



City of Florence  
A City in Motion

## City of Florence Council Regular Session

Videoconference &  
Florence City Hall  
250 Hwy 101  
Florence, OR 97439  
541-997-3437  
[www.ci.florence.or.us](http://www.ci.florence.or.us)

- Meeting materials including information on each agenda item are published at least 24 hours prior to the meeting, and can be found of the City of Florence website at [www.ci.florence.or.us/council](http://www.ci.florence.or.us/council).
- Items distributed during the meeting, meeting minutes, and a link to the meeting video are posted to the City's website at [www.ci.florence.or.us/council](http://www.ci.florence.or.us/council) as soon as practicable after the meeting.
- To be notified of City Council meetings via email, please visit the City's website at <http://www.ci.florence.or.us/newsletter/subscriptions>.

June 21, 2021

## AGENDA

5:30 p.m.

Councilors:

Joe Henry, Mayor

Woody Woodbury, Council President	Sally Wantz, Council Vice-President
Bill Meyer, Councilor	Maggie Wisniewski, Councilor

With 48 hour prior notice, an interpreter and/or TTY: 541-997-3437, can be provided for the hearing impaired. Meeting is wheelchair accessible.

Proceedings will be shown live and for rebroadcast on Cable Channel 191 and online at [www.ci.florence.or.us/citymanager/public-meetings-live](http://www.ci.florence.or.us/citymanager/public-meetings-live) and will be available after the meeting on the City's Vimeo Site.

### COVID-19 UPDATE

Due to federal and state restrictions on public gatherings, the Florence City Council meetings shall be held via videoconference. Members of the public can listen and view the meeting through the 'GoToWebinar' platform at the following link <https://attendee.gotowebinar.com/register/1762892488365273612>.

Meetings are also shown live on Cable Channel 191 and online at <https://www.ci.florence.or.us/citymanager/public-meetings-live>.

**In person attendance is not allowed at City Council meetings.**

Citizens wishing to express their views may submit comments in writing or verbally. For more information, please see the end of this agenda or visit the City of Florence website at [www.ci.florence.or.us/council/request-address-city-council-speakers-card](http://www.ci.florence.or.us/council/request-address-city-council-speakers-card).

### CALL TO ORDER – ROLL CALL – PLEDGE OF ALLEGIANCE

#### PRESENTATIONS & ANNOUNCEMENTS

- Oregon Offshore Wind Planning Efforts – *Whitney Hauer, Bureau of Ocean Energy Management and Andy Lanier, OR Department of Land Conservation and Development*

#### 1. PUBLIC COMMENTS

This is an opportunity for members of the public to bring to the Council's attention any item not otherwise listed on the agenda. *Please see the end of this agenda for methods to provide comments on items that are not on the agenda.*

#### PUBLIC HEARING & ACTION ITEMS

*Please see the end of this agenda for methods to provide comments on hearing items.*

#### 2. EXTENSION OF DEVELOPMENT TIMELINES FOR LAND USE DECISIONS

##### A. PUBLIC HEARING ON PROPOSED TIMELINE EXTENSIONS

Hear and consider written and oral testimony regarding the proposed extension of development timelines for land use applications.

##### B. PLANNING APPLICATION EXTENSIONS

Consider approval of **Ordinance No. 11, Series 2021**, an ordinance relating to extending approved land use decisions, and declaring an emergency.

Wendy  
FarleyCampbell  
Planning Director

## **ACTION ITEMS**

*Please see end of this agenda for methods to provide comments on action items.*

- 3. REGIONAL ACCELERATOR & INNOVATION NETWORK (RAIN)**  
Consider approving the memorandum of understanding between RAIN and the City of Florence in the amount of \$40,000 over the course of FY 2021-2023, to assist in efforts to promote entrepreneurial support programs in Florence, and authorizing the City Manager to proceed with the agreement.

Kelli Weese  
*City Recorder /  
Economic  
Development  
Coordinator*
- 4. AUDITED FINANCIAL STATEMENTS**  
Consider acknowledging the receipt of the audited financial statement for the fiscal year ending June 30, 2020.

Anne Baker  
*Administrative  
Services Director*
- 5. FY 2020-2021 SUPPLEMENTAL BUDGET**  
Consider approval of **Resolution No. 22, Series 2021**, a resolution adopting biennium 2019-2021 supplemental budget appropriations.

Anne Baker  
*Administrative  
Services Director*
- 6. FLORENCE ENTERPRISE ZONE**  
Consider approval of **Resolution No. 23, Series 2021**, a resolution authorizing the submission of the application for the redesignation of the Florence Enterprise Zone to the Oregon Business Development Department to support business activity within the Florence Community.

Kelli Weese  
*City Recorder /  
Economic  
Development  
Coordinator*

## **CONSENT AGENDA**

- 7. AUTOMATED WEATHER OBSERVATION SYSTEM (AWOS) BID AWARD**  
Consider accepting the proposal from Kunert Electric, LLC in the amount of \$360,303 for replacement of the AWOS system at the Florence Municipal Airport as funded by the Critical Oregon Airport Relief (COAR) grant.

Mike Miller  
*Public Works  
Director*
- 8. TOURISM MARKETING & VISITOR PROMOTION SERVICES AGREEMENT**  
Consider authorizing the City Manager to enter into a third renewal agreement with the Florence Area Chamber of Commerce for tourism marketing, visitor promotion, visitor center management / administration, events management and Florence tourism coordination.

Kelli Weese  
*City Recorder /  
Economic  
Development  
Coordinator*
- 9. COAST GUARD CITY RECERTIFICATION APPLICATION**  
Consider approval of **Resolution No. 24, Series 2021**, a resolution supporting the City of Florence's Coast Guard City recertification application.

Megan  
Messmer  
*Assistant City  
Manager*
- 10. 2021 ANNUAL CHIP / LIQUID ROAD SEAL PROGRAM**  
Consider accepting the proposal from Sierra Santa Fe Corporation in the amount of \$134,832 for completion of the annual chip / liquid road seal program and polymer seal of Florence Events Center south parking lot.

Mike Miller  
*Public Works  
Director*
- 11. CITY COUNCIL MEETING MINUTES**  
Consider approval of the meeting minutes from the February 1, 2021, February 22, 2021, and April 5, 2021 Florence City Council meetings.

Kelli Weese  
*City Recorder*
- 12. THE LAUGHING CRAB LIQUOR LICENSE**  
Consider recommendation of approval to the Oregon Liquor Control Commission (OLCC) for a new outlet liquor license for The Laughing Crab, LLC located at 1341 Bay Street, Unit F.

Lezlea Purcell  
*Finance Manager*

**REPORT & DISCUSSION ITEMS**

- 13. **GENERAL REPORTS – Council Question & Answer Only – No Presentations**
  - May Committee, Commission & Volunteer Reports
  
- 14. **CITY MANAGER REPORT & DISCUSSION ITEM**
  
- 15. **CITY COUNCIL REPORTS & DISCUSSION ITEMS**
  - Municipal Court Judge Annual Review

Anne Baker  
Admin. Services  
Director

Erin Reynolds  
City Manager

City Council

**COUNCIL CALENDAR**

*All meetings are held Virtually via GotoWebinar unless otherwise indicated*

<b>Date</b>	<b>Time</b>	<b>Description</b>
July 5, 2021	---	Independence Day Holiday Observed <b>City Offices Closed</b>
	---	City Council Work Session <b>Canceled</b>
	---	City Council Meeting <b>Canceled</b>
July 19, 2021	10:30 a.m.	City Council Work Session <i>Tentative</i>
	5:30 p.m.	City Council Meeting
August 2, 2021	10:30 a.m.	City Council Work Session <i>Tentative</i>
	5:30 p.m.	City Council Meeting
August 16, 2021	10:30 a.m.	City Council Work Session <i>Tentative</i>
	5:30 p.m.	City Council Meeting
September 6, 2021	---	Labor Day Holiday <b>City Offices Closed</b>
	---	City Council Work Session <b>Canceled</b>
	---	City Council Meeting <b>Canceled</b>
September 20, 2021	10:30 a.m.	City Council Work Session <i>Tentative</i>
	5:30 p.m.	City Council Meeting

## UPDATED PUBLIC MEETINGS PROCEDURES – COVID-19

Given executive orders from Governor Brown concerning COVID-19 and social distancing requirements, the City of Florence has established temporary procedures for public meetings in order to protect our volunteers, public and staff.

### **In person attendance is not allowed at City Council meetings.**

**Expressing Views to the City Council:** Citizens wishing to express their views to the City Council may do so in both written and verbal formats.

1. **Written Testimony:** Citizens wishing to express their views to the City Council are encouraged to submit written testimony in one of the following ways:
  - a. Submit written comments via email to City Recorder at [kelli.weese@ci.florence.or.us](mailto:kelli.weese@ci.florence.or.us);
  - b. Mail written comments to Florence City Hall, Attn: City Council, 250 Hwy 101, Florence, OR 97439
  - c. Drop off written comments to the City of Florence drop box located at Florence City Hall (250 Hwy 101) to the right of the main entrance.

**\*\* Note:** Written comments received at least 2 hours prior to the meeting (June 21, 2021 at 3:30 p.m.) will be distributed to the City Council, posted to the City of Florence website, and made part of the record.
2. **Verbal Testimony:** Citizens wishing to express their views to the City Council may participate in the meeting via GotoWebinar. To do so, please complete a speaker's card online at [www.ci.florence.or.us/council/request-address-city-council-speakers-card](http://www.ci.florence.or.us/council/request-address-city-council-speakers-card) at least 1 hour prior to the meeting (June 21, 2021 at 4:30 p.m.). City staff will then contact the speaker to let them know the process to participate in the meeting.
  - a. **Public Comments on items not on the agenda:** General public comments (on items not on the City Council agenda) will be allowed at each City Council meeting during the public comment agenda item. Comments will be limited to three (3) minutes per person, with a maximum of 15 minutes for all items. In practicality, this means no more than five individuals will be allowed to comment verbally. There is no limit on written public comments.
  - b. **Public Hearing Testimony:** Testimony on public hearing items will be allowed when a public hearing is held. Verbal comments will be allowed on public hearing items after staff has given their report and have allowed time for initial Council questions. In general (with some exceptions for Land Use hearings), comments are limited to five minutes per person with no limit on the number of speakers.
  - c. **Public Comments on Action Items:** Public Comments will be allowed on each action item on the City Council agenda. Verbal comments will be allowed on action items after staff has given their report and have allowed time for initial Council questions. Comments will be limited to three (3) minutes per person, with a maximum of 15 minutes for all comments on each action item. In practicality, this means no more than five (5) individuals will be allowed to comment verbally. There is no limit on written public comments.

