

City of Brookings
MEETING AGENDA

CITY COUNCIL/URBAN RENEWAL AGENCY

Monday, December 13, 2021, 7:00pm

City Hall Council Chambers, 898 Elk Drive, Brookings, OR 97415

CITY COUNCIL

A. Call to Order

B. Pledge of Allegiance

C. Roll Call

D. Scheduled Public Appearances

(Informational presentations to Council on non-agenda items – 10 minute limit per person.)

1. CourseCo – Salmon Run Golf Course Update

E. Oral Requests and Communications from the audience

(*Public Comments on non-agenda items – five (5) minute limit per person, please submit Public Comment Form in advance)

F. Consent Calendar

1. Approve City Council minutes for November 8, 2021 [Pg. 1]
2. Approve Planning Commission minutes for November 2, 2021 [Pg. 3]
3. Accept October 2021 Financials [Pg. 5]

G. Staff Reports/Public Hearings/Ordinances/Resolutions/Final Orders

1. Speed Zone Investigation – Chetco Avenue [Pg. 11]
 - a. ODOT Technical Memorandum [Pg. 12]
2. Wastewater Treatment Plant DEQ – Sampling Events [Pg. 47]
 - a. Jacobs Out-of-Scope Letter [Pg. 48]
3. Underground Diesel Tank Removal & Replacement Project [Pg. 50]
4. Align deadlines of BMC Enforcement and Waiver of Fees [Pg. 51]
5. Business Oregon's Safe Drinking Water Revolving Loan Fund [Pg. 52]
 - a. Resolution 21-R-1215 [Pg. 53]
 - b. Business Oregon SDWLRF Award Letter [Pg. 55]
 - c. Safe Drinking Water Revolving Loan Fund Contract [Pg. 57]
6. Accept Audit Report for the fiscal year ended June 30, 2021 [Pg. 78]

Informational Non-Action Items

1. November Vouchers [Pg. 188]

H. Remarks from Mayor and Councilors

I. Adjournment

URBAN RENEWAL AGENCY

A. Call to Order

B. Pledge of Allegiance

C. Roll Call

D. Consent Calendar

1. Approve Urban Renewal meeting Minutes for May 24, 2021 [Pg. 191]

E. Staff Reports

1. Accept Audit Report for the fiscal year ended June 30, 2021 [Pg. 192]

F. Agency Remarks

G. Adjournment

*Public Comment forms and the agenda packet are available on-line at www.brookings.or.us, at Brookings City Hall and at Chetco Community Public Library. Return completed Public Comment forms to the City Recorder before the start of the meeting or during regular business hours.

All public meetings are held in accessible locations. Auxiliary aids will be provided upon request with at least 72 hours advance notification. Please contact 469-1102 if you have any questions regarding this notice.

Due to the COVID-19 virus, meeting participants in the council chambers will be limited and social distancing of six (6) feet will be required and maintained. If you would like to view the City Council Meeting live, you can via:

- Television – Charter Channel 181

- Internet – Go to the City of Brookings website at <http://www.brookings.or.us>

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City of Brookings
CITY COUNCIL MEETING MINUTES
City Hall Council Chambers, 898 Elk Drive, Brookings, OR 97415
Monday, November 8, 2021

Call to Order

Mayor Hedenskog called the meeting to order at 7:02 PM

Roll Call

Council Present: Mayor Ron Hedenskog, Councilors Brad Alcorn, Ed Schreiber, John McKinney (via phone), and Michelle Morosky; a quorum present

Staff present: City Manager Janell Howard, Public Works Director Tony Baron, City Attorney Elizabeth Howard (via phone), and Deputy Recorder Natasha Tippetts

Media Present:

Others Present: 3 audience members

Mayor Hedenskog noted that City Attorney Elizabeth Howard joined via telephone and suggested the item pertaining to her should be moved up on the agenda.

Councilor Schreiber moved, Councilor Alcorn seconded, and Council voted unanimously to move Staff Report "G1" to before Scheduled Public Appearances.

Staff Report

1. Approve purchase and sale agreement of caisson structure, pipeline, and easement

Staff report presented by Tony Baron

Councilor Alcorn moved, Councilor Morosky seconded, and Council voted unanimously to authorize City Manager to enter into Purchase and Sale Agreement with Freeman Trusts for Caisson Structure, Pipeline, and Easement; and enter into Easement Agreement with Freeman Rock, Inc.

Scheduled Public Appearances

1. Harmony and Me Music Outreach – Tricia Iverson provided information on her non-profit organization

Oral Requests and Communications from the Audience

1. Connie Hunter – 1310 English Court, Brookings; provided information on Curry County suicide awareness

2. Bob Webb – 22 Seascape Court, Brookings; provided opinion on public safety

Consent Calendar

1. Approve Council minutes for October 25, 2021

2. Accept Planning Commission minutes for October 5, 2021

Councilor Schreiber moved, Councilor Alcorn seconded, and Council voted unanimously to approve the Consent Calendar.

Staff Reports

2. 7th Street Waterline Replacement Project

Staff report presented by Tony Baron

Councilor Schreiber moved, Mayor Hedenskog seconded, and Council voted unanimously to authorize City Manager to enter into an agreement with Tidewater contractors Inc. in the amount of \$326,019 for the 7th Street water replacement project.

3. Award Marine Drive Reservoir Interior Painting Project

Staff report presented by Tony Baron

Councilor Morosky moved, Councilor Alcorn seconded, and Council voted unanimously to authorize City Manager to enter into an agreement with HCI Industrial & Marine Coatings Inc. in the amount of \$515,880 for the Marine Drive Reservoir Interior Painting Project.

Informational Non-Action Items

1. October Vouchers

Remarks from Mayor and Councilors

None

Adjournment

Mayor Hedenskog moved, Councilor Schreiber seconded and Council voted unanimously to adjourn the meeting at 7:43 PM

Respectfully submitted:

ATTESTED:
this 13th day of December, 2021:

Ron Hedenskog, Mayor

Janell K. Howard, City Recorder

BROOKINGS PLANNING COMMISSION MINUTES
November 2, 2021

CALL TO ORDER

The regular meeting of the Brookings Planning Commission was called to order by Chair Wulkowicz at 7:01 pm in the Council Chambers at Brookings City Hall followed by the Pledge of Allegiance.

ROLL CALL

Commissioners Present: Anthony Bond, Cody Coons, Clayton Malmberg, Skip Watwood, Chair Gerald Wulkowicz

Commissioners Absent: Bill Hamilton, Skip Hunter

Staff Present: PWDS Director Tony Baron, Planning Tech Lauri Ziemer

Audience - 2

PLANNING COMMISSION CHAIR PERSON ANNOUNCEMENTS –None

PUBLIC HEARINGS

- 4.1 In the matter of File No. CUP-11-21, a request for approval of a Conditional Use Permit (CUP) to operate a Short Term Rental facility at 17338 West Blueberry

There was no ex parte contact, bias, personal interest, or conflicts of interest declared and no objection to the jurisdiction of the Planning Commission to hear the matter. The public hearing was opened at 7:05 pm. PWDS Director Tony Baron reviewed the staff report.

The applicant, David Lastufka was not present.

No members of the public spoke in opposition and no participant requested additional time to submit materials. The public hearing was closed at 7:09 pm.

The Commission deliberated on the matter. **Motion made by Commissioner Coons to approve File No. CUP-11-21, a request for a Conditional Use Permit to operate a short term rental at 17338 West Blueberry based on the findings and conclusions stated in the Staff Report and subject to the Conditions of Approval; motion seconded and with no further discussion by a 5-0 vote the motion carried.**

Motion made by Chair Wulkowicz to approve the Final Order regarding file CUP-11-21, based on the findings and conclusions stated in the Staff Report and subject to the Conditions of Approval; motion seconded and with no further discussion by a 5-0 vote the motion carried.

- 4.2 In the matter of File No. CUP-12-21, a request for approval of a Conditional Use Permit (CUP) to operate a Short Term Rental facility at 1099 Parkview Drive

There was no ex parte contact, bias, personal interest, or conflicts of interest declared and no objection to the jurisdiction of the Planning Commission to hear the matter. The public hearing was opened at 7:10 pm. PWDS Director Tony Baron reviewed the staff report.

The applicant, Cindy Stratton was present.

No members of the public spoke in opposition and no participant requested additional time to submit materials. The public hearing was closed at 7:14 pm.

The Commission deliberated on the matter. **Motion made by Commissioner Malmberg to approve File No. CUP-12-21, a request for a Conditional Use Permit to operate a short term rental at 1099 Parkview Drive based on the findings and conclusions stated in the Staff Report and subject to the Conditions of Approval; motion seconded and with no further discussion by a 5-0 vote the motion carried.**

Motion made by Chair Wulkowicz to approve the Final Order regarding file CUP-12-21, based on the findings and conclusions stated in the Staff Report and subject to the Conditions of Approval; motion seconded and with no further discussion by a 5-0 vote the motion carried.

MINUTES FOR APPROVAL

5.1 Minutes of regular Planning Commission meeting of October 5, 2021.

Motion made by Commissioner Watwood to approve the Planning Commission minutes of October 5, 2021; motion seconded, with no further discussion by a 5-0 vote the motion carried.

UNSCHEDULED PUBLIC APPEARANCES – None

REPORT FROM THE PLANNING STAFF – PWDS Director Baron advised that at least one Conditional Use Permit for benevolent meal kitchens will be on the December Planning Commission agenda.

COMMISSION FINAL COMMENTS - None

ADJOURNMENT

Chair Wulkowicz adjourned the meeting at 7:19 pm.

Respectfully submitted,



Gerald Wulkowicz, Brookings Planning Commission
Approved at the December 7, 2021 meeting

CITY OF BROOKINGS
FUND SUMMARY
FOR THE 4 MONTHS ENDING OCTOBER 31, 2021

GENERAL FUND

	BUDGET	PERIOD ACTUAL	YTD ACTUAL	REMAINING BUDGET	PCNT
REVENUE					
TAXES	3,507,011.00	64,534.02	388,774.27	3,118,236.73	11.1
LICENSES AND PERMITS	276,500.00	19,118.00	108,139.79	168,360.21	39.1
INTERGOVERNMENTAL	295,000.00	10,372.43	790,590.87	(495,590.87)	268.0
CHARGES FOR SERVICES	318,500.00	10,284.49	152,030.12	166,469.88	47.7
OTHER REVENUE	122,500.00	10,203.25	40,365.89	82,134.11	33.0
TRANSFERS IN	595,248.00	.00	.00	595,248.00	.0
	<u>5,114,759.00</u>	<u>114,512.19</u>	<u>1,479,900.94</u>	<u>3,634,858.06</u>	<u>28.9</u>
EXPENDITURES					
JUDICIAL:					
PERSONAL SERVICES	33,678.00	2,944.68	11,656.84	22,021.16	34.6
MATERIAL AND SERVICES	12,850.00	321.58	1,573.98	11,276.02	12.3
CAPITAL OUTLAY	.00	.00	.00	.00	.0
	<u>46,528.00</u>	<u>3,266.26</u>	<u>13,230.82</u>	<u>33,297.18</u>	<u>28.4</u>
FINANCE AND ADMINISTRATION:					
PERSONAL SERVICES	367,902.00	32,996.47	123,843.08	244,058.92	33.7
MATERIAL AND SERVICES	153,500.00	1,766.42	36,071.75	117,428.25	23.5
CAPITAL OUTLAY	.00	.00	.00	.00	.0
	<u>521,402.00</u>	<u>34,762.89</u>	<u>159,914.83</u>	<u>361,487.17</u>	<u>30.7</u>
POLICE:					
PERSONAL SERVICES	2,916,160.00	225,121.23	879,013.10	2,037,146.90	30.1
MATERIAL AND SERVICES	189,500.00	10,444.96	67,115.73	122,384.27	35.4
CAPITAL OUTLAY	.00	.00	.00	.00	.0
DEBT SERVICE	67,867.00	4,452.31	32,116.17	35,750.83	47.3
TRANSFERS OUT	.00	.00	.00	.00	.0
	<u>3,173,527.00</u>	<u>240,018.50</u>	<u>978,245.00</u>	<u>2,195,282.00</u>	<u>30.8</u>
FIRE:					
PERSONAL SERVICES	229,448.00	19,515.00	76,639.45	152,808.55	33.4
MATERIAL AND SERVICES	101,500.00	18,062.00	42,373.37	59,126.63	41.8
CAPITAL OUTLAY	.00	.00	.00	.00	.0
DEBT SERVICE	30,580.00	.00	.00	30,580.00	.0
TRANSFERS OUT	.00	.00	.00	.00	.0
	<u>361,528.00</u>	<u>37,577.00</u>	<u>119,012.82</u>	<u>242,515.18</u>	<u>32.9</u>

CITY OF BROOKINGS
FUND SUMMARY
FOR THE 4 MONTHS ENDING OCTOBER 31, 2021

GENERAL FUND

	BUDGET	PERIOD ACTUAL	YTD ACTUAL	REMAINING BUDGET	PCNT
PLANNING AND BUILDING:					
PERSONAL SERVICES	263,365.00	16,495.87	63,226.38	200,138.62	24.0
MATERIAL AND SERVICES	91,600.00	3,490.85	13,561.58	78,038.42	14.8
CAPITAL OUTLAY	.00	.00	.00	.00	.0
TRANSFERS OUT	.00	.00	.00	.00	.0
	<u>354,965.00</u>	<u>19,986.72</u>	<u>76,787.96</u>	<u>278,177.04</u>	<u>21.6</u>
PARKS & RECREATION:					
PERSONAL SERVICES	282,595.00	19,202.72	91,283.18	191,311.82	32.3
MATERIAL AND SERVICES	114,100.00	6,665.66	43,620.43	70,479.57	38.2
CAPITAL OUTLAY	.00	.00	.00	.00	.0
DEBT SERVICE	9,981.00	.00	.00	9,981.00	.0
TRANSFERS OUT	.00	.00	.00	.00	.0
	<u>406,676.00</u>	<u>25,868.38</u>	<u>134,903.61</u>	<u>271,772.39</u>	<u>33.2</u>
GOLF COURSE:					
PERSONAL SERVICES	.00	.00	.00	.00	.0
MATERIAL AND SERVICES	84,000.00	.00	.00	84,000.00	.0
CAPITAL OUTLAY	.00	.00	.00	.00	.0
	<u>84,000.00</u>	<u>.00</u>	<u>.00</u>	<u>84,000.00</u>	<u>.0</u>
SWIMMING POOL:					
PERSONAL SERVICES	83,730.00	1,945.93	67,935.72	15,794.28	81.1
MATERIAL AND SERVICES	48,600.00	9,799.96	37,729.70	10,870.30	77.6
CAPITAL OUTLAY	.00	.00	.00	.00	.0
	<u>132,330.00</u>	<u>11,745.89</u>	<u>105,665.42</u>	<u>26,664.58</u>	<u>79.9</u>
NON-DEPARTMENTAL:					
MATERIAL AND SERVICES	164,600.00	8,125.24	27,165.13	137,434.87	16.5
CAPITAL OUTLAY	.00	.00	.00	.00	.0
TRANSFERS OUT	555,350.00	.00	.00	555,350.00	.0
CONTINGENCIES AND RESERVES	663,853.00	.00	.00	663,853.00	.0
	<u>1,383,803.00</u>	<u>8,125.24</u>	<u>27,165.13</u>	<u>1,356,637.87</u>	<u>2.0</u>
	<u>6,464,759.00</u>	<u>381,350.88</u>	<u>1,614,925.59</u>	<u>4,849,833.41</u>	<u>25.0</u>
	<u>(1,350,000.00)</u>	<u>(266,838.69)</u>	<u>(135,024.65)</u>	<u>(1,214,975.35)</u>	<u>(10.0)</u>

CITY OF BROOKINGS
FUND SUMMARY
FOR THE 4 MONTHS ENDING OCTOBER 31, 2021

STREET FUND

	BUDGET	PERIOD ACTUAL	YTD ACTUAL	REMAINING BUDGET	PCNT
<u>REVENUE</u>					
INTERGOVERNMENTAL	605,000.00	49,855.74	179,638.79	425,361.21	29.7
OTHER REVENUE	14,700.00	92.00	4,554.12	10,145.88	31.0
TRANSFER IN	.00	.00	.00	.00	.0
	<u>619,700.00</u>	<u>49,947.74</u>	<u>184,192.91</u>	<u>435,507.09</u>	<u>29.7</u>
<u>EXPENDITURES</u>					
EXPENDITURES:					
PERSONAL SERVICES	229,536.00	18,804.09	72,522.33	157,013.67	31.8
MATERIAL AND SERVICES	210,000.00	9,801.31	66,097.03	143,902.97	31.5
CAPITAL OUTLAY	187,940.00	.00	.00	187,940.00	.0
DEBT SERVICE	12,551.00	1,724.27	6,897.14	5,653.86	55.0
TRANSFERS OUT	65,391.00	.00	.00	65,391.00	.0
CONTINGENCIES AND RESERVES	164,282.00	.00	.00	164,282.00	.0
	<u>869,700.00</u>	<u>30,329.67</u>	<u>145,516.50</u>	<u>724,183.50</u>	<u>16.7</u>
	<u>869,700.00</u>	<u>30,329.67</u>	<u>145,516.50</u>	<u>724,183.50</u>	<u>16.7</u>
	<u>(250,000.00)</u>	<u>19,618.07</u>	<u>38,676.41</u>	<u>(288,676.41)</u>	<u>15.5</u>

CITY OF BROOKINGS
FUND SUMMARY
FOR THE 4 MONTHS ENDING OCTOBER 31, 2021

WATER FUND

	BUDGET	PERIOD ACTUAL	YTD ACTUAL	REMAINING BUDGET	PCNT
<u>REVENUE</u>					
SOURCE 03	.00	.00	.00	.00	.0
CHARGES FOR SERVICES	1,815,000.00	144,454.47	694,786.21	1,120,213.79	38.3
OTHER INCOME	48,000.00	5,682.50	18,536.33	29,463.67	38.6
TRANSFERS IN	.00	.00	.00	.00	.0
	<u>1,863,000.00</u>	<u>150,136.97</u>	<u>713,322.54</u>	<u>1,149,677.46</u>	<u>38.3</u>
<u>EXPENDITURES</u>					
WATER DISTRIBUTION:					
PERSONAL SERVICES	403,704.00	32,744.91	128,989.07	274,714.93	32.0
MATERIAL AND SERVICES	186,800.00	19,430.30	74,590.88	112,209.12	39.9
CAPITAL OUTLAY	50,000.00	.00	5,213.94	44,786.06	10.4
DEBT SERVICE	6,793.00	367.40	3,854.03	2,938.97	56.7
TRANSFERS OUT	24,000.00	.00	.00	24,000.00	.0
	<u>671,297.00</u>	<u>52,542.61</u>	<u>212,647.92</u>	<u>458,649.08</u>	<u>31.7</u>
WATER TREATMENT:					
PERSONAL SERVICES	27,603.00	2,491.01	9,379.55	18,223.45	34.0
MATERIAL AND SERVICES	508,369.00	39,628.64	150,082.16	358,286.84	29.5
CAPITAL OUTLAY	10,000.00	.00	.00	10,000.00	.0
DEBT SERVICE	2,385.00	.00	2,384.49	.51	100.0
TRANSFERS OUT	718,494.00	.00	.00	718,494.00	.0
CONTINGENCIES AND RESERVES	204,852.00	.00	.00	204,852.00	.0
	<u>1,471,703.00</u>	<u>42,119.65</u>	<u>161,846.20</u>	<u>1,309,856.80</u>	<u>11.0</u>
DEPARTMENT 24:					
CAPITAL OUTLAY	.00	.00	.00	.00	.0
	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.0</u>
	<u>2,143,000.00</u>	<u>94,662.26</u>	<u>374,494.12</u>	<u>1,768,505.88</u>	<u>17.5</u>
	<u>(280,000.00)</u>	<u>55,474.71</u>	<u>338,828.42</u>	<u>(618,828.42)</u>	<u>121.0</u>

CITY OF BROOKINGS
FUND SUMMARY
FOR THE 4 MONTHS ENDING OCTOBER 31, 2021

WASTEWATER FUND

	BUDGET	PERIOD ACTUAL	YTD ACTUAL	REMAINING BUDGET	PCNT
<u>REVENUE</u>					
SOURCE 03	(4,500.00)	.00	.00	(4,500.00)	.0
CHARGES FOR SERVICES	3,240,300.00	289,065.87	1,103,194.87	2,137,105.13	34.1
OTHER REVENUE	10,000.00	.00	785.46	9,214.54	7.9
TRANSFER IN	.00	.00	.00	.00	.0
	<u>3,245,800.00</u>	<u>289,065.87</u>	<u>1,103,980.33</u>	<u>2,141,819.67</u>	<u>34.0</u>
<u>EXPENDITURES</u>					
WASTEWATER COLLECTION:					
PERSONAL SERVICES	627,735.00	46,698.63	192,225.93	435,509.07	30.6
MATERIAL AND SERVICES	225,500.00	6,176.78	60,751.06	164,748.94	28.9
CAPITAL OUTLAY	15,000.00	.00	.00	15,000.00	.0
DEBT SERVICE	6,793.00	367.22	3,853.37	2,939.63	56.7
TRANSFERS OUT	197,806.00	.00	.00	197,806.00	.0
	<u>1,072,834.00</u>	<u>53,242.61</u>	<u>256,830.36</u>	<u>816,003.64</u>	<u>23.9</u>
WASTEWATER TREATMENT:					
PERSONAL SERVICES	41,732.00	3,736.52	14,069.21	27,662.79	33.7
MATERIAL AND SERVICES	970,333.00	76,872.90	268,616.27	701,716.73	27.7
CAPITAL OUTLAY	.00	.00	.00	.00	.0
DEBT SERVICE	2,385.00	.00	2,384.49	.51	100.0
TRANSFERS OUT	1,357,525.00	.00	.00	1,357,525.00	.0
CONTINGENCIES AND RESERVES	325,491.00	.00	.00	325,491.00	.0
	<u>2,697,466.00</u>	<u>80,609.42</u>	<u>285,069.97</u>	<u>2,412,396.03</u>	<u>10.6</u>
	<u>3,770,300.00</u>	<u>133,852.03</u>	<u>541,900.33</u>	<u>3,228,399.67</u>	<u>14.4</u>
	<u>(524,500.00)</u>	<u>155,213.84</u>	<u>562,080.00</u>	<u>(1,086,580.00)</u>	<u>107.2</u>

CITY OF BROOKINGS
FUND SUMMARY
FOR THE 4 MONTHS ENDING OCTOBER 31, 2021

URBAN RENEWAL AGENCY FUND


	BUDGET	PERIOD ACTUAL	YTD ACTUAL	REMAINING BUDGET	PCNT
REVENUE					
TAXES	660,164.00	2,186.76	13,833.54	646,330.46	2.1
INTERGOVERNMENTAL	.00	.00	.00	.00	.0
OTHER REVENUE	2,000.00	.00	573.72	1,426.28	28.7
TRANSFERS IN	.00	.00	.00	.00	.0
	<u>662,164.00</u>	<u>2,186.76</u>	<u>14,407.26</u>	<u>647,756.74</u>	<u>2.2</u>
EXPENDITURES					
GENERAL:					
PERSONAL SERVICES	.00	.00	.00	.00	.0
MATERIAL AND SERVICES	60,000.00	.00	.00	60,000.00	.0
CAPITAL OUTLAY	1,332,164.00	.00	.00	1,332,164.00	.0
DEBT SERVICE	.00	.00	.00	.00	.0
TRANSFERS OUT	130,000.00	.00	.00	130,000.00	.0
CONTINGENCIES AND RESERVES	.00	.00	.00	.00	.0
	<u>1,522,164.00</u>	<u>.00</u>	<u>.00</u>	<u>1,522,164.00</u>	<u>.0</u>
DEPARTMENT 20:					
CAPITAL OUTLAY	.00	.00	.00	.00	.0
	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.0</u>
DEPARTMENT 22:					
MATERIAL AND SERVICES	.00	.00	.00	.00	.0
DEBT SERVICE	.00	.00	.00	.00	.0
	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.0</u>
DEPARTMENT 24:					
CONTINGENCIES AND RESERVES	.00	.00	.00	.00	.0
	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.0</u>
	<u>1,522,164.00</u>	<u>.00</u>	<u>.00</u>	<u>1,522,164.00</u>	<u>.0</u>
	<u>(860,000.00)</u>	<u>2,186.76</u>	<u>14,407.26</u>	<u>(874,407.26)</u>	<u>1.7</u>

CITY OF BROOKINGS

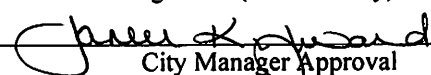
COUNCIL AGENDA REPORT

Meeting Date: December 13, 2021

Originating Dept: PW/DS



Signature (submitted by)



City Manager Approval

Subject:

Speed Zone Investigation – Chetco Avenue

Recommended Motion:

- Accept the proposed speed zone changes on Chetco Avenue highlighted in the Oregon Department of Transportation speed zone investigation and authorize staff to submit a letter of concurrence.

OR

- Oppose the proposed speed zone changes on Chetco Avenue highlighted in the Oregon Department of Transportation speed zone investigation and decline to submit a letter of concurrence.

Background/Discussion:

The Oregon Department of Transportation (ODOT) initiated a speed zone study in order to determine if lower speeds were warranted on Chetco Avenue due to future pedestrian improvements slated for construction from Lucky Lane to Parkview Drive. The City of Brookings has been identified as one of the high-risk pedestrian corridors and could be eligible for future pedestrian improvements for which funding would be based off speeds.

ODOT Region 3 Traffic Engineer Ray Lapke, P.E. prepared the attached technical memorandum regarding the speed zone investigation of Chetco Avenue. The memo identifies reductions in speed from Oak Street to Pacific Avenue from 25 mph to 20 mph and from Pacific Avenue to just North of Arnold Ln reducing the speed from 35 mph to 30 mph. The memo also identifies a minor adjustment near East and West Harris Heights roads.

ODOT is requesting a letter of concurrence from the City of Brookings indicating acceptance of the proposed speed zone changes on Chetco Avenue.

Attachments:

- a. ODOT Technical Memorandum – Speed Zone Investigation #13411



Oregon

Kate Brown, Governor

Department of Transportation

Region 3 Traffic

3500 NW Stewart Parkway
Roseburg, Oregon 97470
Phone 541.957.3536
Fax 541.672.6148

TECHNICAL MEMORANDUM

TO: Michael Kimlinger, P.E.
State Traffic/Roadway Engineer

FROM: Ray Lapke, P.E.
Region 3 Traffic Engineer

Wm. Mike Birch
Speed Zone Investigator

SUBJECT: Speed Zone Investigation #13411
Oregon Coast Hwy (US 101)
475 feet northwest of W Harris Heights Road (MP 355.27) to 300 feet
northwest of Pedrioli Drive (MP 359.50)
ODOT / City of Brookings



RENEWS: 12-31-2022

A speed zone investigation has been completed at the subject location and reports thereof are attached for your review and approval. This investigation was conducted in response to a request for an investigation from Mark Epps, Interim Assistant District 7 Manager, ODOT. Mark cites; "District is planning on making some pedestrian improvements and would like to review this section to see if a lower speed is warranted".

Section A, from 475 feet northwest of W Harris Heights Road (MP 355.27) to 250 feet northwest of W Harris Heights Road (MP 355.31), is 200 feet in length. The speed zoning of 45 MPH is supposed to begin at 475 feet northwest of W Harris Heights Road (MP 355.27) according to the current order. The speed zoning of 45 MPH is currently signed at 250 feet northwest of W Harris Heights Road (MP 355.31). This appears to be a better fit, given the other signs around it and for visibility.

This office recommends a minor adjustment in this section. The recommendation was determined from OAR 734-020-0015(8)(c). A designated speed zone may, at the discretion of the State Traffic-Roadway Engineer, be extended or shortened up to 500 feet without performing an engineering study within that segment.

Section B, from 250 feet northwest of W Harris Heights Road (MP 355.31) to 0.26 mile northwest of Parkview Drive (MP 355.61) is 0.30 mile in length. Context and culture type is rural. The roadway functional classification is urban principal arterial.

There is one intersecting street in this section. It is paved and controlled by a STOP sign.

Horizontal alignment is tangent. Vertical alignment is mostly level.

The spot speed data for this section yields a 50th percentile speed of 46 MPH / 85th percentile speed of 50 MPH with 53% exceeding the existing 45 MPH zoning. The 2017-2019 crash rate is 1.38 with an ADT of 8,800 vehicles.

This office recommends retaining the existing 45 MPH zoning in this section. The recommendation was determined from OAR 734-020-0015 (2)(d). The 50th percentile speed is 35 or greater.

Section C, from 0.26 mile northwest of Parkview Drive (MP 355.61) to 350 feet southeast of Crissey Circle (south conn.) (MP 356.39) is 0.78 mile in length. Context is suburban fringe with rural to sparse residential. The roadway functional classification is urban principal arterial.

There are eight intersecting streets in this section. All are paved and controlled by a STOP sign.

Horizontal alignment is tangent. Vertical alignment is mostly level.

The spot speed data for this section yields a 50th percentile speed of 39 MPH / 85th percentile speed of 43 MPH with 76% exceeding the existing 35 MPH zoning. The 2017-2019 crash rate is 2.06 with an ADT of 9,650 vehicles.

This office recommends retaining the existing 35 MPH zoning in this section. The recommendation was determined from OAR 734-020-0015 (2)(d). The 50th percentile speed is 35 or greater.

Section D, from 350 feet southeast of Crissey Circle (south conn.) (MP 356.39) to 100 feet northwest of Pacific Avenue (MP 357.06), is 0.67 mile in length. Context is urban mix with moderate business. The roadway functional classification is urban principal arterial.

There are s intersecting streets in this section. All are paved, one is signalized and five are controlled by a STOP sign.

Horizontal alignment contains two curves. Vertical alignment is mostly level.

The spot speed data for this section yields a 50th percentile speed of 33 MPH / 85th percentile speed of 37 MPH with 28% exceeding the existing 35 MPH zoning. The 2017-2019 crash rate is 2.06 with an ADT of 13,900 vehicles.

This office recommends rescinding the existing 35 MPH zoning and establishing 30 MPH zoning in this section. The recommendation was determined from OAR 734-020-0015 (2)(b) Based on context.

Section E, from 100 feet northwest of Pacific Avenue (MP 357.06) to 100 feet east of Alder Street (MP 357.59), is 0.53 mile in length. Context is urban core with heavy business. The roadway functional classification is urban principal arterial and designated as a Special Transportation Area (STA).

There are nine intersecting streets in this section. All are paved, two is signalized and seven are controlled by a STOP sign.

Horizontal alignment contains one curve. Vertical alignment is mostly level.

The spot speed data for this section yields a 50th percentile speed of 25 MPH / 85th percentile speed of 29 MPH with 49% exceeding the existing 25 MPH zoning. The 2017-2019 crash rate is 4.03 with an ADT of 17,525 vehicles.

This office recommends rescinding the existing 25 MPH zoning and establishing 20 MPH zoning in this section. The recommendation was determined from OAR 734-020-0015 (2)(b). Based on context; OAR 734-020-0015 (2)(c)(B)(i). The crash rate for the segment exceeds 150% of the average crash rate for the same functional class of highway within the jurisdiction of the road authority.

Section F, from 100 feet east of Alder Street (MP 357.59) to 0.11 mile east of N Bank Chetco River Road (MP 357.87), is 0.28 mile in length. Context is suburban fringe with sparse business. The roadway functional classification is urban principal arterial.

There is one intersecting street in this section. It is paved and controlled by a signal.

Horizontal alignment contains one curve. Vertical alignment is mostly level.

The spot speed data for this section yields a 50th percentile speed of 35 MPH / 85th percentile speed of 39 MPH with 47% exceeding the existing 35 MPH zoning. The 2017-2019 crash rate is 1.34 with an ADT of 19,400 vehicles.

This office recommends retaining the existing 35 MPH zoning in this section. The recommendation was determined from OAR 734-020-0015 (2)(d). The 50th percentile speed is 35 or greater.

Section G, from 0.11 mile east of N Bank Chetco River Road (MP 357.87), to 300 feet northwest of Pedrioli Drive (MP 359.50), is 1.63 mile in length. Context is suburban

commercial with light to sparse business. The roadway functional classification is urban principal arterial.

There are ten intersecting streets in this section. All are paved, three are signalized and five are controlled by a STOP sign.

Horizontal alignment contains one curve. Vertical alignment is mostly level.

The spot speed data for this section yields a 50th percentile speed of 45 MPH / 85th percentile speed of 50 MPH with 46% exceeding the existing 45 MPH zoning. The 2017-2019 crash rate is 1.41 with an ADT of 16,320 vehicles.

This office recommends retaining the existing 45 MPH zoning in this section. The recommendation was determined from OAR 734-020-0015 (3)(b)(A) State Highway.

To Summarize: The City of Brookings has been identified as one of the high-risk pedestrian corridors. A funding program "Rapid Response Pedestrian Safety" was put together which will designate funding towards making quick turnaround but significant pedestrian improvements on high risk pedestrian corridors across the state. Some of the improvements that could be made through the program are based off speeds. The effort for this program is moving quickly and is the reasoning why district has asked for a speed zone investigation to determine if lower speeds are warranted throughout the entire section investigated.

RRL: WMB:

OREGON DEPARTMENT OF TRANSPORTATION

Report of Speed Zone Investigation

Oregon Coast Hwy (US 101)

475 feet northwest of W Harris Heights Road (MP 355.27) to 300 feet northwest of Pedrioli Drive (MP 359.50)

ODOT / City of Brookings

July 28, 2021

Recommendation: Rescind SZ Order J9046 dated November 16, 2016 and establish the following speed zoning as listed below:

Section:

		<u>MP</u>	<u>Existing</u>	<u>Recommended</u>	
Minor Adjustment		<u>On Oregon Coast Hwy (US 101)</u>			
A	<u>From:</u>	475 feet northwest of W Harris Heights Road	355.27	45 MPH	55 MPH (Stat.) <u>1/</u>
	<u>To:</u>	250 feet northwest of W Harris Heights Road	355.31		
Investigated					
B	<u>From:</u>	250 feet northwest of W Harris Heights Road	355.31	45 MPH	45 MPH <u>1/</u>
	<u>To:</u>	100 feet southeast of W Harris Heights Road	355.38		
<u>On Oregon Coast Hwy (US 101) / Chetco Avenue</u>					
	<u>From:</u>	100 feet southeast of W Harris Heights Road	355.38	45 MPH	45 MPH <u>1/</u>
	<u>To:</u>	0.26 mile northwest of Parkview Drive	355.61		
C	<u>From:</u>	0.26 mile northwest of Parkview Drive	355.61	35 MPH	35 MPH <u>1/</u>
	<u>To:</u>	350 feet southeast of Crissey Circle (south conn.)	356.39		
D	<u>From:</u>	350 feet southeast of Crissey Circle (south conn.)	356.39	35 MPH	30 MPH <u>1/</u>
	<u>To:</u>	100 feet northwest of Pacific Avenue (100 feet northeast of Pacific Avenue)	357.06		
E	<u>From:</u>	100 feet northwest of Pacific Avenue	357.06	25 MPH	20 MPH <u>1/</u>
	<u>To:</u>	100 feet east of Alder Street	357.59		
F	<u>From:</u>	100 feet east of Alder Street	357.59	35 MPH	35 MPH <u>1/</u>
	<u>To:</u>	0.11 mile east of N Bank Chetco River Road	357.87		
<u>On Oregon Coast Hwy (US 101)</u>					
G	<u>From:</u>	0.11 mile east of N Bank Chetco River Road	357.87	45 MPH	45 MPH <u>1/</u>
	<u>To:</u>	0.14 mile west of Lower Harbor Road	357.99		
	<u>From:</u>	0.14 mile west of Lower Harbor Road	357.99	45 MPH	45 MPH <u>2/</u>
	<u>To:</u>	300 feet northwest of Pedrioli Drive	359.50		

1/ ODOT - Road Authority; City of Brookings - Interested Jurisdiction

2/ ODOT - Road Authority

Historical Background:

Investigation Requested by: Mark Epps, Interim Assistant District 7 Manager, ODOT

Requested Speed: 30 MPH, 0.26 mile NW of Parkview Dr. (MP 355.61) to 100 ft. NE of Pacific Ave. (MP 357.06)
 20 MPH, 100 ft. NE of Pacific Ave. (MP 357.06) to 100 ft. E of Alder St. (MP 357.59)
 30 MPH, 100 ft. E of Alder St. (MP 357.59) to 0.11 mile E of N Bank Chetco River Rd. (MP 357.87)
 40 MPH, 0.11 mile E of N Bank Chetco River Rd. (MP 357.87) to 300 ft. NW of Pedrioli Dr. (MP 359.50)

Previous Action: Established SZ Order J9046 dated November 16, 2016

<u>Investigation:</u>	<u>Not Investigated</u> <u>Section A</u>	<u>Investigated</u> <u>Section B</u>	<u>Investigated</u> <u>Section C</u>	<u>Investigated</u> <u>Section D</u>	<u>Investigated</u> <u>Section E</u>	<u>Investigated</u> <u>Section F</u>	<u>Investigated</u> <u>Section G</u>
Section Length	•	0.30 mile	0.78 mile	0.67 mile	0.53 mile	0.28 mile	1.63 mile
50% Speed	•	46 MPH	39 MPH	33 MPH	25 MPH	35 MPH	45 MPH
85% Speed	•	50 MPH	43 MPH	37 MPH	29 MPH	39 MPH	50 MPH
2017-2019 Crash Rate (Crashes per Million Vehicle Miles)	•	1.38	2.08	2.08	4.03	1.34	1.41
2019 Average Daily Traffic	•	8,800	9,650	13,900	17,525	19,400	16,320
Context	•	Rural	Suburban fringe	Urban mix	Urban core	Suburban fringe	Suburban commercial
Culture Type and Density	•	Rural	Rural to sparse residential	Moderate business	Heavy business	Sparse business	Light to sparse business
Horizontal Alignment	•	Tangent	Tangent	2 Curves	1 Curve	1 Curve	1 Curve
Vertical Alignment	•	Mostly level	Mostly level	Mostly level	Mostly level	Mostly level	Mostly level
Curve Signs & Speed Riders	•	None	None	None	None	None	None
Existing Posted Speed	•	45 MPH	35 MPH	35 MPH	25 MPH	35 MPH	45 MPH
Recommended Speed	•	45 MPH	35 MPH	30 MPH	20 MPH	35 MPH	45 MPH
<u>Roadway Data:</u>							
Surface	•	AC	AC	AC	AC	AC	AC
Width	•	24 ft. (FL to FL)	24-57 ft. (FL to FL) majority	63-67 ft. (CB to CB)	58-70 ft. (CB to CB)	57-66 ft. (CB to CB)	71-85 ft. (CB to CB)
Lanes	•	2	2-4 with a turn lane at one location.	4 w/cont. LTL, 4-5 ft (majority) bike lanes both sides	2-4 w/on-street parking majority of section. 6 ft. bike ln (500 ft.)	4 w/cont. LTL, 6-7 ft. bike lanes both sides	4 w/cont. LTL, 6-11 ft. bike lanes both sides
Parking	•	Not Prohibited	Not Prohibited	Partially Prohibited	Partially Prohibited	None (bridge) majority	Partially Prohibited
Shoulders	•	8-9 ft. paved, 4-6 ft. gaveled	8-9 ft. paved, 6-8 ft. gaveled	Paved (Bike Ln) (curb & gutter)	Paved (Bike Ln) (curb & gutter)	Paved (Bike Ln) (curb & gutter)	Paved (Bike Ln) (curb & gutter)
Intersecting Streets	•	1	8	6	9	1	10
Paved	•	1	8	8	9	1	10
Stopped	•	1	8	5	7	0	5
Signalized and Other	•	0	0	1	2	1	3
Pedestrian Activity	•	Low	Low	Medium	High	Medium	Low
Bicycle Activity	•	Low	Low	Low	Low	Low	Low
Bicycle Lanes	•	0%	12%	100%	23%	100%	62%
Sidewalk	•	0%	6%	94%	100%	100%	100%
Marked Crosswalks	•	0	0	3	8	2	5
Enhanced Crosswalks	•	0	0	1 (RRFB/Median Refuge)	2 (1-RRFB's) (1-Median Refuge)	0	0
Transit	•	No	No	No	No	No	Yes
<u>Crash Data:</u>							
Study Period	•	1/1/17 - 12/31/19	1/1/17 - 12/31/19	1/1/17 - 12/31/19	1/1/17 - 12/31/19	1/1/17 - 12/31/19	1/1/17 - 12/31/19
2017-2019 Total Crashes	•	4	17	21	41	8	41
2017-2019 Fatal K Crashes	•	0	0	0	0	0	0
2017-2019 Serious Injury A Crashes	•	0	0	1	0	0	2
2017-2019 Injury B and C Crashes	•	1	8	9	21	4	25
2017-2019 No Injury O Crashes	•	3	9	11	20	4	14
2017-2019 Section Crash Rate (R)	•	1.38	2.08	2.08	4.03	1.34	1.41
2017-2019 Comparable Crash Rate (r) $\frac{1}{r}$	•	2.53	2.53	2.53	2.53	2.53	1.22
Deviation (R-r)	•	0.00	0.00	0.00	1.50	0.00	0.19
<u>Spot Speed Data:</u>							
50% Speed	•	46 MPH	39 MPH	33 MPH	25 MPH	35 MPH	45 MPH
85% Speed	•	50 MPH	43 MPH	37 MPH	29 MPH	39 MPH	50 MPH
Pace Limits $\frac{2}{l}$	•	42-51 MPH	35-44 MPH	28-37 MPH	21-30 MPH	32-41 MPH	40-49 MPH
% in Pace	•	78%	76%	77%	89%	86%	76%
Maximum Speed	•	59 MPH	62 MPH	45 MPH	33 MPH	48 MPH	59 MPH
Posted Speed	•	45 MPH	35 MPH	35 MPH	25 MPH	35 MPH	45 MPH
% Exceeding Posted Speed	•	53%	76%	28%	49%	47%	46%
Computed 85th Speed $\frac{3}{l}$	•	50 MPH	43 MPH	37 MPH	27 MPH	39 MPH	50 MPH
Recommended Speed	•	45 MPH	35 MPH	30 MPH	20 MPH	35 MPH	45 MPH

