized. Each panel member will be provided a binder.
- ◆ **Final Interviews with Candidates**  
**We will travel to Hubbard and facilitate the interviews.** The interview process usually begins with a morning briefing where schedule and process will be discussed with all those involved in the interviews. Each candidate will then go through a series of one-hour interview sessions, with an hour break for lunch.
- ◆ **Panelists & Decision Makers Debrief:** After the interviews are complete, we will facilitate a debrief with all panel participants where the panel facilitators will report their panel's view of the strengths and weaknesses of each candidate interviewed.
- ◆ **Candidate Evaluation Session:** After the debrief, we will facilitate the evaluation process, help the decision makers come to consensus, discuss next steps, and organize any additional candidate referencing or research if needed.
- ◆ **Facilitate Employment Agreement:** Once the top candidate has been selected, we will offer any assistance needed in developing a letter of offer and negotiating terms of the employment agreement.



## **FEE, EXPENSES & GUARANTEE**

### **Professional Fee**

**The fee for conducting a City Administrator recruitment with a one-year guarantee is \$17,500.** The professional fee covers all Prothman staff time required to conduct the recruitment. This includes all correspondence and all on-site meetings with the client, writing and placing the recruitment ads, development of the candidate profile, creating and processing invitation letters, reviewing resumes, coordinating and conducting semifinalist interviews, coordinating and attending finalist interviews, coordinating candidate travel, conducting background checks and professional references on the finalist candidates (*if requested by the City*) and all other search related tasks required to successfully complete the recruitment.

Professional fees are billed in three equal installments throughout the recruitment, one at the beginning, at the halfway point, and upon completion.

### **Expenses**

Expenses vary depending on the design and geographical scope of the recruitment. We do not mark up expenses and work diligently to keep expenses at a minimum and keep records of all expenditures. The City of Hubbard will be responsible for reimbursing expenses Prothman incurs on your behalf. Expenses include:

- Newspaper, trade journal, and associated website advertising (approx. \$1,400 - 1,600)
- Diversity Site Advertising, if requested (approx. \$600 - \$2,000)
- Direct mail announcements (approx. \$1,500 - 1,700)
- Interview Binders & printing of materials (approx. \$100 - 400)
- Delivery expenses for Interview Binders (approx. \$100 - 250)
- Consultant travel: Mileage at IRS rate, travel time at \$50 per hour, lodging when required (approx. \$600 - 900 per trip)
- Background checks performed by Sterling (approx. \$175 per candidate), (*if requested by the City*)

Expenses are billed monthly.

### **Other Expenses**

**Candidate travel** (*if the City chooses to provide travel expenses to finalist candidates*): We cannot approximate candidate travel expenses because they vary depending on the number of candidates, how far the candidates travel, length of stay, if spouses are included, etc. If you wish, we will coordinate and forward to your organization the candidate's travel receipts for direct reimbursement to the candidate.

### **Warranty**

**Repeat the Recruitment:** If you follow the main phases of our process and a top candidate is not chosen, we will repeat the recruitment once with no additional professional fee, the only cost to you would be for the expenses.

### **Guarantee**

If you follow the main phases of our process and the selected finalist is terminated for cause or resigns within one year from the employment date, we will conduct one replacement search with no additional professional fee, the only cost to you would be the expenses.

### **Cancellation**

You have the right to cancel the search at any time. Your only obligation would be the fees and expenses incurred prior to cancellation.

Accepted by:

**CITY OF HUBBARD**

**PROTHMAN**

\_\_\_\_\_  
Date

*Sonja Prothman* 1/24/2022  
Sonja Prothman Date  
Owner / President

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

Open Print Download

1 of 1 X ⓘ

**CITY OF HUBBARD**  
**PARK USE APPLICATION**  
**TODAY'S DATE** 1/12/22

PLEASE SEE ATTACHED PARK USE MUNICIPAL CODE CHAPTERS 3.13 AND 12.05

***Please attach a Hold Harmless agreement in favor of the  
City of Hubbard and provide liability insurance, in the  
amount of \$500,000 per occurrence naming the  
City of Hubbard as an additional insured.***

**DATE OF EVENT:** 2nd Wed. of month **LOCATION OF EVENT:** Rivenes Park  
**NATURE OF EVENT:** Mobile Food Pantry - open 3:30-5:30pm  
**SET UP DATE & TIME:** Wed. 2:30pm set up **REMOVAL DATE & TIME:** same day- 6:00pm  
**NAME OF PERSON/ORGANIZATION USING PARK:** Marion Polk Food Share- Rachel Peterson  
**ADDRESS:** [REDACTED] **CITY:** [REDACTED] **STATE:** [REDACTED] **ZIP:** [REDACTED]  
**CONTACT NUMBERS:** [REDACTED]  
**E-MAIL ADDRESS:** [REDACTED]  
**DATE OF BIRTH (Must be 18 or Older):** [REDACTED] **DRIVER'S LICENSE #:** [REDACTED] **STATE:** [REDACTED]

**NOTE:** Anyone applying for outdoor entertainment is subject to a background investigation by the City of Hubbard.

**WILL YOU BE USING TEMPORARY STRUCTURES?** ☐ YES ☒ NO

**IF YES, PLEASE ATTACH DIAGRAMS OF TEMPORARY STRUCTURES BEING CONSTRUCTED.**

**WILL THE EVENT IMPACT TRAFFIC?** ☐ YES ☒ NO **IF YES, PLEASE PROVIDE A PLAN.**

**WILL YOU NEED SECURITY FOR THE EVENT?** ☐ YES ☒ NO **IF YES, PLEASE PROVIDE A PLAN.**

**PLEASE PROVIDE A PLAN FOR THE CLEAN-UP OF THE PARK AFTER THE EVENT, TO INCLUDE THE DISPOSAL OF ALL TRASH OFF-SITE.**

Any trash or dunnage produced as a result of the mobile food pantry will be collected and brought back to Marion Polk Food Share's warehouse for disposal.