**For more information on the City of Florence's Temporary Public Meeting Policies, visit the City of Florence website at <https://www.ci.florence.or.us/em/public-meeting-during-covid-19>.**

# Oregon Offshore Renewable Energy

## BOEM-OREGON OFFSHORE WIND PLANNING EFFORTS

### Offshore Wind Energy Planning in Oregon

The Bureau of Ocean Energy Management (BOEM) and the State of Oregon (the State) are committed to offshore wind energy planning with a meaningful and effective data-gathering and engagement process to inform potential offshore wind energy leasing decisions.

This effort includes outreach and engagement with research organizations and potentially interested and affected parties to gather data and information to inform leasing decisions. BOEM and the State, led by the Oregon Department of Land Conservation and Development (DLCD), are seeking to identify potential areas in federal waters offshore Oregon that may be suitable for offshore wind energy development. In partnership with the BOEM Oregon Intergovernmental Renewable Energy Task Force (Task Force), BOEM and DLCD developed the *Data Gathering and Engagement Plan for Offshore Wind Energy in Oregon*, which outlines the activities BOEM and the State will conduct for the outreach and engagement effort. The plan can be found at: [www.boem.gov/Oregon](http://www.boem.gov/Oregon).

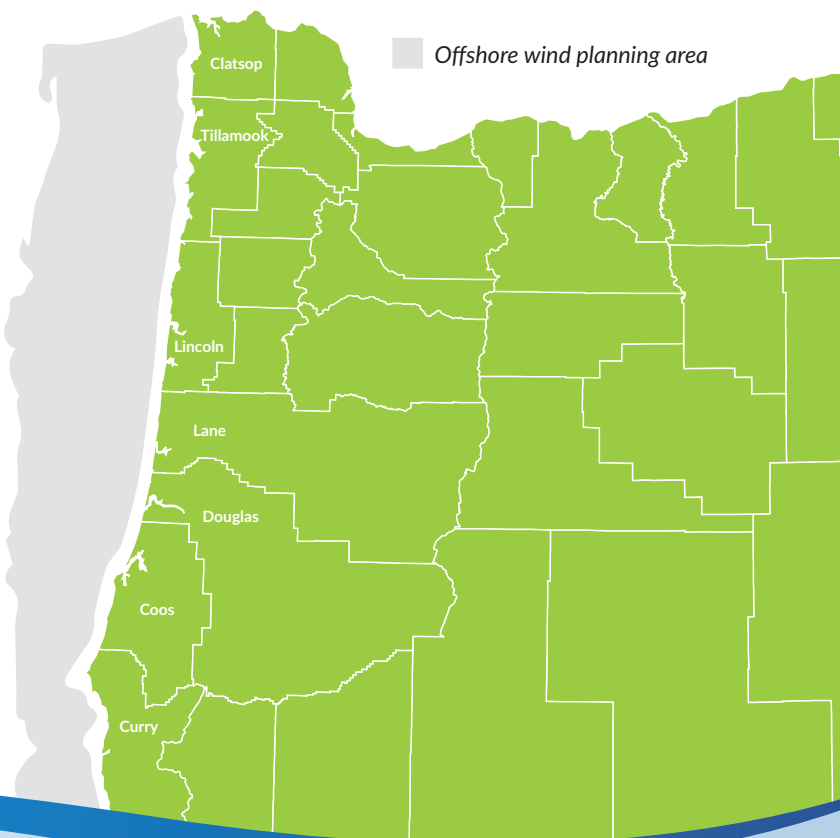
### BOEM Oregon Intergovernmental Renewable Energy Task Force

The Task Force provides coordination among federal, Tribal, state, and local governmental bodies regarding potential renewable energy activities in federal waters offshore Oregon. It serves as a forum to:

- Discuss stakeholder issues and concerns.
- Exchange data and information about biological and physical resources, ocean uses and priorities.
- Facilitate early and continual dialogue and collaboration opportunities.

### Planning Area

BOEM is responsible for regulating offshore energy and mineral uses in federal waters, extending from 3 nautical miles (nm) offshore to the edge of the Exclusive Economic Zone ending at 200 nm offshore Oregon. The planning area for potential leasing offshore Oregon extends to water depths of 1,300 meters (4,265 feet), where the average wind speed is at least 7 meters per second (13.6 knots). However, data-gathering efforts will include environmental information, ocean uses, and other pertinent information along the entire coast, in both federal and state waters, as it relates to offshore wind energy development in Oregon. Relevant onshore data, such as transmission cable routes and landfall, points of interconnection, and access to ports for installation and operation will also be included.



### DID YOU KNOW?

- BOEM manages nearly 2.5 billion acres of offshore energy and mineral resources in federal waters.
- Oregon Governor Kate Brown signed SB 1547 into law, which set a 50% renewable portfolio standard (RPS) requirement for the State to achieve by 2040.
- According to the National Renewable Energy Laboratory, more than 58 gigawatts of technically available offshore wind energy resource exist in federal waters offshore Oregon.

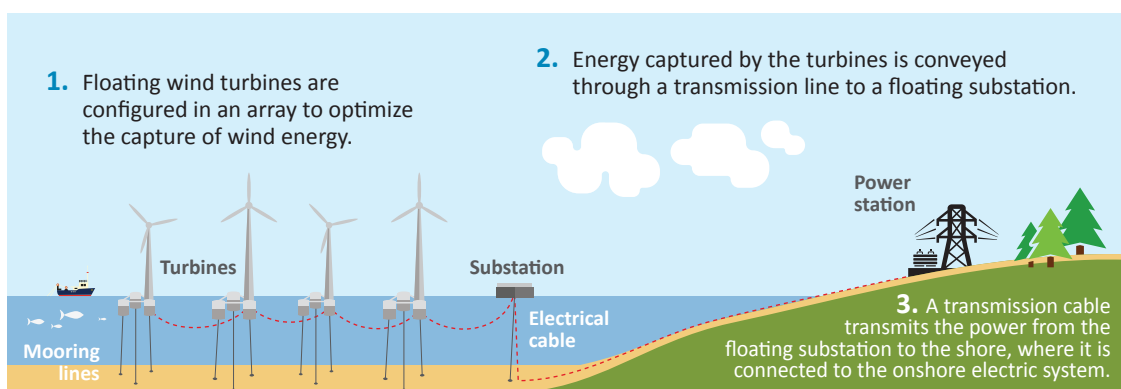
## About Offshore Wind Technology

Countries in Europe and Asia have many offshore wind farms installed providing electricity to millions of people. In the U.S., the 30-megawatt, five-turbine Block Island Wind Farm began producing energy in state waters off Rhode Island in 2016. In 2020, two wind turbines were installed in federal waters offshore Virginia with the Coastal Virginia Offshore Wind Project. On the U.S. West Coast, including Oregon, floating wind energy technology is gaining interest because the Outer Continental Shelf drops off rapidly and is too deep for fixed, bottom-mounted turbines in federal waters. An example floating offshore wind facility is illustrated below.

## How Offshore Floating Wind Farms Work

A project in federal waters must pass through state waters with its electrical cable to get to a land-based substation, requiring federal and state permits in addition to a BOEM lease.

A project in federal waters must pass through state waters with its electrical cable to get to a land-based power substation, requiring federal and state permits in addition to a BOEM lease.



## Data Catalog and Oregon Offshore Wind Mapping Tool (OROWindMap)

The DLCD, in partnership with BOEM, is developing a data catalog and map viewer within the West Coast Ocean Data Portal to provide public access to the best available data throughout the planning process. The Oregon Offshore Wind Mapping Tool (OROWindMap) is an easy-to-use mapping tool that provides visualization capabilities and includes relevant datasets such as wind speed, bathymetry, bird and marine mammal distribution and density, vessel traffic patterns, military-use areas, subsea cables, and commercial fishing datasets. OROWindMap will be used to inform leasing decisions offshore Oregon in the context of existing ocean resources and uses. The State and BOEM are seeking additional existing datasets during this planning process and invite interested parties to participate in a Data Review group to help document gaps and priority resources.

## How Can I Become Involved?

- Sign up to stay informed at [www.boem.gov/OregonUpdate](http://www.boem.gov/OregonUpdate).
- Participate and provide comments in public meetings that are open to everyone and announced when scheduled.
- Stay informed about Oregon offshore wind energy activities and scheduled Task Force meetings at [www.boem.gov/Oregon](http://www.boem.gov/Oregon).
- Contact Whitney Hauer ([whitney.hauer@boem.gov](mailto:whitney.hauer@boem.gov)) or Andy Lanier ([andy.lanier@state.or.us](mailto:andy.lanier@state.or.us)) if you have questions or if your organization would like a presentation about the offshore wind planning effort.
- Contact John Romero ([john.romero@boem.gov](mailto:john.romero@boem.gov)) for public media inquiries.