- 1/ Section B: Urban City / Other Principal Arterial
 Section C: Urban City / Other Principal Arterial
 Section D: Urban City / Other Principal Arterial
 Section E: Urban City / Other Principal Arterial
 Section F: Urban City / Other Principal Arterial
 Section G: Urban City / Other Principal Arterial (MP 357.87 to 357.98)
 Urban Fringe / Other Principal Arterial (MP 357.98 to 359.50) "majority"
- 2/ Ten mile-per-hour range containing the largest number of sample vehicles.
- 3/ 85% speed minus deviation / 85% speed (if Deviation is zero or negative)

Factors Influencing Recommendation:

Section: B

- 1) Fiftieth percentile
- 2) Pace limits
- 3) Percentage in pace
- 4) Percentage exceeding posted speed
- 5) The 50th percentile speed is 35 or greater

Section: C

- 1) Fiftieth percentile
- 2) Pace limits
- 3) Percentage in pace
- 4) The 50th percentile speed is 35 or greater

Section: D

- 1) Fiftieth percentile
- 2) Pace limits
- 3) Percentage in pace
- 4) Roadside culture
- 5) Pedestrian & bicycle use increases
- 6) Functional class and context

Section: E

- 1) Fiftieth percentile
- 2) Pace limits
- 3) Percentage in pace
- 4) Roadside culture
- 5) Pedestrian use greatly increases
- 6) Crash rate exceeds 150% of the comparable crash rate
- 7) Functional class and context

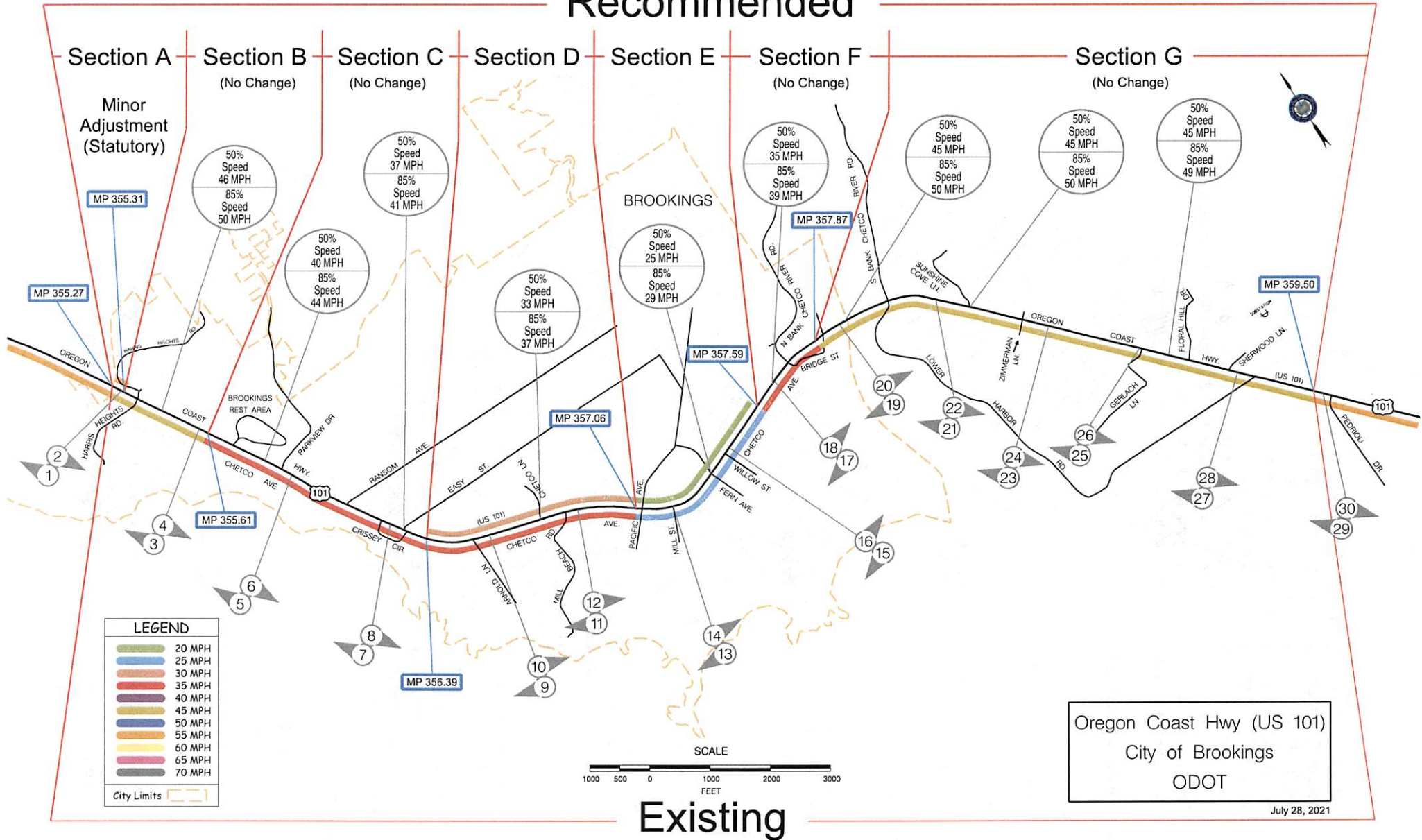
Section: F

- 1) Fiftieth percentile
- 2) Pace limits
- 3) Percentage in pace
- 4) Percentage exceeding posted speed
- 5) The 50th percentile speed is 35 or greater

Section: G

- 1) Eighty fifth percentile
- 2) Pace limits
- 3) Percentage in pace
- 4) Percentage exceeding posted speed
- 5) Roadside culture
- 6) State Highway (outside city limits)

Recommended



Typical Views
Oregon Coast Hwy (US 101)
475 ft. NW of W Harris Heights Rd. (MP 355.27) to 300 ft. NW of Pedrioli Dr. (MP 359.50)
ODOT / City of Brookings
Image Date: June 3, 2021



(1) Looking northwest from 300 feet NW of W Harris Heights Rd.



(2) Looking southeast from 300 feet NW of W Harris Heights Rd.

Typical Views
Oregon Coast Hwy (US 101)

475 ft. NW of W Harris Heights Rd. (MP 355.27) to 300 ft. NW of Pedrioli Dr. (MP 359.50)

ODOT / City of Brookings

Image Date: June 3, 2021



(3) Looking northwest from 0.12 mile northwest of Brookings Rest Area entrance.



(4) Looking southeast from 0.12 mile northwest of Brookings Rest Area entrance.

Typical Views
Oregon Coast Hwy (US 101)
475 ft. NW of W Harris Heights Rd. (MP 355.27) to 300 ft. NW of Pedrioli Dr. (MP 359.50)
ODOT / City of Brookings
Image Date: June 3, 2021



(5) Looking northwest from 200 feet southeast of Parkview Drive.



(6) Looking southeast from 200 feet southeast of Parkview Drive.

Typical Views
Oregon Coast Hwy (US 101)
475 ft. NW of W Harris Heights Rd. (MP 355.27) to 300 ft. NW of Pedrioli Dr. (MP 359.50)
ODOT / City of Brookings
Image Date: June 3, 2021



(7) Looking northwest from 150 feet southeast of Crissey Circle (north conn.).



(8) Looking southeast from 150 feet ²³southeast of Crissey Circle (north conn.).

Typical Views
Oregon Coast Hwy (US 101)
475 ft. NW of W Harris Heights Rd. (MP 355.27) to 300 ft. NW of Pedrioli Dr. (MP 359.50)
ODOT / City of Brookings
Image Date: June 3, 2021



(9) Looking west from 300 feet east of Arnold Lane.



(10) Looking east from 300 feet east of Arnold Lane.

Typical Views
Oregon Coast Hwy (US 101)
475 ft. NW of W Harris Heights Rd. (MP 355.27) to 300 ft. NW of Pedrioli Dr. (MP 359.50)
ODOT / City of Brookings
Image Date: June 3, 2021



(11) Looking west from 200 feet east of Mill Beach Road.



(12) Looking east from 200²⁶ feet east of Mill Beach Road.

Typical Views

Oregon Coast Hwy (US 101)

475 ft. NW of W Harris Heights Rd. (MP 355.27) to 300 ft. NW of Pedrioli Dr. (MP 359.50)

ODOT / City of Brookings

Image Date: June 3, 2021



(13) Looking west from Mill Street.



(14) Looking east from Mill Street.

Typical Views
Oregon Coast Hwy (US 101)
475 ft. NW of W Harris Heights Rd. (MP 355.27) to 300 ft. NW of Pedrioli Dr. (MP 359.50)
ODOT / City of Brookings
Image Date: June 3, 2021



(15) Looking southwest from 100 feet northeast of Willow Street.



(16) Looking northeast from 100 feet northeast of Willow Street.

Typical Views
Oregon Coast Hwy (US 101)
475 ft. NW of W Harris Heights Rd. (MP 355.27) to 300 ft. NW of Pedrioli Dr. (MP 359.50)
ODOT / City of Brookings
Image Date: June 3, 2021



(17) Looking southwest from 400 feet southwest of N Bank Chetco River Road.



(18) Looking northeast from 400 feet ²⁸ southwest of N Bank Chetco River Road.

Typical Views
Oregon Coast Hwy (US 101)
475 ft. NW of W Harris Heights Rd. (MP 355.27) to 300 ft. NW of Pedrioli Dr. (MP 359.50)
ODOT / City of Brookings
Image Date: June 3, 2021



(19) Looking west from 0.17 mile west of Lower Harbor Road.



(20) Looking east from 0.17 mile west of Lower Harbor Road.

Typical Views
Oregon Coast Hwy (US 101)
475 ft. NW of W Harris Heights Rd. (MP 355.27) to 300 ft. NW of Pedrioli Dr. (MP 359.50)
ODOT / City of Brookings
Image Date: June 3, 2021



(21) Looking northwest from 0.11 mile northwest of Sunshine Cove Lane.

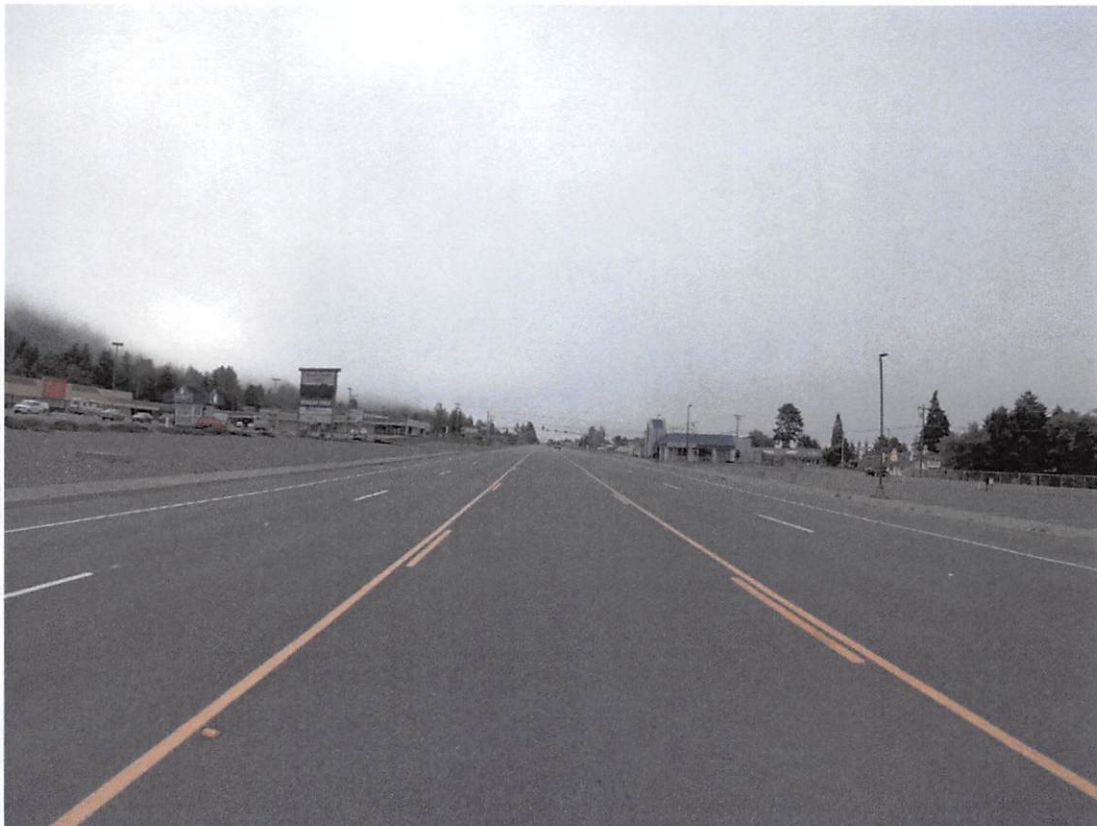


(22) Looking southeast from 0.11 mile³⁰ northwest of Sunshine Cove Lane.

Typical Views
Oregon Coast Hwy (US 101)
475 ft. NW of W Harris Heights Rd. (MP 355.27) to 300 ft. NW of Pedrioli Dr. (MP 359.50)
ODOT / City of Brookings
Image Date: June 3, 2021



(23) Looking northwest from 450 feet southeast of Zimmerman Lane.



(24) Looking southeast from 450 feet southeast of Zimmerman Lane.

Typical Views
Oregon Coast Hwy (US 101)
475 ft. NW of W Harris Heights Rd. (MP 355.27) to 300 ft. NW of Pedrioli Dr. (MP 359.50)
ODOT / City of Brookings
Image Date: June 3, 2021



(25) Looking northwest from 50 feet northwest of Gerlach Lane.



(26) Looking southeast from 50 feet northwest of Gerlach Lane.

Typical Views
Oregon Coast Hwy (US 101)
475 ft. NW of W Harris Heights Rd. (MP 355.27) to 300 ft. NW of Pedrioli Dr. (MP 359.50)
ODOT / City of Brookings
Image Date: June 3, 2021



(27) Looking northwest from 150 feet southeast of Sherwood Lane.



(28) Looking southeast from 150³¹ feet southeast of Sherwood Lane.

Typical Views
Oregon Coast Hwy (US 101)

475 ft. NW of W Harris Heights Rd. (MP 355.27) to 300 ft. NW of Pedrioli Dr. (MP 359.50)
ODOT / City of Brookings

Image Date: June 3, 2021



(29) Looking northwest from 150 feet northwest of Pedrioli Drive.



(30) Looking southeast from 150²⁴ feet northwest of Pedrioli Drive.

CRASH LISTING																					
Roadway		Oregon Coast Hwy	Collision Type											Classification							
Route Number		US 101																			
City		Brookings																			
County		Curry																			
From		475 feet northwest of W Harris Heights Road (MP 355.27)																			
To		300 feet northwest of Pedrioli Drive (MP 359.50)																			
Years		1/1/2017	to	12/31/2019																	
Section A		2019	Year	Angle	Head-on	Rear-end	Sideswipe Mtg	Sideswipe Over	Turning Movements	Parking Maneuver	Non-Collision	Fixed-Other Object	Pedestrian	Backing	Other	Bicycle Crashes*	All Crashes*	Fatal K	Serious Injury A	Injury B and C	No Injury O
From 475 feet northwest of W Harris Heights Road (MP 355.27)		2018																			
To 250 feet northwest of W Harris Heights Road (MP 355.31)		2017																			
		Total																			
Section B		2019																			
From 250 feet northwest of W Harris Heights Road (MP 355.31)		2018																			
To 0.26 mile northwest of Parkview Drive (MP 355.61)		2017			2				1		1						4		1	3	
		Total			2				1		1						4		1	3	
Section C		2019				4			1								5		2	3	
From 0.26 mile northwest of Parkview Drive (MP 355.61)		2018				5			2		1						8		5	3	
To 350 feet southeast of Crissey Circle (south conn.) (MP 356.39)		2017						1	1		1						4		1	3	
		Total				9		1	4		2						17		8	9	
Section D		2019		1					1		1						3		2	1	
From 350 feet southeast of Crissey Circle (south conn.) (MP 356.39)		2018		1		1			4		1	1	1				9		1	3	5
To 100 feet northwest of Pacific Avenue (MP 357.06)		2017			1	1			6		1						9		4	5	
		Total		2		2	1		11		3	1		1			21		9	11	
Section E		2019		1		4		2	3					1			11		6	5	
From 100 feet northwest of Pacific Avenue (MP 357.06)		2018			5			2	5			2					14		6	8	
To 100 feet east of Alder Street (MP 357.59)		2017		3	6		4	4	3							2	16		9	7	
		Total		4	15		8	11				2		1		2	41		21	20	
Section F		2019			2						1						3		2	1	
From 100 feet east of Alder Street (MP 357.59)		2018			1						1						2			2	
To 0.11 mile east of N Bank Chetco River Road (MP 357.87)		2017			1			2									3		2	1	
		Total			4			2			2						8		4	4	
Section G		2019		1	5		1	7									14		8	6	
From 0.11 mile east of N Bank Chetco River Road (MP 357.87)		2018			3		1	7		1	1	3					16		2	9	5
To 300 feet northwest of Pedrioli Drive (MP 359.50)		2017			3	1		6				1				1	11			8	3
		Total		1	11	1	2	20		1	1	4				1	41		2	25	14

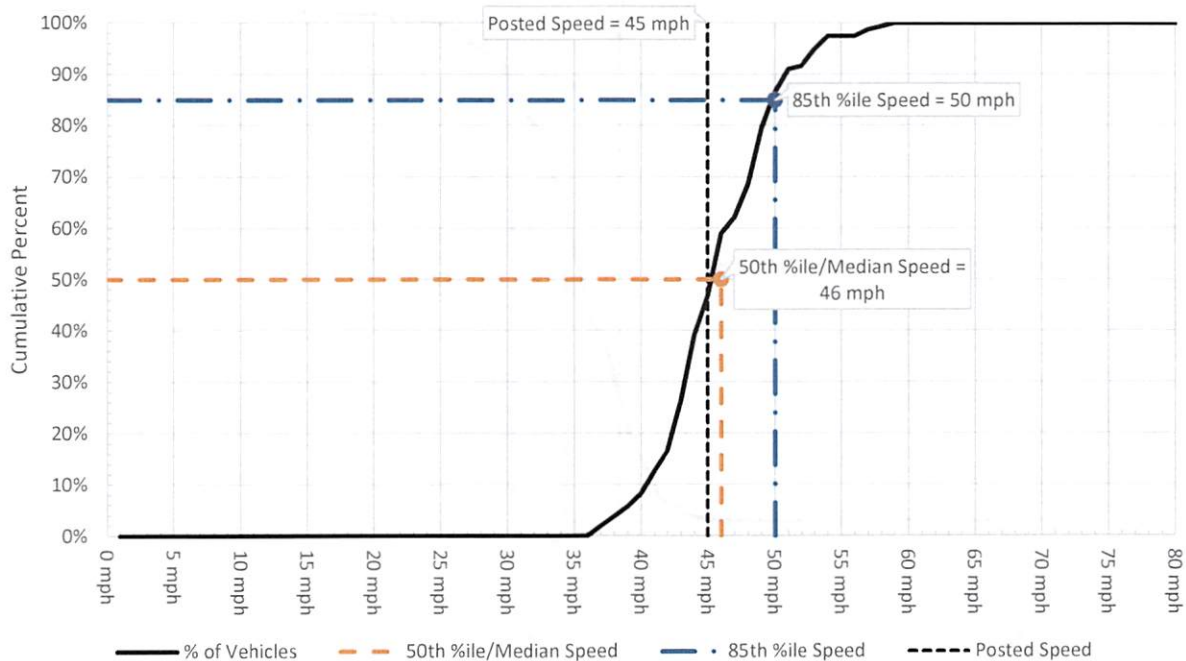
Section B

Oregon Department of Transportation

Spot Speed Measurement Report

Roadway	Oregon Coast Hwy (US 101)	Date	June 03, 2021
City	Brookings	Time	03:30 PM - 03:53 PM
County	Curry	Weather	Sunny
Location	450 ft. SE of W Harris Heights Rd (MP 355.45) (1E)	Investigator	Mike Birch
Direction of Travel	Northbound & Southbound	Agency/Company	ODOT

Combined Direction Speed Profile



Summary Statistics

Direction	Northbound	Combined	Southbound
Total # of Vehicles	77 vehicles	156 vehicles	79 vehicles
50th %ile/Median Speed	45 mph	46 mph	47 mph
85th %ile Speed	49 mph	50 mph	52 mph
Mean Speed	45 mph	46 mph	47 mph
Standard Deviation	4 mph	4 mph	5 mph
Pace Limits*	41 mph - 50 mph	42 mph - 51 mph	42 mph - 51 mph
% In Pace	86%	78%	72%
Max Speed	59 mph	59 mph	58 mph
Posted Speed	45 mph	45 mph	45 mph
% Exceeding Posted Speed	45%	53%	61%

*10 mph range containing the largest number of sampled vehicles.

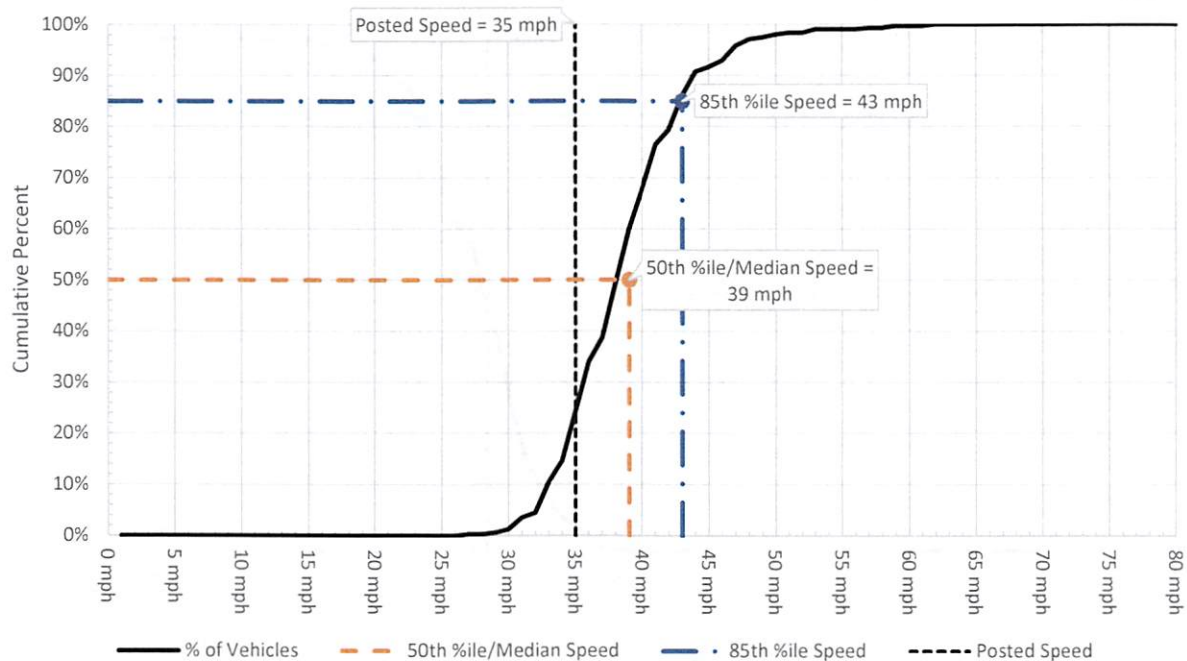
Section C

Oregon Department of Transportation

Spot Speed Measurement Report - Corridor Summary

Roadway	Oregon Coast Hwy (US 101)	Date	June 03, 2021
City	Brookings	Time	09:18 AM - 10:28 AM
County	Curry	Weather	Cloudy
Location	See individual graphs for specific location.	Investigator	Mike Birch
Direction of Travel	Northbound & Southbound	Agency/Company	ODOT

Combined Direction Speed Profile



Summary Statistics (2 Spot Speed Studies)

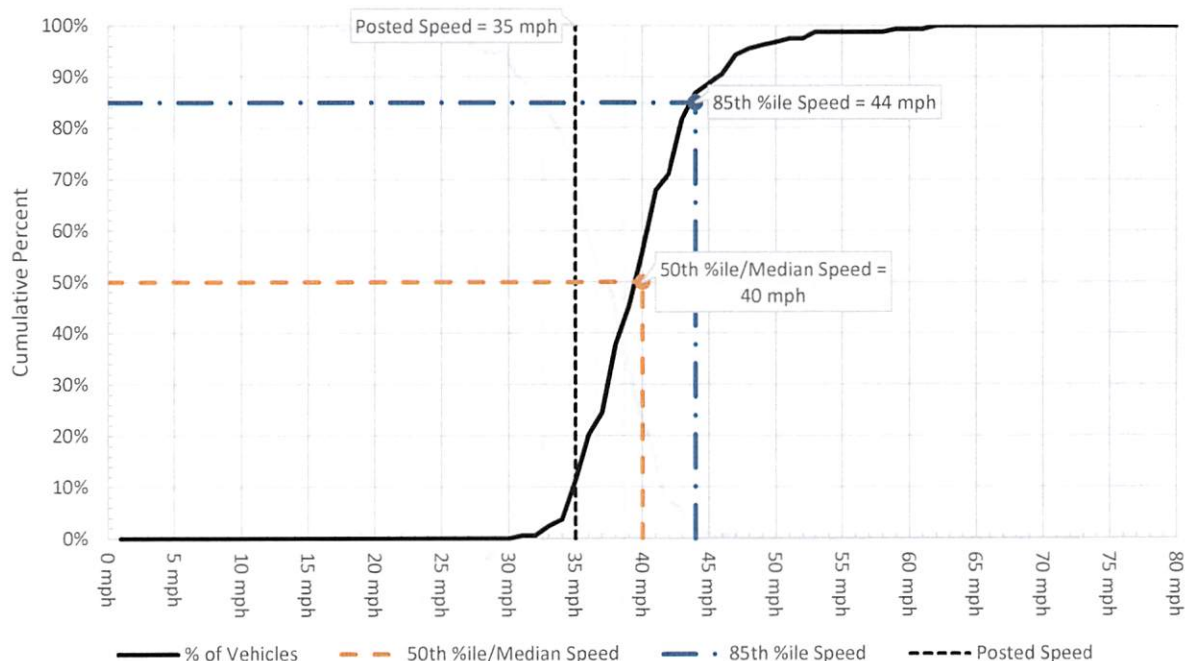
Direction	Northbound	Combined	Southbound
Total # of Vehicles	158 vehicles	315 vehicles	157 vehicles
50th %ile/Median Speed	40 mph	39 mph	37 mph
85th %ile Speed	45 mph	43 mph	41 mph
Mean Speed	41 mph	39 mph	37 mph
Standard Deviation	5.0 mph	4.8 mph	3.9 mph
Pace Limits*	35 mph - 44 mph	35 mph - 44 mph	32 mph - 41 mph
% In Pace	77%	76%	82%
Max Speed	62 mph	62 mph	53 mph
Posted Speed	35 mph	35 mph	35 mph
% Exceeding Posted Speed	89%	76%	62%

*10 mph range containing the largest number of sampled vehicles.

Spot Speed Measurement Report

Roadway	Oregon Coast Hwy (US 101)	Date	June 03, 2021
City	Brookings	Time	09:18 AM - 09:52 AM
County	Curry	Weather	Cloudy
Location	300 ft. NW of Parkview Dr. (MP 355.81) (1)	Investigator	Mike Birch
Direction of Travel	Northbound & Southbound	Agency/Company	ODOT

Combined Direction Speed Profile



Summary Statistics

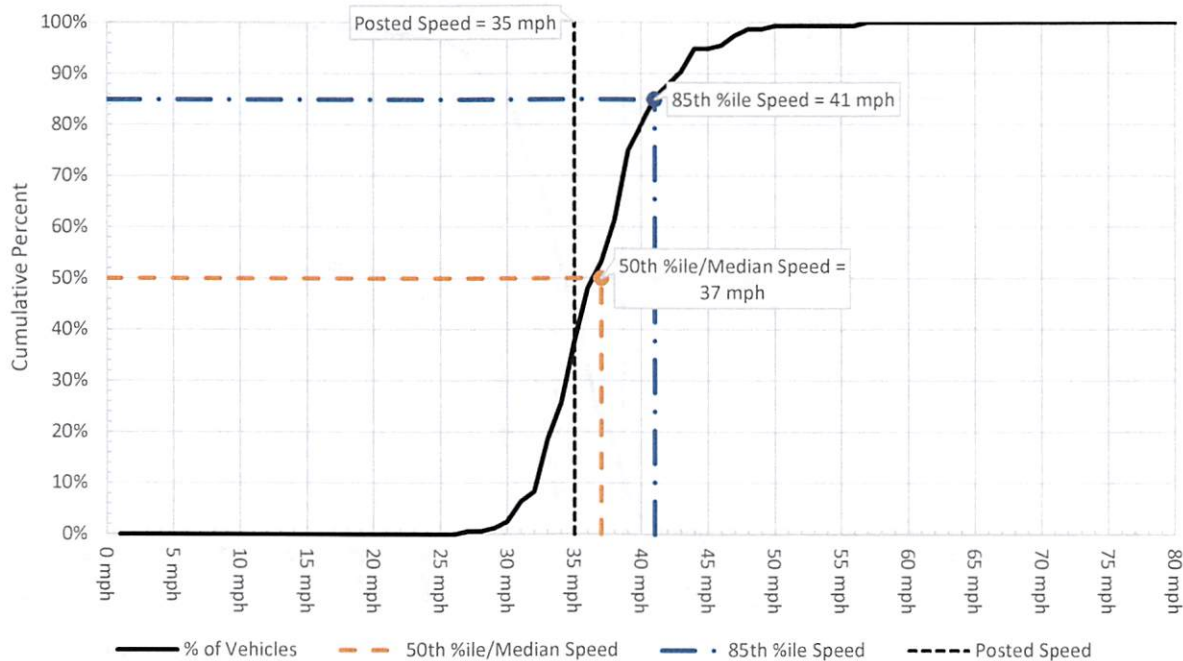
Direction	Northbound	Combined	Southbound
Total # of Vehicles	82 vehicles	159 vehicles	77 vehicles
50th %ile/Median Speed	41 mph	40 mph	39 mph
85th %ile Speed	47 mph	44 mph	43 mph
Mean Speed	42 mph	40 mph	39 mph
Standard Deviation	5 mph	5 mph	3 mph
Pace Limits*	35 mph - 44 mph	35 mph - 44 mph	35 mph - 44 mph
% In Pace	76%	83%	91%
Max Speed	62 mph	62 mph	53 mph
Posted Speed	35 mph	35 mph	35 mph
% Exceeding Posted Speed	94%	89%	83%

*10 mph range containing the largest number of sampled vehicles.

Spot Speed Measurement Report

Roadway	Oregon Coast Hwy (US 101)	Date	June 03, 2021
City	Brookings	Time	10:05 AM - 10:28 AM
County	Curry	Weather	Cloudy
Location	Easy Street (MP 356.30) (2)	Investigator	Mike Birch
Direction of Travel	Northbound & Southbound	Agency/Company	ODOT

Combined Direction Speed Profile



Summary Statistics

Direction	Northbound	Combined	Southbound
Total # of Vehicles	76 vehicles	156 vehicles	80 vehicles
50th %ile/Median Speed	39 mph	37 mph	35 mph
85th %ile Speed	44 mph	41 mph	39 mph
Mean Speed	39 mph	37 mph	36 mph
Standard Deviation	4 mph	4 mph	4 mph
Pace Limits*	35 mph - 44 mph	33 mph - 42 mph	31 mph - 40 mph
% In Pace	79%	79%	88%
Max Speed	57 mph	57 mph	48 mph
Posted Speed	35 mph	35 mph	35 mph
% Exceeding Posted Speed	83%	62%	43%

*10 mph range containing the largest number of sampled vehicles.

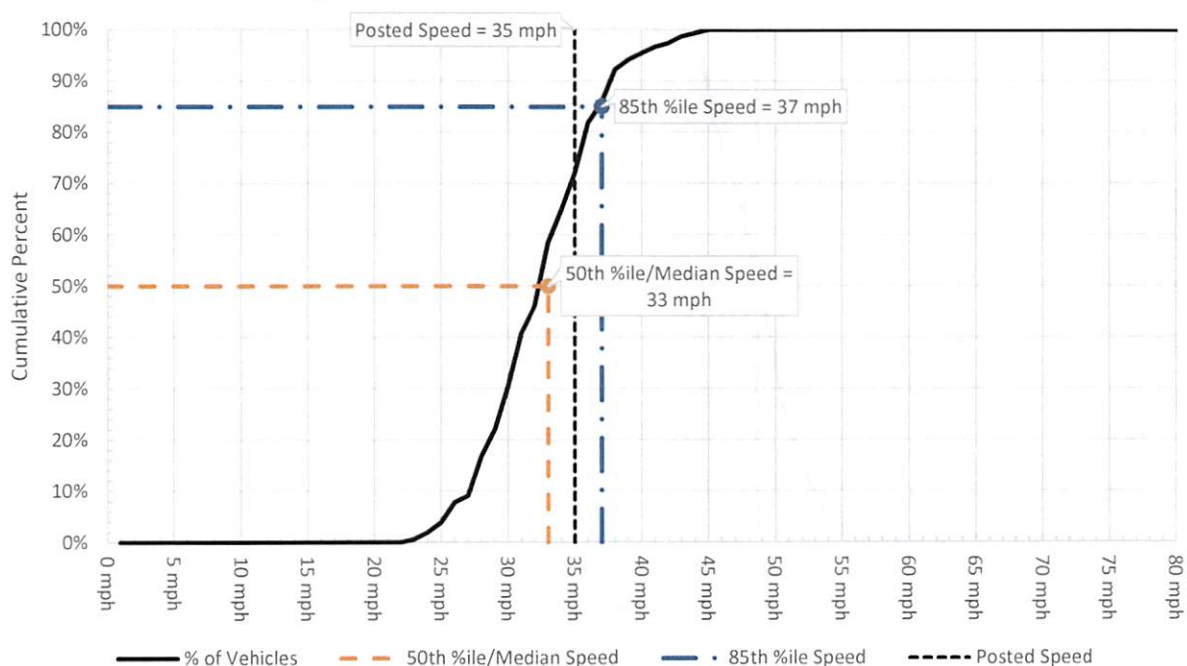
Section D

Oregon Department of Transportation

Spot Speed Measurement Report

Roadway	Oregon Coast Hwy (US 101)	Date	June 03, 2021
City	Brookings	Time	11:04 AM - 11:26 AM
County	Curry	Weather	Cloudy
Location	Chetco Lane (MP 356.74) (3)	Investigator	Mike Birch
Direction of Travel	Northbound & Southbound	Agency/Company	ODOT

Combined Direction Speed Profile



Summary Statistics

Direction	Northbound	Combined	Southbound
Total # of Vehicles	76 vehicles	154 vehicles	78 vehicles
50th %ile/Median Speed	34 mph	33 mph	31 mph
85th %ile Speed	38 mph	37 mph	36 mph
Mean Speed	34 mph	33 mph	32 mph
Standard Deviation	4 mph	4 mph	4 mph
Pace Limits*	29 mph - 38 mph	28 mph - 37 mph	27 mph - 36 mph
% In Pace	83%	77%	76%
Max Speed	45 mph	45 mph	44 mph
Posted Speed	35 mph	35 mph	35 mph
% Exceeding Posted Speed	36%	28%	21%

*10 mph range containing the largest number of sampled vehicles.

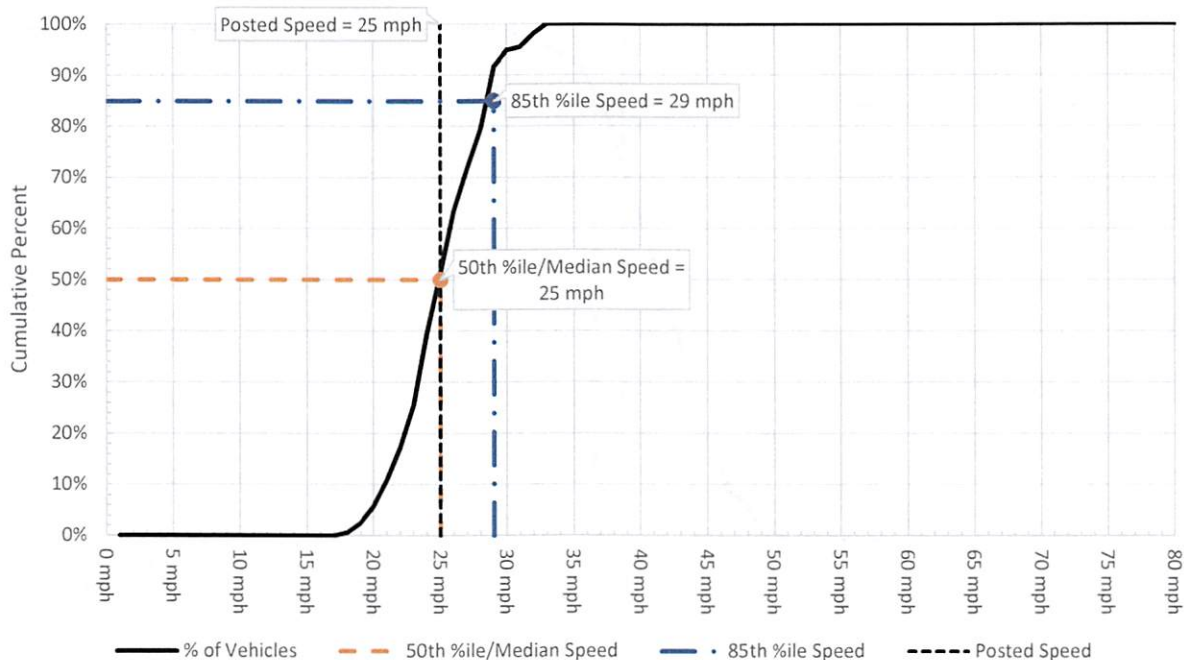
Section E

Oregon Department of Transportation

Spot Speed Measurement Report

Roadway	Oregon Coast Hwy (US 101)	Date	June 03, 2021
City	Brookings	Time	12:29 PM - 12:54 PM
County	Curry	Weather	Cloudy
Location	Fern Avenue (MP 357.33) (4)	Investigator	Mike Birch
Direction of Travel	Northbound & Southbound	Agency/Company	ODOT

Combined Direction Speed Profile



Summary Statistics

Direction	Northbound	Combined	Southbound
Total # of Vehicles	79 vehicles	156 vehicles	77 vehicles
50th %ile/Median Speed	25 mph	25 mph	25 mph
85th %ile Speed	29 mph	29 mph	29 mph
Mean Speed	25 mph	26 mph	26 mph
Standard Deviation	3 mph	3 mph	3 mph
Pace Limits*	20 mph - 29 mph	21 mph - 30 mph	21 mph - 30 mph
% In Pace	91%	89%	88%
Max Speed	33 mph	33 mph	33 mph
Posted Speed	25 mph	25 mph	25 mph
% Exceeding Posted Speed	49%	49%	48%

*10 mph range containing the largest number of sampled vehicles.