**WILL ALCOHOL BE SERVED?** ☐ YES ☒ NO **IF YES, PLEASE PROVIDE THE CITY WITH AN OLCC APPROVED APPLICATION & A COPY OF LIABILITY INSURANCE OF \$500,000 PER OCCURRENCE.**

**PERCENTAGE OF PARTICIPANTS LIVING WITHIN THE HUBBARD CITY LIMITS:** 90% estimate

**SIGNATURE****DATE**



## Mobile Pantry Programs

Marion Polk Food Share's mission is to bring people together to end hunger and its root causes.

We distribute nutritious food for individuals and families to more than 100 local partners, including food pantries and meal sites, and deliver Meals on Wheels to homebound seniors and adults with disabilities. We operate an urban farm and support a network of community gardens that connect people and their food, and mobilize community members, to address systemic issues that lead to hunger. Thousands of local volunteers, advocates, and donors bring our mission to life every day.

Our Mobile Pantry Program is a way to increase food security in communities with limited access to other food resources. The Mobile Pantry will come on a 20' refrigerated van stocked with a variety of shelf-stable dry food, fresh produce, and dairy to distribute to members of the community. The Mobile Pantry Coordinator will work with local volunteers to set up a location in your community that is accessible and open to anyone seeking assistance.

A typical set-up will include a pop-up tent, a couple folding tables, and a check-in station. After checking in, families will either be given a pre-made food box or can select from the items available.





## Melinda Olinger

---

**From:** Rachel Peterson <RPeterson@marionpolkfoodshare.org>  
**Sent:** Thursday, January 20, 2022 12:16 PM  
**To:** Melinda Olinger  
**Subject:** RE: Mobile Food Pantry

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Melinda,

I'm attaching the Park Use Application as well as a info sheet that describes our Mobile Pantry program. I checked in with our finance department, and the Liability Insurance listed in the application will not be a problem- I'll forward a copy of that as soon as I have it.

- What hours are the park's restrooms open? Would they be accessible during 3-6pm?
- We won't be constructing any temporary structures, but will possibly use a 10'x10' pop up tent anchored with standard tent weights.

[Hubbard Park Use Application](#)

[Mobile Pantry basic info](#)

Let me know if other details are needed. Ideally, we could start as soon as Feb. 9<sup>th</sup>, but understand if time is too short to get it approved by then and it doesn't start until March. I appreciate your help in getting this moved forward!

Thank you,  
Rachel

**From:** Melinda Olinger <molinger@cityofhubbard.org>  
**Sent:** Saturday, January 8, 2022 3:45 PM  
**To:** Rachel Peterson <RPeterson@marionpolkfoodshare.org>  
**Cc:** Melinda Olinger <molinger@cityofhubbard.org>  
**Subject:** RE: Mobile Food Pantry

Hi Rachel!

Thank you for your email! That sounds like a great idea! We will have to get Council authorization, but I believe it could work. Below is an application for our park use, could you complete with the details of how the event would work, space needed, day/time etc. and then we can take it to Council. Thank you! 😊

[https://www.cityofhubbard.org/sites/default/files/fileattachments/public\\_works/page/227/park\\_use\\_application\\_fillable.pdf](https://www.cityofhubbard.org/sites/default/files/fileattachments/public_works/page/227/park_use_application_fillable.pdf)

*Melinda Olinger*

Public Works Administrative Manager  
P.O. Box 380  
Hubbard OR 97032  
503-982-9429

*"Be somebody who makes everybody feel like a somebody." ~Kid President*

- Office Hours Monday-Thursday 7:00 a.m. to 5:30 p.m. -

From: Rachel Peterson <[RPeterson@marionpolkfoodshare.org](mailto:RPeterson@marionpolkfoodshare.org)>  
Sent: Thursday, January 6, 2022 9:43 AM  
To: Melinda Olinger <[molinger@cityofhubbard.org](mailto:molinger@cityofhubbard.org)>  
Subject: Mobile Food Pantry

Hi Melinda,

I got your contact information from Lori Gamboa at the North Marion School District. I am the mobile-pantry coordinator at Marion Polk Food Share. I have been in conversation with multiple people at the School District as well as the Service Integration Team about the need for more food resources available in the community. We talked about using the school as a central hub, but it was expressed that transportation from Hubbard, Donald and Aurora is a barrier for many of the families who would benefit most. It was brought up that there are already established locations in each town where the school successfully distributes summer and spring break lunches to students. So, we are wondering about the possibility of using Rivenes Park in Hubbard to establish a once/month mobile food pantry.

- If the dates are available, then I'd like to look at the second Wednesdays of the month starting in February from 3:30-6pm- I am mindful that in February 6pm would be after sunset, so I'd plan to be done closer to 5:30 that month.

Let me know if you think that is a possibility, what other information you need or if you know of a more suitable location in Hubbard that is easy for families to get to.

Thank you,  
Rachel Peterson

**Rachel Peterson (she/her)**  
*Mobile Pantry Coordinator*  
**Marion Polk Food Share**

Office 503-576-3448 Cell Phone 971-600-2493  
1660 Salem Industrial Dr. NE, Salem, OR 97301  
[marionpolkfoodshare.org](http://marionpolkfoodshare.org) | [Facebook](#) | [Instagram](#)

[\(why I use pronouns\)](#)