## List of Resources

- BOEM Oregon Webpage: [www.boem.gov/Oregon](http://www.boem.gov/Oregon)
- Data Gathering and Engagement Plan for Offshore Wind Energy in Oregon: <https://www.boem.gov/BOEM-OR-OSW-Engagement-Plan>
- OROWindMap: <https://offshorewind.westcoastoceans.org/>
- Oregon Offshore Renewable Energy Factsheet: <https://www.boem.gov/BOEM-Oregon-Joint-Effort-Fact-Sheet>
- OROWindMap Factsheet: <https://www.boem.gov/sites/default/files/documents/regions/pacific-ocs-region/renewable-energy/OROWindMapInfo.pdf>
- Selected BOEM-Funded Research Informing Renewable Energy Offshore Oregon: <https://www.boem.gov/Selected-BOEM-Research-Renewable-OR>
- Recorded May 12 & 13 BOEM-Oregon Offshore Wind Energy Planning Public Webinars (under meeting materials tab): <https://www.boem.gov/oregon-virtual-meeting-room>

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**AGENDA ITEM SUMMARY**  
**FLORENCE CITY COUNCIL**

**ITEM NO:** 1  
Meeting Date: June 21, 2021  
Department: Mayor & Council

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**ITEM TITLE:** PUBLIC COMMENTS – *Items Not on the Agenda*

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**DISCUSSION/ISSUE:**

This is an opportunity for members of the audience to bring to the Council's attention any item not otherwise listed on the Agenda. *Please see end of the agenda for methods to provide comments on items not on the City Council agenda.*

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**AGENDA ITEM SUMMARY**  
**FLORENCE CITY COUNCIL**

**ITEM NO:** 2  
Meeting Date: June 21, 2021  
Department: Planning

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**ITEM TITLE:** Time Extension for Land Use Permit Approvals

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**DISCUSSION/ISSUE:**

Proposed Ordinance 11, Series 2021 provides a one-time automatic one-year extension to all approved land use approvals that are currently still active. The proposal will allow these development projects that have already undergone extensive public process and received City approval, but may be slowed down or stalled due to difficult economic conditions and/or materials and employee shortages associated with COVID, to have more time to be completed. For projects with multiple phases, this one-time extension will address those as well because deadlines for subsequent phases are conditioned upon the future approvals of previous phases. Therefore, future phases will automatically be extended with the proposed one-year extension.

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**FISCAL IMPACT:**

As proposed, there would be no submittal requirements, fees or processing time associated with granting the time extensions, and applicants would be notified of the additional time granted by the City. The proposal provides a cost-effective, simple and targeted approach for extending existing approvals that are most likely affected by the current COVID and natural disaster related challenges.

As application fees do not cover the cost to the City to process the application, there will be a cost savings to the City in not repeating the process.

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**RELEVANCE TO ADOPTED CITY WORK PLAN:**

Housing Efforts and Initiatives; Financial Processes and Transparency

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**ALTERNATIVES:**

1. Adopt Ordinance No. 11 as proposed with an emergency clause.;  
or
  2. Adopt Ordinance No. 11 with changes directed by Council and  
with an emergency clause, or
  3. Adopt Ordinance No. 11 without an emergency clause.
  4. Decide not to adopt Ordinance No. 11.
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**RECOMMENDATION:**

Staff: Recommends the City Council adopt Ordinance 11 as proposed.

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**AIS PREPARED BY:** Wendy FarleyCampbell, Planning Director

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**CITY MANAGER'S  
RECOMMENDATION:**



Approve



Disapprove



Other

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Comments:

*ER Reynolds*

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**ITEM'S ATTACHED:**

Ordinance No. 11, Series 2021

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**CITY OF FLORENCE  
ORDINANCE NO. 11, SERIES 2021**

**AN ORDINANCE RELATING TO EXTENDING APPROVED LAND USE  
DECISIONS, AND DECLARING AN EMERGENCY**

**RECITALS:**

1. The Florence City Code (FCC) Title 10 and Title 11 establish certain deadlines for the expiration of land use application approvals before which action on the approved application must commence.
2. For most approvals, the FCC allows for limited extensions of the approval expiration deadlines.
3. The COVID-19 worldwide pandemic has resulted in economic disruption and emergency declarations by federal, state and local officials, including by the City of Florence.
4. Presently, there are a number of development projects within the City of Florence that have received land use approval from the City, and some that have also received an applicable approval period extension that the Code currently allows. Ongoing projects within the City are experiencing hardships related to the current pandemic, including hardship in moving the projects forward due to delays in financing or obtaining necessary resources (e.g., materials and labor).
5. While the City's general rules for the expiration of land use approvals is appropriate under most all situations, the expiration of land use approvals for projects taking place during the current pandemic would result in unnecessary costs and further delays resulting from applicants having to resubmit applications for approval. The usual benefits to the City resulting from expiration deadlines are now outweighed by the costs on developers and staff created by the pandemic's impact on these ongoing projects.
6. It is appropriate that an emergency be declared as to the enactment of this Ordinance as it is necessary for the immediate preservation of the public peace, health and safety, and due to the pending expiration of certain land use approvals and the urgency created by the ongoing pandemic and the pandemic's related economic impacts. This Ordinance shall take effect on its passage so that it is in full force and effect immediately from and after its enactment by the Florence City Council.

Based on these findings,

**THE CITY COUNCIL OF THE CITY OF FLORENCE ORDAINS AS FOLLOWS:**

1. Purpose. Land use decisions within the City of Florence may expire as the Code sets out a particular "expiration" or "lapse of approval" period from the date of approval of the development project. Due to the current unforeseen and unprecedented economic and financial disruptions resulting from the worldwide pandemic, financing and resources for many approved development projects within the City limits are difficult to obtain. This Ordinance is intended to extend the time that an approved land use decision remains effective.

2. Definitions. For purposes of this ordinance only, the following definitions apply:
  - a) "Approved land use decision" means any decision made under the authority of the FCC Title 10 or Title 11, which has not expired or otherwise terminated prior to the effective date of this ordinance.
  - b) "Effective period" means any period of time established in FCC Title 10 or Title 11 after which an approved land use decision could expire, regardless of the language describing the period of time in the Code.
  
3. Extension of effective period.
  - a) The effective period of any approved land use decision is extended by one additional calendar year.
  - b) This extension is in addition to, and not in place of, any other extension allowed by FCC Title 10 or Title 11, so long as the extension is also consistent with subsection d), below.
  - c) This extension does not apply to land use applications approved after the effective date of this ordinance.
  - d) This extension applies only to those approved land use decisions which would otherwise expire prior to May 31, 2022, but which have not expired as of the effective date of this ordinance
  
4. The Council declares an emergency and as such this ordinance shall take effect earlier than the thirtieth day after its enactment as set out in the Florence City Charter Section 31. This ordinance immediately upon its passage by the City Council and its approval by the Mayor.

ADOPTION:

First Reading on \_\_ day of June, 2021.

Second Reading on \_\_ day of \_\_\_\_\_, 2021.

This Ordinance is passed and adopted on the \_\_\_\_ day of \_\_\_\_\_, 2021.

AYES            —  
 NAYS            —  
 ABSTAIN       —  
 ABSENT         —

\_\_\_\_\_  
 Joe Henry, Mayor

Attest:

\_\_\_\_\_  
 Kelli Weese, City Recorder

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**AGENDA ITEM SUMMARY**  
**FLORENCE CITY COUNCIL**

**ITEM NO:** 3  
Meeting Date: June 21, 2021  
Department: Administration

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**ITEM TITLE:** Regional Accelerator & Innovation Network (RAIN) Agreement

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**DISCUSSION/ISSUE:**

As part of the City's economic development efforts, the City of Florence has partnered with the [Oregon Regional Accelerator & Innovation Network \(RAIN\)](#) since November of 2015. RAIN is a 501(c)3 non-profit organization that was founded to advance the formation of local-impact innovative startup companies that generate jobs, wealth, and opportunities for the state.

The RAIN program's mission is to partner with Oregon communities to connect entrepreneurs to resources and contribute to the creation of prosperous economies. They work toward this by implementing and maintaining a start-up / entrepreneurship program with professional workshops and sessions that teach the most cutting-edge methods in startup planning that allow entrepreneurs to evolve their business plans.

These efforts support the City's goals including the Comprehensive Plan Economic Development Policy 4, "The City shall develop partnerships to foster a culture of creativity and entrepreneurship to encourage private business to grow.". The City of Florence works toward this policy through its partnership with the RAIN.

In December of 2016, the City of Florence approved the establishment of a Memorandum of Understanding (MOU) to financially support the efforts to RAIN at a level of \$15,000 each year. In addition, the City has supported their efforts through staff time in marketing and developing the entrepreneurship program and through grant submittals for additional entrepreneurship funding. This agreement was continued for an additional two years at the September 16, 2019 City Council meeting at a level of \$15,000 each year.

At the June 21, 2021 City Council meeting, the City Council will hear a presentation from Ariel Rubin, Venture Catalyst of Oregon RAIN. Ms. Rubin will provide an overview of the work performed over the past year and next steps for the program.

After this presentation, the Council will have an opportunity to consider approval of the updated MOU between the City of Florence and RAIN, with an updated financial support level of \$20,000 each year. This MOU will allow the City to continue to support the efforts of RAIN in providing a pre-accelerator program for Florence to support local entrepreneurs. The MOU includes performance metrics the Oregon RAIN program must perform through the contract including...

- Serving 15-20 entrepreneurs in the City of Florence,
-

- Conducting at least 3 educational seminars, 6 meetups, 1 Community Activation Event, and a showcase demo day for entrepreneurs and prospective entrepreneurs in Florence,
- Hosting a pre-accelerator program for entrepreneurs in Florence,
- Provide ongoing one-on-one mentoring to Florence entrepreneurs who have graduated from the pre-accelerator, with a focus on scaling those companies,
- Recruiting and developing 2-4 new mentors and 1-2 new angel investors to support entrepreneurs,
- Raising additional funds for Rural Venture Catalyst activities.

**FISCAL IMPACT:**

Approval of the Memorandum of Understanding would allocate \$40,000 toward RAIN in the 2021-2023 fiscal years, at the rate of \$20,000 a year. This expenditure was included in the Economic Development budget for the 2021-2023 Biennium.