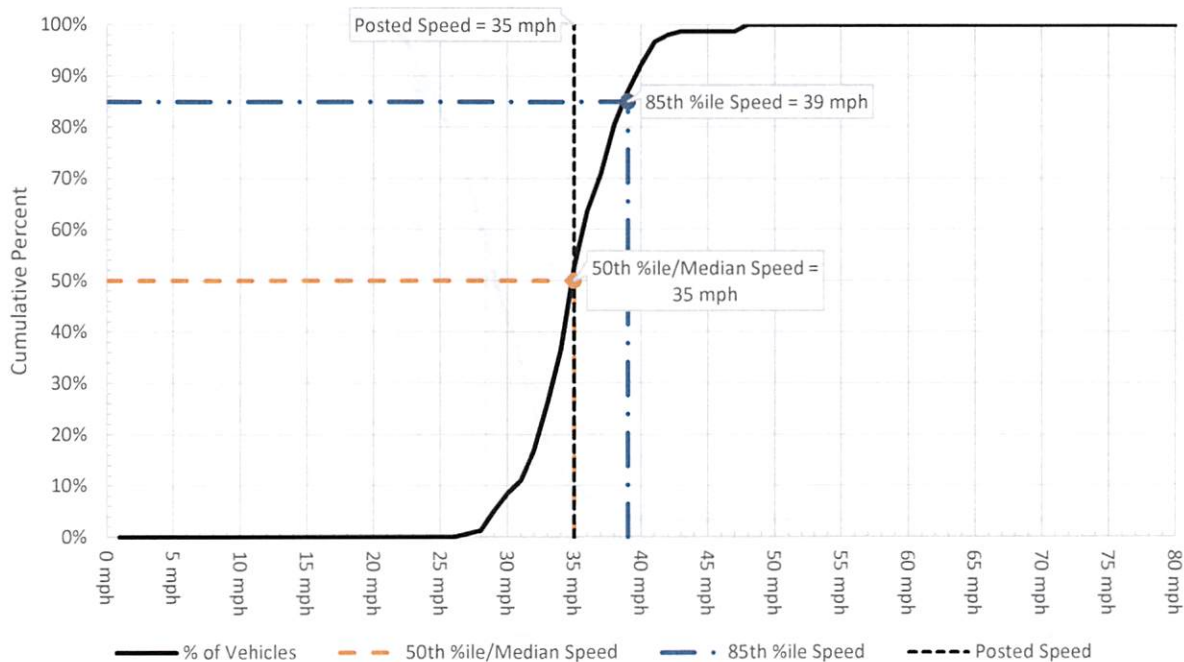
Section F

Oregon Department of Transportation

Spot Speed Measurement Report

Roadway	Oregon Coast Hwy (US 101)	Date	June 03, 2021
City	Brookings	Time	01:03 PM - 01:28 PM
County	Curry	Weather	Cloudy
Location	450 ft. W of N Bank Chetco River Rd (MP 357.67) (5)	Investigator	Mike Birch
Direction of Travel	Northbound & Southbound	Agency/Company	ODOT

Combined Direction Speed Profile



Summary Statistics

Direction	Northbound	Combined	Southbound
Total # of Vehicles	78 vehicles	154 vehicles	76 vehicles
50th %ile/Median Speed	35 mph	35 mph	36 mph
85th %ile Speed	38 mph	39 mph	40 mph
Mean Speed	35 mph	36 mph	37 mph
Standard Deviation	3 mph	4 mph	4 mph
Pace Limits*	29 mph - 38 mph	32 mph - 41 mph	32 mph - 41 mph
% In Pace	87%	86%	89%
Max Speed	43 mph	48 mph	48 mph
Posted Speed	35 mph	35 mph	35 mph
% Exceeding Posted Speed	35%	47%	61%

*10 mph range containing the largest number of sampled vehicles.

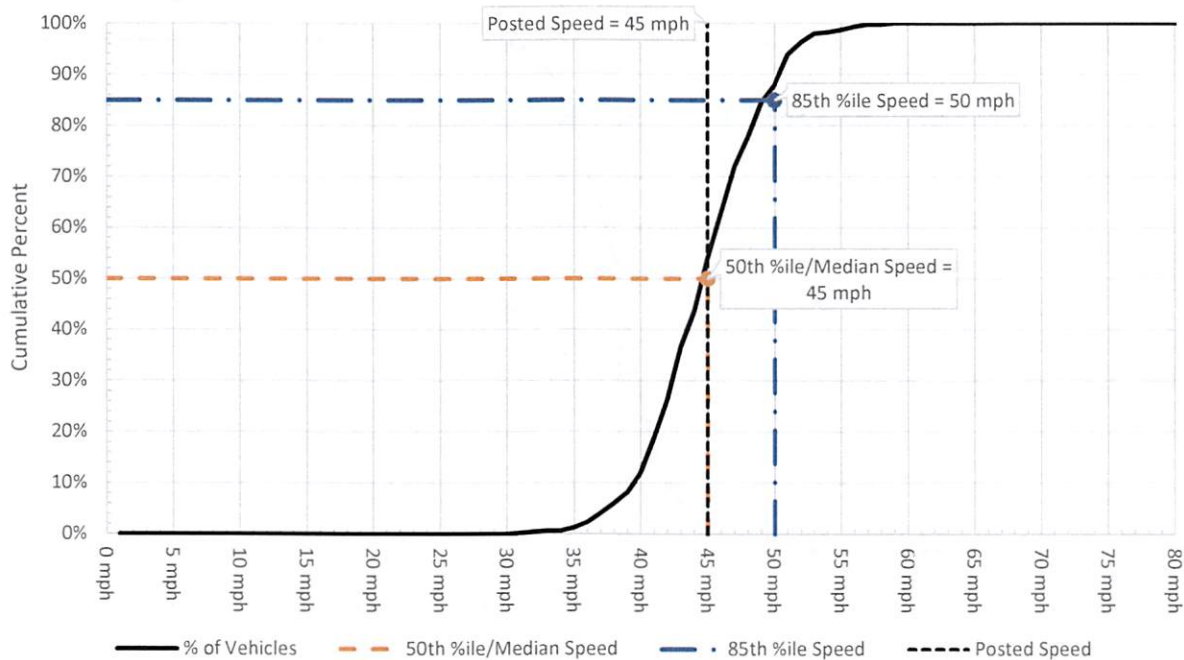
Section G

Oregon Department of Transportation

Spot Speed Measurement Report - Corridor Summary

Roadway	Oregon Coast Hwy (US 101)	Date	June 03, 2021
City	Brookings	Time	01:37 PM - 03:16 PM
County	Curry	Weather	**WEATHER VARIES**
Location	See individual graphs for specific location.	Investigator	Mike Birch
Direction of Travel	Northbound & Southbound	Agency/Company	ODOT

Combined Direction Speed Profile



Summary Statistics (3 Spot Speed Studies)

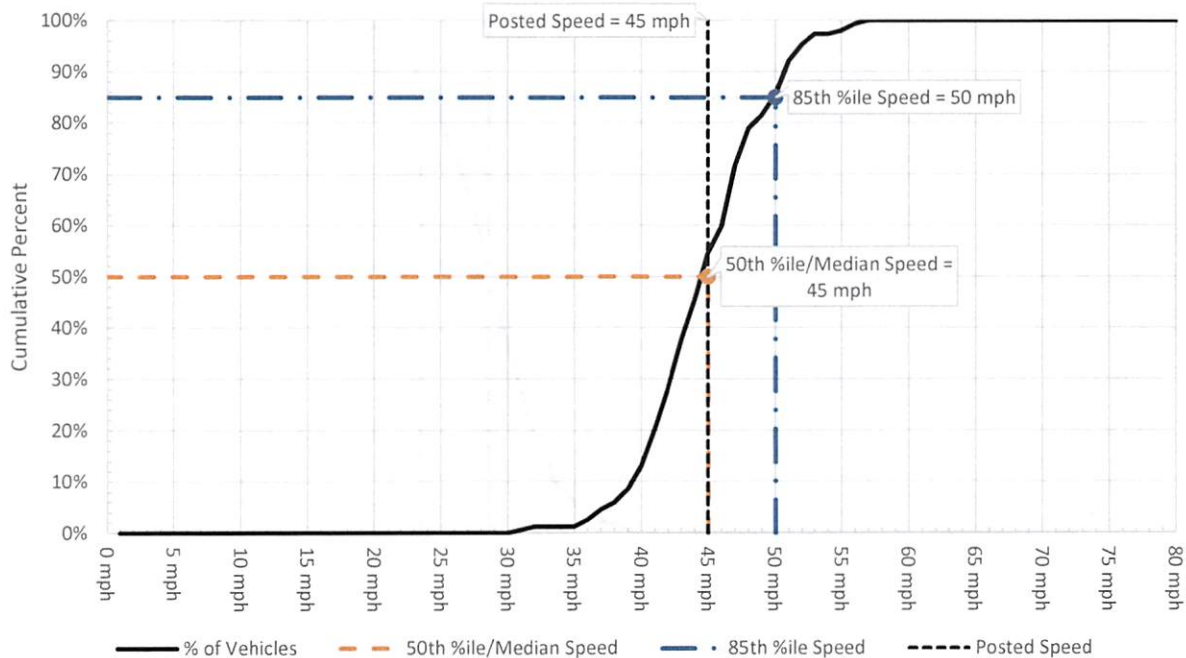
Direction	Northbound	Combined	Southbound
Total # of Vehicles	230 vehicles	460 vehicles	230 vehicles
50th %ile/Median Speed	45 mph	45 mph	45 mph
85th %ile Speed	50 mph	50 mph	49 mph
Mean Speed	46 mph	45 mph	45 mph
Standard Deviation	4.3 mph	4.3 mph	4.3 mph
Pace Limits*	42 mph - 51 mph	40 mph - 49 mph	40 mph - 49 mph
% In Pace	78%	76%	77%
Max Speed	59 mph	59 mph	56 mph
Posted Speed	45 mph	45 mph	45 mph
% Exceeding Posted Speed	50%	46%	42%

*10 mph range containing the largest number of sampled vehicles.

Spot Speed Measurement Report

Roadway	Oregon Coast Hwy (US 101)	Date	June 03, 2021
City	Brookings	Time	01:37 PM - 01:57 PM
County	Curry	Weather	Partly Cloudy
Location	0.15 mile west of Lower Harbor Rd (MP 357.98) (6)	Investigator	Mike Birch
Direction of Travel	Northbound & Southbound	Agency/Company	ODOT

Combined Direction Speed Profile



Summary Statistics

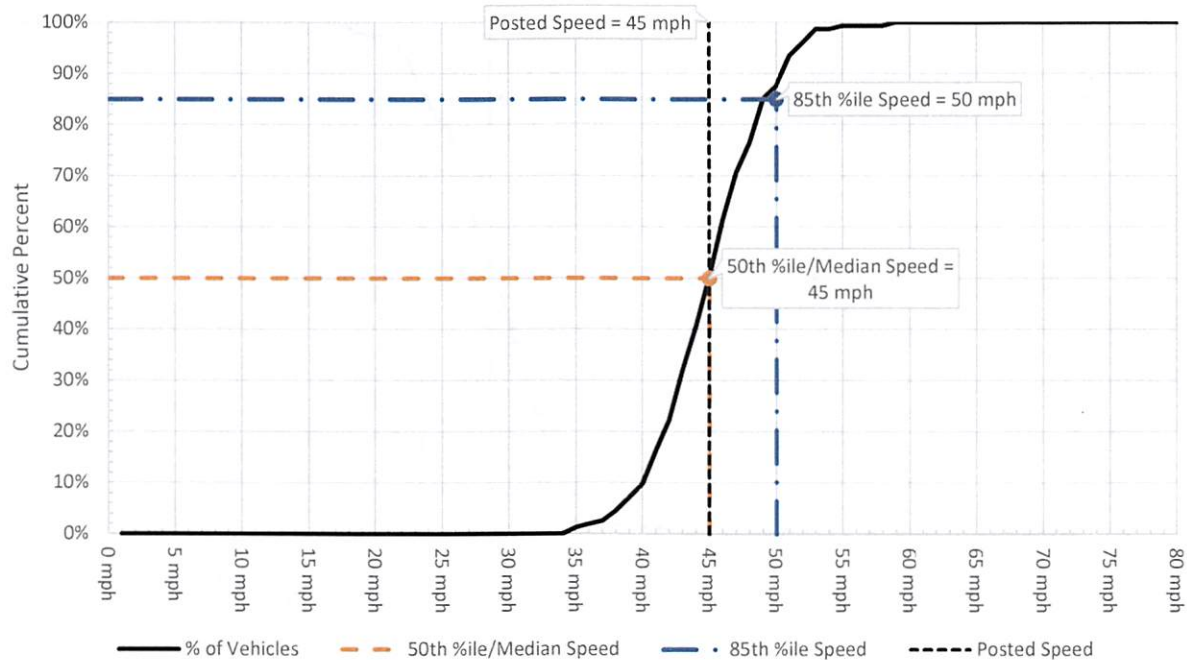
Direction	Northbound	Combined	Southbound
Total # of Vehicles	76 vehicles	152 vehicles	76 vehicles
50th %ile/Median Speed	46 mph	45 mph	44 mph
85th %ile Speed	51 mph	50 mph	48 mph
Mean Speed	46 mph	45 mph	44 mph
Standard Deviation	4 mph	5 mph	4 mph
Pace Limits*	43 mph - 52 mph	39 mph - 48 mph	39 mph - 48 mph
% In Pace	76%	73%	78%
Max Speed	57 mph	57 mph	53 mph
Posted Speed	45 mph	45 mph	45 mph
% Exceeding Posted Speed	54%	45%	37%

*10 mph range containing the largest number of sampled vehicles.

Spot Speed Measurement Report

Roadway	Oregon Coast Hwy (US 101)	Date	June 03, 2021
City	Brookings	Time	02:09 PM - 02:36 PM
County	Curry	Weather	Sunny
Location	Sunshine Cove Lane (MP 358.39) (7)	Investigator	Mike Birch
Direction of Travel	Northbound & Southbound	Agency/Company	ODOT

Combined Direction Speed Profile



Summary Statistics

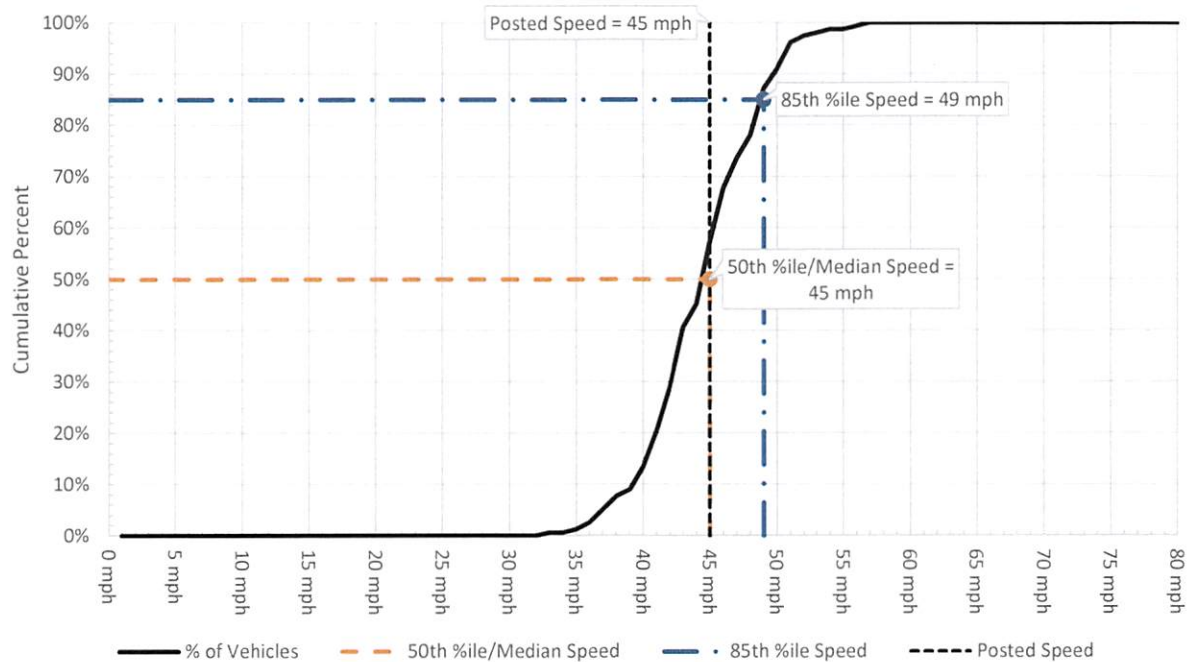
Direction	Northbound	Combined	Southbound
Total # of Vehicles	76 vehicles	153 vehicles	77 vehicles
50th %ile/Median Speed	46 mph	45 mph	45 mph
85th %ile Speed	50 mph	50 mph	49 mph
Mean Speed	46 mph	45 mph	45 mph
Standard Deviation	4 mph	4 mph	4 mph
Pace Limits*	42 mph - 51 mph	40 mph - 49 mph	40 mph - 49 mph
% In Pace	82%	78%	78%
Max Speed	59 mph	59 mph	55 mph
Posted Speed	45 mph	45 mph	45 mph
% Exceeding Posted Speed	51%	50%	48%

*10 mph range containing the largest number of sampled vehicles.

Spot Speed Measurement Report

Roadway	Oregon Coast Hwy (US 101)	Date	June 03, 2021
City	Brookings	Time	02:55 PM - 03:16 PM
County	Curry	Weather	Sunny
Location	350 feet NW of Floral Hill Drive (MP 359.04) (8)	Investigator	Mike Birch
Direction of Travel	Northbound & Southbound	Agency/Company	ODOT

Combined Direction Speed Profile



Summary Statistics

Direction	Northbound	Combined	Southbound
Total # of Vehicles	78 vehicles	155 vehicles	77 vehicles
50th %ile/Median Speed	45 mph	45 mph	45 mph
85th %ile Speed	49 mph	49 mph	49 mph
Mean Speed	45 mph	45 mph	45 mph
Standard Deviation	4 mph	4 mph	4 mph
Pace Limits*	41 mph - 50 mph	40 mph - 49 mph	40 mph - 49 mph
% In Pace	78%	78%	79%
Max Speed	57 mph	57 mph	56 mph
Posted Speed	45 mph	45 mph	45 mph
% Exceeding Posted Speed	45%	43%	40%


*10 mph range containing the largest number of sampled vehicles.


CITY OF BROOKINGS

COUNCIL AGENDA REPORT

Meeting Date: December 13, 2021

Originating Dept: PW/DS



Signature (submitted by)


City Manager Approval

Subject:

WWTP DEQ- Required Sampling Events

Recommended Motion:

Authorize City Manager to enter into a special contract with Jacobs for out-of-scope services related to special testing at the Wastewater Treatment Plant required by DEQ.

Financial Impact:

\$38,177 from Wastewater Fund

Background/Discussion:

Department of Environmental Quality (DEQ) is requiring the City to collect and submit supplemental information regarding potential toxic pollutants at the outfall of the city's wastewater plant. The additional testing requested by DEQ is required for the renewal of our National Pollutant Discharge Elimination System (NPDES) permit. The additional testing is not listed in our agreement with Jacobs and considered out-of-scope services requiring a special contract to complete the testing. Jacobs indicated the testing is scheduled to be completed by the end of December 2022 and the \$38,177 will be budgeted in FY 2022-23.

Attachments:

- a. Jacobs Out-of-Scope Letter



Jacobs
9191 South Jamaica Street
Englewood, CO 80112
www.JACOBS.com

November 30, 2021

Subject: Out-of-Scope Letter: Brookings WWTP DEQ-Required Sampling Events

Dear Ms. Howard:

In accordance with Section 13.2 of the Operations, Maintenance & Management Services contract between CH2M Hill Engineers, Inc. (hereinafter referred to as Jacobs) and the City of Brookings, this letter serves as Jacobs's confirmation of scope and price in accordance with the terms of the Agreement referenced above.

Scope: Jacobs will be responsible for obtaining and reporting the DEQ Permit Renewal Supplemental Information. Jacobs will provide labor and technical oversight for the Permit Renewal related tasks to include; setup and obtain all of the requested Effluent and Ambient sampling events, provide sample shipping to the contract lab, review all laboratory reports for quality assurance, provide laboratory results into the DEQ required EDD format, and submit the data to DEQ within the requested timeframe. Please refer to "Request for Supplemental Information/Data" Letter received 10/22/2021, attached documents, which will assist with further detail. The City of Brookings is responsible for all laboratory-related expenses, for which the contract lab will bill the City directly.

Term: Services will commence upon requirement from Oregon Department of Environmental Quality. Work is expected to be completed by the end of December 2022.

Price of Services: Jacobs will bill the City of Brookings a lump sum price of \$38,177.00.

Billing and Payment Terms: Client shall be billed for these additional services upon completion of the work and payment will be due and payable within thirty (30) days following receipt of Jacobs invoice.

These services shall be performed under the terms and conditions of the Agreement dated March 12th, 2018 between CH2M Hill Engineers, Inc. (Jacobs) and the City of Brookings, which are incorporated herein by reference, and remain in full force and effect.

If these terms are agreeable to you, please sign and return this letter. We will return one fully executed original for your files.

Jacobs appreciates the opportunity to provide this out-of-scope service for the City of Brookings.

Sincerely,

Leo Rainwater
Project Manager

Both parties indicate their approval of this out-of-scope letter by their signature below.

CH2M Hill Engineers, Inc.

City of Brookings Oregon

Authorized: _____

Authorized: _____

Paul Rheault
Manager of Projects

Janell Howard
City Manager

Date: _____

Date: _____

CITY OF BROOKINGS

COUNCIL AGENDA REPORT

Meeting Date: December 13, 2021

Originating Dept: PWDS

Signature (submitted by)


City Manager Approval

Subject:

Underground Diesel Tank Removal & Replacement Project

Recommended Motion:

Authorize the City Manager to enter into an agreement with McLennan Excavation Inc. in the amount of \$159,977 for the Underground Diesel Tank Removal Project.

Financial Impact:

\$159,977 from budgeted Wastewater System Replacement Funds.

Background/Discussion:

The City of Brookings Wastewater Master Plan completed in 2016 identifies Dawson Tract Wastewater Pump Stations Nos. 4 and 5 as having fuel tanks located underground. Having underground tanks can be viewed as a violation by DEQ and especially if they begin to leak. Leaking underground tanks can be considered harmful to the general public by potentially contaminating the surrounding groundwater and soil. Additionally, both tanks are located directly adjacent to streams. For this reason DEQ's goal is to remove most underground tanks in the State of Oregon. Oregon's Underground Storage Tank Program handles issues related to tank registration, operating certificates, cleanup of soil and groundwater contamination, financial liability protection for future leaks, and enforcement of Oregon's Underground Storage Tank rules.

The project includes the removal of the underground tanks and replacement with above ground tanks. For this project, the lowest qualified bid was \$159,977 from McLennan Excavation, Inc. Dyer Partnership Engineers recommends that the City accept the bids and award contract to McLennan Excavation, Inc.

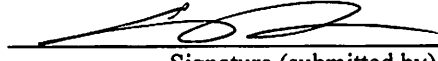

Bidders	Bid
McLennan Excavation Inc.	\$159,977

CITY OF BROOKINGS

COUNCIL AGENDA REPORT

Meeting Date: December 13, 2021

Originating Dept: Finance & Admin


Signature (submitted by)

City Manager Approval

Subject:

Align deadlines for enforcement of Brookings Municipal Code on commercial kitchens in residential zones and waiving the fees for Conditional Use Permit - Benevolent Meal Services.

Recommended Motion:

Approve extension of time to not enforce BMC related to benevolent meal services in residential zones to January 26, 2022, to align with the CUP fee waiver date.

Financial Impact:

None

Background/Discussion:

Staff received direction from the City Council on August 9, 2021, to not enforce Brookings Municipal Code (BMC) regarding commercial kitchens in residential zones, nor give citations for 120 days, during the time that the City worked to create a method for allowing Benevolent Meal Services in churches and other non-profits, under a Conditional Use Permit (CUP). On October 26, 2021, the City Council adopted new ordinances to allow a CUP process for Benevolent Meal Services in residential zones, and at that time waived the CUP fees for three months. That would extend the fee waiver through January 26, 2022.

Staff recommends that we extend the date to not enforce the BMC regarding benevolent meal services to January 26, 2022, to align with the date of CUP fee waiver. If a qualified organization has applied for the CUP by this date, we would delay enforcement through the Planning Commission approval process, but no later than March 1, 2022.

CITY OF BROOKINGS

COUNCIL AGENDA REPORT

Meeting Date: December 13, 2021

Signature (submitted by)

Originating Dept: Finance & Admin


City Manager Approval

Subject:

Business Oregon's Safe Drinking Water Revolving Loan Fund (SDWRLF).

Recommended Motion:

Adopt Resolution 21-R-1215 authorizing a loan from the Safe Drinking Water Revolving Loan Fund and authorizing the Mayor and City Manager to sign related documents.

Financial Impact:

\$3,895,000 loan and \$280,000 forgivable loan, for a total of \$4,175,000.

Background/Discussion:

In August of this year, the City of Brookings received an award of \$4,175,000 from Business Oregon's Safe Drinking Water Revolving Loan Fund (SDWRLF) for the design and construction of various water infrastructure projects in the City. This includes \$3,895,000 traditional loan at 1.7% for 30 years, and \$280,000 forgivable loan.

The project includes the replacement of 6250 lineal feet of 8" diameter water line and related appurtenances on Alder Street, 7th Street, Dodge Avenue, Memory Lane, Eastwood Lane and Pacific View area. The project also includes the replacement of the Tidewater Reservoir and the interior painting of the Marine Drive Reservoir.

Council previously authorized this loan on October, 11, 2021; however Business Oregon also needs the attached resolution approved.

Attachment:

- a. Resolution 21-R-1215
- b. Business Oregon SDWRLF Award Letter
- c. Safe Drinking Water Revolving Loan Fund Contract

**CITY OF BROOKINGS
STATE OF OREGON**

RESOLUTION 21-R-1215

A RESOLUTION OF THE CITY OF BROOKINGS AUTHORIZING A LOAN FROM THE SAFE DRINKING WATER REVOLVING LOAN FUND

BY ENTERING INTO A FINANCING CONTRACT WITH THE OREGON INFRASTRUCTURE FINANCE AUTHORITY

WHEREAS, The City is a community water system as defined in Oregon Administrative Rule 123-049-0010; and

WHEREAS, The Safe Drinking Water Act Amendments of 1996, Pub.L. 104-182, as amended (the "Act"), authorize any community or nonprofit non-community water system to file an application with the Oregon Infrastructure Finance Authority of the Business Development Department ("OBDD") to obtain financial assistance from the Safe Drinking Water Revolving Loan Fund; and

WHEREAS, The City has filed an application with the OBDD to obtain financial assistance for a "safe drinking water project" within the meaning of the Act, and the OBDD has approved the Recipient's application for financial assistance; and

WHEREAS, The City is required, as a prerequisite to the receipt of financial assistance from the OBDD, to enter into a Financing Contract with the OBDD, number S22005, substantially in the form attached hereto as Exhibit 1. The project is described in Exhibit C to that Financing Contract (the "Project"); and

WHEREAS, Notice relating to the City's consideration of the adoption of this Resolution 21-R-1215 was published in full accordance with the City's charter and laws for public notification.

NOW THEREFORE BE IT RESOLVED, by the City Council of the City of Brookings, Curry County, Oregon, that

SECTION 1. FINANCING LOAN AUTHORIZED

The City of Brookings authorizes the [Title of Officer] to execute the Financing Contract (the "Financing Documents") and such other documents as may be required to obtain financial assistance including a loan from the OBDD on the condition that the principal amount of the loan from the OBDD to the Recipient is not more than \$4,175,000, with \$280,000 eligible for principal forgiveness if contract conditions are met, and the interest rate is not more than 1.7%. The proceeds of the loan from the OBDD must be applied solely to the "Costs of the Project" as such term is defined in the Financing Contract.

SECTION 2. SOURCES OF REPAYMENT

Amounts payable by the Recipient are payable from the sources described in Section 4 of the Financing Contract and the Oregon Revised Statutes Section 285A.213(5) which include:

- (a) Revenue from Recipient's water system, including special assessment revenue;
- (b) Amounts withheld under subsection 285A.213(6);

- (c) The general fund of the Recipient;
- (d) Any combination of sources listed in paragraphs (a) to (c) of this subsection; or
- (e) Any other source.

SECTION 3. ADDITIONAL DOCUMENTS

The City Manager is hereby authorized to enter into any agreements and to execute any documents or certificates which may be required to obtain financial assistance from the OBDD for the Project pursuant to the Financing Documents.

SECTION 4. TAX-EXEMPT STATUS

The City covenants not to take any action or omit to take any action if the taking or omission would cause interest paid by the City pursuant to the Financing Documents not to qualify for the exclusion from gross income provided by Section 103(a) of the Internal Revenue Code of 1986, as amended. The [name of officer] of the City may enter into covenants on behalf of the City to protect the tax-exempt status of the interest paid by the City pursuant to the Financing Documents and may execute any Tax Certificate, Internal Revenue Service forms or other documents as may be required by the OBDD or their bond counsel to protect the tax-exempt status of such interest.

SECTION 5. REIMBURSEMENT BONDS

The Recipient may make certain expenditures on the Project prior to the date the Financing Contract is executed with OBDD or the date the State of Oregon issues any bonds to fund the loan. The Recipient hereby declares its intent to seek reimbursement of such expenditures with amounts received from the OBDD pursuant to the Financing Contract, but only as permitted by OBDD policy, the Financing Contract, and federal tax regulations. Additionally, the Recipient understands that the OBDD may fund or reimburse itself for the funding of amounts paid to the Recipient pursuant to the Financing Documents with the proceeds of bonds issued by the State of Oregon pursuant to the Act. This [Ordinance/Resolution/Order] constitutes “official intent” within the meaning of 26 C.F.R. §1.150-2 of the income tax regulations promulgated by the United States Department of the Treasury.

Passed by the City Council December 13, 2021; and made effective the same date.

Attest:

Mayor Ron Hedenskog

City Recorder Janell K. Howard

August 13, 2021

The Honorable Ron Hedenskog, Mayor
City of Brookings
898 Elk Drive
Brookings, OR 97415

RE: Award for Safe Drinking Water Revolving Loan Fund, City of Brookings Water System Upgrades, Project Number S22005, (08/06/2021)

Dear Mayor Hedenskog:

Congratulations on your successful application for the above-referenced project. Enclosed please find a summary showing the funding amount and special terms and conditions of the award. The financing contract will contain the full terms and conditions of your award and will be sent to you for proper signatures. Please note that the legal obligations for funding and for reimbursement of project expenses are subject to execution of the contract.

The project must comply with all applicable state laws, regulations and procurement requirements. As a reminder, you must provide copies of all solicitations at least 10 days before advertising, and all draft contracts at least 10 days before signing.

We encourage you to offer appropriate media opportunities to help build public awareness of your project's purposes and benefits. Please notify us of any event celebrating your project. As always, we are available to answer questions that may arise during the implementation of your project. If you need assistance, please contact me at 503-551-0957, or via email to tawni.bean@oregon.gov.

Sincerely,

Tawni Bean

Tawni Bean, Regional Project Manager
Business Oregon

c: Anthony Baron, PWDS Director
Sean Stevens, Regional Development Officer
Adam DeSemples, OR Health Authority
Representative David Brock Smith
Senator Dallas Heard

SUMMARY OF AWARD

Project Number: S22005
Date of Award: 08/06/2021
Recipient: City of Brookings
Project Name: Water System Upgrades

Source of Funding (Grant/Loan/Forigivable Loan)	Award Amount
SDWRLF Loan	\$3,895,000
SDWRLF Forigivable Loan	\$250,000
SDWRLF (Project Management) Forigivable Loan	\$15,000
SDWRLF (Labor Standards) Forigivable Loan	\$15,000
Total	\$4,175,000

General Description of Loan	
Interest Rate	1.7%
Maximum Term	30

Approved Project Description
<p>The Recipient will, with the assistance of professional engineer licensed in Oregon, prepare final design plans, which will include specifications documents that must be approved by Oregon Health Authority – Drinking Water Services and submitted to Business Oregon. The construction will include, but is no limited to:</p> <ul style="list-style-type: none"> • Construction of two new 74,000-gallon, glass-fused-to-steel water reservoirs. • Demolition of the approximately 10,000-gallon concrete water reservoir. • Repainting the interior of the Marine Drive 1.5 MG reservoir. • Replacement of approximately 11,000 feet of existing undersized water lines. • Installation of SCADA elements at the two new water reservoirs. • Installation of security fencing around the two new water reservoirs. • Purchase the property by which the two new reservoirs will be placed. <p>The City will also procure a professional consultant to perform project management and labor standards review.</p> <p>Work Plan: This project includes final design and construction, the estimated project completion is March, 2023; a description of each primary activity and anticipated dates are provided in a table below.</p>

Note: The full terms and conditions will be contained in the contrac.

SAFE DRINKING WATER REVOLVING LOAN FUND
FINANCING CONTRACT

Project Name: Water System Upgrades

Project Number: S22005

This financing contract (“Contract”), dated as of the date the Contract is fully executed, is made by the State of Oregon, acting by and through its Oregon Infrastructure Finance Authority of the Business Development Department (“OBDD”), and the City of Brookings, Oregon (“Recipient”) for financing of the project referred to above and described in Exhibit C (“Project”). This Contract becomes effective only when fully signed and approved as required by applicable law. Capitalized terms not defined in section 1 and elsewhere in the body of the Contract have the meanings assigned to them by Exhibit A.

This Contract includes the following exhibits, listed in descending order of precedence for purposes of resolving any conflict between two or more of the parts:

Exhibit A	General Definitions
Exhibit B	Loan Security
Exhibit C	Project Description
Exhibit D	Project Budget
Exhibit E	Information Required by 2 CFR § 200.331(a)(1)
Exhibit F	Certification Regarding Lobbying

SECTION 1 - KEY TERMS

The following capitalized terms have the meanings assigned below.

“Estimated Project Cost” means \$4,175,000.

“Forgivable Loan Amount” means \$280,000.

“Section 2A. Loan Amount” means \$3,895,000.

“Interest Rate” means 1.7% per annum.

“Maturity Date” means the 29th anniversary of the Repayment Commencement Date.

“Payment Date” means December 1.

“Project Closeout Deadline” means 90 days after the earlier of the Project Completion Date or the Project Completion Deadline.

“Project Completion Deadline” means 36 months after the date of this Contract.

“Repayment Commencement Date” means the first Payment Date to occur after the Project Closeout Deadline.

SECTION 2 - FINANCIAL ASSISTANCE

The OBDD shall provide Recipient, and Recipient shall accept from OBDD, financing for the Project specified below:

- A. A non-revolving loan in an aggregate principal amount not to exceed the Section 2.A. Loan Amount.
- B. A non-revolving loan in an aggregate principal amount not to exceed the Forgivable Loan Amount.

“Loan” means, collectively and individually without distinction, as the context requires, the loans described in this section 2.

Notwithstanding the above, the aggregate total of Financing Proceeds disbursed under this Contract shall not exceed the Costs of the Project.

SECTION 3 - DISBURSEMENTS

- A. Reimbursement Basis. The Financing Proceeds shall be disbursed to Recipient on an expense reimbursement or costs-incurred basis. The Recipient must submit each disbursement request for the Financing Proceeds on an OBDD-provided or OBDD-approved disbursement request form (“Disbursement Request”).
- B. Financing Availability. The OBDD’s obligation to make, and Recipient’s right to request, disbursements under this Contract terminates on the Project Closeout Deadline.
- C. Payment to Contractors. The OBDD, in its sole discretion, may make direct payment to suppliers, contractors and subcontractors and others for sums due them in connection with construction of the Project, instead of reimbursing Recipient for those sums.
- D. Order of Disbursement. The OBDD shall allocate any disbursement equally between the Section 2.A. Loan and the Forgivable Loan. Notwithstanding the preceding sentence, those portions of the Forgivable Loan indicated in the budget line-items for Labor Standards Compliance and Project Management remain dedicated to those specific line-item activities and not affected by any equal division allocation.

SECTION 4 - LOAN PAYMENT; PREPAYMENT; FORGIVENESS

- A. Promise to Pay. The Recipient shall repay the Loan and all amounts due under this Contract in accordance with its terms. Payments required under this Contract are, without limitation, payable from the sources of repayment described in the Act and this Contract, including but not limited to Exhibit B, and the obligation of Recipient to make all payments is absolute and unconditional. Payments will not be abated, rebated, set-off, reduced, abrogated, terminated, waived, postponed or otherwise modified in any manner whatsoever. Payments cannot remain unpaid, regardless of any contingency, act of God, event or cause whatsoever, including (without limitation) any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to the Project, commercial frustration of purpose, any change in the laws, rules or regulations of the United States of America or of the State of Oregon or any political subdivision or governmental authority, nor any failure of OBDD to perform any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with the Project or this Contract, or any rights of set off, recoupment, abatement or counterclaim that Recipient might otherwise have against OBDD or any other party or parties; provided further, that payments hereunder will not constitute a waiver of any such rights.
- B. Interest. Interest accrues at the Interest Rate on each disbursement from the date of disbursement until the Loan is fully paid. All unpaid interest accrued to the Repayment Commencement Date is (in addition to the first regular installment payment due) payable on the Repayment Commencement Date. Interest is computed by counting the actual days occurring in a 360-day year.

The Recipient authorizes OBDD to calculate accrued interest as necessary under this Contract, including for purposes of determining a loan amortization schedule or determining the amount of a loan prepayment or loan payoff. Absent manifest error, such calculations will be conclusive.

- C. Loan Payments. Starting on the Repayment Commencement Date and then on each succeeding Payment Date, Recipient shall make level installment payments of principal and interest, each payment sufficient to pay the interest accrued to the date of payment and so much of the principal as will fully amortize the Loan by the Maturity Date, on which date the entire outstanding balance of the Loan is due and payable in full.
- D. Loan Prepayments.
- (1) Mandatory Prepayment. The Recipient shall prepay all or part of the outstanding balance of the Loan as required by this Contract.
 - (2) Optional Prepayment. The Recipient may prepay all or part of the outstanding balance of the Loan on any day except a Saturday, Sunday, legal holiday or day that banking institutions in Salem, Oregon are closed.
- E. Application of Payments. Regardless of any designation by Recipient, payments and prepayments by Recipient under this Contract or any of the Financing Documents will be applied first to any expenses of OBDD, including but not limited to attorneys' fees, then to unpaid accrued interest (in the case of prepayment, on the amount prepaid), then to the principal of the Loan. In the case of a Loan prepayment that does not prepay all the principal of the Loan, OBDD will determine, in its sole discretion, the method for how the Loan prepayment will be applied to the outstanding principal payments. A scheduled payment received before the scheduled repayment date will be applied to interest and principal on the scheduled repayment date, rather than on the day such payment is received.
- F. Forgiveness. Subject to satisfaction by Recipient of any special conditions in Exhibit C, if Recipient completes the Project by the Project Completion Deadline in accordance with the terms of this Contract, and provided that no Event of Default has occurred, OBDD shall, 90 days after the Project Completion Date, forgive repayment of the Forgivable Loan Amount and any interest accrued thereon and cancel the Forgivable Loan. The Forgivable Loan Amount and any interest forgiven remain subject to the requirements of OAR 123-049-0050, which survive payment of the Loan.