**RELEVANCE TO ADOPTED CITY WORK PLAN:**

Goal 3 – Economic Development

Priority 2 – Family Wage Jobs & Workforce Development

- Entrepreneurship & Innovation: Objective 1 – Continue to support the Regional Accelerator & Innovation Network (RAIN), Small Business Development Center (SBDC), and the Florence Area Chamber of Commerce entrepreneurship programs.

**ALTERNATIVES:**

1. Approve the MOU between RAIN and the City
2. Approve the MOU between RAIN and the City with amendments
3. Do not approve the MOU between RAIN and the City

**RECOMMENDATION:**

Authorize the City Manager to proceed with an agreement between Oregon RAIN and the City of Florence.

**AIS PREPARED BY:** Kelli Weese, City Recorder / Economic Development Coordinator

**CITY MANAGER'S RECOMMENDATION:**  Approve       Disapprove       Other

Comments: *ER Reynolds*

**ITEM'S ATTACHED:** None

For Reference: Oregon RAIN Website – [www.oregonrain.org](http://www.oregonrain.org)

**AGENDA ITEM SUMMARY  
FLORENCE CITY COUNCIL**

**ITEM NO: 4**  
Meeting Date: June 21, 2021  
Department: Admin Svs Dept.

**ITEM TITLE:** Fiscal Year 2019-20 Audited Financial Statements

**DISCUSSION/ISSUE:**

The City received the audited financial statements for the fiscal year ended June 30, 2020 from its independent auditors. The auditors have provided an unmodified opinion on the statements. The auditors also sent a required communication regarding internal controls, that management responded to. The report and communication have been filed with the Secretary of State. The financial report has been posted online.

For the fiscal year 2019-20, the City received \$1,485,668 in federal funds. In accordance with the Office of Management and Budget (OMB), any entity that expends \$750,000 or more of federal assistance (federal funds, federal grants, or federal awards) must undergo what is called a *Single Audit*. A Single Audit ensures that a recipient of federal funds is in compliance with the federal program’s requirements for how money can be used. The City did not receive any findings or questioned costs in relation to its use of federal funds.

The City ended the fiscal year with \$8,339,782 in fund balance, \$2,242,182 more than was budgeted. The majority of fund balance excess can be attributed to capital projects that were scheduled to be completed in the 2019-20 fiscal year carrying over into the 2020-21 fiscal year. Budgeted contingency is the ending balance for the entire biennium. The chart below is for informational and comparison purposes only, as the 2019-20 fiscal year is the first year of the biennium:

	2019-2020 Fiscal Year		
			Variance
	Budget	Actual	Over(Under)
General Fund	\$ 1,260,300	\$ 1,707,905	\$ 447,605
Street Fund	276,100	215,856	(60,244)
Street SDC Fund	77,900	174,183	96,283
FURA General Fund	158,700	2,035,733	1,877,033
FURA Debt	80,600	80,640	40
9-1-1 Emergency Services	551,500	548,425	(3,075)
Room Tax Fund	134,700	144	(134,556)
GO Bond Debt	1,800	87,021	85,221
Debt Service Fund	571,300	385,033	(186,267)
Water Fund	905,100	562,208	(342,892)
Water SDC Fund	174,000	495,210	321,210
Wastewater Fund	891,800	206,452	(685,348)
Wastewater SDC Fund	63,300	314,883	251,583
Stormwater Fund	229,600	1,020,017	790,417
Stormwater SDC Fund	97,400	107,205	9,805
Airport Fund	158,400	565	(157,835)
Events Center Fund	293,900	373,987	80,087
Public Works Administration	171,200	24,315	(146,885)
	<b>\$ 6,097,600</b>	<b>\$ 8,339,782</b>	<b>\$ 2,242,182</b>

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**FISCAL IMPACT:**

The independent audit of the City's financial statements is an important financial accountability function. Having a clean (unmodified) opinion on the financial statements demonstrates the City's continued good stewardship of the taxpayer's money, creditworthiness to its current and future lenders, it allows the City to be a strong financial partner for grants, and puts the City in a position to continue to receive state funding.

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**RELEVANCE TO ADOPTED CITY WORK PLAN:**

Communicates full fiscal year financial results of operations and balances for assets, liabilities, and equity at June 30, 2020.

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**ALTERNATIVES:** NA

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**RECOMMENDATION:**

Receive Report

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**AIS PREPARED BY:** Anne Baker, Administrative Services Department Director

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**CITY MANAGER'S RECOMMENDATION:**  Approve  Disapprove  Other

Comments: *ER Reynolds*

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**ITEM'S ATTACHED:** **Attachment 1:** FY20 Audit Report  
**Attachment 2:** Auditor's Required Communication  
**Attachment 3:** Single Audit Report

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City of Florence, Oregon  
Annual Financial Report  
Fiscal Year Ended June 30, 2020

**City of Florence, Oregon**  
**Annual Financial Report**  
**Year Ended June 30, 2020**

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## **INTRODUCTORY SECTION**

**City of Florence, Oregon**

**Elected Officials  
And  
Principal Appointed Officers of the City  
June 30, 2020**

	<b><u>ELECTED OFFICIALS</u></b>	<b><u>TERM EXPIRATION</u></b>
<b>Joe Henry</b>	Mayor	December 31, 2022
<b>Woody Woodbury</b>	Council President	December 31, 2022
<b>Sally Wantz</b>	Council Vice-President	December 31, 2024
<b>Maggie Wisniewski</b>	Councilor	December 31, 2022
<b>Bill Meyer</b>	Councilor	December 31, 2024

**ADMINISTRATIVE OFFICIALS**

<b>Erin Reynolds</b>	<b>City of Florence City Manager</b>
<b>Anne Baker</b>	<b>City of Florence Administrative Services Director</b>

**MAILING ADDRESS**

250 Hwy. 101  
Florence, Oregon 97439

## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council  
City of Florence, Oregon

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Florence, Oregon, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise City of Florence's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 City of Florence, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis and schedule of revenues, expenditures and changes in fund balance – budget and actual, as listed in the table of contents under required supplementary information, 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 management's discussion and analysis, schedule of the proportionate share of the net pension liability, schedule of contributions – pension, schedule of proportionate share of OPEB – RHIA, schedule of contributions to OPEB – RHIA, schedule of changes in OPEB liability and related ratios – implicit rate subsidy, and schedule of contributions to OPEB – implicit rate subsidy, as listed in the table of contents under 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.

The schedule of revenues, expenditures and changes in fund balance – budget and actual, as listed in the table of contents under required supplementary information, are the responsibility of management and were 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, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Supplemental and Other Information*

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

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

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2021 on our consideration of City of Florence's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report

is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Florence's internal control over financial reporting or on compliance. That report is issued separately and is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Florence's internal control over financial reporting and compliance.

**Other Reporting Required by Oregon Minimum Standards**

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated May 7, 2021, on our consideration of City of Florence'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.



For Merina+Co  
Tualatin, Oregon  
May 7, 2021

## Management's Discussion and Analysis

The management of the City of Florence offers readers of the City of Florence's financial statements this narrative overview and analysis of the financial activities of the City of Florence for the fiscal year ended June 30, 2020.

### Financial Highlights

The City's governmental activities assets totaled \$32.1 million at June 30, 2020, consisting of \$24.8 million in net capital assets, \$5.4 million in cash and cash equivalents and \$1.9 million in receivables and other assets. The City's governmental activities liabilities totaled \$16.8 million at June 30, 2020, consisting of \$15.2 million in noncurrent liabilities and \$1.5 million in accounts payable and other current liabilities. Total net position was \$16.1 million, of which \$12.4 million were invested in capital assets, net of related debt, \$3.5 million was restricted and the remaining \$3 million was unrestricted.

The City's governmental activities net position decreased by \$91,353 or 0.56 percent. Overall governmental activities revenue decreased \$2.8 million or 25.6 percent. The most significant change was a decrease of \$2.8 million, or 87.9 percent, in the capital grants and contributions driven by grants funding the ReVision Florence project received in the prior year.

The City's business-type activities assets totaled \$40.4 million at June 30, 2020, consisting of \$36.9 million in capital assets, \$2.9 million in cash and cash equivalents and \$0.5 million in receivables and other assets. The City's business-type activities liabilities totaled \$11.4 million at June 30, 2020, consisting of \$9.7 million in noncurrent liabilities and \$1.7 million in accounts payable and other liabilities. Total net position was \$29.3 million of which \$27.4 million was invested in capital assets, net of related debt, \$1.0 million was restricted and the remaining \$9 million was unrestricted.

The City's business-type activities net position increased by \$.6 million or 2.0 percent. Business-type activities revenue decreased by \$.5 million, or 6.2 percent. Decreases in capital grants were a major contributing factor decreasing \$0.6 million, or 45.3 percent over the prior year due to the completion of the Airport runway project in the prior year. Charges for services increased \$144,600, or 2.2 percent. The City did not adjust utility rates (water, wastewater or stormwater) in fiscal year 2020, in response to the Corona Virus (COVID-10) Pandemic. Future increases of approximately the consumer price index based on the CPI-W for March – February are anticipated.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Florence's basic financial statements. The City of Florence's basic financial statements are comprised of three components:

1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The statement of net position presents information on all of the City of Florence's 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 of the City of Florence is improving or deteriorating.

The statement of activities presents information showing how the City'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. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Florence 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 governmental activities of the City of Florence include general government, public safety, highways and streets, culture and recreation, and economic development. The business-type activities include an events center, airport, water, wastewater and stormwater services.

**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 of Florence, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Florence can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Florence maintains ten individual governmental funds, which includes two funds from a blended component unit, the Florence Urban Renewal Agency. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Street Fund, Florence Urban Renewal Agency General Fund, Debt Service Fund, City FURA Debt Service Fund and the FURA Debt Service Fund.

Data for the remaining funds are combined into a single aggregate presentation. Individual fund data for each of the remaining funds is provided in the form of combining schedules in the other supplemental information.