SECTION 5 - CONDITIONS PRECEDENT

- A. Conditions Precedent to OBDD's Obligations. The OBDD's obligations are subject to the receipt of the following items, in form and substance satisfactory to OBDD and its Counsel:
- (1) This Contract duly signed by an authorized officer of Recipient.
 - (2) A copy of the ordinance, order or resolution of the governing body of Recipient authorizing the borrowing and the contemplated transactions and the execution and delivery of this Contract and the other Financing Documents.
 - (3) An opinion of Recipient's Counsel.
 - (4) Such other certificates, documents, opinions and information as OBDD may reasonably require.
- B. Conditions to Disbursements. As to any disbursement, OBDD has no obligation to disburse funds unless all following conditions are met:
- (1) There is no Event of Default.
 - (2) The representations and warranties made in this Contract are true and correct on the date of disbursement as if made on such date.

- (3) The OBDD, in the reasonable exercise of its administrative discretion, has sufficient moneys in the Fund for use in the Project and has sufficient funding, appropriations, limitations, allotments and other expenditure authority to make the disbursement.
- (4) Recipient delivers to OBDD an estimated schedule for Disbursement Requests for Project design, covering anticipated number, submission dates, and amounts. Prior to beginning construction, Recipient must also deliver to OBDD an estimated schedule for Disbursement Requests for construction, covering anticipated number, submission dates, and amounts.
- (5) The OBDD (a) has received a completed Disbursement Request, (b) has received any written evidence of materials and labor furnished to or work performed upon the Project, itemized receipts or invoices for payment, and releases, satisfactions or other signed statements or forms as OBDD may require, (c) is satisfied that all items listed in the Disbursement Request are reasonable and that the costs for labor and materials were incurred and are properly included in the Costs of the Project, and (d) has determined that the disbursement is only for costs defined as eligible costs under the Act and any implementing administrative rules and policies.
- (6) The Recipient has delivered documentation satisfactory to OBDD that, in addition to the Financing Proceeds, Recipient has available or has obtained binding commitments for all funds necessary to complete the Project.
- (7) Any conditions to disbursement elsewhere in this Contract or in the other Financing Documents are met.

SECTION 6 - USE OF FINANCIAL ASSISTANCE

- A. Use of Proceeds. The Recipient shall use the Financing Proceeds only for the activities described in Exhibit C and according to the budget in Exhibit D. The Recipient may not transfer Financing Proceeds among line items in the budget without the prior written consent of OBDD.
- B. Costs of the Project. The Recipient shall apply the Financing Proceeds to the Costs of the Project in accordance with the Act and Oregon law, as applicable. Financing Proceeds cannot be used for costs in excess of one hundred percent (100%) of the total Costs of the Project and cannot be used for pre-Award Costs of the Project, unless permitted by Exhibit C.
- C. Costs Paid for by Others. The Recipient may not use any of the Financing Proceeds to cover costs to be paid for by other financing for the Project, whether from OBDD or from another State of Oregon agency or any third party.

SECTION 7 - REPRESENTATIONS AND WARRANTIES OF RECIPIENT

The Recipient represents and warrants to OBDD:

- A. Estimated Project Cost, Funds for Repayment. A reasonable estimate of the Costs of the Project is shown in section 1, and the Project is fully funded. The Recipient will have adequate funds available to repay the Loan, and the Maturity Date does not exceed the usable life of the Project.
- B. Organization and Authority.
 - (1) The Recipient (a) is a Municipality under the Act, and validly organized and existing under the laws of the State of Oregon, and (b) owns a community water system, as defined in the Act and OAR 123-049-0010.
 - (2) The Recipient has all necessary right, power and authority under its organizational documents and under Oregon law to (a) execute and deliver this Contract and the other Financing

Documents, (b) incur and perform its obligations under this Contract and the other Financing Documents, and (c) borrow and receive financing for the Project.

- (3) This Contract and the other Financing Documents executed and delivered by Recipient have been authorized by an ordinance, order or resolution of Recipient's governing body, and voter approval, if necessary, that was adopted in accordance with applicable law and requirements for filing public notices and holding public meetings.
- (4) This Contract and the other Financing Documents have been duly executed by Recipient, and when executed by OBDD, are legal, valid and binding, and enforceable in accordance with their terms.

C. Full Disclosure. The Recipient has disclosed in writing to OBDD all facts that materially adversely affect the Project, or the ability of Recipient to make all payments and perform all obligations required by this Contract and the other Financing Documents. The Recipient has made no false statements of fact, nor has it omitted information necessary to prevent any statements from being misleading. The information contained in this Contract and the other Financing Documents is true and accurate in all respects.

D. Pending Litigation. The Recipient has disclosed in writing to OBDD all proceedings pending (or to the knowledge of Recipient, threatened) against or affecting Recipient, in any court or before any governmental authority or arbitration board or tribunal, that, if adversely determined, would materially adversely affect the Project or the ability of Recipient to make all payments and perform all obligations required by this Contract and the other Financing Documents.

E. No Events of Default.

- (1) No Events of Default exist or occur upon authorization, execution or delivery of this Contract or any of the Financing Documents.
- (2) The Recipient has not violated, and has not received notice of any claimed violation of, any agreement or instrument to which it is a party or by which the Project or its property may be bound, that would materially adversely affect the Project or the ability of Recipient to make all payments and perform all obligations required by this Contract and the other Financing Documents.

F. Compliance with Existing Agreements and Applicable Law. The authorization and execution of, and the performance of all obligations required by, this Contract and the other Financing Documents will not: (i) cause a breach of any agreement, indenture, mortgage, deed of trust, or other instrument, to which Recipient is a party or by which the Project or any of its property or assets may be bound; (ii) cause the creation or imposition of any third party lien, charge or encumbrance upon any property or asset of Recipient; (iii) violate any provision of the charter or other document pursuant to which Recipient was organized or established; or (iv) violate any laws, regulations, ordinances, resolutions, or court orders related to Recipient, the Project or its properties or operations.

G. Governmental Consent. The Recipient has obtained or will obtain all permits and approvals, and has made or will make all notifications, declarations, filings or registrations, required for the making and performance of its obligations under this Contract and the other Financing Documents, for the financing or refinancing and undertaking and completion of the Project.

SECTION 8 - COVENANTS OF RECIPIENT

The Recipient covenants as follows:

- A. Notice of Adverse Change. The Recipient shall promptly notify OBDD of any adverse change in the activities, prospects or condition (financial or otherwise) of Recipient or the Project related to the ability of Recipient to make all payments and perform all obligations required by this Contract or the other Financing Documents.
- B. Compliance with Laws. The Recipient shall comply with all applicable laws, rules, regulations and orders of any court or governmental authority that relate to this Contract or the other Financing Documents, the Project [and the operation of the System of which the Project is a component]. In particular, but without limitation, Recipient shall comply with the following, as applicable:
- (1) State procurement regulations found in the Oregon Public Contracting Code, ORS chapters 279A, 279B and 279C. Oregon state procurement regulations will satisfy federal procurement requirements of 2 CFR part 200, subpart D.
 - (2) State labor standards and wage rates found in ORS chapter 279C, and federal prevailing wage provisions in accordance with the federal Davis-Bacon Act, as amended, 40 U.S.C. §§ 3141 to 3144, 3146 and 3147.
 - (3) The Recipient is required to place a sign at construction sites supported under this Loan displaying the U.S. Environmental Protection Agency (“EPA”) logo in a manner that informs the public that the Project is funded in part or wholly by the EPA. The sign must be placed in a visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period. Recipient is required to comply with EPA signage requirements at: http://www2.epa.gov/sites/production/files/2015-01/documents/signage_required_tc.pdf
 - (4) SAFE DRINKING WATER IN OREGON: Program Guidelines & Applicant’s Handbook for the Federally Funded Safe Drinking Water Revolving Fund & Drinking Water Protection Loan Fund (August 2018 update), as amended from time to time (“Safe Drinking Water Handbook”), available at <https://www.orinfrastructure.org/assets/docs/IFA/SDWhandbook.pdf>.
 - (5) Federal Crossing-Cutting Authorities. All federal laws, executive orders and government-wide policies that apply by their terms to projects and activities receiving federal financial assistance, regardless of whether the Act makes them applicable (“Cross-Cutting Authorities”). The Safe Drinking Water Handbook contains a link to a list of the Cross-Cutting Authorities.
 - (6) Lobbying. The Recipient acknowledges and agrees that the Costs of the Project will not include any Lobbying costs or expenses incurred by Recipient or any person on behalf of Recipient, and that Recipient will comply with federal restrictions on lobbying at 40 C.F.R. Part 34 and will not request payment or reimbursement for Lobbying costs and expenses. “Lobbying” means influencing or attempting to influence a member, officer or employee of a governmental agency or legislature in connection with the awarding of a government contract, the making of a government grant or loan or the entering into of a cooperative agreement with such governmental entity or the extension, continuation, renewal, amendment or modification of any of the above. The Recipient shall submit to OBDD a Certification Regarding Lobbying, the form of which is attached as Exhibit F, and any applicable quarterly disclosure statement of covered lobbying activity. The Recipient will cause any entity, firm or person receiving a contract or subcontract utilizing Loan proceeds in excess of \$100,000 to complete the same certification and any applicable disclosure statement, and submit them to Recipient. The Recipient shall retain such certifications and make them available for inspection and audit by OBDD, the federal government or their representatives. The Recipient shall forward any disclosure statements to OBDD.

- (7) Federal Audit Requirements. The Loan is federal financial assistance, and the Catalog of Federal Domestic Assistance (“CFDA”) number and title is “66.468, Capitalization Grants for Drinking Water State Revolving Funds.” Recipient is a sub-recipient.
- (a) If Recipient receives federal funds in excess of \$750,000 in the Recipient’s fiscal year, it is subject to audit conducted in accordance with the provisions of 2 CFR part 200, subpart F. Recipient, if subject to this requirement, shall at its own expense submit to OBDD a copy of, or electronic link to, its annual audit subject to this requirement covering the funds expended under this Contract and shall submit or cause to be submitted to OBDD the annual audit of any subrecipient(s), contractor(s), or subcontractor(s) of Recipient responsible for the financial management of funds received under this Contract.
- (b) Audit costs for audits not required in accordance with 2 CFR part 200, subpart F are unallowable. If Recipient did not expend \$750,000 or more in Federal funds in its fiscal year, but contracted with a certified public accountant to perform an audit, costs for performance of that audit shall not be charged to the funds received under this Contract.
- (c) Recipient shall save, protect and hold harmless OBDD from the cost of any audits or special investigations performed by the Federal awarding agency or any federal agency with respect to the funds expended under this Contract. Recipient acknowledges and agrees that any audit costs incurred by Recipient as a result of allegations of fraud, waste or abuse are ineligible for reimbursement under this or any other agreement between Recipient and the State of Oregon.
- (8) Disadvantaged Business Enterprises. The Recipient will implement the good faith efforts for solicitation and contracting with Disadvantaged Business Enterprises (“DBE”) described in the Safe Drinking Water Handbook. This applies to all solicitation and contracting for construction, equipment, supplies, engineering or other services that constitute the Project financed by this Contract. The Recipient will maintain documentation in a Project file and submit the required forms, as described in the Safe Drinking Water Handbook. The Recipient will ensure that all prime contractors implement the good faith efforts for solicitation and contracting, and comply with all DBE procurement forms, statements, and reporting requirements. The Recipient agrees to apply the current regional fair share objectives.
- The Recipient will ensure that each procurement contract includes the following term and condition:
- “The contractor shall not discriminate on the basis of race, color, national origin or sex in the performance of this contract. The contractor shall carry out applicable requirements of 40 CFR part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the contractor to carry out these requirements is a material breach of this contract which may result in the termination of this contract or other legally available remedies.”
- (9) Property Standards. Recipient shall comply with 2 CFR 200.313 which generally describes the required maintenance, documentation, and allowed disposition of equipment purchased with federal funds.
- (10) Contract Provisions. The contract provisions listed in 2 CFR Part 200, Appendix II are obligations of Recipient, as applicable, and must be included, as applicable, by Recipient in its contracts related to the Project.
- (11) Iron and Steel Products. Pursuant to the 2016 Consolidated Appropriations Act (P.L. 114-113), none of the Financing Proceeds may be used for any part of the Project unless all of the iron

and steel products used in the project are produced in the United States. “Iron and steel products” means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

- (12) Incorporation by Reference. The above state and federal laws, rules, regulations and orders are incorporated by reference in this Contract to the extent required by law.

C. Project Completion Obligations. The Recipient shall:

- (1) When procuring professional consulting services, provide OBDD with copies of all solicitations at least 10 days before advertising, and all contracts at least 10 days before signing.
- (2) Provide OBDD with copies of all Oregon Health Authority – approved plans and specifications relating to the Project, and a timeline for the construction bidding / award process, at least ten (10) days before advertising for bids.
- (3) Provide a copy of the bid tabulation, notice of award, and contract to OBDD within ten (10) days after selecting a construction contractor.
- (4) Complete an environmental review in accordance with the state environmental review process and in compliance with state and federal environmental laws prior to any construction work on the Project.
- (5) Permit OBDD to inspect the Project at any time.
- (6) Complete the Project using its own fiscal resources or money from other sources to pay for any Costs of the Project in excess of the total amount of financial assistance provided pursuant to this Contract.
- (7) Complete the Project no later than the Project Completion Deadline, unless otherwise permitted by OBDD in writing.
- (8) Obtain and maintain as-built drawings for all facilities constructed as part of the Project.
- (9) In the case of construction projects, prior to final disbursement of the Loan, Recipient shall install necessary source meters and service meters on all connections throughout the System.

D. Ownership of Project. During the term of the Loan, the Project is and will continue to be owned by Recipient. The Project will be operated by Recipient or by a person under a management contract or operating agreement with Recipient. Any such management contract or operating agreement will be structured as a “qualified management contract” as described in IRS Revenue Procedure 97-13, as amended or supplemented.

E. Operation and Maintenance of the Project. The Recipient shall operate and maintain the Project in good repair and operating condition so as to preserve the long-term public benefits of the Project, including making all necessary and proper repairs, replacements, additions, and improvements during term of the Loan. On or before the Project Closeout Deadline, Recipient shall adopt a plan acceptable to OBDD for the on-going operation and maintenance of the Project without reliance on OBDD financing and furnish OBDD, at its request, with evidence of such adoption. The plan must include measures for generating revenues sufficient to assure the operation and maintenance of the Project during the usable life of the Project.

F. Insurance, Damage. The Recipient shall maintain, or cause to be maintained, insurance policies with responsible insurers or self-insurance programs, insuring against liability and risk of direct physical

loss, damage or destruction of the Project, at least to the extent that similar insurance is customarily carried by governmental units constructing, operating and maintaining similar facilities. Nothing in this provision precludes Recipient from asserting a defense against any party other than OBDD, including a defense of immunity. If the Project or any portion is destroyed, any insurance proceeds will be paid to OBDD and applied to prepay the outstanding balance on the Loan in accordance with section 4.D.(1), unless OBDD agrees in writing that the insurance proceeds may be used to rebuild the Project.

- G. Sales, Leases and Encumbrances. Except as specifically described in Exhibit C, Recipient shall not sell, lease, exchange, abandon, transfer or otherwise dispose of any substantial portion of or interest in the Project or any system that provides revenues for payment or is security for the Loan, unless worn out, obsolete, or, in the reasonable business judgment of Recipient, no longer useful in the operation of the Project. Nevertheless, OBDD may consent to such disposition if it has received 90 days' prior written notice from Recipient. Such consent may require assumption by transferee of all of Recipient's obligations under the Financing Documents and payment of OBDD's costs related to such assumption, and receipt by OBDD of an opinion of Bond Counsel to the effect that such disposition complies with applicable law and will not adversely affect the exclusion of interest on any Lottery Bonds from gross income for purposes of federal income taxation under Section 103(a) of the Code. The term "Bond Counsel" means a law firm determined by OBDD to have knowledge and expertise in the field of municipal law and whose opinions are generally accepted by purchasers of municipal bonds. In the case of sale, exchange, transfer or other similar disposition, Recipient shall, within 30 days of receipt of any proceeds from such disposition, prepay the entire outstanding balance on the Loan in accordance with section 4.D.(1), unless OBDD agrees otherwise in writing. If Recipient abandons the Project, Recipient shall prepay the entire outstanding balance of the Loan immediately upon demand by OBDD.
- H. Condemnation Proceeds. If the Project or any portion is condemned, any condemnation proceeds will be paid to OBDD and applied to prepay the outstanding balance of the Loan in accordance with section 4.D.(1).
- I. Financial Records. The Recipient shall keep accurate books and records for the revenues and funds that are the source of repayment of the Loan, separate and distinct from its other books and records, and maintain them according to generally accepted accounting principles established by the Government Accounting Standards Board in effect at the time. The Recipient shall have these records audited annually by an independent certified public accountant, which may be part of the annual audit of all records of Recipient.
- J. Inspections; Information. The Recipient shall permit OBDD, and any party designated by OBDD, the Oregon Secretary of State's Office, the federal government and their duly authorized representatives: (i) to inspect, at any reasonable time, the property, if any, constituting the Project; and (ii) at any reasonable time, to inspect and make copies of any accounts, books and records, including, without limitation, its records regarding receipts, disbursements, contracts, investments and any other related matters, and financial statements or other documents related to its financial standing. The Recipient shall supply any related reports and information as OBDD may reasonably require. In addition, Recipient shall, upon request, provide OBDD with copies of loan documents or other financing documents and any official statements or other forms of offering prospectus relating to any other bonds, notes or other indebtedness of Recipient that are issued after the date of this Contract.
- K. Records Maintenance. The Recipient shall retain and keep accessible all books, documents, papers, and records that are directly related to this Contract, the Project or the Financing Proceeds for a minimum of six years, or such longer period as may be required by other provisions of this Contract

or applicable law, following the Project Closeout Deadline. If there are unresolved issues at the end of such period, Recipient shall retain the books, documents, papers and records until the issues are resolved.

- L. Economic Benefit Data. The OBDD may require Recipient to submit specific data on the economic development benefits of the Project and other information to evaluate the success and economic impact of the Project, from the date of this Contract until six years after the Project Completion date. The Recipient shall, at its own expense, prepare and submit the data within the time specified by OBDD.
- M. Professional Responsibility. A professional engineer or architect, as applicable, registered and in good standing in Oregon, will be responsible for the design and construction of the Project. All service providers retained for their professional expertise must be certified, licensed, or registered, as appropriate, in the State of Oregon for their specialty. The Recipient shall follow standard construction practices, such as bonding requirements for construction contractors, requiring errors and omissions insurance, and performing testing and inspections during construction.
- N. Notice of Event of Default. The Recipient shall give OBDD prompt written notice of any Event of Default, or any circumstance that with notice or the lapse of time, or both, may become an Event of Default, as soon as Recipient becomes aware of its existence or reasonably believes an Event of Default is likely.
- O. Indemnity. To the extent authorized by law, Recipient shall defend (subject to ORS chapter 180), indemnify, save and hold harmless OBDD and its officers, employees and agents from and against any and all claims, suits, actions, proceedings, losses, damages, liability and court awards including costs, expenses, and attorneys' fees incurred related to any actual or alleged act or omission by Recipient, or its employees, agents or contractors; however, the provisions of this section are not to be construed as a waiver of any defense or limitation on damages provided for under Chapter 30 of the Oregon Revised Statutes or under the laws of the United States or other laws of the State of Oregon.
- P. Further Assurances. The Recipient shall, at the request of OBDD, authorize, sign, acknowledge and deliver any further resolutions, conveyances, transfers, assurances, financing statements and other instruments and documents as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Contract and the other Financing Documents.
- Q. Exclusion of Interest from Federal Gross Income and Compliance with Code.
 - (1) The Recipient shall not take any action or omit to take any action that would result in the loss of the exclusion of the interest on any Lottery Bonds from gross income for purposes of federal income taxation, as governed by Section 103(a) of the Code. OBDD may decline to disburse the Financing Proceeds if it finds that the federal tax exemption of the Lottery Bonds cannot be assured.
 - (2) The Recipient shall not take any action (including but not limited to the execution of a management agreement for the operation of the Project) or omit to take any action that would cause any Lottery Bonds to be "private activity bonds" within the meaning of Section 141(a) of the Code. Accordingly, unless Recipient receives the prior written approval of OBDD, Recipient shall not permit in excess of ten percent (10%) of either (a) the Financing Proceeds or (b) the Project financed or refinanced with the Financing Proceeds to be directly or indirectly used in any manner that would constitute "private business use" within the meaning of Section 141(b)(6) of the Code, including not permitting more than one half of any permitted

private business use to be “disproportionate related business use” or private business use unrelated to the government use of the Financing Proceeds. Unless Recipient receives the prior written approval of OBDD, Recipient shall not directly or indirectly use any of the Financing Proceeds to make or finance loans to persons other than governmental units, as that term is used in Section 141(c) of the Code.

- (3) The Recipient shall not directly or indirectly use or permit the use of any of the Financing Proceeds or any other funds, or take any action or omit to take any action, which would cause any Lottery Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code.
- (4) The Recipient shall not cause any Lottery Bonds to be treated as “federally guaranteed” for purposes of Section 149(b) of the Code, as may be modified in any applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to “federally guaranteed” obligations described in Section 149(b) of the Code. For purposes of this paragraph, any Lottery Bonds will be treated as “federally guaranteed” if: (a) all or any portion of the principal or interest is or will be guaranteed directly or indirectly by the United States of America or any agency or instrumentality thereof, or (b) five percent (5%) or more of the proceeds of the Lottery Bonds will be (i) used in making loans if the payment of principal or interest is guaranteed in whole or in part by the United States of America or any agency or instrumentality thereof, or (ii) invested directly or indirectly in federally insured deposits or accounts, and (c) none of the exceptions described in Section 149(b)(3) of the Code apply.
- (5) The Recipient shall assist OBDD to ensure that all required amounts are rebated to the United States of America pursuant to Section 148(f) of the Code. The Recipient shall pay to OBDD such amounts as may be directed by OBDD to satisfy the requirements of Section 148(f) applicable to the portion of the proceeds of any tax-exempt bonds, including any Financing Proceeds or other amounts held in a reserve fund. The Recipient further shall reimburse OBDD for the portion of any expenses it incurs related to the Project that is necessary to satisfy the requirements of Section 148(f) of the Code.
- (6) Upon OBDD’s request, Recipient shall furnish written information regarding its investments and use of the Financing Proceeds, and of any facilities financed or refinanced therewith, including providing OBDD with any information and documentation that OBDD reasonably determines is necessary to comply with the arbitrage and private use restrictions that apply to the Lottery Bonds.
- (7) Notwithstanding anything to the contrary, so long as is necessary to maintain the exclusion from gross income for purposes of federal income taxation of interest on any Lottery Bonds, the covenants contained in this subsection will survive the payment of the Loan and the Lottery Bonds, and the interest thereon, including the application of any unexpended Financing Proceeds. The Recipient acknowledges that the Project may be funded with proceeds of the Lottery Bonds and that failure to comply with the requirements of this subsection could adversely affect any exclusion of the interest on the Lottery Bonds from gross income for federal income tax purposes.
- (8) Neither Recipient nor any related party to Recipient, within the meaning of 26 C.F.R. § 1.150-1(b), shall purchase any Lottery Bonds, from which proceeds were used to finance the Project, in an amount related to the amount of the Loan.
- (9) The Recipient may use the Financing Proceeds to reimburse itself for Project expenditures made prior to the funding of the Project only if permitted by Exhibit C and only if such

reimbursement is allowed under one of the following four categories pursuant to 26 C.F.R. § 1.150-2:

- (a) Preliminary expenditures such as architectural, engineering, surveying, soil testing, bond issuance and similar costs that, in the aggregate, are not in excess of 20% of the Financing Proceeds. Costs of land acquisition, site preparation and similar costs incident to commencement of construction are not preliminary expenditures.
- (b) Expenditures for issuance costs.
- (c) Expenditures that are described in a reimbursement resolution or other declaration of official intent that satisfies the requirements of 26 C.F.R. § 1.150-2 and paid no earlier than 60 days prior to the adoption of such resolution or official intent.
- (d) Expenditures paid within 60 days prior to the date the Loan is funded.

SECTION 9 - DEFAULTS

Any of the following constitutes an “Event of Default”:

- A. The Recipient fails to make any Loan payment when due.
- B. The Recipient fails to make, or cause to be made, any required payments of principal, redemption premium, or interest on any bonds, notes or other material obligations, for any other loan made by the State of Oregon.
- C. Any false or misleading representation is made by or on behalf of Recipient, in this Contract, in any other Financing Document or in any document provided by Recipient related to this Loan or the Project or in regard to compliance with the requirements of section 103 and sections 141 through 150 of the Code.
- D.
 - (1) A petition, proceeding or case is filed by or against Recipient under any federal or state bankruptcy or insolvency law, and in the case of a petition filed against Recipient, Recipient acquiesces to such petition or such petition is not dismissed within 20 calendar days after such filing, or such dismissal is not final or is subject to appeal;
 - (2) The Recipient files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, liquidation, dissolution, winding-up or composition or adjustment of debts;
 - (3) The Recipient becomes insolvent or bankrupt or admits its inability to pay its debts as they become due, or makes an assignment for the benefit of its creditors;
 - (4) The Recipient applies for or consents to the appointment of, or taking of possession by, a custodian (including, without limitation, a receiver, liquidator or trustee) of Recipient or any substantial portion of its property; or
 - (5) The Recipient takes any action for the purpose of effecting any of the above.
- E. The Recipient defaults under any other Financing Document and fails to cure such default within the applicable grace period.
- F. The Recipient fails to perform any obligation required under this Contract, other than those referred to in subsections A through E of this section 9, and that failure continues for a period of 30 calendar days after written notice specifying such failure is given to Recipient by OBDD. The OBDD may agree in writing to an extension of time if it determines Recipient instituted and has diligently pursued corrective action.

SECTION 10 - REMEDIES

- A. Remedies. Upon any Event of Default, OBDD may pursue any or all remedies in this Contract or any other Financing Document, and any other remedies available at law or in equity to collect amounts due or to become due or to enforce the performance of any obligation of Recipient. Remedies may include, but are not limited to:
- (1) Terminating OBDD's commitment and obligation to make any further disbursements of Financing Proceeds under the Contract.
 - (2) Declaring all payments under the Contract and all other amounts due under any of the Financing Documents immediately due and payable, and upon notice to Recipient the same become due and payable without further notice or demand.
 - (3) Barring Recipient from applying for future awards.
 - (4) Withholding amounts otherwise due to Recipient for application to the payment of amounts due under this Contract, pursuant to ORS 285A.213(6) and OAR 123-049-0040.
 - (5) Foreclosing liens or security interests pursuant to this Contract or any other Financing Document.
 - (6) Exercising any remedy listed in OAR 123-049-0040.
- B. Application of Moneys. Any moneys collected by OBDD pursuant to section 10.A will be applied first, to pay any attorneys' fees and other fees and expenses incurred by OBDD; next, to pay interest due on the Loan; next, to pay principal due on the Loan, and last, to pay any other amounts due and payable under this Contract or any of the Financing Documents.
- C. No Remedy Exclusive; Waiver; Notice. No remedy available to OBDD is intended to be exclusive, and every remedy will be in addition to every other remedy. No delay or omission to exercise any right or remedy will impair or is to be construed as a waiver of such right or remedy. No single or partial exercise of any right power or privilege under this Contract or any of the Financing Documents shall preclude any other or further exercise thereof or the exercise of any other such right, power or privilege. The OBDD is not required to provide any notice in order to exercise any right or remedy, other than notice required in section 9 of this Contract.
- D. Default by OBDD. In the event OBDD defaults on any obligation in this Contract, Recipient's remedy will be limited to injunction, special action, action for specific performance, or other available equitable remedy for performance of OBDD's obligations.

SECTION 11 - MISCELLANEOUS

- A. Time is of the Essence. The Recipient agrees that time is of the essence under this Contract and the other Financing Documents.
- B. Relationship of Parties; Successors and Assigns; No Third Party Beneficiaries.
- (1) The parties agree that their relationship is that of independent contracting parties and that Recipient is not an officer, employee, or agent of the State of Oregon as those terms are used in ORS 30.265.
 - (2) Nothing in this Contract gives, or is to be construed to give, directly or indirectly, to any third persons any rights and benefits greater than those enjoyed by the general public.

- (3) This Contract will be binding upon and inure to the benefit of OBDD, Recipient, and their respective successors and permitted assigns.
- (4) The Recipient may not assign or transfer any of its rights or obligations or any interest in this Contract or any other Financing Document without the prior written consent of OBDD. The OBDD may grant, withhold or impose conditions on such consent in its sole discretion. In the event of an assignment, Recipient shall pay, or cause to be paid to OBDD, any fees or costs incurred because of such assignment, including but not limited to attorneys' fees of OBDD's Counsel and Bond Counsel. Any approved assignment is not to be construed as creating any obligation of OBDD beyond those in this Contract or other Financing Documents, nor does assignment relieve Recipient of any of its duties or obligations under this Contract or any other Financing Documents.
- (5) The Recipient hereby approves and consents to any assignment, sale or transfer of this Contract and the Financing Documents that OBDD deems to be necessary.

C. Disclaimer of Warranties; Limitation of Liability. The Recipient agrees that:

- (1) The OBDD makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness for any use of the Project or any portion of the Project, or any other warranty or representation.
- (2) In no event are OBDD or its agents liable or responsible for any direct, indirect, incidental, special, consequential or punitive damages in connection with or arising out of this Contract or the existence, furnishing, functioning or use of the Project.

D. Notices and Communication. Except as otherwise expressly provided in this Contract, any communication between the parties or notices required or permitted must be given in writing by personal delivery, email, or by mailing the same, postage prepaid, to Recipient or OBDD at the addresses set forth below, or to such other persons or addresses that either party may subsequently indicate pursuant to this Section.

Any communication or notice by personal delivery will be deemed effective when actually delivered to the addressee. Any communication or notice so addressed and mailed will be deemed to be received and effective five (5) days after mailing. Any communication or notice given by email becomes effective 1) upon the sender's receipt of confirmation generated by the recipient's email system that the notice has been received by the recipient's email system or 2) the recipient's confirmation of receipt, whichever is earlier. Notwithstanding this provision, the following notices may not be given by email: notice of default or notice of termination.

If to OBDD: Assistant Director, Economic Development
Oregon Business Development Department
775 Summer Street NE Suite 200
Salem OR 97301-1280

If to Recipient: Public Works Director
City of Brookings
898 Elk Drive
Brookings, OR 97415

- E. No Construction against Drafter. This Contract is to be construed as if the parties drafted it jointly.
- F. Severability. If any term or condition of this Contract is declared by a court of competent jurisdiction as illegal, invalid or unenforceable, that holding will not invalidate or otherwise affect any other provision.

- G. Amendments, Waivers. This Contract may not be amended without the prior written consent of OBDD (and when required, the Department of Justice) and Recipient. This Contract may not be amended in a manner that is not in compliance with the Act. No waiver or consent is effective unless in writing and executed by the party against whom such waiver or consent is sought to be enforced. Such waiver or consent will be effective only in the specific instance and for the specific purpose given.
- H. Attorneys' Fees and Other Expenses. To the extent permitted by the Oregon Constitution and the Oregon Tort Claims Act, the prevailing party in any dispute arising from this Contract is entitled to recover its reasonable attorneys' fees and costs at trial and on appeal. Reasonable attorneys' fees cannot exceed the rate charged to OBDD by its attorneys. The Recipient shall, on demand, pay to OBDD reasonable expenses incurred by OBDD in the collection of Loan payments.
- I. Choice of Law; Designation of Forum; Federal Forum. The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Contract, including, without limitation, its validity, interpretation, construction, performance, and enforcement.

Any party bringing a legal action or proceeding against any other party arising out of or relating to this Contract shall bring the legal action or proceeding in the Circuit Court of the State of Oregon for Marion County (unless Oregon law requires that it be brought and conducted in another county). Each party hereby consents to the exclusive jurisdiction of such court, waives any objection to venue, and waives any claim that such forum is an inconvenient forum.

Notwithstanding the prior paragraph, if a claim must be brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for the District of Oregon. This paragraph applies to a claim brought against the State of Oregon only to the extent Congress has appropriately abrogated the State of Oregon's sovereign immunity and is not consent by the State of Oregon to be sued in federal court. This paragraph is also not a waiver by the State of Oregon of any form of defense or immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

- J. Integration. This Contract (including all exhibits, schedules or attachments) and the other Financing Documents constitute the entire agreement between the parties on the subject matter. There are no unspecified understandings, agreements or representations, oral or written, regarding this Contract.
- K. Execution in Counterparts. This Contract may be signed in several counterparts, each of which is an original and all of which constitute one and the same instrument.

SIGNATURE PAGE FOLLOWS

The Recipient, by its signature below, acknowledges that it has read this Contract, understands it, and agrees to be bound by its terms and conditions.



STATE OF OREGON
acting by and through its
Oregon Infrastructure Finance Authority
of the Oregon Business Development
Department



CITY OF BROOKINGS

By: _____
Chris Cummings, Assistant Director
Economic Development

By: _____
The Honorable Ron Hedenskog, Mayor of
Brookings

Date: _____

Date: _____

APPROVED AS TO LEGAL SUFFICIENCY IN ACCORDANCE WITH ORS 291.047:

/s/ Wendy Johnson as per email dated 2 November 202
Wendy Johnson, Senior Assistant Attorney General

EXHIBIT A - GENERAL DEFINITIONS

As used in this Contract, the following terms have the meanings below.

“Act” means “Safe Drinking Water Act,” 42 U.S.C. Sec. 300f, and all subsequent amendments, including the Amendments of 1996, Public Law 104-182.

“Award” means the award of financial assistance to Recipient by OBDD dated 6 Aug 2021.

“C.F.R.” means the Code of Federal Regulations.

“Code” means the Internal Revenue Code of 1986, as amended, including any implementing regulations and any administrative or judicial interpretations.

“Costs of the Project” means Recipient’s actual costs (including any financing costs properly allocable to the Project) that are (a) reasonable, necessary and directly related to the Project, (b) permitted by generally accepted accounting principles to be Costs of the Project, and (c) are eligible or permitted uses of the Financing Proceeds under applicable state or federal statute and rule.

“Counsel” means an attorney at law or firm of attorneys at law duly admitted to practice law before the highest court of any state, who may be of counsel to, or an employee of, OBDD or Recipient.

“Financing Documents” means this Contract and all agreements, instruments, documents and certificates executed pursuant to or in connection with OBDD’s financing of the Project.

“Financing Proceeds” means the proceeds of the Section 2.A. Loan and the Forgivable Loan.

“Forgivable Loan” means the forgivable Loan described in section 2.B.

“Section 2.A. Loan” means the Loan described in section 2.A. of this Contract.

“Lottery Bonds” means any bonds issued by the State of Oregon that are special obligations of the State of Oregon, payable from unobligated net lottery proceeds, the interest on which is exempt from federal income taxation, together with any refunding bonds, used to finance or refinance the Project through the initial funding or refinancing of all or a portion of the Loan.

“Municipality” means any entity described in ORS 285B.410(9).

“ORS” means the Oregon Revised Statutes.

“Project Completion Date” means the date on which Recipient completes the Project.

“System” means Recipient’s drinking water system, which includes the Project or components of the Project, as it may be modified or expanded from time to time.

EXHIBIT B – LOAN SECURITY

- A. Full Faith and Credit Pledge. The Recipient pledges its full faith and credit and taxing power within the limitations of Article XI, sections 11 and 11 b, of the Oregon Constitution to pay the amounts due under this Contract. This Contract is payable from and secured by all lawfully available funds of Recipient.
- B. Pledge of Net Revenues of the System
- (1) All payment obligations under this Contract and the other Financing Documents are payable from the revenues of Recipient's System after payment of operation and maintenance costs of the System ("Net Revenues"). The Recipient irrevocably pledges and grants to OBDD a security interest in the Net Revenues to pay all of its obligations under this Contract and the other Financing Documents. The Net Revenues pledged pursuant to the preceding sentence and received by Recipient will immediately be subject to the lien of this pledge without physical delivery, filing or any other act, and the lien of this pledge is superior to and has priority over all other claims and liens, except as provided in subsections 2 and 3 of this section B, to the fullest extent permitted by ORS 287A.310. The Recipient represents and warrants that this pledge of Net Revenues complies with, and is valid and binding from the date of this Contract as described in, ORS 287A.310. The lien of the pledge made under this subsection 1 is hereinafter referred to as the "OBDD Lien".
 - (2) The Recipient shall not incur, without the prior written consent of OBDD, any obligation payable from or secured by a lien on and pledge of the Net Revenues that is on parity or superior to the OBDD Lien.
 - (3) Notwithstanding the requirements of subsection 2 of this section B, loans previously made and loans made in the future by OBDD to Recipient that are secured by the Net Revenues may have a lien on such Net Revenues on parity with the OBDD Lien; provided that nothing in this paragraph will adversely affect the priority of any of OBDD's liens on such Net Revenues in relation to the lien(s) of any third party(ies).
 - (4) The Recipient shall charge rates and fees in connection with the operation of the System which, when combined with other gross revenues, are adequate to generate Net Revenues each fiscal year at least equal to 120% of the annual debt service due in the fiscal year on the Loan and any outstanding obligation payable from or secured by a lien on and pledge of Net Revenues that is on parity with the OBDD Lien.
 - (5) The Recipient may establish a debt service reserve fund to secure repayment of obligations that are payable from or secured by a lien on and pledge of Net Revenues that is on parity with the OBDD Lien, provided that no deposit of the Net Revenues of the System into the debt service reserve fund is permitted until provision is made for the payment of all debt service on the Loan and any other obligations payable from or secured by a lien on and pledge of Net Revenues that is on parity with the OBDD Lien (including any obligations described in subsection 3 above) for the 12-month period after such deposit.

EXHIBIT C - PROJECT DESCRIPTION

The Recipient will, with the assistance of a professional engineer licensed in Oregon, prepare final design plans, including specifications documents that must be approved by Oregon Health Authority – Drinking Water Services and submitted to Business Oregon. The construction will include, but is not limited to:

- Construction of two new 74,000-gallon, glass-fused-to-steel water reservoirs.

- Demolition of the approximately 10,000-gallon concrete water reservoir.
- Repainting the interior of the Marine Drive 1.5 MG reservoir.
- Replacement of approximately 11,000 feet of existing undersized water lines.
- Installation of SCADA elements at the two new water reservoirs.
- Installation of security fencing around the two new water reservoirs.
- Purchase real property where the two new reservoirs will be placed.

The Recipient will also procure a professional consultant to perform project management and labor standards review.

Recipient is authorized to request reimbursement of pre-Award costs of up to \$78,750 for design engineering.

EXHIBIT D - PROJECT BUDGET

Line Item Activity	OBDD Funds	Other / Matching Funds
Design/Construction Engineering	\$536,150	\$0
Design Engineering Pre-Award	78,750	
Construction	3,078,000	
Construction Contingency	307,800	
Labor Standards	15,000	
Project Management	15,000	
Environmental Review	35,000	
Legal Fees	43,300	
Cultural Resource Report(s) and Monitoring	8,000	
Land Acquisition	43,000	
Permitting and Regulatory Fees	15,000	
Total	\$4,175,000	\$0

EXHIBIT E - INFORMATION REQUIRED BY 2 CFR § 200.331(A)(1)

Federal Award Identification:

- (i) Subrecipient* name (which must match registered name in DUNS): Brookings, City of
- (ii) Subrecipient's DUNS number: 012984357
- (iii) Federal Award Identification Number (FAIN): 98009020
- (iv) Federal Award Date: 9 September 2020
- (v) Sub-award Period of Performance Start and End Date: Approximately 3 years after contract effective date.
- (vi) Total Amount of Federal Funds Obligated by this Contract: \$4,175,000
- (vii) Total Amount of Federal Funds Obligated by this initial Contract and any amendments: \$4,175,000
- (viii) Total Amount of Federal Award to the pass-through entity: \$14,487,000
- (ix) Federal award project description: Oregon's Drinking Water State Revolving Fund: This Fund increases the capacity of Oregon to ensure that its public water systems continue to provide safe drinking water. This is done by (1) continuing loan financing to public water systems and support for newly proposed priority projects, (2) providing grant support for covering administrative expenses, small public water system technical assistance, State program management and local assistance, and (3) continuation of the loan fund to finance source water protection project initiatives, including acquiring conservation easements.
- (x) Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity:
 - (a) Name of Federal awarding agency: U.S. Environmental Protection Agency
 - (b) Name of pass-through entity: Oregon Business Development Department
 - (c) Contact information for awarding official of the pass-through entity: Ed Tabor, Programs & Incentives Manager, 503-949-3523
- (xi) CFDA Number and Name: 66.468 Safe Drinking Water State Revolving Fund
Amount: \$4,175,000
- (xii) Is Award R&D? No
- (xiii) Indirect cost rate for the Federal award: N/A

* For the purposes of this Exhibit E, "Subrecipient" refers to Recipient and "pass-through entity" refers to OBDD.

EXHIBIT F - CERTIFICATION REGARDING LOBBYING

(Awards in excess of \$100,000)

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Signed


Title

Date


CITY OF BROOKINGS

COUNCIL AGENDA REPORT

Meeting Date: December 13, 2021


Signature (submitted by)

Originating Dept: Finance & Admin


City Manager Approval

Subject:

Audit Report for the fiscal year ended June 30, 2021

Recommended Motion:

Motion to accept the City's Audit for the fiscal year ended June 30, 2021.

Financial Impact:

None.

Background/Discussion:

Moss Adams LLP completed the City's audit for the fiscal year ending June 30, 2021. An electronic copy of the audit is attached to the packet that is received electronically, and is available on the City's website. A bound hard copy of the audit report has been put in the Mayor's and Councilors' boxes, and a copy is available for viewing at City Hall.

The City received an unqualified opinion on the June 30, 2021 audit; which means there were no exceptions, findings, or questioned costs.

Attachment:

June 30, 2021 Audit

CITY OF BROOKINGS



Brookings, Oregon ANNUAL FINANCIAL REPORT For the Year Ended June 30, 2021

City of Brookings
Officers and Members of the Governing Body
For the Year Ended June 30, 2021

CITY MANAGER

Janell Howard

DEPUTY FINANCE DIRECTOR

Anella Ehlers

MAYOR

Ron Hedenskog
16956 Old County Road
Brookings, OR 97415

CITY COUNCIL

Brad Alcorn
17199 S Passley Road
Brookings, OR 97415

Ed Schreiber
PO Box 1945
Brookings, OR 97415

John McKinney
323 Birch Street
Brookings, OR 97415

Michelle Morosky
1340 View Court
Brookings, OR 97415

CITY ADDRESS

898 Elk Drive
Brookings, OR 97415

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Report of Independent Auditors

Honorable Mayor and Members of the City Council
City of Brookings, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, budgetary statement for the general fund, and the aggregate remaining fund information of the City of Brookings, 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2021, and the respective changes in financial position, respective budgetary statements for the general fund and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

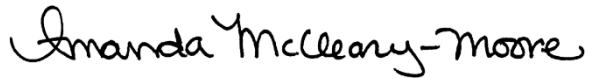
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements, and the schedule of property taxes are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Minimum Standards for Audits of Oregon Municipal Corporations*

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated November 19, 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.

A handwritten signature in black ink that reads "Amanda McCleary-Moore". The signature is written in a cursive, flowing style.

Amanda McCleary-Moore, Partner, for
Moss Adams LLP
Medford, Oregon
November 19, 2021



City of Brookings

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2021

This discussion and analysis presents the highlights of financial activities and financial position for the City of Brookings (City). The analysis focuses on significant issues, major financial activities and resulting changes in financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the City. Please read it in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

- Total assets exceeded liabilities at June 30, 2021, by \$57.7 million. Of this amount, \$2.8 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$2.7 million during the fiscal year due to an increase in net capital assets.
- The General Fund's fund balance is approximately \$1.9 million at the end of the fiscal year, or 38 percent of General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements and other required supplementary information. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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.

The *statement of net position* presents information on all assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The *statement of activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. Examples of such items include earned, but uncollected property taxes, and earned, but unused, compensated absences.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

The government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business type activities).

The government activities include the following:

- General government
- Public safety
- Highways and streets
- Culture and Recreation

The business-type activities include the following:

- Water
- Wastewater

Fund Financial Statements. 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 uses fund accounting to ensure and demonstrate compliance with finance – related legal requirement. All funds can be divided into two categories: governmental or proprietary funds.

Governmental Funds. Governmental fund statements follow the more traditional presentation of financial statements. The City’s major governmental funds are presented in their own column and the remaining funds are combined into a column titled “Total Nonmajor Funds.” Page 6 presents a reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities.

The City adopts an annual appropriated budget for all its funds, except agency funds. To demonstrate compliance, budgetary comparison statements have been provided for all of the funds.

Proprietary Funds. The proprietary fund financial statements immediately follow the governmental fund financial statements. The City maintains two major propriety funds which are used to report the same functions presented as business type activities in the governmental-wide financial statements, only in more detail. Proprietary fund reports include statement of net position, statement of revenues, expenses and changes in net position and statement of cash flows.

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

Other Supplementary Information. Readers desiring additional information on non-major funds can find it in the combining statements of non-major funds and the budgetary comparison schedules.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Net Position at Fiscal Year End

(in thousands)

	Governmental		Business-Type		Totals	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Assets						
Cash and investments	\$ 5,593	\$ 3,285	\$ 6,760	\$ 5,874	\$ 12,353	\$ 9,159
Capital assets, net	36,687	37,010	17,062	17,984	53,749	54,994
Other assets	1,414	1,387	734	725	2,148	2,112
Total assets	43,694	41,682	24,556	24,583	68,250	66,265
Deferred Outflows						
Pension related items	1,325	1,237	320	320	1,645	1,557
Liabilities						
Long-term liabilities	5,422	5,317	4,487	6,263	9,909	11,580
Other liabilities	419	146	498	408	917	554
Total liabilities	5,841	5,463	4,985	6,671	10,826	12,134
Deferred Inflows						
Pension related items	1,126	556	272	144	1,398	700
Net Position						
Net Investment in						
capital assets	35,508	36,235	13,558	12,853	49,066	49,088
Restricted	2,466	1,171	3,299	2,869	5,765	4,040
Unrestricted	78	(506)	2,762	2,366	2,840	1,860
Total net position	\$ 38,052	\$ 36,900	\$ 19,619	\$ 18,088	\$ 57,671	\$ 54,988

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 \$57.7 million as of June 30, 2021.

The largest portion of the City's net position reflects its investment in capital assets (e.g., land, building and improvements, equipment, and infrastructure); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the City's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. The balance of total net position invested in capital assets net of related debt was \$49.1 million at June 30, 2021.

An additional portion of net position represents resources that are subject to external restrictions on how they may be used. Restricted net position at June 30, 2021 was \$5.7 million. The remaining balance of unrestricted net position, \$2.8 million, may be used to meet ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate business-type activities.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
REVENUES						
Program revenues						
Charges for services	\$ 1,508	\$ 873	\$ 5,100	\$ 4,304	\$ 6,608	\$ 5,177
Grants and contributions	1,012	2,285	754	1,628	1,766	3,913
General revenues						
Taxes	4,097	3,922	-	-	4,097	3,922
Other	<u>976</u>	<u>1,111</u>	<u>79</u>	<u>139</u>	<u>1,055</u>	<u>1,250</u>
Total revenues	<u>7,593</u>	<u>8,191</u>	<u>5,933</u>	<u>6,071</u>	<u>13,526</u>	<u>14,262</u>
EXPENSES						
Governmental activities	6,818	6,113	-	-	6,818	6,113
Business-type activities	<u>-</u>	<u>-</u>	<u>4,025</u>	<u>4,807</u>	<u>4,025</u>	<u>4,807</u>
Total expenses	<u>6,818</u>	<u>6,113</u>	<u>4,025</u>	<u>4,807</u>	<u>10,843</u>	<u>10,920</u>
Net (expense) revenue	775	2,078	1,908	1,264	2,683	3,342
Transfers	<u>377</u>	<u>365</u>	<u>(377)</u>	<u>(365)</u>	<u>-</u>	<u>-</u>
Change in net position	1,152	2,443	1,531	899	2,683	3,342
Beginning net position	<u>36,900</u>	<u>34,457</u>	<u>18,088</u>	<u>17,189</u>	<u>54,988</u>	<u>51,646</u>
Ending net position	<u>\$ 38,052</u>	<u>\$ 36,900</u>	<u>\$ 19,619</u>	<u>\$ 18,088</u>	<u>\$ 57,671</u>	<u>\$ 54,988</u>

Governmental Activities. Governmental activities increased the City’s net position by \$1.2 million primarily due to increased net capital assets. Tax revenue increased \$175,000, which is property taxes from the General Fund. In total, expenses increased by \$705,000 compared to the prior year.

Business-type Activities. Business-type activities increased the City’s net position by \$1.5 million. Charges for services increased by \$796,000 and grants and contributions decreased by \$874,000. Expenditures decreased \$782,000 primarily due to the replacement of all water meters with “smart” meters, multi-year wastewater infrastructure maintenance and repair all completed in the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City’s General Fund appropriations increased by approximately \$751,000 to \$6 million. The General Fund revenues were \$339,000 more than the budget. Actual expenditures within the General Fund were 82 percent of the final budget. The overall increase in the fund balance was \$198,000 due to revenues being slightly greater than expenditures.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2021, the City has invested \$53.8 million in capital assets as reflected in the following table. This represents a net decrease for current year activity (additions, retirements, and depreciation) of \$1.1 million, primarily due depreciation.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land and non-depreciable assets	\$ 16.3	\$ 16.3	\$ 0.6	\$ 0.6	\$ 16.9	\$ 16.9
Building and improvements	6.2	6.1	3.3	3.6	9.5	9.7
Vehicles and equipment	1.0	1.1	1.0	0.9	2.0	2.0
Infrastructure	12.7	12.9	12.0	12.8	24.7	25.7
Construction in progress	0.5	0.6	0.2	-	0.7	0.6
Total	<u>\$ 36.7</u>	<u>\$ 37.0</u>	<u>\$ 17.1</u>	<u>\$ 17.9</u>	<u>\$ 53.8</u>	<u>\$ 54.9</u>

The following table reconciles the changes in capital assets. Additions include assets acquired or under construction at year-end. Reductions are for retirements and depreciation.

Change in Capital Assets (in millions)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
Beginning balance	\$ 37.0	\$ 17.9	\$ 54.9
Additions	0.8	0.4	1.2
Retirement	-	-	-
Depreciation	<u>(1.1)</u>	<u>(1.2)</u>	<u>(2.3)</u>
Ending balance	<u>\$ 36.7</u>	<u>\$ 17.1</u>	<u>\$ 53.8</u>

For more information on the City's capital assets, including a breakdown of the major asset categories by governmental and business-type activities, refer to page 22 of the notes to the financial statements.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

Debt Outstanding. As of year end, the City had \$5.0 million in debt outstanding compared to \$6.2 million last year. \$2.3 million is due within one year.

Outstanding Debt at Fiscal Year End

(in millions)

	2021	2020
Governmental		
Loan payable	\$ 1.2	\$ 0.8
Capital lease	-	-
Compensated absences	0.3	0.3
Sub-total	1.5	1.1
Business-type		
Loan payable - bank	3.5	5.1
Compensated absences	-	-
Sub-total	3.5	5.1
Total	<u>\$ 5.0</u>	<u>\$ 6.2</u>

For more detailed information on the City’s debt and amortization terms, refer to pages 25-29 of the notes to the financial statements.

ECONOMIC FACTORS

Like all cities in Oregon, the City continues to operate under Measure 50, the tax limitation measure approved by voters on May 20, 1997. This measure rolled back assessed values to 1995-96 levels and effectively limited increased property tax revenues the City could anticipate in future years to a maximum of 3 percent, with permitted allowances for increasing valuations based on new construction and annexations. No substantive changes to the basic provisions of Measure 50 have been enacted during subsequent Oregon Legislative sessions. The City management team and staff continue to meet the challenge of quality service delivery with limited increases in property tax revenue.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

The City’s business-type activities are funded by utility charges for water and sewer services. Past revenue increases are needed to make the debt service payments on the City’s revenue secured loan which was used to upgrade the wastewater plant and construction and financing of a new sludge treatment process. The City did not increase water or wastewater rates on July 1, 2020 primarily due to decreased operating costs for water and wastewater treatment from contracting out. The financial methodology is to be proactive instead of reactionary for vital capital improvement projects. The additional revenue was used to cover operating and maintenance costs and pay related debt payments. The system replacement fees are structured to and have increased by an inflationary factor each year.

REQUESTS FOR INFORMATION

The City’s financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City’s finances and to demonstrate the City’s accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed:

Janell K. Howard
City Manager/Finance Director
City of Brookings
898 Elk Drive
Brookings, Oregon 97415
jhoward@brookings.or.us.

City of Brookings
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 5,592,984	\$ 6,760,199	\$ 12,353,183
Receivables, net	1,344,182	444,552	1,788,734
Prepays	53,998		53,998
Inventory	-	284,726	284,726
Net OPEB asset	15,686	3,785	19,471
Capital assets, not being depreciated			
Land	2,925,998	551,507	3,477,505
Construction in progress	549,844	182,317	732,161
Right of way	13,360,659	-	13,360,659
Capital assets (net of accumulated depreciation)			
Other capital assets	19,850,223	16,329,478	36,179,701
Total assets	43,693,574	24,556,564	68,250,138
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	1,312,528	316,784	1,629,312
OPEB related items	12,687	3,061	15,748
Total deferred outflows of resources	1,325,215	319,845	1,645,060
LIABILITIES			
Accounts payable and accrued liabilities	365,130	263,164	628,294
Accrued interest payable	7,536	7,003	14,539
Deposits	45,909	228,079	273,988
Noncurrent liabilities			
Due within one year	580,385	1,745,417	2,325,802
Due in more than one year	894,645	1,789,164	2,683,809
Net pension liability	3,946,878	952,600	4,899,478
Total liabilities	5,840,483	4,985,427	10,825,910
DEFERRED INFLOWS OF RESOURCES			
Pension related items	1,123,814	271,240	1,395,054
OPEB related items	2,436	588	3,024
Total deferred inflows of resources	1,126,250	271,828	1,398,078
NET POSITION			
Net investment in capital assets	35,507,993	13,557,937	49,065,930
Restricted for			
Highways and streets	659,752	-	659,752
Capital projects	1,093,310	1,846,657	2,939,967
Debt service	511,500	1,452,091	1,963,591
Other purposes	201,662	-	201,662
Unrestricted	77,839	2,762,469	2,840,308
Total net position	\$ 38,052,056	\$ 19,619,154	\$ 57,671,210

See accompanying notes.

City of Brookings
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
GOVERNMENTAL ACTIVITIES							
General government	\$ 1,550,625	\$ 735,215	\$ 253,747	\$ -	\$ (561,663)		\$ (561,663)
Public safety	3,292,160	450,298	252,017	-	(2,589,845)		(2,589,845)
Highways and streets	1,088,157	279,093	469,187	-	(339,877)		(339,877)
Culture and recreation	864,441	43,016	37,034	-	(784,391)		(784,391)
Interest on long-term liabilities	21,572	-	-	-	(21,572)		(21,572)
Total governmental activities	6,816,955	1,507,622	1,011,985	-	(4,297,348)		(4,297,348)
BUSINESS-TYPE ACTIVITIES:							
Water	1,462,034	1,817,534	-	228,673		\$ 584,173	584,173
Wastewater	2,562,822	3,282,506	-	525,376		1,245,060	1,245,060
Total business-type activities	4,024,856	5,100,040	-	754,049		1,829,233	1,829,233
Total	\$ 10,841,811	\$ 6,607,662	\$ 1,011,985	\$ 754,049	(4,297,348)	1,829,233	(2,468,115)
General revenues							
Taxes levied for general purposes					3,476,054	-	3,476,054
Miscellaneous taxes					620,886	-	620,886
Franchise fees					439,143	-	439,143
Grants and contributions not restricted to specific programs					305,882	-	305,882
Unrestricted investment earnings					37,879	43,276	81,155
Miscellaneous					192,626	35,566	228,192
Transfers					376,604	(376,604)	-
Total general revenues and transfers					5,449,074	(297,762)	5,151,312
Change in net position					1,151,726	1,531,471	2,683,197
Net position - beginning					36,900,330	18,087,683	54,988,013
Net position - ending					\$ 38,052,056	\$ 19,619,154	\$ 57,671,210

City of Brookings
Balance Sheet
Governmental Funds
June 30, 2021

	General	Capital project funds		Total Nonmajor Funds	Total Government Funds
		Street System Development	Capital Projects Reserve		
ASSETS					
Cash and investments	1,349,251	\$ -	\$ 806,479	\$ 3,437,254	\$ 5,592,984
Receivables	347,324	651,199	-	345,659	1,344,182
Prepays	-	53,998	-	-	53,998
Due from other funds	412,713	-	-	-	412,713
Total assets	<u>\$ 2,109,288</u>	<u>\$ 705,197</u>	<u>\$ 806,479</u>	<u>\$ 3,782,913</u>	<u>\$ 7,403,877</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 69,164	\$ -	\$ 78,856	\$ 216,342	\$ 364,362
Payroll and related liabilities	769	-	-	-	769
Due to other funds	-	352,727	-	59,985	412,712
Consumer deposits	45,909	-	-	-	45,909
Total liabilities	<u>115,842</u>	<u>352,727</u>	<u>78,856</u>	<u>276,327</u>	<u>823,752</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	<u>123,543</u>	<u>1,199</u>	<u>-</u>	<u>168,715</u>	<u>293,457</u>
FUND BALANCES					
Restricted for					
Highways and streets	-	351,271	-	308,481	659,752
Urban renewal projects	-	-	-	764,154	764,154
911 services	-	-	-	201,662	201,662
Debt service	-	-	-	511,500	511,500
Capital projects	-	-	-	329,156	329,156
Committed for					
Capital projects	-	-	727,623	1,093,920	1,821,543
Tourism	-	-	-	101,966	101,966
Police programs	-	-	-	71,786	71,786
Current and future health care programs	-	-	-	2,142	2,142
Fire equipment and training	-	-	-	13,455	13,455
Unassigned (deficit)	<u>1,869,903</u>	<u>-</u>	<u>-</u>	<u>(60,351)</u>	<u>1,809,552</u>
Total fund balances	<u>1,869,903</u>	<u>351,271</u>	<u>727,623</u>	<u>3,337,871</u>	<u>6,286,668</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,109,288</u>	<u>\$ 705,197</u>	<u>\$ 806,479</u>	<u>\$ 3,782,913</u>	<u>\$ 7,403,877</u>

See accompanying notes.

City of Brookings
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2021

Total fund balances reported on the governmental funds balance sheet	\$ 6,286,668
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	36,686,724
The government-wide statements report as a deferred outflow, contributions made to OPERS subsequent to the measurement date of June 30, 2020 and changes in assumptions and investment returns related to its participation in OPERS	1,325,215
The government-wide statement report a deferred inflow related to changes in assumptions and investment returns related to its participation in OPERS	(1,126,250)
Other long-term assets are not available for current period expenditures and, therefore, are reported as unavailable revenue in the funds	293,457
OPEB asset, some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds	<u>(5,413,758)</u>
Net position of governmental activities	<u><u>\$ 38,052,056</u></u>

City of Brookings

**Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Funds
For the Year Ended June 30, 2021**

	General	Capital project funds Street System Development	Capital Projects Reserve	Total Nonmajor Funds	Total Government Funds
REVENUES					
Property taxes	\$ 2,953,868	\$ -	\$ -	\$ 660,813	\$3,614,681
Transient tax	243,842	-	-	157,261	401,103
Local marijuana tax	180,907	-	-	-	180,907
Local gas tax	-	-	-	296,743	296,743
Franchise fees	223,996	-	-	-	223,996
Licenses, permits, and fees	348,825	-	-	3,945	352,770
Fines and forfeitures	72,825	-	-	-	72,825
Charges for services	687,291	-	-	-	687,291
System development charges	-	38,495	-	69,157	107,652
System replacement charges	-	-	-	214,456	214,456
Intergovernmental	300,395	-	-	1,243,630	1,544,025
Interest	16,240	4,508	902	16,230	37,880
Miscellaneous	159,080	-	-	59,989	219,069
Total revenues	5,187,269	43,003	902	2,722,224	7,953,398
EXPENDITURES					
Current					
General government	1,274,969	-	-	94,527	1,369,496
Public health	-	-	-	135	135
Public safety	2,982,554	-	-	45,826	3,028,380
Highways and streets	-	-	-	398,031	398,031
Culture and recreation	505,049	-	-	95,000	600,049
Debt service	156,448	-	-	140,447	296,895
Capital outlay	16,000	44,101	256,886	557,500	874,487
Total expenditures	4,935,020	44,101	256,886	1,331,466	6,567,473
Excess (deficiency) of revenues over expenditures	252,249	(1,098)	(255,984)	1,390,758	1,385,925
OTHER FINANCING SOURCES (USES)					
Loan proceeds	-	650,000	-	18,239	668,239
Transfers in	579,943	-	627,537	315,119	1,522,599
Transfers out	(634,544)	-	-	(474,355)	(1,108,899)
Total other financing sources (uses)	(54,601)	650,000	627,537	(140,997)	1,081,939
Net change in fund balances	197,648	648,902	371,553	1,249,761	2,467,864
Fund balances at beginning of year	1,672,255	(297,631)	356,070	2,088,110	3,818,804
Fund balances at end of year	\$ 1,869,903	\$ 351,271	\$ 727,623	\$3,337,871	\$6,286,668

See accompanying notes.

City of Brookings

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2021

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 2,467,864
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Amounts reported for governmental activities in the statement of activities are different because of the following:

Governmental funds report the acquisition of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The difference between those two amounts is:

Acquisition and capital contribution of capital assets	\$ 769,616	
Depreciation	<u>(1,093,708)</u>	(324,092)

The changes in net pension liability (asset) and deferred inflows and outflows related to the entity's participation in OPERS are reported as pension expense on the statement of activities	(171,016)
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The changes in net OPEB liability (asset) and deferred inflows and outflows related to the entity's participation in OPERS are reported as OPEB expense on the statement of activities	(2,883)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(390,280)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Accrued interest	2,321
Compensated absences	<u>(26,815)</u>
	(24,494)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of long-term liabilities principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Loan proceeds	(668,239)
Transfer to enterprise funds	18,239
Principal payments	<u>246,627</u>
	<u>(403,373)</u>

Change in net position of governmental activities	<u><u>\$ 1,151,726</u></u>
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City of Brookings
Statement of Revenues, Expenditures, and Changes in Fund Balances –
Budget to Actual
General Fund
For the Year Ended June 30, 2021

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Property taxes	\$ 2,860,786	\$ 2,860,786	\$ 2,953,868	\$ 93,082
Transient tax	207,000	207,000	243,842	36,842
Franchise fees	171,000	171,000	223,996	52,996
Local marijuana tax	129,000	129,000	180,907	51,907
Licenses, permits, and fees	265,000	265,000	348,825	83,825
Fines and forfeitures	70,500	70,500	72,825	2,325
Charges for services	309,500	729,850	687,291	(42,559)
Intergovernmental	291,800	291,800	300,395	8,595
Interest	18,000	18,000	16,240	(1,760)
Miscellaneous	82,883	105,592	159,080	53,488
Total revenues	4,405,469	4,848,528	5,187,269	338,741
EXPENDITURES				
Judicial	45,588	45,588	40,719	4,869
Legislative and administration	520,668	520,668	487,524	33,144
Police	2,798,605	2,816,952	2,684,526	132,426
Fire	319,421	319,421	298,028	21,393
Planning and building	339,333	339,333	284,220	55,113
Parks and recreation	383,211	410,561	374,819	35,742
Swimming pool	113,064	148,064	130,230	17,834
Contract services	-	400,000	347,891	52,109
Non-departmental	162,600	189,438	114,615	74,823
Debt service	156,777	156,777	156,448	329
Capital outlay	-	16,000	16,000	-
Contingency and reserves	640,645	640,645	-	640,645
Total expenditures	5,479,912	6,003,447	4,935,020	1,068,427
Excess (deficiency) of revenues over expenditures	(1,074,443)	(1,154,919)	252,249	1,407,168
OTHER FINANCING SOURCES (USES)				
Transfers in	579,943	579,943	579,943	-
Transfers out	(555,500)	(634,544)	(634,544)	-
Total other financing (uses)	24,443	(54,601)	(54,601)	-
Net change in fund balance	(1,050,000)	(1,209,520)	197,648	1,407,168
Fund balance at beginning of year	1,050,000	1,209,520	1,672,255	462,735
Fund balance at end of year	\$ -	\$ -	\$ 1,869,903	\$ 1,869,903

See accompanying notes.

City of Brookings
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-type Activities		
	Water	Wastewater	Total Enterprise Funds
ASSETS			
Current assets			
Cash and investments	\$ 1,775,570	\$ 4,984,629	\$ 6,760,199
Receivables, net	161,454	283,098	444,552
Inventory	224,096	60,630	284,726
Total current assets	2,161,120	5,328,357	7,489,477
Noncurrent assets			
Net OPEB asset	1,542	2,243	3,785
Capital assets			
Land	258,658	292,849	551,507
Other capital assets, net	7,882,838	8,628,957	16,511,795
Total capital assets	8,141,496	8,921,806	17,063,302
Total noncurrent assets	8,143,038	8,924,049	17,067,087
Total assets	10,304,158	14,252,406	24,556,564
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	129,201	187,583	316,784
OPEB related items	1,247	1,814	3,061
Total deferred outflows of resources	130,448	189,397	319,845
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	56,358	206,806	263,164
Accrued interest payable	4,390	2,613	7,003
Consumer deposits	228,079	-	228,079
Compensated absences	10,316	18,900	29,216
Long-term liabilities due within one year	469,035	1,247,166	1,716,201
Total current liabilities	768,178	1,475,485	2,243,663
Long-term liabilities			
Long-term liabilities due in more than one year	1,735,503	53,661	1,789,164
Net pension liability	388,519	564,081	952,600
Total liabilities	2,892,200	2,093,227	4,985,427
DEFERRED INFLOWS OF RESOURCES			
Pension related items	110,625	160,615	271,240
OPEB related items	239	349	588
Total deferred inflows of resources	110,864	160,964	271,828
NET POSITION			
Net investment in capital assets	5,936,958	7,620,979	13,557,937
Restricted for			
Capital projects	151,374	1,695,283	1,846,657
Debt service	331,027	1,121,064	1,452,091
Unrestricted	1,012,183	1,750,286	2,762,469
Total net position	\$ 7,431,542	\$ 12,187,612	\$ 19,619,154

City of Brookings
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities		
	Water	Wastewater	Total Enterprise Funds
OPERATING REVENUES			
Charges for services	\$ 1,822,299	\$ 3,282,505	\$ 5,104,804
OPERATING EXPENSES			
Personal services	382,026	591,246	973,272
Materials and services	614,635	1,063,953	1,678,588
Depreciation	401,836	853,034	1,254,870
Total operating expenses	1,398,497	2,508,233	3,906,730
Operating income	423,802	774,272	1,198,074
NONOPERATING REVENUES (EXPENSES)			
Interest income	12,623	30,656	43,279
Miscellaneous	50,681	404	51,085
Interest expense	(97,945)	(40,466)	(138,411)
Total nonoperating revenue (expenses)	(34,641)	(9,406)	(44,047)
Income before capital contributions and transfers	389,161	764,866	1,154,027
Capital grants and contributions	228,673	525,375	754,048
Transfers in	1,665,103	3,052,105	4,717,208
Transfers out	(1,812,024)	(3,281,788)	(5,093,812)
Change in net position	470,913	1,060,558	1,531,471
Net position – beginning	6,960,629	11,127,054	18,087,683
Net position – ending	\$ 7,431,542	\$ 12,187,612	\$ 19,619,154

See accompanying notes.

City of Brookings
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities		Total Enterprise Funds
	Water	Wastewater	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,796,377	\$ 3,312,083	\$ 5,108,460
Payments to suppliers	(694,703)	(1,090,568)	(1,785,271)
Payments to employees	(394,140)	(596,088)	(990,228)
Net cash provided by operating activities	707,534	1,625,427	2,332,961
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	1,374,515	3,052,105	4,426,620
Transfers out	(1,521,439)	(3,142,200)	(4,663,639)
Net cash provided by (used in) noncapital financing activities	(146,924)	(90,095)	(237,019)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital grants and contributions	294,035	525,375	819,410
Other	50,681	(79)	50,602
Acquisition of capital assets	(100,645)	(233,894)	(334,539)
Proceeds from issuance of long-term debt	25,634	25,634	51,268
Principal paid on long-term liabilities	(458,775)	(1,239,174)	(1,697,949)
Interest paid on long-term liabilities	(99,534)	(42,186)	(141,720)
Net cash provided by (used in) capital and related financing activities	(288,604)	(964,324)	(1,252,928)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	12,623	30,656	43,279
Net increase in cash	284,629	601,664	886,293
Cash – beginning of year	1,490,941	4,382,965	5,873,906
Cash – end of year	\$ 1,775,570	\$ 4,984,629	\$ 6,760,199

City of Brookings
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended June 30, 2021

	Business-type Activities		Total Enterprise Funds
	Water	Wastewater	
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating income	\$ 423,802	\$ 774,272	\$ 1,198,074
Adjustments to reconcile operating income to net cash provided by (used in) operating activities			
Depreciation	401,836	853,034	1,254,870
Decrease (increase) in assets and deferred outflows			
Receivables	(25,922)	(6,473)	(32,395)
Inventory	(39,180)	(5,188)	(44,368)
Net OPEB asset	1,988	2,773	4,761
Pension and OPEB related items	1,701	(1,758)	(57)
Increase (decrease) in liabilities and deferred inflows			
Accounts payable and accrued liabilities	(47,582)	14,624	(32,958)
Consumer deposits	6,694	-	6,694
Compensated absences payable	648	1,519	2,167
Net pension liability	(67,877)	(83,943)	(151,820)
Pension and OPEB related items	51,426	76,567	127,993
Net cash provided by (used in) operating activities	<u>\$ 707,534</u>	<u>\$ 1,625,427</u>	<u>\$ 2,332,961</u>

City of Brookings

Notes to the Basic Financial Statements

June 30, 2021

Note 1 – Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City of Brookings (City) was organized under the general laws of the State of Oregon. Control of the City is vested in its Mayor and Council Members who are elected to office by voters within the City. Administrative functions are delegated to individuals who report to and are responsible to the Mayor and City Council. The chief administrative officer is the City Manager.

The accompanying financial statements present all activities, funds, and the component unit for which the City is considered to be financially accountable. The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government.

Brookings Urban Renewal Agency (the Agency) – The Agency was created in July 2003 under the provisions of state law as the agency responsible for rebuilding the infrastructure, public facilities, and parks in the boundaries of the city. The "tax increment financing" method is used to provide funds for the Agency. The City Council serves as the governing board of the Brookings Urban Renewal Agency. Therefore, the accounts of the agency are included in the financial statements of the City. A seven-member Advisory Committee appointed by the Agency makes recommendations on project priorities and plan amendments. The Agency's separate June 30, 2021 financial statements are available at the City's finance office.

Complete financial statements for the Brookings Urban Renewal Agency may be obtained from the City's finance department.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City (the primary government) and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are 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.

The statement of activities 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. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Note 1 – Summary of Significant Accounting Policies (continued)

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the functions of the City, the elimination of which would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes and federal and state grants. Other revenue items are considered to be measurable and available when received by the City. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The basis of accounting described above is in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

City of Brookings

Notes to the Basic Financial Statements

June 30, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

The City reports the following major governmental funds:

General – accounts for all financial resources of the City, except those required to be accounted for in another fund. Principal sources of revenue are property taxes, franchise fees, and state shared revenues. Expenditures are primarily for general government operations, public safety (police), and culture and recreation.

Street System Development – accounts for street capital improvements that increase capacity. The principal source of revenue is system development charges. The City has elected to report as major in the current year for consistency.

Capital Projects Reserve – accounts major construction projects and equipment acquisition. The City has elected to report as major in the current year for consistency.

The City reports the following major proprietary funds:

Water – accounts for the operation of the City's water system.

Wastewater – accounts for the operation of the City's wastewater system.

The City also includes the following fund types as nonmajor governmental funds and nonmajor enterprise funds:

Special revenue – account for revenue derived from specific taxes or other revenue sources, which are legally restricted to finance particular functions or activities. When a special revenue fund is not an operating fund, transfers are made from the special revenue fund to the operating fund authorized to make expenditures.

Debt service – account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

Capital projects – account for expenditures on major construction projects or equipment acquisition. The principal sources of revenues are proceeds from long-term liabilities issued to finance capital acquisitions and improvements.

Enterprise – accounts for the operations of predominantly self-supporting activities. Enterprise funds account for services rendered to the public on a user charge basis.

Note 1 – Summary of Significant Accounting Policies (continued)

D. Budget Policies and Budgetary Control

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds except agency funds. The modified accrual basis of accounting is used for all budgets. All annual appropriations lapse at fiscal year-end.

The City begins its budgeting process by appointing Budget Committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The City Council adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally over-expended, except in the case of grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The City established the levels of budgetary control at the department or activity level.

Negative Fund Balance – The Airport Fund has a negative fund balance of (\$60,361). This balance will be positive when grant revenue is received, that is reported as a receivable as of June 30, 2021.

E. Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts, and any highly-liquid debt instruments purchased with a maturity of three months or less.

F. Receivables

Receivables are reported at the amount management expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and writes off, as of year-end, all balances that have not been collected by the time the financial statements are issued. All receivables are shown net of an allowance for uncollectibles of \$0 as no allowance for doubtful accounts was deemed necessary.

G. Inventory

Inventory is valued at the lower of cost (first-in, first-out method) or market. Inventory consists of expendable supplies held for consumption.

H. Capital Assets

Capital assets are recorded in the statement of net position at cost or estimated historical cost if purchased or constructed. Donated items are recorded at their estimated acquisition fair value at the date of donation. The City records capital assets for items with original cost, or estimated acquisition value if donated, of \$5,000 or more and an expected economic useful life of 3 years or more.

City of Brookings

Notes to the Basic Financial Statements

June 30, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

Public domain (infrastructure) capital assets (e.g., roads, bridges, sidewalks, storm sewers, and other assets that are immovable and of value to the City) that have been acquired or significantly reconstructed have been capitalized at estimated historical cost.

Upon disposal of capital assets, the accounts are relieved of the related costs and accumulated depreciation, and resulting gains or losses are reflected in the change in net position. Depreciation taken on contributed capital assets is recorded as an expense of operations and charged to change in net position.

Capital assets are depreciated using the straight-line method over the following estimated useful lives with prorated depreciation in the year of acquisition and prorated depreciation in the year of disposal.

<u>Assets</u>	<u>Years</u>
Land improvements	0 – 50
Buildings	25 – 50
Building improvements	20 – 40
Equipment	5 – 15
Infrastructure	25 – 40
Water and wastewater systems	25
Storm drains	25

I. Long-term Liabilities

Long-term liabilities consist of notes, bonds, compensated absences, and net pension liability.

Long-term liabilities expected to be repaid from proprietary funds are accounted for in the business-type activities and proprietary funds. Long-term liabilities expected to be repaid from governmental funds are accounted for in the governmental activities.

J. Compensated Absences

Vacation and comp-time leave amounts are accrued as they are earned.

K. Pensions and OPEB

For purposes of measuring the net pension liability, net OPEB asset, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the Oregon Public Employee Retirement System (OPERS) and additions to/deductions from OPERS' fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 1 – Summary of Significant Accounting Policies (continued)

L. Deferred Outflows / Inflows of Resources

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

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents amount that apply to future periods and so will not be recognized as an inflow of resources (revenue) until that time. Pension and OPEB related items which are amortized over specified periods are reported as deferred inflows of resources.

The balance sheet of governmental funds will report as deferred inflows unavailable revenues from property taxes.

M. Fund Balance and Net Position

In the government-wide and proprietary fund financial statements equity is classified as net position and displayed in three components:

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

In the government-wide and proprietary fund financial statements, 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.

Governmental type fund balances are to be properly reported within one of the fund balance categories list below:

Non-spendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

City of Brookings

Notes to the Basic Financial Statements

June 30, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City Council.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The City Council has granted authority to the City Manager and Finance Director to assign fund balance amounts.

Unassigned – The residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balance in certain circumstances.

In the governmental fund financial statements, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

N. Risk Management

The City is exposed to various risks of loss related to errors and omissions, automobile, damage to and destruction of assets, bodily injury, and worker's compensation for which the City carries commercial insurance. There has been no significant reduction in insurance coverage from the prior year and settled claims have not reached the level of commercial coverage in any of the past three fiscal years.

O. New Accounting Pronouncements

GASB Statement No. 84, Fiduciary Activities was issued in January of 2017 and is effective for fiscal year ending June 30, 2021. This pronouncement enhances consistency and uniformity in reporting by establishing criteria for identification of activities that should be reported as fiduciary types and clarifying how that applies to business-type activities. The City was subject to implementation this fiscal year, but did not result in a change to the financial statements.

Note 2 – Deposits and Investments

The City maintains a pool of cash and investments that are available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as cash and investments. Additionally, several funds hold separate cash and investment accounts. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

Investments, including amounts held in pooled cash and investments are stated at fair value. In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, investments with a remaining maturity of more than one year, at the time of purchase are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value. The Oregon State Treasury administers the LGIP. The LGIP is an unrated, open-ended, no-load, diversified portfolio offered to any agency, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the City's position in the LGIP is the same as the value of the pool shares.

Credit risk – Oregon statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool.

As of June 30, 2021, the City had the following investments:

	<u>Maturities</u>	
State Treasurer's Investment Pool	N/A	\$ <u>7,911,850</u>

Interest Rate Risk – The City does not have a formal policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increases in interest rates.

Concentration of Credit Risk – The City does not have a formal policy that places a limit on the amount that may be invested in any one issuer.

Custodial Credit Risk – Investments – This is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City does not have a policy which limits the amount of investments that can be held by counterparties.

City of Brookings
Notes to the Basic Financial Statements
June 30, 2021

Note 2 – Deposits and Investments (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 up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are collateralized with securities held by the Federal Home Loan Bank of Seattle in the name of the institution. As of June 30, 2021, \$1,026,595 of the City's bank balances were exposed to custodial risk.

A. The City's deposits and investments at June 30, 2021 are as follows:

Total investments	\$ 11,063,862
Cash on hand	3,000
Deposits with financial institutions	<u>1,286,321</u>
Total deposits and investments	<u><u>\$ 12,353,183</u></u>

B. Cash and investments by fund at June 30, 2021:

GOVERNMENTAL ACTIVITIES/FUNDS

Unrestricted	
General	\$ 1,349,251
Capital Projects Reserve	806,479
Nonmajor governmental	<u>3,437,254</u>
Total governmental activities/funds	<u>5,592,984</u>

BUSINESS-TYPE ACTIVITIES/PROPRIETARY FUNDS

Water	1,775,570
Wastewater	<u>4,984,629</u>
Total business-type activities/proprietary funds	<u>6,760,199</u>
Total cash and investments	<u><u>\$ 12,353,183</u></u>

City of Brookings
Notes to the Basic Financial Statements
June 30, 2021

Note 3 – Receivables

A. The City's receivables at June 30, 2021 are shown below:

	Governmental Activities / Funds				
	General	Street System Development	Capital Projects Reserve	Total Nonmajor	Totals
Property taxes	\$ 162,237	\$ -	\$ -	\$ 35,283	\$ 197,520
Accounts	184,732	1,199	-	149,042	334,973
System development charges	355	-	-	2,146	2,501
Grants	-	650,000	-	159,188	809,188
	<u>\$ 347,324</u>	<u>\$ 651,199</u>	<u>\$ -</u>	<u>\$ 345,659</u>	<u>\$ 1,344,182</u>
	Business-type Activities / Proprietary Funds				
	Water	Wastewater	Totals		
User charges	\$ 143,629	\$ 256,844	\$ 400,473		
System replacement charges	14,028	15,636	29,664		
System development charges	3,797	10,618	14,415		
	<u>\$ 161,454</u>	<u>\$ 283,098</u>	<u>\$ 444,552</u>		

B. Property taxes

i. Collection procedures

Taxes are levied on July 1 and are payable in three installments due November 15, February 15, and May 15. Curry County bills and collects property taxes for the City.

ii. Ensuing year's levy

The City's permanent tax rate is \$3.763 per \$1,000 assessed value as limited by the Constitution of the State of Oregon.