**Proprietary Funds.** The City of Florence maintains two types of proprietary funds. Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Florence uses five enterprise funds to account for its water, wastewater, stormwater, events center, and airport activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

**Fiduciary funds.** Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments. Agency funds are custodial in nature and do not involve measurement of results of operations.

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

**Required Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including financial information and disclosures that are required by the GASB, but are not considered a part of the basic financial statements. Budgetary comparison schedules for major governmental funds are presented immediately following the notes to the basic financial statements.

**Other Supplementary Information.** The combining statements referred to earlier in connection with non-major governmental funds and budgetary comparison schedules for both the non-major governmental funds and the proprietary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found in the other supplementary information of this report.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Florence, assets exceeded liabilities by \$45.4 million as of June 30, 2020.

The City of Florence's net investment in capital assets reflects its investment in capital assets (e.g., land, buildings, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Florence uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Florence's investment 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

Table 1 - Net Position as of June 30  
(Thousands)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 7,316	\$ 9,557	\$ 3,481	\$ 3,942	\$ 10,797	\$ 13,499
Capital assets	24,797	22,893	36,873	36,971	61,670	59,864
Total assets	32,113	32,450	40,354	40,913	72,467	73,363
Deferred outflow of resources	1,125	1,132	480	451	1,605	1,583
Long-term liabilities	15,188	16,354	9,734	12,053	24,922	28,407
Other liabilities	1,586	687	1,685	493	3,271	1,180
Total liabilities	16,774	17,041	11,419	12,546	28,193	29,587
Deferred inflow of resources	325	310	139	124	464	434
<b>Net position:</b>						
Net investment in capital assets	12,397	9,680	27,375	26,175	39,772	35,855
Restricted for:					-	-
Public safety	548	368	-	-	548	368
Urban renewal	2,036	3,920	-	-	2,036	3,920
Tourism/economic development	-	82	-	-	-	82
Transportation	216	383	-	-	216	383
System development	174	490	958	864	1,132	1,354
Debt service	472	704	-	-	472	704
Net OPEB Benefits	40	-	17	-	57	-
Event center, non-expendible	-	-	75	79	75	79
Unrestricted	256	603	851	1,575	1,107	2,178
Total net position	\$ 16,139	\$ 16,231	\$ 29,276	\$ 28,694	\$ 45,415	\$ 44,925

At the end of the current and past fiscal years, the City of Florence is able to report positive balances of net position in its governmental activities, business-like activities and the government as a whole.

**Governmental activities.** Governmental activities slightly decreased the City of Florence's net position. COVID increased spending in many areas, however, funding through the Corona Virus Aid, Relief and Economic Security Act (CARES Act) mitigated those effects. Key elements affecting net position are as follows:

- Franchise fees and lodging taxes remained steady with no increases due to COVID-19
- Decrease in operating grants and contributions of \$0.31 million, 22.6%
- Capital grants and contributions decreased from prior year by \$2.8 million, 87.9%
- Only a slight overall increase in general government expenditures of \$0.3 million from prior year as departments slowed spending in response to COVID, 3.65%
- Property Taxes were not affected for the 2020 fiscal year
- Increase in highways and streets spending of \$0.15 million, 14.14%

Table 2 - Changes in Net Position  
(Thousands)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenue</b>						
<b>Program revenue</b>						
Charges for services	\$ 1,776	\$ 1,470	\$ 6,656	\$ 6,512	\$ 8,432	\$ 7,982
Operating grants and contributions	1,074	1,387	12	2	1,086	1,389
Capital grants and contributions	390	3,225	722	1,320	1,112	4,545
<b>General revenue</b>						
Property taxes	3,385	3,231	-	-	3,385	3,231
Franchise and lodging taxes	1,409	1,558	-	-	1,409	1,558
Investment earnings	116	85	88	137	204	222
<b>Total revenue</b>	<b>8,150</b>	<b>10,956</b>	<b>7,478</b>	<b>7,971</b>	<b>15,628</b>	<b>18,927</b>
<b>Expenses</b>						
<b>Governmental activities</b>						
Administration	2,216	2,029	-	-	2,216	2,029
Community development	801	831	-	-	801	831
Public safety	3,521	3,247	-	-	3,521	3,247
Parks	259	205	-	-	259	205
Transportation	1,209	1,059	-	-	1,209	1,059
Non-departmental	115	395	-	-	115	395
Interest expense	416	329	-	-	416	329
<b>Business-type activities</b>						
Water	-	-	2,141	1,986	2,141	1,986
Wastewater	-	-	2,949	2,667	2,949	2,667
Stormwater	-	-	473	367	473	367
Events center	-	-	775	800	775	800
Airport	-	-	263	198	263	198
<b>Total expenses</b>	<b>8,537</b>	<b>8,095</b>	<b>6,601</b>	<b>6,018</b>	<b>15,138</b>	<b>14,113</b>
<b>Change in net position before non-operating items</b>	<b>(387)</b>	<b>2,861</b>	<b>877</b>	<b>1,953</b>	<b>490</b>	<b>4,814</b>
<b>Transfers</b>	<b>295</b>	<b>560</b>	<b>(295)</b>	<b>(560)</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>(92)</b>	<b>3,421</b>	<b>582</b>	<b>1,393</b>	<b>490</b>	<b>4,814</b>
Net position, beginning	16,231	12,810	28,694	27,165	44,925	39,975
Restatement	-	-	-	136	-	136
Net position, beginning, as restated	16,231	12,810	28,694	27,301	44,925	40,111
<b>Net position, ending</b>	<b>\$ 16,139</b>	<b>\$ 16,231</b>	<b>\$ 29,276</b>	<b>\$ 28,694</b>	<b>\$ 45,415</b>	<b>\$ 44,925</b>

**Business-type activities.** Business-type activities increased the City of Florence's net position by \$.58 million, or 2.0 percent. Key elements of this increase are as follows:

- Increase in expenditures of \$0.6 million, 9.7 percent, from the prior year
- COVID-19 had a negative effect on utility charges, which contributed to a decrease in revenue of \$0.14 million, (2.2 percent), from the prior year
- Decrease in capital grants & contributions of \$0.60 million, (45.33 percent), from prior year
- Decrease in transfers of \$0.27 million, (47.38 percent), from the prior year

## Financial Analysis of the Government's Funds

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

**Governmental funds.** The focus of the City of Florence's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Florence's financing requirements. In particular, the *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Florence's governmental funds reported combined ending fund balances of \$5.2 million, a decrease of \$2.5 million in comparison with the prior year. The decrease is attributable to the completion of the ReVision Florence project and the use of \$1.88 million in debt proceeds financing the project, and \$0.48 million decrease in the Street Fund as projects were started and the grants funding those projects have yet to be received.

The General Fund is the chief operating fund of the City of Florence. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1.63 million, a decrease of \$0.39 million, or 19.31 percent.

**Proprietary funds.** The City of Florence's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position as of June 30, 2020 of the City's enterprise funds is as follows:

- Water Fund \$0.40 million, a decrease of \$0.58 million, (58.9) percent
- Wastewater Fund \$(.13) million, a decrease of \$0.02 million, (19.9) percent
- Stormwater Fund \$0.95 million, an increase of \$0.20 million, 26.2 percent
- Airport Fund \$0.24 million, a decrease of \$0.06 million, (69.9) percent
- Events Center Fund \$0.93 million, a decrease of \$0.90 million, (49.1) percent

### General Fund Budgetary Highlights

The City adopted a biennial budget for the two-year biennium of July 1, 2019 to June 30, 2021. The fiscal year 2020 allocated General Fund budget for revenues was \$6.7 million. Actual revenue for the fiscal year was \$6.6 million. A negative variance in revenue of \$0.1 million resulted as franchise fees were \$0.1 million less than budgeted, a local law enforcement contract expected did not materialize, and property taxes and carryover were \$0.19 million more than budgeted. Other revenue categories were near budgeted amounts.

The fiscal year 2020 actual General Fund expenditures totaled \$5.7 million. All General Fund departmental budgets were underspent relative to allocated budgets for the biennium.

### Capital Asset and Debt Administration

**Capital assets.** The City of Florence's investment in capital assets for its governmental and business-type activities as of June 30, 2020, amounts to \$61.7 million (net of accumulated depreciation). This represents an increase of \$1.8 million, or 2.95 percent. Governmental Activities capital assets increased \$1.9 million, 8.32% resulting from the work for the ReVision Florence project to be completed in Summer 2020. The business-type funds realized a decrease of \$.1 million, (0.2%) due to the depreciation of the assets. Additionally, \$1.3 million of debt was paid off during the year while \$1.9 million in depreciation was realized.

The investment in capital assets includes land, buildings and improvements, utility infrastructure, vehicles and equipment, park facilities, roads and work in progress within these various categories, net of depreciation.



The following table summarizes the City of Florence's capital assets as of June 30, 2020:

Table 3 - Capital Assets as of June 30th  
(Thousands)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 2,031	\$ 2,031	\$ 1,868	\$ 1,868	\$ 3,899	\$ 3,899
Buildings and improvements	7,640	7,921	16,765	16,195	24,405	24,116
Equipment & vehicles	631	694	1,708	1,405	2,339	2,099
Utility systems	-	-	6,417	5,441	6,417	5,441
Infrastructure	8,193	8,043	8,677	9,113	16,870	17,156
Construction in progress	6,303	4,205	1,438	2,949	7,741	7,154
Capital assets, net of depreciation	<u>\$ 24,798</u>	<u>\$ 22,894</u>	<u>\$ 36,873</u>	<u>\$ 36,971</u>	<u>\$ 61,671</u>	<u>\$ 59,865</u>

Additional information on the City of Florence's capital assets can be found in note III.D.

**Long-term debt.** At the end of the fiscal year, the City of Florence had total long-term liabilities outstanding of \$24.9 million. During fiscal year 2020, the City paid principal on outstanding debt totaling \$2.1 million. The City timely paid its debt service payments during the year and was in compliance with required debt covenants, with the exception of completing its annual audit timely.