The Urban Renewal Agency levied 100 percent of the amount of its authority under option one of ORS 457.435(2)(a) for the retirement of long-term liabilities principal and interest without making a special levy in 2020-21. The tax rate limit of \$10.00 per thousand of assessed value imposed by the Oregon Constitution is not expected to affect these levies.

City of Brookings
Notes to the Basic Financial Statements
June 30, 2021

Note 4 – Capital Assets

A. Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 2,925,998	\$ -	\$ -	\$ 2,925,998
Right of way	13,360,659	-	-	13,360,659
Construction in progress	589,483	284,199	(323,838)	549,844
Total capital assets not being depreciated	16,876,140	284,199	(323,838)	16,836,501
Capital assets being depreciated				
Buildings and improvements	8,939,211	379,414	-	9,318,625
Equipment	4,160,196	196,111	(47,548)	4,308,759
Infrastructure	20,966,140	233,731	-	21,199,871
Total capital assets being depreciated	34,065,547	809,256	(47,548)	34,827,255
Less accumulated depreciation for				
Buildings and improvements	2,764,871	331,983	-	3,096,854
Equipment	3,052,153	273,234	(47,548)	3,277,839
Infrastructure	8,113,848	488,491	-	8,602,339
Total accumulated depreciation	13,930,872	1,093,708	(47,548)	14,977,032
Total capital assets being depreciated, net	20,134,675	(284,452)	-	19,850,223
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 37,010,815	\$ (253)	\$ (323,838)	\$ 36,686,724
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 551,507	\$ -	\$ -	\$ 551,507
Construction in progress	-	182,317	-	182,317
Total capital assets not being depreciated	551,507	182,317	-	733,824
Capital assets being depreciated				
Infrastructure	33,630,639	7,500	-	33,638,139
Buildings and improvements	9,343,002	-	-	9,343,002
Equipment and vehicles	2,083,700	144,722	-	2,228,422
Total capital assets being depreciated	45,057,341	152,222	-	45,209,563
Less accumulated depreciation for				
Infrastructure	20,767,670	851,345	-	21,619,015
Buildings and improvements	5,702,813	310,186	-	6,012,999
Equipment and vehicles	1,154,732	93,339	-	1,248,071
Total accumulated depreciation	27,625,215	1,254,870	-	28,880,085
Total capital assets being depreciated, net	17,432,126	(1,102,648)	-	16,329,478
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	\$ 17,983,633	\$ (920,331)	\$ -	\$ 17,063,302

City of Brookings
Notes to the Basic Financial Statements
June 30, 2021

Note 4 – Capital Assets (continued)

B. Depreciation expense was charged to functions/programs of the City as follows for the year ended June 30, 2021:

GOVERNMENTAL ACTIVITIES

General government	\$ 166,218
Public safety	183,900
Public works	527,138
Culture and recreation	<u>216,452</u>

Total depreciation expense – governmental activities	<u><u>\$ 1,093,708</u></u>
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BUSINESS-TYPE ACTIVITIES

Water	\$ 401,836
Wastewater	<u>853,034</u>

Total depreciation expense – business-type activities	<u><u>\$ 1,254,870</u></u>
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Note 5 – Unavailable Revenue

As of June 30, 2021, the City had the following unavailable revenue:

	Governmental Funds			
	General	Street System Development	Total Nonmajor	Totals
Property taxes	\$ 123,543	\$ -	\$ 26,694	\$ 150,237
Grants	-	-	139,875	139,875
System development charges	-	1,199	2,146	3,345
	<u><u>\$ 123,543</u></u>	<u><u>\$ 1,199</u></u>	<u><u>\$ 168,715</u></u>	<u><u>\$ 293,457</u></u>

City of Brookings
Notes to the Basic Financial Statements
June 30, 2021

Note 6 – Interfund Transactions

The interfund transfers during the year ended June 30, 2021 were as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
GOVERNMENTAL		
General	\$ 579,943	\$ 634,544
Capital Projects Reserve	627,537	-
Nonmajor	<u>315,119</u>	<u>474,355</u>
	<u><u>\$ 1,522,599</u></u>	<u><u>\$ 1,108,899</u></u>
PROPRIETARY FUNDS		
Water	\$ 1,665,103	\$ 1,812,024
Wastewater	<u>3,052,105</u>	<u>3,281,788</u>
	<u><u>\$ 4,717,208</u></u>	<u><u>\$ 5,093,812</u></u>
Totals		

Governmental activities made additional transfers to the enterprise funds in the net amount of \$37,096 for the repayment of long-term liabilities. As part of the budget, the City anticipates making interfund transfers to move resources between funds to provide resources for specific expenditures that are not supported by other revenues.

City of Brookings
Notes to the Basic Financial Statements
June 30, 2021

Note 7 – Long-Term Liabilities

A. Changes in long-term liabilities for the fiscal year ended June 30, 2021 were as follows:

	Outstanding June 30, 2020	Additions	Reductions	Outstanding June 30, 2021	Balances Due Within One Year
GOVERNMENTAL ACTIVITIES					
Notes from direct borrowings					
Oregon department of transportation	\$ -	\$ 650,000	\$ -	\$ 650,000	\$ 87,593
Storm system - Umpqua Bank	171,946	-	58,763	113,183	60,289
Vehicles - Umpqua Bank	156,293	-	48,862	107,431	50,596
Fire truck - Rogue Credit Union	139,520	-	26,382	113,138	27,185
911 tower - Umpqua Bank	171,690	-	40,221	131,469	41,971
Street Sweeper - Rogue Credit Union	23,325	-	15,741	7,584	7,584
Parks and Recreation - Business Oregon	65,000	-	9,075	55,925	8,867
Capital lease					
Golf carts - Umpqua Bank	47,583	-	47,583	-	-
Total notes from direct borrowings	775,357	650,000	246,627	1,178,730	284,085
Other long-term liabilities					
Net pension liability	4,272,003	-	325,125	3,946,878	-
Compensated absences	269,483	296,300	269,483	296,300	296,300
Total long-term liabilities	<u>\$ 5,316,843</u>	<u>\$ 946,300</u>	<u>\$ 841,235</u>	<u>\$ 5,421,908</u>	<u>\$ 580,385</u>

Changes in long-term liabilities for the fiscal year ended June 30, 2021 were as follows:

	Outstanding June 30, 2020	Additions	Reductions	Outstanding June 30, 2021	Balances Due Within One Year
BUSINESS-TYPE ACTIVITIES					
Notes from direct borrowings					
Wastewater - Umpqua Bank	\$ 2,175,182	\$ -	\$ 1,074,329	\$ 1,100,853	\$ 1,100,853
Storm system - Umpqua Bank	106,447	-	31,642	74,805	32,463
Water - Umpqua Bank	2,108,903	-	279,324	1,829,579	286,449
Water - Umpqua Bank	230,000	-	115,000	115,000	115,000
Wastewater - Umpqua Bank	220,000	-	110,000	110,000	110,000
Wastewater - Rogue Credit Union	290,589	-	57,305	233,284	58,742
First Community Credit Union #0003	-	25,634	4,712	20,922	6,347
First Community Credit Union #0004	-	25,634	4,712	20,922	6,347
Total notes borrowings	5,131,121	51,268	1,677,024	3,505,365	1,716,201
Other long-term liabilities					
Net pension liability	1,104,420	-	151,820	952,600	-
Compensated absences	27,049	29,216	27,049	29,216	29,216
Total long-term liabilities	<u>\$ 6,262,590</u>	<u>\$ 80,484</u>	<u>\$ 1,855,893</u>	<u>\$ 4,487,181</u>	<u>\$ 1,745,417</u>

City of Brookings

Notes to the Basic Financial Statements

June 30, 2021

Note 7 – Long-Term Liabilities (continued)

B. Governmental Activities

The City's outstanding notes from direct borrowings related to governmental activities contain certain provisions that in the event of default, outstanding amounts become immediately due if the City is unable to make payment.

Oregon Department of Transportation – The City borrowed \$650,000 for widening of Railroad Street. Annual installment payments of \$92,722 include interest at 2.05 percent.

Storm system – Umpqua Bank – The City borrowed \$850,000 for storm system improvements. Of the original \$850,000, \$525,000 was allocated to the governmental activities and \$325,000 to the business-type activities. Semi-annual payments of \$48,507 include interest at 2.58 percent.

Vehicles – Umpqua Bank – The City borrowed \$264,000 to purchase 5 police cars and 2 SUV's. Semi-annual payments of \$27,896 include interest at 2 percent.

Fire truck – Rogue Credit Union – The City borrowed \$365,000 to purchase a fire truck. Annual payments of \$30,579 include interest at 3 percent.

911 Tower – Umpqua Bank – The City borrowed \$540,000 to build a 911 tower. Annual payments of \$47,690 include interest at 4.35 percent.

Street sweeper – Rogue Credit Union – The City borrowed \$75,000 to purchase a street sweeper. Monthly payments of \$1,357 included interest at 3.24 percent.

Parks and Recreation – Oregon Business Development Department (OBDD) – The City borrowed \$65,000 to finance the Salmon Run Golf Course Event Center. Annual payments of \$9,946 included interest at 1.99 percent.

Golf carts – Umpqua Bank – The noncancellable lease agreement for the golf carts qualifies as a capital lease for accounting purposes and therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. This lease ended in 2021.

C. Business-Type Activities

The City's outstanding notes from direct borrowings related to business-type activities contain certain provisions that in the event of default, outstanding amounts become immediately due if the City is unable to make payment.

Wastewater – Umpqua Bank – The City borrowed \$9,880,000 for wastewater system improvements. Semi-annual payments of \$561,358 include interest at 2.50 percent.

Note 7 – Long-Term Liabilities (continued)

Storm system – Umpqua Bank – The City borrowed \$850,000 for storm system improvements. Of the original \$850,000, \$525,000 was allocated to the governmental activities and \$325,000 to the business-type activities. Semi-annual payments of \$48,507 include interest at 2.58 percent.

Water – Umpqua Bank – The City borrowed \$3,650,000 for water system improvements. Interest varies depending on the maturity of the principal amount from 2.5 to 4 percent. Semi-annual payments of \$165,513 include interest.

Dodge vehicles – First Community Credit Union – The City borrowed \$46,386 to purchase two Dodge 1500's. Monthly payments of \$813 include interest at 1.99 percent.

Water system replacement – Umpqua Bank – The City borrowed \$575,000 for water system improvements. Annual payments of \$57,500 include interest at 2.026 percent.

Wastewater system replacement – Umpqua Bank – The City borrowed \$550,000 for wastewater system improvements. Annual payments of \$55,000 include interest at 2.026 percent.

Wastewater – Rogue Federal Credit Union – The City borrowed \$300,000 for wastewater meters. Monthly payments of \$5,322 include interest at 2.48 percent.

Wastewater – First Community Credit Union #0003– The City borrowed \$25,634 for a vehicle. Monthly payments of \$551 include interest at 1.49 percent.

Wastewater – First Community Credit Union #0004– The City borrowed \$25,634 for a vehicle. Monthly payments of \$551 include interest at 1.49 percent.

City of Brookings
Notes to the Basic Financial Statements
June 30, 2021

Note 7 – Long-Term Liabilities (continued)

D. Future maturities – governmental activities are as follows:

Fiscal Year	Notes from Direct Borrowings					
	Storm System		Parks and Recreation		Police Vehicles	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 60,289	\$ 4,082	\$ 8,867	\$ 1,294	\$ 50,596	\$ 2,963
2023	52,894	2,632	10,512	1,088	56,835	1,159
2024	-	-	10,721	879	-	-
2025	-	-	10,934	666	-	-
2026	-	-	11,152	448	-	-
2027-2031	-	-	3,739	226	-	-
	<u>\$ 113,183</u>	<u>\$ 6,714</u>	<u>\$ 55,925</u>	<u>\$ 4,601</u>	<u>\$ 107,431</u>	<u>\$ 4,121</u>

Fiscal Year	Notes from Direct Borrowings					
	Fire Truck		Street Sweeper		911 Tower	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 27,185	\$ 4,197	\$ 7,584	\$ 540	\$ 41,971	\$ 7,469
2023	28,000	3,394	-	-	41,971	5,719
2024	28,840	2,579	-	-	47,527	1,988
2025	29,113	876	-	-	-	-
2026	-	-	-	-	-	-
2027-2031	-	-	-	-	-	-
	<u>\$ 113,138</u>	<u>\$ 11,046</u>	<u>\$ 7,584</u>	<u>\$ 540</u>	<u>\$ 131,469</u>	<u>\$ 15,176</u>

Fiscal Year	Oregon Department of Transportation		Totals	
	Principal	Interest	Principal	Interest
2022	\$ 87,593	\$ 3,395	\$ 284,085	\$ 23,940
2023	81,228	11,494	271,440	25,486
2024	82,893	9,829	169,981	15,275
2025	84,570	8,152	124,617	9,694
2026	86,326	6,396	97,478	6,844
2027-2031	227,390	8,426	231,129	8,652
	<u>\$ 650,000</u>	<u>\$ 47,692</u>	<u>\$ 1,178,730</u>	<u>\$ 89,891</u>

City of Brookings
Notes to the Basic Financial Statements
June 30, 2021

Note 7 – Long-Term Liabilities (continued)

E. Future maturities – business-type activities are as follows:

Fiscal Year	Notes from Direct Borrowings					
	Wastewater		Wastewater		Wastewater	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 1,100,853	\$ 20,983	\$ 110,000	\$ 1,690	\$ 58,738	\$ 5,121
2023	-	-	-	-	60,211	3,647
2024	-	-	-	-	61,722	2,137
2025	-	-	-	-	52,613	600
2026	-	-	-	-	-	-
2027-2031	-	-	-	-	-	-
	<u>\$ 1,100,853</u>	<u>\$ 20,983</u>	<u>\$ 110,000</u>	<u>\$ 1,690</u>	<u>\$ 233,284</u>	<u>\$ 11,505</u>

Fiscal Year	Notes from Direct Borrowings					
	Water Loan		Water Loan		Storm System	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 286,449	\$ 44,577	\$ 115,000	\$ 6,491	\$ 32,463	\$ 1,629
2023	293,755	37,270	-	-	42,342	708
2024	301,172	29,853	-	-	-	-
2025	308,931	22,095	-	-	-	-
2026	316,811	14,214	-	-	-	-
2027-2031	322,461	6,134	-	-	-	-
	<u>\$ 1,829,579</u>	<u>\$ 154,143</u>	<u>\$ 115,000</u>	<u>\$ 6,491</u>	<u>\$ 74,805</u>	<u>\$ 2,337</u>

Fiscal Year	Notes from Direct Borrowings					
	Vehicle		Vehicle		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 6,347	\$ 268	\$ 6,347	\$ 268	\$ 1,716,201	\$ 81,027
2023	6,438	172	6,438	172	409,184	41,969
2024	6,736	76	6,736	76	376,366	32,142
2025	1,405	-	1,405	4	364,354	22,699
2026	-	-	-	-	316,811	14,214
2027-2031	-	-	-	-	322,457	6,134
	<u>\$ 20,926</u>	<u>\$ 516</u>	<u>\$ 20,926</u>	<u>\$ 520</u>	<u>\$ 3,505,373</u>	<u>\$ 198,185</u>

City of Brookings

Notes to the Basic Financial Statements

June 30, 2021

Note 8 – Defined Benefit Pension Plan

A. Plan Description

Employees of the City are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A.

The OPERS consists of a single cost-sharing multiple employer defined benefit pension plan.

OPERS produces an independently audited Comprehensive Annual Financial Report which can be found at: <http://www.oregon.gov/pers/pages/index.aspx>

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

B. Description of Benefit Terms

Plan benefits

All benefits of OPERS are established by the legislature pursuant to ORS Chapters 238 and 238A.

- i. Tier one/tier two retirement benefit (Chapter 238). Tier One/Tier Two Retirement Benefit plan is closed to new members hired on or after August 29, 2003.

Pension benefits

The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60.

Note 8 – Defined Benefit Pension Plan (continued)

Death benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a OPERS employer at the time of death,
- the member died within 120 days after termination of OPERS-covered employment,
- the member died as a result of injury sustained while employed in a OPERS-covered job, or
- the member was on an official leave of absence from a OPERS-covered job at the time of death.

Disability benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

Benefit changes after retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the cost-of-living increases are 2.0 percent.

ii. Oregon Public Service Retirement Plan (Chapter 238A) (OPSRP DB)

Pension benefits

The OPSRP pension program provides benefits to members hired on or after August 29, 2003.

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

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

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

City of Brookings

Notes to the Basic Financial Statements

June 30, 2021

Note 8 – Defined Benefit Pension Plan (continued)

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

Death benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit changes after retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

C. Contributions

OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due.

Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation. The rates, based on a percentage of payroll, first became effective July 1, 2019.

Tier 1/tier 2 employer contribution rates are 26.13 percent and the OPSRP employer contribution rates are 17.57 percent for general service employees and 22.2 percent for public safety employees. Employer contributions for the year ended June 30, 2021 were \$573,767, excluding amounts to fund employer specific liabilities.

D. Pension asset or liability, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

At June 30, 2021, the City reported a liability of \$4,899,478 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

Note 8 – Defined Benefit Pension Plan (continued)

Employers' long-term contribution efforts are based on projected rates that have two major components:

i. **Normal Cost Rate:** The economic value, stated as a percent of payroll, for the portion of each active member's total projected retirement benefit that is allocated to the upcoming year of service. The rate is in effect for as long as each member continues in OPERS-covered employment. The current value of all projected future Normal Cost Rate contributions is the Present Value of Future Normal Costs (PVFNC). The PVFNC represents the portion of the projected long-term contribution effort related to future service.

An employer's PVFNC depends on both the normal cost rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For OPERS funding, employers have up to three different payrolls, each with a different normal cost rate: (1) Tier 1/Tier 2 payroll, (2) OPSRP general service payroll, and (3) OPSRP police and fire payroll.

The employer's Normal Cost Rates for each payroll are combined with system-wide present value factors for each payroll to develop an estimated PVFNC. The present value factors are actuarially determined at a system level for simplicity and to allow for the PVFNC calculations to be audited in a timely, cost-effective manner.

ii. **UAL Rate:** If system assets are less than the actuarial liability, an Unfunded Actuarial Liability (UAL) exists. UAL can arise when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises over a fixed period of time if future experience follows assumption. The UAL Rate is the upcoming year's component of the cumulative amortization schedules, stated as a percent of payroll. The present value of all projected UAL Rate contributions is equal to the UAL. The UAL represents the portion of the projected long-term contribution effort related to past service.

The UAL has Tier 1/Tier 2 and OPSRP pieces. The Tier 1/Tier 2 piece is based on the employer's Tier 1/Tier 2 pooling arrangement. If an employer participates in one of the two large Tier 1/Tier 2 rate pools [State & Local Government Rate Pool (SLGRP) or School Districts Rate Pool], then the employer's Tier 1/Tier 2 UAL is their pro-rata share of their pool's UAL. The pro-rata calculation is based on the employer's payroll in proportion to the pool's total payroll. The OPSRP piece of the UAL follows a parallel pro-rata approach, as OPSRP experience is mandatorily pooled at a state-wide level. Employers that do not participate in a Tier 1/Tier 2 pooling arrangement, who are referred to as "Independent Employers", have their Tier 1/Tier 2 UAL tracked separately in the actuarial valuation.

The projected long-term contribution effort is the sum of the PVFNC and the UAL. The PVFNC part of the contribution effort pays for the value of future service while the UAL part of the contribution effort pays for the value of past service not already funded by accumulated contributions and investment earnings. Each of the two contribution effort components are calculated at the employer-specific level. The sum of these components across all employers is the total projected long-term contribution effort.

City of Brookings
Notes to the Basic Financial Statements
June 30, 2021

Note 8 – Defined Benefit Pension Plan (continued)

At the June 30, 2020 measurement date, the City's proportion was 0.0225%.

For the year ended June 30, 2021, the City recognized pension expense of \$1,195,754. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 215,636	\$ -
Changes of assumptions	262,939	9,213
Net difference between projected and actual earnings on pension plan investments	576,115	-
Changes in proportion share	-	1,290,103
Differences between City's contributions and Proportionate share of contributions	855	95,738
Subtotal	1,055,545	1,395,054
City's contributions subsequent to the measurement date	573,767	-
	<u>\$ 1,629,312</u>	<u>\$ 1,395,054</u>

Deferred outflows of resources of \$573,767 related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

Year ending June 30, 2022	\$ (161,503)
2023	(66,884)
2024	(3,317)
2025	(41,234)
2026	(66,571)
	<u>\$ (339,509)</u>

Note 8 – Defined Benefit Pension Plan (continued)

E. Actuarial Valuations

The December 31, 2018 actuarial valuation used the following actuarial methods and valuation procedures in determining the Tier One/Tier Two contribution rates.

Actuarial cost method

The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the entry age normal actuarial cost method. Under this actuarial cost method, each active member's entry age present value of projected benefits is allocated over the member's service from the member's date of entry until their assumed date of exit, taking into consideration expected future compensation increases.

Tier One/Tier Two unfunded actuarial accrued liability amortization

The Tier 1/Tier 2 UAL amortization period is reset to 20 years as of December 31, 2013. Gains and losses between subsequent odd-year valuations will be amortized as a level percentage of combined valuation payroll (Tier 1/Tier 2 plus OPSRP payroll) over a closed 20-year period from the valuation in which they are first recognized.

Retiree healthcare unfunded actuarial accrued liability amortization

The UAL for Retiree Health Care as of December 31, 2007 is amortized as a level percentage of combined valuation payroll (Tier 1/Tier 2 plus OPSRP payroll) over a closed 10-year period. Gains and losses between subsequent odd-year valuations are amortized as a level percentage of combined valuation payroll over a closed 10-year period from the valuation in which they are first recognized.

Asset valuation method

The actuarial value of assets equals the market value of assets, excluding the Contingency and Capital Preservation Reserves, and the Rate Guarantee Reserve when it is in positive surplus status. Market values are reported to the actuary by PERS.

Contribution rate stabilization method

Contribution rates for a rate pool (e.g. Tier 1/Tier 2 SLGRP, Tier 1/Tier 2 School Districts, OPSRP) are confined to a collared range based on the prior contribution rate (prior to application of side accounts, pre-SLGRP liabilities, and 6 percent Independent Employer minimum). The new contribution rate will generally not increase or decrease from the prior contribution rate by more than the greater of 3 percentage points or 20 percent of the prior contribution rate. If the funded percentage excluding side accounts drops below 60% or increases above 140%, the size of the collar doubles. If the funded percentage excluding side accounts is between 60% and 70% or between 130% and 140%, the size of the rate collar is increased on a graded scale.

City of Brookings
Notes to the Basic Financial Statements
June 30, 2021

Note 8 – Defined Benefit Pension Plan (continued)

F. Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study Report	2018, published July 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected Salary Increases	3.50 percent
Cost of living adjustments (COLA)	Blend of 2.00 percent COLA and graded COLA (1.25%/.015) in accordance with <i>Moro</i> decision; blend based on service
Mortality	<p>Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 Experience Study which reviewed experience for the four-year period ending on December 31, 2018.

Note 8 – Defined Benefit Pension Plan (continued)

Discount rate

The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. 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 for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both the actuary's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS audited financial statements.

City of Brookings
Notes to the Basic Financial Statements
June 30, 2021

Note 8 – Defined Benefit Pension Plan (continued)

The table below presents the assumptions for each of the asset classes in which the Plan was invested at the time based on the OIC's long-term target asset allocation.

<u>Long-Term Expected Rate of Return</u> ¹				
Asset Class	Target Allocation	Annual Arithmetic Return ²	20-Year Annualized Geometric Mean	Annual Standard Deviation
Core Fixed Income	9.60 %	4.14 %	4.07 %	3.90 %
Short-Term Bonds	9.60	3.70	3.68	2.10
Bank/Leveraged Loans	3.60	5.40	5.19	6.85
High Yield Bonds	1.20	6.13	5.74	9.35
Large/Mid Cap US Equities	16.17	7.35	6.30	15.50
Small Cap US Equities	1.35	8.35	6.68	19.75
Micro Cap US Equities	1.35	8.86	6.79	22.10
Developed Foreign Equities	13.48	8.30	6.91	17.95
Emerging Market Equities	4.24	10.35	7.69	25.35
Non-US Small Cap Equities	1.93	8.81	7.25	19.10
Private Equity	17.50	11.95	8.33	30.00
Real Estate (Property)	10.00	6.19	5.55	12.00
Real Estate (REITS)	2.50	8.29	6.69	21.00
Hedge Fund of Funds - Diversified	1.50	4.28	4.06	6.90
Hedge Fund - Event-driven	0.38	5.89	5.59	8.10
Timber	1.13	6.36	5.61	13.00
Farmland	1.13	6.87	6.12	13.00
Infrastructure	2.25	7.51	6.67	13.85
Commodities	1.13	5.34	3.79	18.70
Assumed Inflation - Mean			2.50 %	1.65 %

¹ Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, revised as of April 24, 2019.

² The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

Depletion date projection

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

Note 8 – Defined Benefit Pension Plan (continued)

The following circumstances justify an alternative evaluation of sufficiency for OPERS:

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is OPERS independent actuary's opinion that the detailed depletion date projections outlined in GASB 67 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

G. Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate.

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
City's proportionate share of net pension liability	\$ 7,275,320	\$ 4,899,478	\$ 2,907,224

Individual Account Program (IAP)

Participants in OPERS defined benefit pension plan also participate in the defined contribution plan.

Pension benefits

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

City of Brookings

Notes to the Basic Financial Statements

June 30, 2021

Note 9 – Defined Contribution Plan

Upon retirement, a member of the IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death benefits

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Contributions

The City makes the employee contributions of 6 percent of covered payroll to the plan. Contributions for the year ended June 30, 2021 were \$149,116.

Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

Note 10 – Oregon Public Employees Retirement System Retiree Health Insurance Account

Plan description

The Oregon Public Employee Retirement System (OPERS) administers the Retirement Health Insurance Account (RHIA) cost-sharing multiple-employer defined benefit OPEB plan (the Plan) for units of state government, political subdivisions, community colleges, and school districts, containing multiple actuarial pools. Plan assets may be used to pay the benefits of the employees of any employer that provides OPEB through the Plan.

OPERS is administered in accordance with Oregon Revised Statutes (ORS) Chapter 238, Chapter 238A, and Internal Revenue Code Section 401(a). The Oregon Legislature has delegated authority to the Public Employees Retirement Board (Board) to administer and manage OPERS. All members of the board are appointed by the governor and confirmed by the State Senate. The governor designates the chairperson. One member must be a public employer manager or a local elected official, one member must be a union-represented public employee or retiree, and three members must have experience in business management, pension management, or investing.

RHIA was established by ORS 238.420 and is administered and managed by the Board. The Plan was closed to new entrants hired on or after August 29, 2003.

OPERS issues a publicly available financial report online at:

<http://www.oregon.gov/pers/EMP/Pages/Actuarial-Financial-Information.aspx>

City of Brookings
Notes to the Basic Financial Statements
June 30, 2021

Note 10 – Oregon Public Employees Retirement System Retiree Health Insurance Account
(continued)

Benefits provided

The RHIA provides a monthly premium subsidy available to Medicare entitled (enrolled in Medicare Parts A and B) retirees that are receiving either a PERS service or disability retirement allowance and have had either eight or more years of qualifying service time at retirement or is receiving a PERS disability retirement allowance that is computed as if the retiree had eight or more years of creditable service time.

Contributions

Employer contributions to OPERS are calculated based on creditable compensation for active members reported by employers. Employer contributions are accrued when due pursuant to legal requirements. Employer proportions are determined as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. Ultimate authority for setting and changing the laws governing contributions rest with the Oregon Legislature. Employees are not required to contribute to the OPEB plan. The contribution, as determined by the proportionate share, as of the June 30, 2020 measurement date was \$275.

Assets, liabilities, deferred outflows of resources and deferred inflows of resources, and expense related to OPEB

At June 30, 2021, City of Brookings reported an asset of \$19,741 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of December 31, 2018. The City's proportionate share as of the June 30, 2020 measurement date was .02153%. The proportionate share prior to the June 30, 2020 measurement date was .02521%.

For the year ended June 30, 2021, the City recognized OPEB expense of \$4,274 and deferred outflows of resources and inflows of resources related to OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 1,990
Changes of assumptions	-	1,034
Net difference between projected and actual earnings on OPEB investments	2,166	-
Changes in proportion share	13,307	-
Subtotal	15,473	3,024
City's contributions subsequent to the measurement date	275	-
	<u>\$ 15,748</u>	<u>\$ 3,024</u>

City of Brookings

Notes to the Basic Financial Statements

June 30, 2021

Note 10 – Oregon Public Employees Retirement System Retiree Health Insurance Account (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows for the years ended June 30:

2022	\$	5,486
2023		5,478
2024		800
2025		685
		<hr/>
	\$	<u>12,449</u>

Actuarial methods and assumptions

The total OPEB liability based on the December 31, 2018 actuarial valuation date and rolled forward to the June 30, 2020 measurement date. The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified, were used:

Actuarial assumptions

Inflation rate	2.50%
Long-term expected rate of return	7.20%
Discount rate	7.20%
Salary changes	3.50%
Healthcare cost trend rates	Not applicable

Mortality rates are based on the RP-2014 healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs. For active members mortality rates are based on the RP-2014 employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs. For disables members, mortality rates are based on the RP-2014 disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

Discount rate

The discount rate used to measure the total OPEB liability at June 30, 2020 was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at contractually required rates, as actuarially determined. Based on those assumptions, the RHIA 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 OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long term expected rate of return

The long-term expected rate of return was determined by a review of the long-term assumptions developed by Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table showing Milliman's assumptions for each of the asset classes in which the Plan was invested at the time based on OIC's long-term target asset allocation can be found in Note 8.

City of Brookings
Notes to the Basic Financial Statements
June 30, 2021

Note 10 – Oregon Public Employees Retirement System Retiree Health Insurance Account
(continued)

Sensitivity of proportionate share of the net OPEB liability (asset) to changes in the discount rate

The following presents the County's proportionate share of the net OPEB liability, as well as what the County's proportionate share of the net OPEB liability (asset) would be if calculated using a discount rate that is 1-percentage-point lower (6.2%) or 1-percentage-point higher (8.2%) than the current discount rate:

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1 % Increase (8.2%)
Net OPEB liability (asset)	\$ (15,719)	\$ (19,471)	\$ (22,678)

OPEB plan fiduciary net position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued OPERS financial report.

Note 11 – Intergovernmental Agreement

The City has an intergovernmental agreement with the Upper Chetco Rural Fire Protection District (the District), to provide fire protection. The Agreement was extended through June 30, 2022. The Agreement must be evaluated at the end of each 12-month period. Following the evaluation either party may cancel the Agreement by giving one year written notice of termination.

The City agrees to provide fire protection to the District, including the use of available pumpers, tankers and sufficient personnel to operate fire protection apparatus. The District pays the City an annual fee equal to 90 percent of the property taxes collected by the District.

Note 12 – Net Position Restricted Through Enabling Legislation

The amount of net position restricted by enabling legislation is as follows:

Governmental Activities

Highways and streets – Article IX, Section 3a of the Oregon State Constitution restricts the use of revenue from taxes on motor vehicle fuel use	\$659,752
Capital Projects – Ordinances imposing System Development Charges (SDC) restrict the use to capital improvements which expand the capacity of the system for which the charge was made	\$1,093,310
Other purposes – the State of Oregon restricts the use of 911 taxes	\$201,662

City of Brookings

Notes to the Basic Financial Statements

June 30, 2021

Note 12 – Net Position Restricted Through Enabling Legislation (continued)

Business-type Activities

Capital Projects – Ordinances imposing System Development Charges (SDC) restrict the use to capital improvements which expand the capacity of the system for which the charge was made

\$1,846,657

Note 13 – Risk Management

The City is exposed to various risks of loss related to theft of, damage to, and destruction of assets; torts; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for such risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 14 – Commitments

As of June 30, 2021, the City does not have any commitments.

Note 15 – Tax Abatements

The City has entered into no tax abatement programs. There are no tax abatement programs entered into by another government reducing the City's property tax revenues for the year ended June 30, 2021.

Note 16 – Covid-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency stemming from a new strain of coronavirus that was spreading globally (the "COVID-19 outbreak"). On March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic, triggering volatility in financial markets and a significant impact on the global economy. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report.

Required Supplementary Information

City of Brookings
Schedule of the Proportionate Share of the Net Pension Liability
Oregon Public Employees Retirement System
Last 10 Years as of June 30, *

Measurement date, June 30:	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the collective net pension liability (asset)	0.02245053%	30,318,191	0.03144827%	0.03641733%	0.03794972%	0.03862112%	0.03790856%	0.03790856%
Proportionate share of the collective net pension liability (asset)	\$ 4,899,478	\$ 5,376,423	\$ 4,763,998	\$ 4,909,069	\$ 5,697,134	\$ 2,217,417	\$ (859,279)	\$ 1,934,529
Covered payroll	\$ 2,695,551	\$ 2,567,429	\$ 2,818,163	\$ 2,965,101	\$ 2,835,306	\$ 2,827,965	\$ 2,663,955	\$ 2,663,955
Proportionate share of the collective net pension liability (asset) as a percentage of the covered payroll	182%	209%	169%	166%	201%	78%	-32%	73%
Pension plan's fiduciary net position as a percentage of the total pension liability	76%	80%	82%	83%	81%	92%	104%	92%

*Information will be accumulated annually until 10 years is presented

City of Brookings
Schedule of Contributions – Pension
Oregon Public Employees Retirement System
Last 10 Years as of June 30, *

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 573,767	\$ 524,435	\$ 382,803	\$ 437,927	\$ 367,477	\$ 386,346	\$ 349,482	\$ 339,336
Contractually required contributions recognized by the pension plan	573,767	524,435	382,803	437,927	367,477	386,346	349,482	339,336
Difference	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,952,303	\$ 2,695,551	\$ 2,567,429	\$ 2,818,163	\$ 2,965,101	\$ 2,835,306	\$ 2,827,965	\$ 2,663,955
Contractually required contributions as a percentage of covered payroll	19.43%	19.46%	14.91%	15.54%	12.39%	13.63%	12.36%	12.74%

*Information will be accumulated annually until 10 years is presented

City of Brookings
Schedule of the Proportionate Share of the Net OPEB Liability (Asset)
Oregon Public Employees Retirement System
Last 10 Years as of June 30, *

Measurement date, June 30:	2021	2020	2019	2018	2017
Proportion of the collective net OPEB liability (asset)	0.00955562%	2.15321900%	0.02521776%	0.02710102%	0.02926476%
Proportionate share of the collective net OPEB liability (asset)	\$ (19,471)	\$ (41,608)	\$ (28,150)	\$ (11,310)	\$ 7,947
Covered payroll	\$ 2,695,551	\$ 2,567,429	\$ 2,818,163	\$ 2,965,101	\$ 2,827,965
Proportionate share of the collective net OPEB liability (asset) as a percentage of the covered payroll	-1%	-2%	-1%	0%	0%
OPEB's fiduciary net position as a percentage of the total OPEB liability	150.1%	144.4%	124.0%	94.2%	108.9%

*Information will be accumulated annually until 10 years is presented

City of Brookings
Schedule of Contributions – OPEB
Oregon Public Employees Retirement System
Last 10 Years Ended June 30, *

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contributions	\$ 275	\$ 683	\$ 10,672	\$ 12,212	\$ 13,630
Contractually required contributions recognized by OPEB	<u>275</u>	<u>683</u>	<u>10,672</u>	<u>12,212</u>	<u>13,630</u>
Difference	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 2,952,303</u>	<u>\$ 2,695,551</u>	<u>\$ 2,567,429</u>	<u>\$ 2,818,163</u>	<u>\$ 2,965,101</u>
Contractually required contributions as a percentage of covered payroll	<u>0.01%</u>	<u>0.03%</u>	<u>0.42%</u>	<u>0.43%</u>	<u>0.46%</u>

* Information will be accumulated annually until 10 years is presented

Combining and Individual Fund Statements and Schedules

City of Brookings
Street System Development – Capital Projects Fund (Major Fund)
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2021

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Improvement fees	\$ 24,000	\$ 24,000	\$ 30,917	\$ 6,917
Reimbursement fees	6,000	6,000	7,578	1,578
Grant revenue	2,844,600	4,365,550	-	(4,365,550)
Interest	5,000	5,000	4,508	(492)
Total revenues	2,879,600	4,400,550	43,003	(4,357,547)
EXPENDITURES				
Street Program	3,459,600	4,980,550	44,101	4,936,449
Total expenditures	3,459,600	4,980,550	44,101	4,936,449
Excess (deficiency) of revenues over expenditures	(580,000)	(580,000)	(1,098)	578,902
OTHER FINANCING SOURCES (USES)				
Loan proceeds	-	-	650,000	650,000
Total other financing sources (uses)	-	-	650,000	650,000
Net change in fund balance	(580,000)	(580,000)	648,902	1,228,902
Fund balance at beginning of year	580,000	580,000	(297,631)	(877,631)
Fund balance at end of year	\$ -	\$ -	\$ 351,271	\$ 351,271

City of Brookings
Capital Projects Reserve – Capital Projects Fund (Major Fund)
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2021

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Interest	\$ 1,000	\$ 1,000	\$ 902	\$ (98)
Total revenues	1,000	1,000	902	(98)
EXPENDITURES				
Parks and recreation program	124,000	129,000	111,943	17,057
Public safety	100,000	157,537	81,711	75,826
Capital outlay	757,000	772,000	63,232	708,768
Total expenditures	981,000	1,058,537	256,886	(801,651)
Excess (deficiency) of revenues over expenditures	(980,000)	(1,057,537)	(255,984)	801,553
OTHER FINANCING SOURCES				
Transfers in	550,000	627,537	627,537	-
Total other financing sources (uses)	550,000	627,537	627,537	-
Net change in fund balance	(430,000)	(430,000)	371,553	801,553
Fund balance at beginning of year	430,000	430,000	356,070	(73,930)
Fund balance at end of year	\$ -	\$ -	\$ 727,623	\$ 727,623

City of Brookings
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue	Debt Service	Capital Projects	Totals
ASSETS				
Cash and investments	\$ 1,363,120	\$ 511,500	\$ 1,562,634	\$ 3,437,254
Receivables	295,413	-	50,246	345,659
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u><u>\$ 1,658,533</u></u>	<u><u>\$ 511,500</u></u>	<u><u>\$ 1,612,880</u></u>	<u><u>\$ 3,782,913</u></u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 28,684	\$ -	\$ 187,658	\$ 216,342
Due to other funds	59,985	-	-	59,985
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>88,669</u>	<u>-</u>	<u>187,658</u>	<u>276,327</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	166,569	-	2,146	168,715
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES				
Restricted for				
Highways and streets	308,481	-	-	308,481
Urban renewal projects	764,154	-	-	764,154
911 services	201,662	-	-	201,662
Debt service	-	511,500	-	511,500
Capital projects	-	-	329,156	329,156
Committed for				
Capital projects	-	-	1,093,920	1,093,920
Police programs	71,786	-	-	71,786
Tourism	101,966	-	-	101,966
Current and future health care programs	2,142	-	-	2,142
Fire equipment and training	13,455	-	-	13,455
Unassigned	(60,351)	-	-	(60,351)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>1,403,295</u>	<u>511,500</u>	<u>1,423,076</u>	<u>3,337,871</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 1,658,533</u></u>	<u><u>\$ 511,500</u></u>	<u><u>\$ 1,612,880</u></u>	<u><u>\$ 3,782,913</u></u>

City of Brookings
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue	Debt Service	Capital Projects	Totals
REVENUES				
Property taxes	\$ 660,813	\$ -	\$ -	\$ 660,813
Transient tax	157,261	-	-	157,261
Local gas tax	-	-	296,743	296,743
Licenses, permits and fees	3,945	-	-	3,945
System development charges	-	-	69,157	69,157
System replacement charges	-	-	214,456	214,456
Intergovernmental	1,243,630	-	-	1,243,630
Interest	8,296	-	7,934	16,230
Miscellaneous	59,989	-	-	59,989
Total revenues	2,133,934	-	588,290	2,722,224
EXPENDITURES				
Current				
General government	79,618	-	14,909	94,527
Public health	135	-	-	135
Public safety	45,826	-	-	45,826
Highways and streets	398,031	-	-	398,031
Culture and recreation	95,000	-	-	95,000
Debt service	43,434	97,013	-	140,447
Capital outlay	307,956	-	249,544	557,500
Total expenditures	970,000	97,013	264,453	1,331,466
Excess (deficiency) of revenues over expenditures	1,163,934	(97,013)	323,837	1,390,758
OTHER FINANCING SOURCES (USES)				
Loan proceeds	18,239	-	-	18,239
Transfers in	-	227,013	88,106	315,119
Transfers out	(364,235)	-	(110,120)	(474,355)
Total other financing sources (uses)	(345,996)	227,013	(22,014)	(140,997)
Net change in fund balances	817,938	130,000	301,823	1,249,761
Fund balances at beginning of year	585,357	381,500	1,121,253	2,088,110
Fund balances at end of year	\$ 1,403,295	\$ 511,500	\$ 1,423,076	\$ 3,337,871

City of Brookings
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2021

	Street Fund	Urban Renewal	911	Special Police	Health Fair	Special Fire	Tourism	Airport	Totals
ASSETS									
Cash and investments	\$ 285,826	\$ 755,565	\$ 129,689	\$ 71,858	\$ 2,142	\$ 13,455	\$ 104,585	\$ -	\$ 1,363,120
Receivables	47,552	35,283	72,324	-	-	-	-	140,254	295,413
TOTAL ASSETS	\$ 333,378	\$ 790,848	\$ 202,013	\$ 71,858	\$ 2,142	\$ 13,455	\$ 104,585	\$ 140,254	\$ 1,658,533
LIABILITIES									
Accounts payable and accrued liabilities	\$ 24,897	\$ -	\$ 351	\$ 72	\$ -	\$ -	\$ 2,619	\$ 745	\$ 28,684
Due to other funds	-	-	-	-	-	-	-	59,985	59,985
Total liabilities	24,897	-	351	72	-	-	2,619	60,730	88,669
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue	-	26,694	-	-	-	-	-	139,875	166,569
FUND BALANCES									
Restricted for									
Highways and streets	308,481	-	-	-	-	-	-	-	308,481
Urban renewal projects	-	764,154	-	-	-	-	-	-	764,154
911 services	-	-	201,662	-	-	-	-	-	201,662
Tourism	-	-	-	-	-	-	101,966	-	101,966
Committed for									
Police programs	-	-	-	71,786	-	-	-	-	71,786
Current and future health care programs	-	-	-	-	2,142	-	-	-	2,142
Fire equipment and training	-	-	-	-	-	13,455	-	-	13,455
Unassigned	-	-	-	-	-	-	-	(60,351)	(60,351)
Total fund balances	308,481	764,154	201,662	71,786	2,142	13,455	101,966	(60,351)	1,403,295
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 333,378	\$ 790,848	\$ 202,013	\$ 71,858	\$ 2,142	\$ 13,455	\$ 104,585	\$ 140,254	\$ 1,658,533

City of Brookings
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2021

	Street Fund	Urban Renewal	911	Special Police	Health Fair	Special Fire	Tourism	Airport	Totals
REVENUES									
Property taxes	\$ -	\$ 660,813	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 660,813
Transient tax	-	-	-	-	-	-	157,261	-	157,261
Licenses, permits and fees	-	-	-	-	-	1,090	-	2,855	3,945
Intergovernmental	720,840	-	250,658	18,385	-	-	-	253,747	1,243,630
Interest	1,984	1,803	3,336	902	-	91	180	-	8,296
Miscellaneous	18,573	-	-	12,854	-	-	-	28,562	59,989
Total revenues	741,397	662,616	253,994	32,141	-	1,181	157,441	285,164	2,133,934
EXPENDITURES									
Current									
General government	-	54,203	-	-	-	-	-	25,415	79,618
Public health	-	-	-	-	135	-	-	-	135
Public safety	-	-	27,505	18,321	-	-	-	-	45,826
Highways and streets	398,031	-	-	-	-	-	-	-	398,031
Culture and recreation	-	-	-	-	-	-	95,000	-	95,000
Debt service	19,589	-	23,845	-	-	-	-	-	43,434
Capital outlay	33,552	-	44,353	-	-	-	-	230,051	307,956
Total expenditures	451,172	54,203	95,703	18,321	135	-	95,000	255,466	970,000
Excess (deficiency) of revenues over expenditures	290,225	608,413	158,291	13,820	(135)	1,181	62,441	29,698	1,163,934
OTHER FINANCING SOURCES (USES)									
Loan proceeds	18,239	-	-	-	-	-	-	-	18,239
Transfers out	(61,775)	(130,000)	(157,100)	-	-	-	(15,360)	-	(364,235)
Total other financing sources (uses)	(43,536)	(130,000)	(157,100)	-	-	-	(15,360)	-	(345,996)
Net change in fund balances	246,689	478,413	1,191	13,820	(135)	1,181	47,081	29,698	817,938
Fund balances at beginning of year	61,792	285,741	200,471	57,966	2,277	12,274	54,885	(90,049)	585,357
Fund balances at end of year	\$ 308,481	\$ 764,154	\$ 201,662	\$ 71,786	\$ 2,142	\$ 13,455	\$ 101,966	\$ (60,351)	\$ 1,403,295

City of Brookings
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2021

	Urban Renewal Debt Service	Storm Loan	Totals
ASSETS			
Cash and investments	\$ 511,500	\$ -	\$ 511,500
FUND BALANCES			
Restricted for debt service	\$ 511,500	\$ -	\$ 511,500

City of Brookings
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended June 30, 2021

	Urban Renewal Debt Service	Storm Loan	Totals
EXPENDITURES			
Debt service	\$ -	\$ 97,013	\$ 97,013
Excess (deficiency) of revenues over expenditures	-	(97,013)	(97,013)
OTHER FINANCING SOURCES (USES)			
Transfers in	130,000	97,013	227,013
Total other financing sources (uses)	130,000	97,013	227,013
Net change in fund balances	130,000	-	130,000
Fund balances at beginning of year	381,500	-	381,500
Fund balances at end of year	<u>\$ 511,500</u>	<u>\$ -</u>	<u>\$ 511,500</u>

City of Brookings
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2021

	Technology Reserve	Street System Replacement	Stormwater System Replacement	Parks and Recreation System Development	Stormwater System Development	Totals
ASSETS						
Cash and investments	\$ 22,219	\$ 555,046	\$ 656,213	\$ 128,816	\$ 200,340	\$ 1,562,634
Receivables	-	28,787	19,313	1,342	804	50,246
Total assets	<u>\$ 22,219</u>	<u>\$ 583,833</u>	<u>\$ 675,526</u>	<u>\$ 130,158</u>	<u>\$ 201,144</u>	<u>\$ 1,612,880</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ 31	\$ 187,627	\$ -	\$ -	\$ -	\$ 187,658
Total liabilities	<u>31</u>	<u>187,627</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>187,658</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	1,342	804	2,146
FUND BALANCES						
Restricted for capital projects	-	-	-	128,816	200,340	329,156
Committed for capital projects	22,188	396,206	675,526	-	-	1,093,920
Total fund balances	<u>22,188</u>	<u>396,206</u>	<u>675,526</u>	<u>128,816</u>	<u>200,340</u>	<u>1,423,076</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 22,219</u>	<u>\$ 583,833</u>	<u>\$ 675,526</u>	<u>\$ 130,158</u>	<u>\$ 201,144</u>	<u>\$ 1,612,880</u>

City of Brookings
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2021

	Technology Reserve	Street System Replacement	Stormwater System Replacement	Parks and Recreation System Development	Stormwater System Development	Totals
REVENUES						
Local gas tax	\$ -	\$ 296,743	\$ -	\$ -	\$ -	\$ 296,743
System development charges	-	-	-	43,016	26,141	69,157
System replacement charges	-	-	214,456	-	-	214,456
Interest	541	1,803	2,705	1,082	1,803	7,934
Total revenues	541	298,546	217,161	44,098	27,944	588,290
EXPENDITURES						
Current						
General government	14,909	-	-	-	-	14,909
Capital outlay	15,933	233,611	-	-	-	249,544
Total expenditures	30,842	233,611	-	-	-	264,453
Excess (deficiency) of revenues over expenditures	(30,301)	64,935	217,161	44,098	27,944	323,837
OTHER FINANCING SOURCES (USES)						
Transfers in	72,106	-	-	16,000	-	88,106
Transfers out	(50,200)	(4,914)	(55,006)	-	-	(110,120)
Total other financing sources (uses)	21,906	(4,914)	(55,006)	16,000	-	(22,014)
Net change in fund balances	(8,395)	60,021	162,155	60,098	27,944	301,823
Fund balances at beginning of year	30,583	336,185	513,371	68,718	172,396	1,121,253
Fund balances at end of year	\$ 22,188	\$ 396,206	\$ 675,526	\$ 128,816	\$ 200,340	\$ 1,423,076

City of Brookings
Street Fund – Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2021

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Intergovernmental	\$ 636,000	\$ 636,000	\$ 720,840	\$ 84,840
Interest	2,200	2,200	1,984	(216)
Miscellaneous	12,250	12,655	18,573	5,918
Total revenues	650,450	650,855	741,397	90,542
EXPENDITURES				
Street maintenance	423,589	423,994	398,031	25,963
Debt service	21,084	21,084	19,589	1,495
Capital outlay	178,940	178,940	33,552	145,388
Contingency	158,002	158,002	-	158,002
Total expenditures	781,615	782,020	451,172	330,848
Excess (deficiency) of revenues over expenditures	(131,165)	(131,165)	290,225	421,390
OTHER FINANCING SOURCES (USES)				
Loan proceeds	17,940	17,940	18,239	(299)
Transfers out	(61,775)	(61,775)	(61,775)	-
Total other financing sources (uses)	(43,835)	(43,835)	(43,536)	(299)
Net change in fund balance	(175,000)	(175,000)	246,689	(421,689)
Fund balance at beginning of year	175,000	175,000	61,792	(113,208)
Fund balance at end of year	\$ -	\$ -	\$ 308,481	\$ (308,481)

City of Brookings
Urban Renewal – Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2021

	Budget	Actual	Variance
REVENUES			
Property taxes	\$ 582,539	\$ 660,813	\$ 78,274
Interest	2,000	1,803	(197)
Total revenues	584,539	662,616	78,077
EXPENDITURES			
Urban Renewal Division	60,000	54,203	5,797
Capital outlay	864,539	-	864,539
Total expenditures	924,539	54,203	870,336
Excess (deficiency) of revenues over expenditures	(340,000)	608,413	948,413
OTHER FINANCING SOURCES (USES)			
Transfers out	(130,000)	(130,000)	-
Net change in fund balance	(470,000)	478,413	948,413
Fund balance at beginning of year	470,000	285,741	(184,259)
Fund balance at end of year	\$ -	\$ 764,154	\$ 764,154

City of Brookings
911 – Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2021

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 216,000	\$ 250,658	\$ 34,658
Interest	3,700	3,336	(364)
Total revenues	219,700	253,994	34,294
EXPENDITURES			
911 Division	28,900	27,505	1,395
Contingency	104,854	-	104,854
Debt Service	23,846	23,845	1
Capital outlay	80,000	44,353	35,647
Total expenditures	237,600	95,703	141,897
Excess (deficiency) of revenues over expenditures	(17,900)	158,291	176,191
OTHER FINANCING SOURCES (USES)			
Transfers out	(157,100)	(157,100)	-
Net change in fund balance	(175,000)	1,191	176,191
Fund balance at beginning of year	175,000	200,471	25,471
Fund balance at end of year	\$ -	\$ 201,662	\$ 201,662

City of Brookings
Special Police – Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2021

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Intergovernmental	\$ 5,000	\$ 23,385	\$ 18,385	\$ (5,000)
Interest	1,000	1,000	902	(98)
Miscellaneous	21,800	21,800	12,854	(8,946)
Total revenues	27,800	46,185	32,141	(14,044)
EXPENDITURES				
Special police				
K9	40,600	40,600	4,834	35,766
Safety city	10,600	10,600	2,187	8,413
Police reserves	16,700	16,700	-	16,700
Police VIPS	100	100	-	100
Grants program	14,800	33,185	11,300	21,885
Total expenditures	82,800	101,185	18,321	82,864
Net change in fund balance	(55,000)	(55,000)	13,820	(68,820)
Fund balance at beginning of year	55,000	55,000	57,966	(2,966)
Fund balance at end of year	\$ -	\$ -	\$ 71,786	71,786

City of Brookings
Health Fair – Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2021

	Budget	Actual	Variance
REVENUES			
Rentals	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
Health fair program	2,300	135	2,165
Total expenditures	2,300	135	2,165
Net change in fund balance	(2,300)	(135)	2,165
Fund balance at beginning of year	2,300	2,277	(23)
Fund balance at end of year	\$ -	\$ 2,142	\$ 2,142

City of Brookings
Special Fire – Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2021

	Budget	Actual	Variance
REVENUES			
Licenses and permits	\$ 1,000	\$ 1,090	\$ 90
Interest	100	91	(9)
Miscellaneous	1,000	-	(1,000)
Total revenues	2,100	1,181	(919)
EXPENDITURES			
Fire program	13,600	-	13,600
Total expenditures	13,600	-	13,600
Net change in fund balance	(11,500)	1,181	12,681
Fund balance at beginning of year	11,500	12,274	774
Fund balance at end of year	\$ -	\$ 13,455	\$ 13,455

City of Brookings
Tourism – Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2021

	Original	Final	Actual	Variance
REVENUES				
Transient tax	\$ 67,000	\$ 82,500	\$ 157,261	\$ 74,761
Interest	200	200	180	(20)
Total revenues	67,200	82,700	157,441	74,741
EXPENDITURES				
Tourism	81,840	97,340	95,000	2,340
Total expenditures	81,840	97,340	95,000	2,340
Excess (deficiency) of revenues over expenditures	(14,640)	(14,640)	62,441	77,081
OTHER FINANCING SOURCES (USES)				
Transfers out	(15,360)	(15,360)	(15,360)	-
Net change in fund balance	(30,000)	(30,000)	47,081	77,081
Fund balance at beginning of year	30,000	30,000	54,885	24,885
Fund balance at end of year	\$ -	\$ -	\$ 101,966	\$ 101,966

City of Brookings
Airport Fund – Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 304,000	\$ 253,747	\$ (50,253)
Licenses, permits and fees	3,100	2,855	(245)
Miscellaneous	<u>26,500</u>	<u>28,562</u>	<u>2,062</u>
Total revenues	<u>333,600</u>	<u>285,164</u>	<u>(48,436)</u>
EXPENDITURES			
Airport	<u>403,600</u>	<u>255,466</u>	<u>148,134</u>
Total expenditures	<u>403,600</u>	<u>255,466</u>	<u>148,134</u>
Net change in fund balance	(70,000)	29,698	99,698
Fund balance at beginning of year	<u>70,000</u>	<u>(90,049)</u>	<u>(160,049)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ (60,351)</u>	<u>\$ (60,351)</u>

City of Brookings
Urban Renewal Debt Service – Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Debt service	<u>\$ 130,000</u>	<u>\$ -</u>	<u>\$ 130,000</u>
Total expenditures	<u>130,000</u>	<u>-</u>	<u>130,000</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>130,000</u>	<u>130,000</u>	<u>-</u>
Net change in fund balance	-	130,000	130,000
Fund balance at beginning of year	<u>300,000</u>	<u>381,500</u>	<u>81,500</u>
Fund balance at end of year	<u><u>\$ 300,000</u></u>	<u><u>\$ 511,500</u></u>	<u><u>\$ 211,500</u></u>

City of Brookings
Storm Loan – Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Debt service	<u>\$ 97,013</u>	<u>\$ 97,013</u>	<u>\$ -</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>97,013</u>	<u>97,013</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of Brookings
Technology Reserve – Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2021

	Original	Final	Actual	Variance
REVENUES				
Interest	\$ 600	\$ 600	\$ 541	\$ (59)
EXPENDITURES				
Technology program	57,000	58,507	30,842	27,665
Contingency	13,000	13,000	-	13,000
Total expenditures	70,000	71,507	30,842	40,665
Excess (deficiency) of revenues over expenditures	(69,400)	(70,907)	(30,301)	40,606
OTHER FINANCING SOURCES (USES)				
Transfers in	70,600	72,107	72,106	(1)
Transfers out	(50,200)	(50,200)	(50,200)	-
Total other financing sources (uses)	20,400	21,907	21,906	(1)
Net change in fund balance	(49,000)	(49,000)	(8,395)	40,605
Fund balance at beginning of year	49,000	49,000	30,583	(18,417)
Fund balance at end of year	\$ -	\$ -	\$ 22,188	\$ 22,188

City of Brookings
Street System Replacement – Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Local gas tax	\$ 290,000	\$ 296,743	\$ 6,743
Interest	<u>2,000</u>	<u>1,803</u>	<u>(197)</u>
Total revenues	<u>292,000</u>	<u>298,546</u>	<u>6,546</u>
EXPENDITURES			
Capital outlay	<u>687,086</u>	<u>233,611</u>	<u>453,475</u>
Excess (deficiency) of revenues over expenditures	<u>(395,086)</u>	<u>64,935</u>	<u>460,021</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(4,914)</u>	<u>(4,914)</u>	<u>-</u>
Total other financing sources (uses)	<u>(4,914)</u>	<u>(4,914)</u>	<u>-</u>
Net change in fund balance	(400,000)	60,021	460,021
Fund balance at beginning of year	<u>400,000</u>	<u>336,185</u>	<u>(63,815)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 396,206</u>	<u>\$ 396,206</u>

City of Brookings
Stormwater System Replacement – Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2021

	Budget	Actual	Variance
REVENUES			
System replacement fees	\$ 208,000	\$ 214,456	\$ 6,456
Interest	3,000	2,705	(295)
Total revenues	211,000	217,161	6,161
EXPENDITURES			
Capital outlay	645,994	-	645,994
Total expenditures	645,994	-	645,994
Excess (deficiency) of revenues over expenditures	(434,994)	217,161	652,155
OTHER FINANCING SOURCES (USES)			
Transfers out	(55,006)	(55,006)	-
Total other financing sources (uses)	(55,006)	(55,006)	-
Net change in fund balance	(490,000)	162,155	652,155
Fund balance at beginning of year	490,000	513,371	23,371
Fund balance at end of year	<u>\$ -</u>	<u>\$ 675,526</u>	<u>\$ 675,526</u>

City of Brookings
Parks and Receptions System Development – Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2021

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Improvement fees	\$ 15,000	\$ 15,000	\$ 36,616	\$ 21,616
Reimbursement fees	3,000	3,000	6,400	3,400
Interest	1,200	1,200	1,082	(118)
Total revenues	19,200	19,200	44,098	24,898
EXPENDITURES				
Parks and recreation program	70,200	70,200	-	70,200
Total expenditures	70,200	70,200	-	70,200
Excess (deficiency) of revenues over expenditures	(51,000)	(51,000)	44,098	(95,098)
OTHER FINANCING SOURCES (USES)				
Transfers in	16,000	16,000	16,000	-
Total other financing sources (uses)	16,000	16,000	16,000	-
Net change in fund balance	(35,000)	(35,000)	60,098	(95,098)
Fund balance at beginning of year	35,000	35,000	68,718	33,718
Fund balance at end of year	\$ -	\$ -	\$ 128,816	\$ 128,816

City of Brookings
Stormwater System Development – Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2021

	Budget	Actual	Variance
REVENUES			
Improvement fees	\$ 5,000	\$ 10,921	\$ 5,921
Reimbursement fees	6,000	15,220	9,220
Interest	2,000	1,803	(197)
	<u>13,000</u>	<u>27,944</u>	<u>14,944</u>
Total revenues			
EXPENDITURES			
Stormwater system	178,000	-	178,000
	<u>178,000</u>	<u>-</u>	<u>(178,000)</u>
Total expenditures			
Net change in fund balance	(165,000)	27,944	192,944
Fund balance at beginning of year	165,000	172,396	7,396
	<u>165,000</u>	<u>172,396</u>	<u>7,396</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 200,340</u>	<u>\$ 200,340</u>

City of Brookings
Combining Statement of Net Position – Water Fund
Enterprise Funds
June 30, 2021

	Water	Water System Replacement	Water System Development	Water Loan	Totals
ASSETS					
Current assets					
Cash and investments	\$ 299,240	\$ 997,726	\$ 147,577	\$ 331,027	\$ 1,775,570
Receivables, net	143,629	14,028	3,797	-	161,454
Inventory	224,096	-	-	-	224,096
Total assets	666,965	1,011,754	151,374	331,027	2,161,120
Noncurrent assets					
Net OPEB asset	1,542	-	-	-	1,542
Capital assets					
Land	258,658	-	-	-	258,658
Other capital assets, net	7,882,838	-	-	-	7,882,838
Total capital assets	8,141,496	-	-	-	8,141,496
Total noncurrent assets	8,143,038	-	-	-	8,143,038
Total assets	8,810,003	1,011,754	151,374	331,027	10,304,158
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	129,201	-	-	-	129,201
OPEB related items	1,247	-	-	-	1,247
Total deferred outflows of resources	130,448	-	-	-	130,448
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	56,213	145	-	-	56,358
Accrued interest payable	3,380	1,010	-	-	4,390
Consumer deposits	228,079	-	-	-	228,079
Compensated absences	10,316	-	-	-	10,316
Long-term liabilities due within one year	351,535	117,500	-	-	469,035
Total current liabilities	649,523	118,655	-	-	768,178
Long-term liabilities					
Long-term liabilities due in more one year	1,732,250	3,253	-	-	1,735,503
Net pension liability	388,519	-	-	-	388,519
Total liabilities	2,770,292	121,908	-	-	2,892,200
DEFERRED INFLOWS OF RESOURCES					
Pension related items	110,625	-	-	-	110,625
OPEB related items	239	-	-	-	239
Total deferred inflows of resources	110,864	-	-	-	110,864
Net investment in capital assets	6,057,711	(120,753)	-	-	5,936,958
Restricted for					
Capital projects	-	-	151,374	-	151,374
Debt service	-	-	-	331,027	331,027
Unrestricted	1,584	1,010,599	-	-	1,012,183
Total net position	\$ 6,059,295	\$ 889,846	\$ 151,374	\$ 331,027	\$ 7,431,542

City of Brookings
Combining Statement of Revenues, Expenses, And Changes in Net Position –
Water Fund
Enterprise Funds
Year Ended June 30, 2021

	Water	Water System Replacement	Water System Development	Water Loan	Totals
OPERATING REVENUES					
Charges for services	\$ 1,822,299	\$ -	\$ -	\$ -	\$ 1,822,299
OPERATING EXPENSES					
Personal services	382,026	-	-	-	382,026
Materials and services	614,635	-	-	-	614,635
Depreciation	401,836	-	-	-	401,836
Total operating expenses	1,398,497	-	-	-	1,398,497
Operating income	423,802	-	-	-	423,802
NONOPERATING REVENUES (EXPENSES)					
Interest income	11,720	903	-	-	12,623
Miscellaneous	50,681	-	-	-	50,681
Interest expense	(71,292)	(2,499)	-	(24,154)	(97,945)
Total nonoperating revenues (expenses)	(8,891)	(1,596)	-	(24,154)	(34,641)
Income (loss) before capital contributions and transfers	414,911	(1,596)	-	(24,154)	389,161
Capital contributions	-	155,737	72,936	-	228,673
Transfers in	404,427	746,644	-	514,032	1,665,103
Transfers out	(1,103,117)	(219,029)	-	(489,878)	(1,812,024)
	(698,690)	683,352	72,936	24,154	81,752
Change in net position	(283,779)	681,756	72,936	-	470,913
Total net position at beginning of year	6,343,074	208,090	78,438	331,027	6,960,629
Total net position at end of year	\$ 6,059,295	\$ 889,846	\$ 151,374	\$ 331,027	\$ 7,431,542

City of Brookings
Combining Statement of Cash Flows – Water Fund
Enterprise Funds
For the Year Ended June 30, 2021

	Water	Water System Replacement	Water System Development	Water Loan	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 1,796,377	\$ -	\$ -	\$ -	\$ 1,796,377
Payments to suppliers	(694,703)	-	-	-	(694,703)
Payments to employees	(394,140)	-	-	-	(394,140)
Net cash provided by (used in) operating activities	707,534	-	-	-	707,534
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Advances to other fund	-	-	-	-	-
Transfers in	404,427	456,056	-	514,032	1,374,515
Transfers out	(812,529)	(219,031)	-	(489,879)	(1,521,439)
Net cash provided by (used in) noncapital financing activities	(408,102)	237,025	-	24,153	(146,924)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
System development charges received	-	-	-	-	-
Capital grants	-	221,099	72,936	-	294,035
Other	50,681	-	-	-	50,681
Acquisition of capital assets	(100,645)	-	-	-	(100,645)
Proceeds from issuance of long-term debt	25,634	-	-	-	25,634
Principal paid on long-term liabilities	(341,341)	(117,434)	-	-	(458,775)
Interest paid on long-term liabilities	(71,760)	(3,621)	-	(24,153)	(99,534)
Net cash provided by (used in) capital and related financing activities	(437,431)	100,044	72,936	(24,153)	(288,604)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	11,720	903	-	-	12,623
Net increase (decrease) in cash	(126,279)	337,972	72,936	-	284,629
Cash - beginning of year	425,519	659,754	74,641	331,027	1,490,941
Cash - end of year	\$ 299,240	\$ 997,726	\$ 147,577	\$ 331,027	\$ 1,775,570

City of Brookings
Combining Statement of Cash Flows – Water Fund
Enterprise Funds (continued)
Year Ended June 30, 2021

	Water	Water System Replacement	Water System Development	Water Loan	Totals
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN)					
OPERATING ACTIVITIES					
Operating income	\$ 423,802	\$ -	\$ -	\$ -	\$ 423,802
Adjustments to reconcile operating income to net cash provided by (used in) operating activities					
Depreciation	401,836	-	-	-	401,836
Decrease (increase) in assets and deferred outflows					
Receivables	(25,922)	-	-	-	(25,922)
Inventory	(39,180)	-	-	-	(39,180)
Deposits	6,694				6,694
Net OPEB asset	1,988	-	-	-	1,988
Change in deferred outflows	1,701	-	-	-	1,701
Increase (decrease) in liabilities and deferred inflows					
Accounts payable and accrued liabilities	(47,582)	-	-	-	(47,582)
Compensated absences payable	648	-	-	-	648
Net pension liability	(67,877)	-	-	-	(67,877)
Change in deferred inflows	51,426	-	-	-	51,426
Net cash provided by (used in) operating activities	<u>\$ 707,534</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 707,534</u>

City of Brookings
Combining Statement of Net Position – Wastewater Fund
Enterprise Funds
June 30, 2021

	Wastewater	Wastewater Loan	Wastewater System Replacement	Wastewater System Development	Totals
ASSETS					
Current assets					
Cash and investments	\$ 613,622	\$ 1,121,064	\$ 1,565,278	\$ 1,684,665	\$ 4,984,629
Receivables	256,844	-	15,636	10,618	283,098
Inventory	60,630	-	-	-	60,630
Total assets	931,096	1,121,064	1,580,914	1,695,283	5,328,357
Noncurrent assets					
Net OPEB asset	2,243	-	-	-	2,243
Capital assets					
Land	292,849	-	-	-	292,849
Other capital assets, net	8,628,957	-	-	-	8,628,957
Total capital assets	8,921,806	-	-	-	8,921,806
Total noncurrent assets	8,924,049	-	-	-	8,924,049
Total assets	9,855,145	1,121,064	1,580,914	1,695,283	14,252,406
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	187,583	-	-	-	187,583
OPEB related items	1,814	-	-	-	1,814
Total deferred outflows of resources	189,397	-	-	-	189,397
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	88,143	-	118,663	-	206,806
Accrued interest payable	1,140	-	1,473	-	2,613
Compensated absences	18,900	-	-	-	18,900
Long-term liabilities due within one year	1,107,203	-	139,963	-	1,247,166
Total current liabilities	1,215,386	-	260,099	-	1,475,485
Long-term liabilities					
Long-term liabilities due in more than one year	14,578	-	39,083	-	53,661
Net pension liability	564,081	-	-	-	564,081
Total liabilities	1,794,045	-	299,182	-	2,093,227
DEFERRED INFLOWS OF RESOURCES					
Pension related items	160,615	-	-	-	160,615
OPEB related items	349	-	-	-	349
Total deferred inflows of resources	160,964	-	-	-	160,964
NET POSITION					
Net investment in capital assets	7,800,025	-	(179,046)	-	7,620,979
Restricted for					
Capital projects	-	-	-	1,695,283	1,695,283
Debt service	-	1,121,064	-	-	1,121,064
Unrestricted	289,508	-	1,460,778	-	1,750,286
Total net position	\$ 8,089,533	\$ 1,121,064	\$ 1,281,732	\$ 1,695,283	\$ 12,187,612

City of Brookings
Combining Statement of Revenues, Expenses, And Changes in Net Position –
Wastewater Fund
Enterprise Funds
Year Ended June 30, 2021

	Wastewater	Wastewater Loan	Wastewater System Replacement	Wastewater System Development	Totals
OPERATING REVENUES					
Charges for services	\$ 3,282,505	\$ -	\$ -	\$ -	\$ 3,282,505
OPERATING EXPENSES					
Personal services	591,246	-	-	-	591,246
Materials and services	1,063,953	-	-	-	1,063,953
Depreciation	853,034	-	-	-	853,034
Total operating expenses	2,508,233	-	-	-	2,508,233
Operating income (loss)	774,272	-	-	-	774,272
NONOPERATING REVENUES (EXPENSES)					
Interest income	18,033	-	9,016	3,607	30,656
Miscellaneous	404	-	-	-	404
Interest expense	(64,184)	29,249	(5,531)	-	(40,466)
Total nonoperating revenues (expenses)	(45,747)	29,249	3,485	3,607	(9,406)
Income (loss) before capital contributions and transfers	728,525	29,249	3,485	3,607	764,866
Capital contributions	-	-	172,636	352,739	525,375
Transfers in	1,365,090	1,236,678	450,337	-	3,052,105
Transfers out	(1,647,372)	(1,265,927)	(368,489)	-	(3,281,788)
Change in net position	446,243	-	257,969	356,346	1,060,558
Total net position at beginning of year	7,643,290	1,121,064	1,023,763	1,338,937	11,127,054
Total net position at end of year	\$ 8,089,533	\$ 1,121,064	\$ 1,281,732	\$ 1,695,283	\$ 12,187,612

City of Brookings
Combining Statement of Cash Flows – Wastewater Fund
Enterprise Funds
For the Year Ended June 30, 2021

	Wastewater	Wastewater Loan	Wastewater System Replacement	Wastewater System Development	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 3,312,083	\$ -	\$ -	\$ -	\$ 3,312,083
Payments to suppliers	(1,090,568)	-	-	-	(1,090,568)
Payments to employees	(596,088)	-	-	-	(596,088)
Net cash provided by (used in) operating activities	1,625,427	-	-	-	1,625,427
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	1,365,090	1,236,678	450,337	-	3,052,105
Transfers out	(1,626,447)	(1,265,927)	(249,826)	-	(3,142,200)
Net cash provided by (used in) noncapital financing activities	(261,357)	(29,249)	200,511	-	(90,095)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
System development charges received	-	-	(483)	-	(483)
Capital grants	-	-	172,636	352,739	525,375
Other	404	-	-	-	404
Acquisition of capital assets	(233,894)	-	-	-	(233,894)
Proceeds from issuance of long-term debt	25,634	-	-	-	25,634
Principal paid on long-term liabilities	(1,099,961)	-	(139,213)	-	(1,239,174)
Interest paid on long-term liabilities	(65,338)	29,249	(6,097)	-	(42,186)
Net cash provided by (used in) capital and related financing activities	(1,373,155)	29,249	26,843	352,739	(964,324)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	18,033	-	9,016	3,607	30,656
Net increase (decrease) in cash	8,948	-	236,370	356,346	601,664
Cash - beginning of year	604,674	1,121,064	1,328,908	1,328,319	4,382,965
Cash - end of year	<u>\$ 613,622</u>	<u>\$ 1,121,064</u>	<u>\$ 1,565,278</u>	<u>\$ 1,684,665</u>	<u>\$ 4,984,629</u>

City of Brookings
Combining Statement of Cash Flows – Wastewater Fund
Enterprise Funds (continued)
Year Ended June 30, 2021

	Wastewater	Wastewater Loan	Wastewater System Replacement	Wastewater System Development	Totals
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income	\$ 774,272	\$ -	\$ -	\$ -	\$ 774,272
Adjustments to reconcile operating income to net cash provided by (used in) operating activities					
Depreciation	853,034	-	-	-	853,034
Decrease (increase) in assets and deferred outflows					
Receivables	(6,473)	-	-	-	(6,473)
Inventory	(5,188)	-	-	-	(5,188)
Net OPEB asset	2,773	-	-	-	2,773
Pension and OPEB related items	(1,758)	-	-	-	(1,758)
Increase (decrease) in liabilities and deferred inflows					
Accounts payable and accrued liabilities	14,624	-	-	-	14,624
Consumer deposits	-	-	-	-	-
Compensated absences payable	1,519	-	-	-	1,519
Net pension liability	(83,943)	-	-	-	(83,943)
Pension and OPEB related items	76,567	-	-	-	76,567
Net cash provided by (used in) operating activities	<u>\$ 1,625,427</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,625,427</u>

City of Brookings
Water – Enterprise Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2021

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Charges for services	\$ 1,765,000	\$ 1,765,000	\$ 1,822,299	\$ 57,299
Interest	13,000	13,000	11,720	(1,280)
Other	40,000	40,405	50,682	10,277
Total revenues	1,818,000	1,818,405	1,884,701	66,296
EXPENDITURES				
Water distribution	632,844	633,249	602,043	31,206
Water treatment	527,744	527,744	513,388	14,356
Debt service	9,572	9,572	8,075	1,497
Contingency	186,877	186,877	-	186,877
Total expenditures	1,357,037	1,357,442	1,123,506	233,936
Excess (deficiency) of revenues over expenditures	460,963	460,963	761,195	300,232
OTHER FINANCING SOURCES (USES)				
Issuance of debt proceeds	17,940	17,940	18,239	299
Transfers out	(838,903)	(838,903)	(838,903)	-
Total other financing sources (uses)	(820,963)	(820,963)	(820,664)	299
Net change in fund balance	(360,000)	(360,000)	(59,469)	300,531
Fund balance at beginning of year	360,000	360,000	218,046	(141,954)
Fund balance at end of year	\$ -	\$ -	158,577	\$ 158,577
RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES				
Inventory			224,096	
Capital assets, net			8,141,496	
Pension related items			(369,943)	
Accrued interest payable			(3,380)	
Compensated absences payable			(10,316)	
Long-term liabilities			(2,083,785)	
OPEB related items			2,550	
Net position at end of year			\$ 6,059,295	

City of Brookings
Water System Replacement – Enterprise Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2021

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Grants	\$ -	\$ -	\$ 65,606	\$ 65,606
System replacement fees	149,000	149,000	155,737	6,737
Interest	1,000	1,000	902	(98)
Total revenues	150,000	150,000	222,245	72,245
EXPENDITURES				
Water system maintenance	649,140	649,140	33,170	615,970
Excess (deficiency) of revenues over expenditures	(499,140)	(499,140)	189,075	688,215
OTHER FINANCING SOURCES (USES)				
Transfers in	335,000	335,000	335,000	-
Transfers out	(185,860)	(185,860)	(185,859)	1
Total other financing sources (uses)	149,140	149,140	149,141	1
Net change in fund balance	(350,000)	(350,000)	338,216	688,216
Fund balance at beginning of year	350,000	350,000	673,392	323,392
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	1,011,608	<u>\$ 1,011,608</u>
RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES				
Accrued interest payable			(1,010)	
Long-term liabilities			(120,752)	
Net position at end of year			<u>\$ 889,846</u>	

City of Brookings
Water System Development – Enterprise Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2021

	Budget	Actual	Variance
REVENUES			
Improvement fees	\$ 35,000	\$ 61,278	\$ 26,278
Reimbursement fees	6,000	11,658	5,658
Total revenues	41,000	72,936	31,936
EXPENDITURES			
Water system	171,000	-	171,000
Total expenditures	171,000	-	171,000
Net change in fund balance	(130,000)	72,936	202,936
Fund balance at beginning of year	130,000	74,641	(55,359)
Fund balance at end of year	<u>\$ -</u>	147,577	<u>\$ 147,577</u>
RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES			
Unavailable revenue		<u>3,797</u>	
Net position at end of year		<u>\$ 151,374</u>	

City of Brookings
Water Loan – Enterprise Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Debt service	<u>\$ 514,033</u>	<u>514,032</u>	<u>\$ 1</u>
Excess (deficiency) of revenues over expenditures	<u>(514,033)</u>	<u>(514,032)</u>	<u>1</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>514,033</u>	<u>514,032</u>	<u>(1)</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<u>331,026</u>	<u>331,027</u>	<u>1</u>
Fund balance at end of year	<u><u>\$ 331,026</u></u>	<u><u>\$ 331,027</u></u>	<u><u>\$ 1</u></u>

City of Brookings
Wastewater – Enterprise Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2021

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Charges for services	\$ 3,219,300	\$ 3,219,300	\$ 3,282,505	\$ 63,205
Intergovernmental	(4,500)	-	-	-
Interest	20,000	20,000	18,033	(1,967)
Other	-	405	404	(1)
Total revenues	3,234,800	3,239,705	3,300,942	61,237
EXPENDITURES				
Wastewater collection	838,473	838,878	706,994	131,884
Wastewater treatment	978,169	978,169	976,869	1,300
Debt service	9,572	9,572	8,074	1,498
Contingency	324,579	324,579	-	324,579
Total expenditures	2,150,793	2,151,198	1,691,937	459,261
Excess (deficiency) of revenues over expenditures	1,084,007	1,088,507	1,609,005	520,498
OTHER FINANCING SOURCES (USES)				
Issuance of debt proceeds	17,940	17,940	18,239	(299)
Transfers out	(1,551,447)	(1,626,447)	(1,626,447)	-
Total other financing sources (uses)	(1,533,507)	(1,608,507)	(1,608,208)	(299)
Net change in fund balance	(449,500)	(520,000)	797	520,797
Fund balance at beginning of year	445,000	445,000	781,526	336,526
Fund balance at end of year	<u>\$ (4,500)</u>	<u>\$ (75,000)</u>	782,323	<u>\$ 857,323</u>
RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES				
Inventory			60,630	
Capital assets, net			8,921,806	
Pension related items			(537,113)	
Accrued interest payable			(1,140)	
Compensated absences payable			(18,900)	
Long-term liabilities			(1,121,781)	
OPEB related items			3,708	
Net position at end of year			<u>\$ 8,089,533</u>	

City of Brookings
Wastewater Loan – Enterprise Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Debt service	<u>\$ 1,236,679</u>	<u>\$ 1,236,678</u>	<u>\$ 1</u>
Total expenditures	<u>1,236,679</u>	<u>1,236,678</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	<u>(1,236,679)</u>	<u>(1,236,678)</u>	<u>1</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>1,236,679</u>	<u>1,236,678</u>	<u>(1)</u>
Total other financing sources (uses)	<u>1,236,679</u>	<u>1,236,678</u>	<u>(1)</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<u>1,122,716</u>	<u>1,121,064</u>	<u>(1,652)</u>
Fund balance at end of year	<u><u>\$ 1,122,716</u></u>	<u><u>\$ 1,121,064</u></u>	<u><u>\$ (1,652)</u></u>

City of Brookings
Wastewater System Replacement – Enterprise Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
System replacement fees	\$ 165,500	\$ 172,637	\$ 7,137
Interest	10,000	9,016	(984)
Total revenues	<u>175,500</u>	<u>181,653</u>	<u>6,153</u>
EXPENDITURES			
Wastewater system maintenance	<u>1,627,297</u>	<u>215,261</u>	<u>1,412,036</u>
Total expenditures	<u>1,627,297</u>	<u>215,261</u>	<u>1,412,036</u>
Excess (deficiency) of revenues over expenditures	<u>(1,451,797)</u>	<u>(33,608)</u>	<u>1,418,189</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	300,000	300,000	-
Transfers out	<u>(148,203)</u>	<u>(148,202)</u>	<u>1</u>
Total other financing sources (uses)	<u>151,797</u>	<u>151,798</u>	<u>1</u>
Net change in fund balance	(1,300,000)	118,190	1,418,190
Fund balance at beginning of year	<u>1,300,000</u>	<u>1,344,061</u>	<u>44,061</u>
Fund balance at end of year	<u>\$ -</u>	<u>1,462,251</u>	<u>\$ 1,462,251</u>
RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES			
Accrued interest payable		(1,473)	
Long-term liabilities		<u>(179,046)</u>	
Net position at end of year		<u>\$ 1,281,732</u>	

City of Brookings
Wastewater System Development – Enterprise Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Improvement fees	\$ 60,000	\$ 102,344	\$ 42,344
Reimbursement fees	124,000	250,395	126,395
Interest	<u>4,000</u>	<u>3,607</u>	<u>(393)</u>
Total revenues	<u>188,000</u>	<u>356,346</u>	<u>168,346</u>
EXPENDITURES			
Wastewater system	<u>1,438,000</u>	<u>-</u>	<u>1,438,000</u>
Total expenditures	<u>1,438,000</u>	<u>-</u>	<u>1,438,000</u>
Net change in fund balance	(1,250,000)	356,346	1,606,346
Fund balance at beginning of year	<u>1,250,000</u>	<u>1,328,319</u>	<u>78,319</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u>1,684,665</u>	<u><u>\$ 1,684,665</u></u>
RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES			
Unavailable revenue		<u>10,618</u>	
Net position at end of year		<u><u>\$ 1,695,283</u></u>	

City of Brookings
Schedule of Property Tax Transactions
For the Year Ended June 30, 2021

CITY OF BROOKINGS

<u>Tax Year</u>	<u>Taxes Receivable July 1, 2020</u>	<u>Current Levy</u>	<u>Discounts and Adjustments</u>	<u>Collections</u>	<u>Taxes Receivable June 30, 2021</u>
2020-21	\$ -	\$ 3,017,596	\$ (84,420)	\$ (2,852,545)	\$ 80,631
2019-20	99,533	-	(2,691)	(57,861)	38,981
2018-19	46,606	-	(1,162)	(24,586)	20,858
2017-18	21,528	-	377	(12,864)	9,041
2016-17	19,801	-	299	(17,974)	2,126
2015-16	12,063	-	352	(11,315)	1,100
2014-15	12,600	-	382	(12,081)	901
Prior years	59,936	-	1,220	(52,557)	8,599
	<u>\$ 272,067</u>	<u>\$ 3,017,596</u>	<u>\$ (85,643)</u>	<u>\$ (3,041,783)</u>	<u>\$ 162,237</u>

BROOKINGS URBAN RENEWAL AGENCY

<u>Tax Year</u>	<u>Receivable July 1, 2020</u>	<u>Current Levy</u>	<u>Discounts and Adjustments</u>	<u>Collections</u>	<u>Receivable June 30, 2021</u>
2020-21	\$ -	\$ 676,662	\$ (19,655)	\$ (638,917)	\$ 18,090
2019-20	19,347	-	(1,919)	(9,473)	7,955
2018-19	11,505	-	832	(7,695)	4,642
2017-18	7,024	-	1,320	(6,355)	1,989
2016-17	3,718	-	842	(4,121)	439
2015-16	2,719	-	182	(2,706)	195
2014-15	2,674	-	141	(2,660)	155
Prior years	8,455	-	382	(7,019)	1,818
	<u>\$ 55,442</u>	<u>\$ 676,662</u>	<u>\$ (17,875)</u>	<u>\$ (678,946)</u>	<u>\$ 35,283</u>

**Report of Independent Auditors Required by
Oregon State Regulations**

Report of Independent Auditors on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Oregon Minimum Audit Standards*

Honorable Mayor and Members of the City Council
City of Brookings, Oregon

We have audited the basic financial statements of City of Brookings, Oregon (the City) as of and for the year ended June 30, 2021 and have issued our report thereon dated November 19, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

Compliance

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-0000 to 162-10-0330, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

- The use of approved depositories to secure the deposit of public funds.
- The requirements relating to debt.
- The requirements relating to the preparation, adoption and execution of the annual budgets for fiscal years 2021 and 2022.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.
- The requirements pertaining to the use of revenue from taxes on motor vehicle use fuel funds.
- The statutory requirements pertaining to the investment of public funds.
- The requirements pertaining to the awarding of public contracts and the construction of public improvements.