Table 4 - Outstanding Long-term Debt Obligations as of June 30th  
(Thousands)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Bonds payable	\$ 2,089	\$ 2,364	\$ 1,693	\$ 2,507	\$ 3,782	\$ 4,871
Unamortized bond premium	15	16	45	72	60	88
Notes payable	10,296	10,833	7,759	8,217	18,055	19,050
Total	<u>\$ 12,400</u>	<u>\$ 13,213</u>	<u>\$ 9,497</u>	<u>\$ 10,796</u>	<u>\$ 21,897</u>	<u>\$ 24,009</u>

Additional information on the City of Florence's long-term debt and liabilities can be found in note III.E.

### Economic Factors and Next Year's Budgets and Rates

In preparing the budget for the 2019-21 biennium, City management presented two-year spending in addition to a six-year financial plan for consideration and approval by the City's Budget Committee and City Council. The budget included updated assumptions for inflation and adjustments to utility rates and other City fees and charges for the two-year period. City utility rates were increased annually by the CPI-W, with additional phased-in adjustments to address equity considerations identified in the utility rate study, street revenue was increased to provide additional funding for street maintenance. Other fees and charges were adjusted to recover costs associated with inflation.

Due to the onset of the COVID-19 pandemic, the City elected to forgo the budgeted increase in rates for the 2020-21 fiscal year. Other factors that will have to be addressed are the impacts the pandemic will have on lodging taxes, utility revenues, and state shared revenue.

The local economy shows signs of low to moderate growth, with additional real estate development, and increased tourism. Increases to property valuation is slowly meeting expectations, and revenue forecasts were adjusted accordingly. Personnel costs, due to the increased cost of PERS and health care above inflation, are still outpacing increases in revenue. The City continues to offset this disparity by retaining its staff size, investing in technology where beneficial, thus becoming more efficient. Additionally, the City continues to outsource various functions where cost savings can be realized.

Annual inflation is projected to remain in the 1.5 percent to 3.0 percent range, while local population growth is projected to remain at or below 1.0 percent annually. Development activity is trending upward with the potential for several projects to seek development approval during the next two-year period.

### Requests for information

This financial report is designed to provide a general overview of the City of Florence's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administrative Services Director, 250 Highway 101, Florence, 97439.

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## **BASIC FINANCIAL STATEMENTS**

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements include interrelated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
  
- Fund Financial Statements
  - Governmental Funds
  - Proprietary Funds
  - Fiduciary Fund

In addition, the notes to the basic financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

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**CITY OF FLORENCE, OREGON**  
**STATEMENT OF NET POSITION**  
**June 30, 2020**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 5,389,071	\$ 2,885,204	\$ 8,274,275
Receivable, net:			
Accounts	495,140	469,145	964,285
Taxes	154,605	-	154,605
Assessments	1,135,047	-	1,135,047
Prepaid expenses	79,764	299	80,063
Inventory	-	70,314	70,314
Total current assets	<u>7,253,627</u>	<u>3,424,962</u>	<u>10,678,589</u>
Noncurrent assets:			
Notes receivable	21,925	38,971	60,896
Capital assets:			
Non-depreciable	8,334,073	3,306,288	11,640,361
Depreciable	16,463,647	33,566,605	50,030,252
Net OPEB asset	40,233	17,149	57,382
Total noncurrent assets	<u>24,859,878</u>	<u>36,929,013</u>	<u>61,788,891</u>
Total assets	<u>32,113,505</u>	<u>40,353,975</u>	<u>72,467,480</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows related to pensions	1,071,967	456,912	1,528,879
Deferred outflows related to OPEB	53,229	22,689	75,918
Total deferred outflows of resources	<u>1,125,196</u>	<u>479,601</u>	<u>1,604,797</u>
Total assets and deferred outflows of resources	<u>\$ 33,238,701</u>	<u>\$ 40,833,576</u>	<u>\$ 74,072,277</u>
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable and accrued expenses	\$ 203,656	\$ 242,673	\$ 446,329
Accrued payroll and other payroll liabilities	190,444	-	190,444
Interest payable	60,067	25,325	85,392
Deposits	20,000	-	20,000
Retainage payable	5,843	-	5,843
Due to other funds	-	3,029	3,029
Compensated absences	299,955	118,381	418,336
Current debt payable	805,799	1,295,360	2,101,159
Total current liabilities	<u>1,585,764</u>	<u>1,684,768</u>	<u>3,270,532</u>
Noncurrent liabilities:			
Net pension liability	3,381,681	1,441,400	4,823,081
Other post employment benefits	212,200	90,448	302,648
Notes and bonds payable	11,594,554	8,202,080	19,796,634
Total noncurrent liabilities	<u>15,188,435</u>	<u>9,733,928</u>	<u>24,922,363</u>
Total liabilities	<u>16,774,199</u>	<u>11,418,696</u>	<u>28,192,895</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflows related to pensions	301,681	128,587	430,268
Deferred inflows related to OPEB	23,459	9,999	33,458
Total deferred inflows of resources	<u>325,140</u>	<u>138,586</u>	<u>463,726</u>
<b>NET POSITION:</b>			
Net investment in capital assets	12,397,367	27,375,453	39,772,820
Restricted for:			
Public safety	548,425	-	548,425
Tourism	144	-	144
Urban renewal projects	2,035,733	-	2,035,733
Transportation	215,856	-	215,856
System development charges	174,183	957,682	1,131,865
Debt service	472,054	-	472,054
Net OPEB benefits	40,233	17,149	57,382
Events center	-	74,864	74,864
Unrestricted	255,367	851,146	1,106,513
Total net position	<u>16,139,362</u>	<u>29,276,294</u>	<u>45,415,656</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 33,238,701</u>	<u>\$ 40,833,576</u>	<u>\$ 74,072,277</u>

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

**CITY OF FLORENCE, OREGON**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2020**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>Primary Government</b>			
Governmental activities:			
Administration	\$ 2,216,213	\$ 1,028,731	\$ 321,373
Community development	801,269	-	-
Public safety	3,521,290	246,949	116,061
Parks	258,707	500,082	32,700
Transportation	1,208,977	-	603,688
Non-departmental	115,055	-	-
Interest on long-term debt	415,731	-	-
Total governmental activities	<u>8,537,242</u>	<u>1,775,762</u>	<u>1,073,822</u>
Business type activities:			
Water	2,141,121	2,271,239	4,570
Wastewater	2,948,543	3,370,135	4,710
Stormwater	473,219	564,102	1,374
Events Center	774,499	315,538	1,602
Airport	263,277	135,192	-
Total business type activities	<u>6,600,659</u>	<u>6,656,206</u>	<u>12,256</u>
Total government	<u>\$ 15,137,901</u>	<u>\$ 8,431,968</u>	<u>\$ 1,086,078</u>
General revenues:			
Taxes:			
Property taxes			
Franchise taxes			
Transient lodging tax			
Unrestricted interest and investment earnings			
Transfers in (out)			
Total general revenues and transfers			
Change in net position			
Net position, beginning			
Net position, ending			

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

Program Revenues	Net (Expense) Revenue and Change in Net Position		
	Capital Grants and Contributions	Governmental Activities	Business Type Activities
\$ 340,036	\$ (526,073)	\$ -	\$ (526,073)
-	(801,269)	-	(801,269)
-	(3,158,280)	-	(3,158,280)
-	274,075	-	274,075
50,209	(555,080)	-	(555,080)
-	(115,055)	-	(115,055)
-	(415,731)	-	(415,731)
<u>390,245</u>	<u>(5,297,413)</u>	<u>-</u>	<u>(5,297,413)</u>
135,601	-	270,289	270,289
308,132	-	734,434	734,434
71,260	-	163,517	163,517
127,233	-	(330,126)	(330,126)
79,359	-	(48,726)	(48,726)
<u>721,585</u>	<u>-</u>	<u>789,388</u>	<u>789,388</u>
<u>\$ 1,111,830</u>	<u>(5,297,413)</u>	<u>789,388</u>	<u>(4,508,025)</u>
	3,385,338	-	3,385,338
	1,115,569	-	1,115,569
	294,222	-	294,222
	116,456	87,587	204,043
	<u>294,475</u>	<u>(294,475)</u>	<u>-</u>
	<u>5,206,060</u>	<u>(206,888)</u>	<u>4,999,172</u>
	(91,353)	582,500	491,147
	<u>16,230,715</u>	<u>28,693,794</u>	<u>44,924,509</u>
	<u>\$ 16,139,362</u>	<u>\$ 29,276,294</u>	<u>\$ 45,415,656</u>

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



## **FUND FINANCIAL STATEMENTS**

### **Major Governmental Funds**

#### **General Fund**

The General Fund accounts for the financial operations of the City not accounted for in any other fund. Principal sources of revenues are property taxes, licenses and permits, franchise fees and State shared revenues. Primary expenditures are for police protection, insurance and general administration.

#### **Street Fund**

This fund accounts for gas tax apportionment and system development charges designated for street and highway projects.

#### **Florence Urban Renewal Agency General Fund**

This fund accounts for the activities associated with the City's Urban Renewal Plan. The primary resources are debt proceeds, grants and developer contributions.

#### **Debt Service Fund**

This fund is used to accounts for all principal and interest debt payments, except the general obligation bond debt for water treatment plant improvements.

#### **City FURA Debt Service Fund**

This fund accounts for the issuance and repayment of City issued debt obligations that are loaned by the City to FURA per the terms of an intergovernmental agreement (IGA) between the parties. The source of repayment are payments from FURA. This Fund was closed during the fiscal year.

#### **FURA Debt Service Fund**

This fund accounts for the repayment of debt issued to finance the urban renewal agency's projects and programs, including debt obligations to the City. The primary revenue source is property taxes.