However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State.

Internal Control Over Financial Reporting

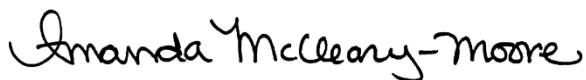
In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Amanda McCleary-Moore, Partner, for
Moss Adams LLP
Medford, Oregon
November 19, 2021

Report Criteria:

Report type: Summary

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
11/21	11/04/2021	87587	5987	49er Communications Inc	10-00-2005	125.95
11/21	11/04/2021	87588	5908	Amazon Capital Services	49-00-2005	587.48
11/21	11/04/2021	87589	993	ATCO International	10-00-2005	280.00
11/21	11/04/2021	87590	2407	Blue Star Gas	10-00-2005	2,426.59
11/21	11/04/2021	87591	313	Brookings Vol Firefighters	10-00-2005	2,250.00
11/21	11/04/2021	87592	715	Budge McHugh Supply	20-00-2005	1,494.39
11/21	11/04/2021	87593	5567	CAL/OR Insurance Specialists Inc	30-00-2005	683.33
11/21	11/04/2021	87594	5070	Canon Solutions America	10-00-2005	56.45
11/21	11/04/2021	87595	5822	Chaves Consulting Inc	49-00-2005	370.20
11/21	11/04/2021	87596	5952	Chetco Auto Marine & Industrial Supply	10-00-2005	530.75
11/21	11/04/2021	87597	5199	Chetco Pelican Players	10-00-2005	217.16
11/21	11/04/2021	87598	3834	Clean Sweep Janitorial Service	25-00-2005	1,055.00
11/21	11/04/2021	87599	4882	Coastal Heating & Air	10-00-2005	145.32
11/21	11/04/2021	87600	5827	Coastal Investments LLC	10-00-2005	1,130.00
11/21	11/04/2021	87601	1745	Coastal Paper & Supply, Inc	10-00-2005	964.38
11/21	11/04/2021	87602	4534	Daily Journal of Commerce Oregon	51-00-2005	1,353.00
11/21	11/04/2021	87603	317	DCBS - Fiscal Services	10-00-2005	312.72
11/21	11/04/2021	87604	1	Margaret Bismarck	20-00-2005	31.04
11/21	11/04/2021	87605	1	Laura Gayman	20-00-2005	141.89
11/21	11/04/2021	87606	1	Dasha Marsden	20-00-2005	104.98
11/21	11/04/2021	87607	1	John & Janice McCollister	20-00-2005	14.35
11/21	11/04/2021	87608	5333	Double D Electric	10-00-2005	2,619.17
11/21	11/04/2021	87609	6096	Ergogenesis Workplace Solutions LLC	30-00-2005	1,280.96
11/21	11/04/2021	87610	5432	First Community Credit Union	25-00-2005	1,102.00
11/21	11/04/2021	87611	298	Freeman Rock, Inc	15-00-2005	830.70
11/21	11/04/2021	87612	5065	Gold Beach Lumber	15-00-2005	24.57
11/21	11/04/2021	87613	4518	Government Ethics Commission	10-00-2005	768.35
11/21	11/04/2021	87614	6097	GP Energy	10-00-2005	2,521.90
11/21	11/04/2021	87615	6030	Hartwick Automotive LLC	10-00-2005	524.53
11/21	11/04/2021	87616	3978	KLB Enterprises	25-00-2005	1,203.64
11/21	11/04/2021	87617	328	Les Schwab Tire Center	15-00-2005	2,477.50
11/21	11/04/2021	87618	4269	Gary Milliman	10-00-2005	300.00
11/21	11/04/2021	87619	4443	Napa Auto Parts-Golder's	15-00-2005	11.83
11/21	11/04/2021	87620	4487	Net Assets Corporation	10-00-2005	800.00
11/21	11/04/2021	87621	5886	Office Depot Inc	10-00-2005	407.96
11/21	11/04/2021	87622	5008	Online Information Services	10-00-2005	125.34
11/21	11/04/2021	87623	699	Oregon Department of Transportation	44-00-2005	92,721.72
11/21	11/04/2021	87624	252	Paramount Pest Control	10-00-2005	215.00
11/21	11/04/2021	87625	5101	Pitney Bowes Reserve Acct	10-00-2005	500.00
11/21	11/04/2021	87626	322	Postmaster	25-00-2005	850.00
11/21	11/04/2021	87627	1840	Rogue Credit Union	15-00-2005	1,356.89
11/21	11/04/2021	87628	6102	South Coast Shopper	10-00-2005	230.00
11/21	11/04/2021	87629	380	Stadelman Electric Inc	20-00-2005	1,423.69
11/21	11/04/2021	87630	4542	Umpqua Bank	45-00-2005	9,774.31
11/21	11/04/2021	87631	861	Village Express Mail Center	10-00-2005	20.17
11/21	11/04/2021	87632	5965	Virtru Corporation	10-00-2005	1,980.00
11/21	11/04/2021	87633	5764	Warner Shelter Systems LTD	50-00-2005	10,105.35
11/21	11/04/2021	87634	5992	Ziply Fiber	30-00-2005	191.87
11/21	11/11/2021	87635	4734	Aramark Uniform Services	10-00-2005	120.00
11/21	11/11/2021	87636	993	ATCO International	10-00-2005	178.20
11/21	11/11/2021	87637	4939	BI- Mart Corporation	10-00-2005	56.45
11/21	11/11/2021	87638	6039	Business Oregon	10-00-2005	9,980.00
11/21	11/11/2021	87639	3834	Clean Sweep Janitorial Service	33-00-2005	980.00

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
11/21	11/11/2021	87640	4713	Corpro Companies	20-00-2005	935.00
11/21	11/11/2021	87641	5939	Country Media Inc	52-00-2005	1,737.56
11/21	11/11/2021	87642	4746	Curry County Treasurer	10-00-2005	176.00
11/21	11/11/2021	87643	259	Da-Tone Rock Products	15-00-2005	1,531.99
11/21	11/11/2021	87644	317	DCBS - Fiscal Services	10-00-2005	280.00
11/21	11/11/2021	87645	317	DCBS - Fiscal Services	10-00-2005	80.00
11/21	11/11/2021	87646	185	Del Cur Supply	10-00-2005	862.76
11/21	11/11/2021	87647	575	Dell Marketing L.P.	49-00-2005	2,205.20
11/21	11/11/2021	87648	1	Sage & Julie Bruce	20-00-2005	28.60
11/21	11/11/2021	87649	1	Michael Fiacco	20-00-2005	145.57
11/21	11/11/2021	87650	1	Janine Rawlins	20-00-2005	175.38
11/21	11/11/2021	87651	3342	Fastenal	15-00-2005	67.76
11/21	11/11/2021	87652	5858	Jacobs Engineering Group Inc	25-00-2005	116,266.82
11/21	11/11/2021	87653	6065	Local Government Law Group PC	10-00-2005	4,480.00
11/21	11/11/2021	87654	329	New Hope Plumbing	50-00-2005	429.50
11/21	11/11/2021	87655	3159	NorthCoast Health Screening	25-00-2005	135.00
11/21	11/11/2021	87656	4781	OHA Cashier	20-00-2005	305.00
11/21	11/11/2021	87657	5155	Oregon Department of Revenue	10-00-2005	707.50
11/21	11/11/2021	87658	4	Judy Pitts	10-00-2005	234.00
11/21	11/11/2021	87659	4	Ray Robison	10-00-2005	234.00
11/21	11/11/2021	87660	4	Alease Valentic	10-00-2005	234.00
11/21	11/11/2021	87661	6120	Nancy Sue Rose	32-00-2005	8.00
11/21	11/11/2021	87662	486	Dept of Forestry	10-00-2005	858.57
11/21	11/11/2021	87663	432	USA Bluebook	20-00-2005	1,785.49
11/21	11/11/2021	87664	2122	Cardmember Service	10-00-2005	5,997.36
11/21	11/11/2021	87665	169	Waste Connections Inc	15-00-2005	1,533.60
11/21	11/11/2021	87666	5992	Ziply Fiber	30-00-2005	122.19
11/21	11/18/2021	87667	5908	Amazon Capital Services	10-00-2005	35.45
11/21	11/18/2021	87668	6121	AutoZone Inc	10-00-2005	104.15
11/21	11/18/2021	87669	5966	BNT Promotional Products	10-00-2005	462.73
11/21	11/18/2021	87670	3015	Charter Communications	30-00-2005	599.98
11/21	11/18/2021	87671	173	Curry Equipment	15-00-2005	611.94
11/21	11/18/2021	87672	5324	Dart Enterprises, Inc	50-00-2005	1,000.00
11/21	11/18/2021	87673	1	Robin Deshazer	20-00-2005	82.88
11/21	11/18/2021	87674	1	ITG Communications	20-00-2005	294.52
11/21	11/18/2021	87675	2640	Dyer Partnership Inc., The	51-00-2005	41,334.90
11/21	11/18/2021	87676	5951	Executech Utah LLC	49-00-2005	30.50
11/21	11/18/2021	87677	6097	GP Energy	10-00-2005	2,407.57
11/21	11/18/2021	87678	139	Harbor Logging Supply	10-00-2005	927.84
11/21	11/18/2021	87679	4526	Janell K. Howard	10-00-2005	468.00
11/21	11/18/2021	87680	4980	iSecure	10-00-2005	33.00
11/21	11/18/2021	87681	5954	Morel Ink	10-00-2005	321.84
11/21	11/18/2021	87682	5789	Moss Adams LLP	75-00-2005	16,875.00
11/21	11/18/2021	87683	5155	Oregon Department of Revenue	10-00-2005	297.00
11/21	11/18/2021	87684	4105	Precision Eyecare PC	10-00-2005	50.00
11/21	11/18/2021	87685	207	Quill Corporation	10-00-2005	410.43
11/21	11/18/2021	87686	169	Waste Connections Inc	10-00-2005	1,231.78
11/21	11/18/2021	87687	5992	Ziply Fiber	25-00-2005	949.70
11/21	11/18/2021	87688	4131	Zumar Industries Inc	15-00-2005	430.16
11/21	11/24/2021	87689	5908	Amazon Capital Services	49-00-2005	331.72
11/21	11/24/2021	87690	6072	Salmon Run Golf Course	10-00-2005	38,000.00
11/21	11/24/2021	87691	5070	Canon Solutions America	10-00-2005	205.50
11/21	11/24/2021	87692	6078	Curry County Reporter	10-00-2005	324.00
11/21	11/24/2021	87693	5042	Curry Health Network	10-00-2005	840.00
11/21	11/24/2021	87694	4534	Daily Journal of Commerce Oregon	53-00-2005	684.70
11/21	11/24/2021	87695	1	Frank Dunn	20-00-2005	19.20

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
11/21	11/24/2021	87696	1	Issai Martinez	20-00-2005	237.68
11/21	11/24/2021	87697	371	Dept. of Environmental Quality	25-00-2005	1,386.00
11/21	11/24/2021	87698	5004	Galls LLC	10-00-2005	32.99
11/21	11/24/2021	87699	167	Hach Company	52-00-2005	17,108.83
11/21	11/24/2021	87700	5789	Moss Adams LLP	10-00-2005	9,850.00
11/21	11/24/2021	87701	3789	Oak Street Health Care Center	25-00-2005	300.00
11/21	11/24/2021	87702	4781	OHA Cashier	20-00-2005	200.00
11/21	11/24/2021	87703	6122	Owens Pump & Equipment	53-00-2005	20,151.00
11/21	11/24/2021	87704	4	Rebecca de Greyt	10-00-2005	72.00
11/21	11/24/2021	87705	4	Peter Paul Giampaoli Jr	10-00-2005	234.00
11/21	11/24/2021	87706	207	Quill Corporation	10-00-2005	146.61
11/21	11/24/2021	87707	3369	Schwabe Williamson & Wyatt PC	20-00-2005	4,261.00
11/21	11/24/2021	87708	956	Suiter's Paint & Body	10-00-2005	300.00
11/21	11/24/2021	87709	3487	Tailored Solutions Corp	10-00-2005	761.00
11/21	11/24/2021	87710	3752	Trace Analytics, LLC	10-00-2005	89.00
11/21	11/24/2021	87711	5973	Tyree Oil Inc	25-00-2005	38.98
11/21	11/24/2021	87712	861	Village Express Mail Center	10-00-2005	66.58
11/21	11/24/2021	87713	4220	Woof's Dog Bakery	61-00-2005	51.99
11/21	11/24/2021	87714	5992	Ziply Fiber	10-00-2005	199.69
Grand Totals:						<u>466,165.77</u>

Dated: _____

Mayor: _____

City Council: _____

City Recorder: _____

Report Criteria:

Report type: Summary

City of Brookings

URBAN RENEWAL AGENCY MEETING MINUTES

City Hall Council Chambers, 898 Elk Drive, Brookings, OR 97415

Monday, May 24, 2021

Call to Order

Mayor Hedenskog called the meeting to order at 7:47 PM

Roll Call

Council Present: Mayor Ron Hedenskog, Councilor Alcorn, Councilor Schreiber, Councilor McKinney, and Councilor Morosky; a quorum present.

Staff present: City Manager Janell Howard, Deputy Financial Director Lu Ehlers, and Deputy Recorder Natasha Tippetts

Media Present: None

Others Present: 3

Consent Calendar

1) Approve URA Minutes for April 26, 2021

Director Schreiber moved, Director Alcorn seconded, and Council voted unanimously to approve the Consent Calendar.

Staff Reports

1. Public Hearing and approval of appropriations for FY 2021-22 Budget and adoption of Resolution 21-R-1203

Staff Report presented by Lu Ehlers

Public Hearing opened at 7:49 PM

No public comments

Public Hearing closed at 7:49 PM

Director Schreiber moved, Director Alcorn seconded, and Council voted unanimously to adopt Resolution 21-R-1203, adopting the Brookings' Urban Renewal Agency's budget, declaring tax increment funding as provided under section 1c, Article IX of the Oregon Constitution and ORS Chapter 457, and making appropriations for the 2021-22 fiscal year.

Oral Requests and Communications from the Audience

1. Rick Bishop, PO Box 269, Brookings; expressed opinions regarding various City procedures

Adjournment

Director Schreiber moved, Director Alcorn seconded and Council voted unanimously to adjourn the meeting at 8:03 PM.

Respectfully submitted:

ATTESTED:
this 13th day of December, 2021:


Ron Hedenskog, Mayor

Janell K. Howard, City Recorder

BROOKINGS URBAN RENEWAL AGENCY


AGENDA REPORT

Meeting Date: December 13, 2021



Signature (submitted by)

Originating Dept: Finance & Admin



City Manager Approval

Subject:

Audit Report for the fiscal year ended June 30, 2021.

Recommended Motion:

Motion to accept the Brookings Urban Renewal Agency's Audit for the fiscal year ended June 30, 2021.

Financial Impact:

None.

Background/Discussion:

Moss Adams LLP completed the Urban Renewal Agency's audit for the fiscal year ending June 30, 2021. An electronic copy of the audit is attached to the packet that is received electronically, and is available on the City's website. A bound hard copy of the audit report has been put in the Agency Members' boxes, and a copy is available for viewing at City Hall.

The Urban Renewal Agency received an unqualified opinion on the June 30, 2021 audit; which means there were no exceptions, findings, or questioned costs.

Attachment:

June 30, 2021 Audit



ANNUAL FINANCIAL REPORT

BROOKINGS URBAN RENEWAL AGENCY
A COMPONENT UNIT OF CITY OF BROOKINGS, OREGON

For the Year Ended June 30, 2021



Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon

Officers and Members of the Governing Body
For the Year Ended June 30, 2021

CITY MANAGER

Janell Howard

DEPUTY FINANCE DIRECTOR

Anella Ehlers

MAYOR

Ron Hedenskog
16956 Old County Road
Brookings, OR 97415

CITY COUNCIL

Brad Alcorn
17199 S Passley Road
Brookings, OR 97415

Ed Schreiber
PO Box 1945
Brookings OR 97415

John McKinney
500 Velopa Court
Brookings, OR 97415

Michelle Morosky
1340 View Court
Brookings, OR 97415

CITY ADDRESS

898 Elk Drive
Brookings, OR 97415

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Statement of activities	2
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Review Report of Independent Accountants

Review Report of Independent Accountants

Honorable Mayor and Members of the City Council
Brookings Urban Renewal Agency

We have reviewed the accompanying financial statements of the governmental activities, each major fund, and the budgetary statement of Brookings Urban Renewal Agency (the Agency), a component unit of City of Brookings, Oregon, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents as of June 30, 2021 and for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of agency management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

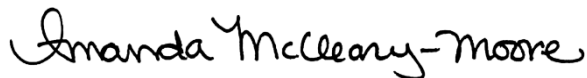
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information, and we do not express an opinion, a conclusion, nor provide any assurance on it.

Supplementary Information

The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Other Information

The management representation of fiscal affairs is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. We have not audited or reviewed such information and we do not express an opinion, a conclusion, nor provide any assurance on it.



Amanda McCleary-Moore, Partner for
Moss Adams LLP
Medford, Oregon
November 19, 2021

Management's Discussion and Analysis



Brookings Urban Renewal Agency

898 Elk Drive, Brookings, OR 97415

(541) 469-2163 Fax (541) 469-3650

www.brookings.or.us

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2021

This discussion and analysis presents the highlights of financial activities and financial position for the Brookings Urban Renewal Agency (Agency), component unit of the City of Brookings, Oregon. The analysis focuses on significant issues, major financial activities and resulting changes in financial position, budget changes, and variances from the budget, and specific issues related to funds and the economic factors affecting the Agency.

Management's Discussion and Analysis (MD&A) focuses on the current year activities and resulting changes from the prior year. Please read it in conjunction with the Agency's financial statements (beginning on page 1).

FINANCIAL HIGHLIGHTS

- The net position of the Agency increased by \$585,790 from \$716,558 to \$1,302,348 at June 30, 2021.
- Governmental activities revenue increased by \$44,286 to \$639,993. This is due to an increase in property tax revenues.
- Overall, expenditures decreased by \$201,698 to \$54,203. This is due to the completion of capital improvements on the Capella parking lot at Azalea Park in the prior year.

REPORT LAYOUT

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

Management's Discussion and Analysis. This section of the report provides financial highlights, overview, and economic factors affecting the Agency.

Basic Financial Statements. Includes Statement of Net Position, Statement of Activities, fund financial statements, and notes to the financial statements. Statements of Net Position and Activities focus on entity-wide presentation using the accrual basis of accounting. They are designed to be more corporate-like in that all activities are consolidated into a total for the Agency.

The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of the assets the Agency owns, the liabilities it owns and the net difference. The net differences if further separated into amounts restricted for specific purposes and unrestricted amounts.

The Statement of Activities presents information showing how the Agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. The focus is on Agency revenues and expenditures, the net of which equals change in net position.

Fund financial statements focus separately on major governmental funds. Governmental fund statements follow the more traditional presentation of financial statements. The Agency's General Fund is presented here along with budgetary comparisons.

The notes to the basic financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Agency's financial condition.

Other Supplementary Information. The report includes other financial information, comments, and disclosures from the independent certified public accountants, as required by Oregon Statutes.

AGENCY AS A WHOLE

Government-Wide Financial Statements

Statement of Net Position at June 30, 2021:

		2021	2020
Assets			
Cash and investments	\$ 1,267,065	\$ 661,209	
Other assets	<u>35,283</u>	<u>55,608</u>	
Total Assets	<u>1,302,348</u>	<u>716,817</u>	
Liabilities			
Long-term liabilities	-	-	
Other liabilities	<u>-</u>	<u>259</u>	
Total Liabilities	<u>-</u>	<u>259</u>	
Net Position			
Unrestricted	<u>\$ 1,302,348</u>	<u>\$ 716,558</u>	

As of June 30, 2021, the Agency had current liabilities of \$0, and no long-term liabilities. Projects completed and assets purchased by the Agency become assets of the City; however, the debt remains with the Agency.

Governmental Activities

The Agency's net position increased by \$585,790 from \$716,558 to \$1,302,348 primarily due to not having any long term debt.

Statement of Activities for the Year Ended June 30, 2021:

Table 2						
Governmental Activities For Fiscal Year Ending						
			2021		2020	
REVENUES						
General revenues						
Taxes			\$ 638,190		\$ 577,988	
Investment earnings			<u>1,803</u>		<u>17,719</u>	
Total revenues			639,993		595,707	
EXPENSES						
Program			<u>54,203</u>		<u>255,901</u>	
Change in net position			585,790		339,806	
Beginning net position			<u>716,558</u>		<u>376,752</u>	
Ending net assets			<u>\$ 1,302,348</u>		<u>\$ 716,558</u>	

Nearly all of the general revenue was tax increment funding. The remainder was from investment earnings.

Program expenses included \$54,203 for agency management and audit expense.

BUDGETARY HIGHLIGHTS

No changes were made from the original 2020-21 adopted General Fund budget.

DEBT ADMINISTRATION

As of June 30, 2021, the Agency had no outstanding debt. The final debt payment was made June 2020 on \$3.4 million debt that was originally financed in 2008.

ECONOMIC FACTORS

Like all municipalities in Oregon, the Agency continues to operate under Measure 50, the tax limitation measure approved by voters on May 20, 1997. This measure rolled back assessed values to 1995-96 levels and effectively limited increased property tax revenues the City could anticipate in future years to a maximum of 3%, with permitted allowances for increasing valuations based on new construction and annexations. No substantive changes to the basic provisions of Measure 50 have been enacted during subsequent Oregon Legislative sessions.

As an urban renewal agency, the Agency receives tax increment revenues; calculated on the assessed value over the frozen base, which was set at the time the urban renewal district was formed. When the Agency completes projects, it is actually investing in itself; as the value of property increases in the district, the tax increment revenues increases.

REQUEST FOR INFORMATION

The Agency's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with the general overview of the Agency's finances and to demonstrate the Agency's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Janell K. Howard
City of Brookings
City Manager/Finance Director
898 Elk Drive
Brookings, OR 97415
(541) 469-2163
jhoward@brookings.or.us

Basic Financial Statements

Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon
Statement of Net Position
June 30, 2021

	Governmental Activities
ASSETS	
Cash and investments	\$ 1,267,065
Receivables	<u>35,283</u>
Total assets	<u>1,302,348</u>
NET POSITION	
Unrestricted	<u><u>\$ 1,302,348</u></u>

Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon
Statement of Activities
For the Year Ended June 30, 2021

	<u>Governmental Activities</u>
PROGRAM EXPENSES	
General government	<u>\$ 54,203</u>
Total program expenses	<u>54,203</u>
GENERAL REVENUES	
Property taxes, levied for debt service	638,190
Unrestricted investment earnings	<u>1,803</u>
Total general revenues	<u>639,993</u>
Change in net position	585,790
NET POSITION - beginning	<u>716,558</u>
NET POSITION - ending	<u><u>\$ 1,302,348</u></u>

Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon
Balance Sheet
Governmental Funds
June 30, 2021

	<u>General</u>	<u>Debt Service</u>	<u>Totals</u>
ASSETS			
Cash and investments	\$ 755,565	\$ 511,500	\$ 1,267,065
Receivables	<u>35,283</u>	<u>-</u>	<u>35,283</u>
Total assets	<u><u>\$ 790,848</u></u>	<u><u>\$ 511,500</u></u>	<u><u>\$ 1,302,348</u></u>
LIABILITIES			
Accounts payable and accrued liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<u>26,694</u>	<u>-</u>	<u>26,694</u>
FUND BALANCES			
Restricted for			
Urban renewal projects	764,154	-	764,154
Debt service	<u>-</u>	<u>511,500</u>	<u>511,500</u>
Total fund balances	<u>764,154</u>	<u>511,500</u>	<u>1,275,654</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u><u>\$ 790,848</u></u>	<u><u>\$ 511,500</u></u>	

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION**

Amounts reported for governmental activities in the statement net position are different because:

Long-term assets which are not available for current-period expenditures are reported as unavailable revenue in the funds. However, such amounts are recognized as revenue in the government-wide financial statements.

26,694

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 1,302,348

Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General	Debt Service	Totals
REVENUES			
Property taxes	\$ 660,813	\$ -	\$ 660,813
Interest	1,803	-	1,803
Total revenues	662,616	-	662,616
EXPENDITURES			
Current			
General government	54,203	-	54,203
Total expenditures	54,203	-	54,203
Excess (deficiency) of revenues over expenditures	608,413	-	608,413
OTHER FINANCING SOURCES (USES)			
Transfer in	-	130,000	130,000
Transfer out	(130,000)	-	(130,000)
Total other financing sources (uses)	(130,000)	130,000	-
Net change in fund balances	478,413	130,000	608,413
Fund balances at beginning of year	285,741	381,500	667,241
Fund balances at end of year	\$ 764,154	\$ 511,500	\$ 1,275,654

Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2021

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 608,413
--------------------------------------------------------	------------

*Amounts reported for governmental activities in the statement of activities
are different because of the following:*

Revenues in the statement of activities that do not
provide current financial resources are not reported
as revenues in the funds as follows:

Taxes	<u>(22,623)</u>
-------	-----------------

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 585,790</u></u>
---------------------------------------------------	--------------------------

Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon
General (Special Revenue) Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
For the Year Ended June 30, 2021

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Property taxes	\$ 582,539	\$ 582,539	\$ 660,813	\$ (78,274)
Interest	2,000	2,000	1,803	197
Total revenues	584,539	584,539	662,616	(78,077)
EXPENDITURES				
Materials and services	60,000	60,000	54,203	5,797
Capital outlay	864,539	864,539	-	864,539
Total expenditures	924,539	924,539	54,203	870,336
Excess (deficiency) of revenues over expenditures	(340,000)	(340,000)	608,413	(948,413)
OTHER FINANCING SOURCES (USES)				
Transfers out	(130,000)	(130,000)	(130,000)	-
Net change in fund balance	(470,000)	(470,000)	478,413	(948,413)
Fund balance at beginning of year	470,000	470,000	285,741	(184,259)
Fund balance at end of year	\$ -	\$ -	\$ 764,154	\$ 764,154

Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon
Notes to Basic Financial Statements
June 30, 2021

Note 1 – Summary of Significant Accounting Policies

Organization

The Brookings Urban Renewal Agency (the Agency), a component unit of the City of Brookings, was organized in July 2003 under ORS 457 and is a municipal corporation created by the City of Brookings to facilitate urban renewal within the boundaries of the City. The City Council serves as the governing body and is accountable for the fiscal matters of the Agency.

Urban renewal areas

Tax allocation bonds for urban renewal plan areas are authorized by state law to 1) eliminate and prevent the development or spread of urban blight and deterioration; and 2) encourage needed urban conservation and rehabilitation and provide for redevelopment of blighted or deteriorated areas.

Projects are financed in urban renewal plan areas as follows:

- The Agency (City Council) selects an urban renewal plan area and defines its boundaries.
- The County Assessor "freezes" the assessed value of property within the urban renewal area. This is referred to as the "frozen" value.
- Any increase in assessed value above the frozen value is called the "incremental value." The tax revenue generated by the tax rate times the incremental value is provided for use in paying the principal and interest on any indebtedness incurred to finance Urban Renewal Projects.
- Urban Renewal Tax Increment revenues are used to repay the indebtedness of the Agency. The proceeds of the indebtedness finance the Agency's activities.

As required by ORS 457.190(3)(a), the Agency has included in its current plan the maximum amount of indebtedness that may be issued or incurred under the plan in the amount of \$15,825,000.

Basis of presentation, measurement focus, and basis of accounting

Government-wide financial statements – The statement of net position and the statement of activities display information about the Agency, including all of its financial activities. Governmental activities are financed primarily through property taxes and proceeds from borrowings.

The statement of activities presents a comparison between direct expenses and program revenues for the Agency's program. The Agency does not allocate indirect expenses. Program revenues include grants and contributions that are restricted to meeting operational requirements. Revenues that are not classified as program revenues, including property taxes, earnings on investments, and the gain on sale of property, are presented as general revenues.

Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon
Notes to Basic Financial Statements
June 30, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

Fund financial statements – The fund financial statements provide information about the Agency's funds. The emphasis of fund financial statements is on major funds, each displayed in a separate column.

The General Fund accounts for general administration of the Agency's urban renewal areas, for acquisition and rehabilitation of blighted and deteriorated areas within the designated urban renewal areas.

The Debt Service Fund accounts for repayment of debt incurred by the Agency.

Measurement focus and basis of accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Agency receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Agency considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments, which are recognized as expenditures to the extent they have been incurred. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt are reported as other financing sources.

Net position classification

Government-wide statements – Equity is classified as net position and displayed in three components:

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon
Notes to Basic Financial Statements
June 30, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the government wide financial statements when both restricted and unrestricted net position are available, unrestricted resources are used only after the restricted resources are depleted.

Governmental fund type fund balance reporting – Governmental type fund balances are to be reported within the fund balance categories listed below:

Non-spendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision making authority for the Agency. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City Council.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The City Council has granted authority to the Administrative Services Director to assign fund balance amounts.

Unassigned – The residual classification for the government’s general fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balances in certain circumstances.

In the governmental fund financial statements, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Agency considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Agency considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

Budget policies and budgetary control – Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds. The modified accrual basis of accounting is used for all budgets. All annual appropriations lapse at fiscal year-end.

Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon
Notes to Basic Financial Statements
June 30, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

The Agency begins its budgeting process by appointing Budget Committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The governing body adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally overexpended.

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The governing body established the levels of budgetary control at the personal services, materials and services, capital outlay, operating contingencies, debt service, and all other requirement levels for all funds.

Budget amounts shown in the financial statements have been revised since the original budget amounts were adopted. The governing body must authorize all appropriation transfers and supplementary budgetary appropriations.

Note 2 – Deposits and Investments

The Agency invests its cash in the City of Brookings, Oregon's cash and investment management pool, which is available for use by all City funds and is unrated. The cash and investment management pool has the general characteristic of a demand deposit account in that City funds may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty. Interest earned from pooled investments is allocated to each fund based on each fund's portion of the total investment balance calculated on a daily basis.

State statutes authorize the County to invest in the State of Oregon Local Government Investment Pool. The LGIP operates in accordance with appropriate State laws. It is not practical to determine the investment risk, collateral, or insurance coverage for the Agency's share of these pooled investments.

Information about the pooled investments, including investment risk, collateral, and insurance coverage, is included in the City's annual financial report and may be obtained by contacting the City's Finance Department at 898 Elk Drive, Brookings, Oregon 97415.

Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon
Notes to Basic Financial Statements
June 30, 2021

Note 3 – Receivables

The Agency's receivables at June 30, 2021 are shown below:

Property taxes \$35,283

Collection procedures – Taxes are levied on July 1 and are payable in three installments due November 15, February 15, and May 5. Curry County bills and collects property taxes for the Agency.

Ensuing year's levy – The Agency will levy 100 percent of the amount of its authority under option one of ORS 457.435(2)(a) for the retirement of long-term obligations principal and interest without making a special levy.

The tax rate limit of \$10 per thousand of assessed value imposed by the Oregon Constitution is not expected to affect this levy.

Note 4 – Unavailable Revenue

Resources owned by the Agency, which are measurable, but not available, and therefore, unavailable in the funds, consist of the following at June 30, 2021:

Property taxes \$26,694

Note 5 – Tax Abatements

The Agency has entered into no tax abatement programs. There are no tax abatement programs entered into by another government reducing the Agency's property tax revenues for the year ended June 30, 2021.

Note 6 –COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency stemming from a new strain of coronavirus that was spreading globally (the "COVID-19 outbreak"). On March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic, triggering volatility in financial markets and a significant impact on the global economy. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report.

Supplementary Information

Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon
Debt Service Fund (Major Fund)
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
For the Year Ended June 30, 2021

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Interest	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service	130,000	130,000	-	130,000
Contingency	-	-	-	-
Total expenditures	130,000	130,000	-	130,000
Excess (deficiency) of revenues over expenditures	(130,000)	(130,000)	-	130,000
OTHER FINANCING SOURCES (USES)				
Transfers in	130,000	130,000	130,000	-
Net change in fund balance	-	-	130,000	130,000
Fund balance at beginning of year	300,000	300,000	381,500	81,500
Fund balance at end of year	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 511,500</u>	<u>\$ 211,500</u>

Brookings Urban Renewal Agency
A Component Unit of City of Brookings, Oregon
Schedule of Property Tax Transactions
For the Year Ended June 30, 2021

<u>Tax Year</u>	<u>Taxes Receivable July 1, 2020</u>	<u>Current Levy</u>	<u>Discounts and Adjustments</u>	<u>Collections</u>	<u>Taxes Receivable June 30, 2021</u>
2020-21	\$ -	\$ 676,662	\$ (19,655)	\$ (638,917)	\$ 18,090
2019-20	19,347	-	(1,919)	(9,473)	7,955
2018-19	11,505	-	832	(7,695)	4,642
2017-18	7,024	-	1,320	(6,355)	1,989
2016-17	3,718	-	842	(4,121)	439
2015-16	2,719	-	182	(2,706)	195
2014-15	2,674	-	141	(2,660)	155
Prior years	8,455	-	382	(7,019)	1,818
	<u>\$ 55,442</u>	<u>\$ 676,662</u>	<u>\$ (17,875)</u>	<u>\$ (678,946)</u>	<u>\$ 35,283</u>

November 19, 2021


Management Representation of Fiscal Affairs

Required by Oregon Regulation

The Brookings Urban Renewal Agency (the Agency), a component unit of the City of Brookings, Oregon is subject to, and responsible for, compliance with various laws, rules, and regulations relating to its operation and finances. Among such laws, rules, and regulations are the requirements prescribed in Municipal Audit Law (ORS Chapter 297) and the Minimum Standards for Review of Oregon Municipal Corporations (OAR 162, division 40) including, but not limited to:

- (a) Deposits of public funds with financial institutions (ORS Chapter 295).
- (b) Indebtedness limitations, restrictions, and repayment.
- (c) Budgets legally required (ORS Chapter 294).
- (d) Insurance and fidelity bonds in force or required by law.
- (e) Programs funded from outside sources.
- (f) Highway revenues used for public highways and roads (ORS Chapters 294, 368 & 373).
- (g) Authorized investment of surplus funds (ORS Chapter 294).
- (h) Public contracts, purchasing, and improvements (ORS Chapters 279A, 279B, and 279C).

The management of the Agency is aware of the requirements of Oregon laws and administrative rules concerning each of the above requirements and has complied, in all material respects, with such requirements. Further, we are not aware of any violations or possible violations of laws, rules, or regulations, whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.


Janell Howard
City Manager


Anella Ehlers
Deputy Finance Director