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**CITY OF FLORENCE, OREGON  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
June 30, 2020**

	General Fund	Street Fund	Florence Urban Renewal Agency General Fund
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 1,901,020	\$ 340,242	\$ 2,055,745
Receivable, net:			
Accounts	367,671	80,260	-
Taxes	108,571	-	-
Assessments	127,276	17,334	-
Prepaid expenses	79,764	-	-
Notes receivable	-	21,925	-
	<u>-</u>	<u>21,925</u>	<u>-</u>
Total assets	<u>\$ 2,584,302</u>	<u>\$ 459,761</u>	<u>\$ 2,055,745</u>
<b>LIABILITIES:</b>			
Accounts payable and accrued expenses	\$ 151,104	\$ 9,965	\$ 14,169
Accrued payroll and other payroll liabilities	190,444	-	-
Deposits	-	20,000	-
Retainage payable	-	-	5,843
	<u>-</u>	<u>-</u>	<u>5,843</u>
Total liabilities	<u>341,548</u>	<u>29,965</u>	<u>20,012</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue - property taxes	105,658	-	-
Unavailable revenue - other	269,409	498	-
Unavailable revenue - intergovernmental	32,506	-	-
Unavailable revenue - SDC and assessments receivables	127,276	39,259	-
	<u>534,849</u>	<u>39,757</u>	<u>-</u>
<b>FUND BALANCES:</b>			
Nonspendable	79,764	-	-
Restricted for:			
Public safety	-	-	-
Tourism	-	-	-
Urban renewal projects	-	-	2,035,733
Transportation	-	215,856	-
System development charges	-	174,183	-
Debt service	-	-	-
Unassigned	1,628,141	-	-
	<u>1,707,905</u>	<u>390,039</u>	<u>2,035,733</u>
Total fund balances	<u>1,707,905</u>	<u>390,039</u>	<u>2,035,733</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,584,302</u>	<u>\$ 459,761</u>	<u>\$ 2,055,745</u>

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

Debt Service Fund	City FURA Debt Service Fund	FURA Debt Service Fund	Total Non-Major Governmental Funds	Total Governmental
\$ 385,033	\$ -	\$ 80,170	\$ 626,861	\$ 5,389,071
-	-	-	47,209	495,140
-	-	38,668	7,366	154,605
990,437	-	-	-	1,135,047
-	-	-	-	79,764
-	-	-	-	21,925
<u>\$ 1,375,470</u>	<u>\$ -</u>	<u>\$ 118,838</u>	<u>\$ 681,436</u>	<u>\$ 7,275,552</u>
\$ -	\$ -	\$ -	\$ 28,418	\$ 203,656
-	-	-	-	190,444
-	-	-	-	20,000
-	-	-	-	5,843
<u>-</u>	<u>-</u>	<u>-</u>	<u>28,418</u>	<u>419,943</u>
-	-	-	6,844	112,502
-	-	-	10,584	280,491
-	-	-	-	32,506
990,437	-	38,198	-	1,195,170
<u>990,437</u>	<u>-</u>	<u>38,198</u>	<u>17,428</u>	<u>1,620,669</u>
-	-	-	-	79,764
-	-	-	548,425	548,425
-	-	-	144	144
-	-	-	-	2,035,733
-	-	-	-	215,856
-	-	-	-	174,183
385,033	-	-	87,021	472,054
-	-	80,640	-	1,708,781
<u>385,033</u>	<u>-</u>	<u>80,640</u>	<u>635,590</u>	<u>5,234,940</u>
<u>\$ 1,375,470</u>	<u>\$ -</u>	<u>\$ 118,838</u>	<u>\$ 681,436</u>	<u>\$ 7,275,552</u>

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

**CITY OF FLORENCE, OREGON**  
**GOVERNMENTAL FUNDS**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF NET POSITION**  
**June 30, 2020**

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Total fund balances - governmental funds		\$ 5,234,940
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Non-depreciable	\$ 8,334,073	
Depreciable	<u>16,463,647</u>	24,797,720
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds:		
Property taxes earned but not available	112,502	
Other receivables earned but not available	280,491	
Intergovernmental receivables earned but not available	32,506	
SDC and assessments receivables earned but not available	<u>1,195,170</u>	1,620,669
Pension-related changes		(2,611,395)
OPEB related-changes		(142,197)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences payable	(299,955)	
Notes and bonds payable	(12,400,353)	
Interest payable	<u>(60,067)</u>	<u>(12,760,375)</u>
Total net position - governmental activities		<u>\$ 16,139,362</u>

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

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**CITY OF FLORENCE, OREGON**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2020**

	General Fund	Street Fund	Florence Urban Renewal Agency General Fund
<b>REVENUES:</b>			
Taxes	\$ 2,691,318	\$ -	\$ 540,348
Franchise fees	1,032,926	82,642	-
Licenses and permits	286,683	-	-
Intergovernmental	434,792	603,688	340,036
Charges for services	1,828,472	548,165	-
Fines and forfeitures	217,781	-	-
Miscellaneous	74,074	19,523	47,470
Total revenues	<u>6,566,046</u>	<u>1,254,018</u>	<u>927,854</u>
<b>EXPENDITURES:</b>			
Current:			
Administration	1,737,720	-	289,413
Community development	714,557	-	-
Public safety	2,574,676	-	-
Parks	257,778	-	-
Transportation	-	715,823	-
Non-departmental	120,372	-	-
Capital outlay	339,259	847,986	1,875,868
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>5,744,362</u>	<u>1,563,809</u>	<u>2,165,281</u>
Revenues over (under) expenditures	<u>821,684</u>	<u>(309,791)</u>	<u>(1,237,427)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfer interfund note payable	-	-	-
Transfers in	100,000	-	-
Transfers out	(1,323,600)	(173,400)	(647,100)
Total other financing sources (uses)	<u>(1,223,600)</u>	<u>(173,400)</u>	<u>(647,100)</u>
Net change in fund balance	(401,916)	(483,191)	(1,884,527)
<b>FUND BALANCE, BEGINNING</b>	<u>2,109,821</u>	<u>873,230</u>	<u>3,920,260</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 1,707,905</u>	<u>\$ 390,039</u>	<u>\$ 2,035,733</u>

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

Debt Service Fund	City FURA Debt Service Fund	FURA Debt Service Fund	Total Non-Major Governmental Funds	Total Governmental
\$ -	\$ -	\$ -	\$ 447,752	\$ 3,679,418
-	-	-	-	1,115,568
-	-	-	-	286,683
-	-	-	113,379	1,491,895
-	-	-	173,353	2,549,990
-	-	-	-	217,781
94,026	-	-	9,174	244,267
<u>94,026</u>	<u>-</u>	<u>-</u>	<u>743,658</u>	<u>9,585,602</u>
-	-	-	140,940	2,168,073
-	-	-	-	714,557
-	-	-	680,030	3,254,706
-	-	-	-	257,778
-	-	-	-	715,823
860	-	-	-	121,232
60,503	-	-	31,671	3,155,287
636,896	-	143,228	164,094	944,218
387,225	-	76,589	10,378	474,192
<u>1,085,484</u>	<u>-</u>	<u>219,817</u>	<u>1,027,113</u>	<u>11,805,866</u>
<u>(991,458)</u>	<u>-</u>	<u>(219,817)</u>	<u>(283,455)</u>	<u>(2,220,264)</u>
-	(6,643,405)	6,643,405	-	-
776,700	-	647,100	700,000	2,223,800
-	-	-	(335,487)	(2,479,587)
<u>776,700</u>	<u>(6,643,405)</u>	<u>7,290,505</u>	<u>364,513</u>	<u>(255,787)</u>
(214,758)	(6,643,405)	7,070,688	81,058	(2,476,051)
<u>599,791</u>	<u>6,643,405</u>	<u>(6,990,048)</u>	<u>554,532</u>	<u>7,710,991</u>
<u>\$ 385,033</u>	<u>\$ -</u>	<u>\$ 80,640</u>	<u>\$ 635,590</u>	<u>\$ 5,234,940</u>

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



**CITY OF FLORENCE, OREGON**  
**GOVERNMENTAL FUNDS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2020**

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Amounts reported in the statement of activities are different because:

Net change in fund balance		\$ (2,476,051)
<p>The statement of revenues, expenditures, and changes in fund balance report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.</p>		
Current year depreciation	\$ (1,137,243)	
Capital asset additions	<u>3,041,739</u>	1,904,496
<p>Some revenue provide current financial resources in the governmental funds and are not reported in the statement of activities.</p>		
		148,512
<p>Governmental funds report pension contributions as expenditures. However, in the statements of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.</p>		
		(461,462)
<p>Governmental funds report OPEB contributions as expenditures. However, in the statements of activities, the cost of OPEB earned net of employee contributions is reports as OPEB expense.</p>		
		27,507
<p>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.</p>		
Accrued interest expense		(30,237)
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>		
Changes in compensated absences	\$ (17,334)	
Debt service principal payments	<u>813,216</u>	<u>795,882</u>
Change in net position of governmental activities		<u><u>\$ (91,353)</u></u>

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

## FUND FINANCIAL STATEMENTS

### Proprietary Funds

#### Enterprise Funds

These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing the services to the general public on a continuing basis be financed primarily through user charges. These funds represent five segments of operations – Water, Wastewater, Airport, Stormwater, and Events Center. Included in these segments are:

#### Water Funds

##### **Water Fund**

This fund accounts for the financial activities of the city-owned water utility operations. Sales of water and related charges are the major revenue sources.

##### **Water System Development Fund**

This fund accounts for monies accumulated from water systems development charges for facility expansion or improvement. The use of these funds is restricted by State statute and City ordinance.

#### Wastewater Funds

##### **Wastewater Fund**

This fund accounts for the financial activities of the city-owned sewer service. Wastewater charges are the major revenue sources.

##### **Wastewater Systems Development Fund**

This fund accounts for monies accumulated from wastewater systems development charges for facility expansion or improvement. The use of these funds is restricted by State statute and City ordinance.

#### Airport

##### **Airport Fund**

This fund accounts for all activities of the City's municipal airport. Expenditures include facility and grounds maintenance, aviation fuel, and capital investment. Primary revenue sources are fuel sales, ground leases, land sales, and intergovernmental grants.

#### Stormwater Funds

##### **Stormwater Fund**

This fund accounts for the financial activities of the city-owned storm drainage system. Revenues consist primarily of stormwater charges.

##### **Stormwater Systems Development Fund**

This fund accounts for monies accumulated from storm drainage systems development charges for facility expansion or improvement. The use of these funds is restricted by State statute and City ordinance.

#### Events Center

##### **Events Center Fund**

This fund is used to account for the activities of the Florence Events Center.

#### **Internal Service Fund**

This fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

#### **Public Works Admin Fund**

This fund accounts for services provided to other fund of the City. The internal service fund primarily operates for the benefit of the enterprise funds and is reported with Business-type Activities on the statement of activities.

**CITY OF FLORENCE, OREGON**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**June 30, 2020**

	Business-Type Activities - Enterprise Funds		
	Major Funds		
	Water Funds	Wastewater Funds	Airport
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 962,054	\$ 422,493	\$ -
Accounts receivable, net	178,013	237,922	6,285
Prepaid expenses	-	-	-
Inventory	34,172	15,498	20,644
Total current assets	<u>1,174,239</u>	<u>675,913</u>	<u>26,929</u>
Noncurrent assets:			
Notes receivable	4,825	26,462	-
Non-depreciable capital assets	529,110	1,075,611	1,365,074
Capital assets, net	8,887,434	15,097,289	2,229,304
Net OPEB asset	2,459	4,583	-
Total noncurrent assets	<u>9,423,828</u>	<u>16,203,945</u>	<u>3,594,378</u>
Total assets	<u>10,598,067</u>	<u>16,879,858</u>	<u>3,621,307</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows related to pensions	65,516	122,117	-
Deferred outflows related to OPEB	3,253	6,064	-
Total deferred outflows of resources	<u>68,769</u>	<u>128,181</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 10,666,836</u>	<u>\$ 17,008,039</u>	<u>\$ 3,621,307</u>
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable	\$ 81,236	\$ 139,080	\$ -
Interest payable	4,566	13,440	-
Due to other funds	-	-	3,029
Accrued compensated absences	19,926	25,147	-
Current portion of long-term debt	91,801	1,051,759	-
Total current liabilities	<u>197,529</u>	<u>1,229,426</u>	<u>3,029</u>
Noncurrent liabilities:			
Noncurrent portion of long-term debt	1,602,194	3,678,921	-
Net pension liability	206,680	385,237	-
Net OPEB liability	12,969	24,174	-
Total noncurrent liabilities	<u>1,821,843</u>	<u>4,088,332</u>	<u>-</u>
Total liabilities	<u>2,019,372</u>	<u>5,317,758</u>	<u>3,029</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflows related to pensions	18,438	34,367	-
Deferred inflows related to OPEB	1,434	2,672	-
Total deferred inflows of resources	<u>19,872</u>	<u>37,039</u>	<u>-</u>
<b>NET POSITION:</b>			
Net investment in capital assets	7,722,549	11,442,220	3,594,378
Restricted for:			
System development	501,448	341,345	-
Events center	-	-	-
Unrestricted	403,595	(130,323)	23,900
Total net position	<u>8,627,592</u>	<u>11,653,242</u>	<u>3,618,278</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 10,666,836</u>	<u>\$ 17,008,039</u>	<u>\$ 3,621,307</u>
Reconciliation to business-type activities:			
Total liabilities, deferred inflows of resources, and net position for internal service funds			
Total liabilities, deferred inflows of resources, and net position of business-type activities			

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

Business-Type Activities - Enterprise Funds			Internal Service
Non-Major Funds			
Stormwater Funds	Events Center	Total	Public Works Admin
\$ 1,095,512	\$ 378,118	\$ 2,858,177	\$ 27,027
46,925	-	469,145	-
-	299	299	-
-	-	70,314	-
<u>1,142,437</u>	<u>378,417</u>	<u>3,397,935</u>	<u>27,027</u>
7,684	-	38,971	-
99,909	236,584	3,306,288	-
1,797,720	1,641,921	29,653,668	3,912,937
990	2,706	10,738	6,411
<u>1,906,303</u>	<u>1,881,211</u>	<u>33,009,665</u>	<u>3,919,348</u>
<u>3,048,740</u>	<u>2,259,628</u>	<u>36,407,600</u>	<u>3,946,375</u>
26,366	72,107	286,106	170,806
1,309	3,581	14,207	8,482
<u>27,675</u>	<u>75,688</u>	<u>300,313</u>	<u>179,288</u>
<u>\$ 3,076,415</u>	<u>\$ 2,335,316</u>	<u>\$ 36,707,913</u>	<u>\$ 4,125,663</u>
\$ 15,215	\$ 4,430	\$ 239,961	\$ 2,712
371	-	18,377	6,948
-	-	3,029	-
3,982	20,667	69,722	48,659
15,566	-	1,159,126	136,234
<u>35,134</u>	<u>25,097</u>	<u>1,490,215</u>	<u>194,553</u>
207,301	-	5,488,416	2,713,664
83,176	227,474	902,567	538,833
5,219	14,274	56,636	33,812
<u>295,696</u>	<u>241,748</u>	<u>6,447,619</u>	<u>3,286,309</u>
<u>330,830</u>	<u>266,845</u>	<u>7,937,834</u>	<u>3,480,862</u>
7,420	20,293	80,518	48,069
577	1,578	6,261	3,738
<u>7,997</u>	<u>21,871</u>	<u>86,779</u>	<u>51,807</u>
1,674,762	1,878,505	26,312,414	1,063,039
114,889	-	957,682	-
-	74,864	74,864	-
947,937	93,231	1,338,340	(470,045)
<u>2,737,588</u>	<u>2,046,600</u>	<u>28,683,300</u>	<u>592,994</u>
<u>\$ 3,076,415</u>	<u>\$ 2,335,316</u>	<u>36,707,913</u>	<u>\$ 4,125,663</u>
		<u>4,125,663</u>	
		<u>\$ 40,833,576</u>	

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

**CITY OF FLORENCE, OREGON  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN NET POSITION  
 For the Fiscal Year Ended June 30, 2020**

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water Funds</u>	<u>Wastewater Funds</u>	<u>Airport</u>
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 2,244,412	\$ 3,314,331	\$ 60,322
Miscellaneous income	26,824	55,805	74,871
Total operating revenues	<u>2,271,236</u>	<u>3,370,136</u>	<u>135,193</u>
<b>OPERATING EXPENSES:</b>			
Personnel service	383,845	536,756	-
Materials and service	1,504,672	1,693,897	140,981
Depreciation	541,812	980,534	130,236
Total operating expenses	<u>2,430,329</u>	<u>3,211,187</u>	<u>271,217</u>
Operating income (loss)	<u>(159,093)</u>	<u>158,949</u>	<u>(136,024)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
Grants and contributions	117	117	79,359
Interest income	16,974	48,444	13,253
Interest expense	(54,528)	(76,083)	-
Total non-operating revenues (expenses)	<u>(37,437)</u>	<u>(27,522)</u>	<u>92,612</u>
Net income (loss) before transfers	(196,530)	131,427	(43,412)
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS:</b>			
System development charges	135,601	308,132	-
Transfers from other funds	-	240,000	-
Change in net position	(60,929)	679,559	(43,412)
<b>NET POSITION, BEGINNING</b>	<u>8,688,521</u>	<u>10,973,683</u>	<u>3,661,690</u>
<b>NET POSITION, ENDING</b>	<u><u>\$ 8,627,592</u></u>	<u><u>\$ 11,653,242</u></u>	<u><u>\$ 3,618,278</u></u>

Reconciliation to business-type activities:  
 Change in net position for internal service funds  
 Total change in net position of business-type activities

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

Business-Type Activities - Enterprise Funds			Internal Service
Stormwater Funds	Events Center	Total	Public Works Admin
\$ 563,923	\$ 217,871	\$ 6,400,859	\$ 1,258,185
179	94,111	251,790	-
<u>564,102</u>	<u>311,982</u>	<u>6,652,649</u>	<u>1,258,185</u>
199,490	246,335	1,366,426	731,417
270,653	498,271	4,108,474	206,677
80,550	142,638	1,875,770	122,977
<u>550,693</u>	<u>887,244</u>	<u>7,350,670</u>	<u>1,061,071</u>
<u>13,409</u>	<u>(575,262)</u>	<u>(698,021)</u>	<u>197,114</u>
-	128,524	208,117	10,731
3,224	9,247	91,142	-
(623)	-	(131,234)	(85,829)
<u>2,601</u>	<u>137,771</u>	<u>168,025</u>	<u>(75,098)</u>
16,010	(437,491)	(529,996)	122,016
71,260	-	514,993	-
-	235,487	475,487	-
87,270	(202,004)	460,484	122,016
<u>2,650,318</u>	<u>2,248,604</u>		<u>470,978</u>
<u>\$ 2,737,588</u>	<u>\$ 2,046,600</u>		<u>\$ 592,994</u>
		<u>122,016</u>	
		<u>\$ 582,500</u>	

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

**CITY OF FLORENCE, OREGON**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**For the Fiscal Year Ended June 30, 2020**

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water Funds</u>	<u>Wastewater Funds</u>	<u>Airport</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers and users	\$ 2,301,309	\$ 3,397,340	\$ 1,138,380
Cash received from interfund services provided	-	-	-
Cash paid to employees and others for salaries and benefits	(345,269)	(451,825)	-
Cash paid to suppliers and others	(1,410,138)	(1,825,966)	(186,224)
Net cash provided by (used for) operating activities	<u>545,902</u>	<u>1,119,549</u>	<u>952,156</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
Transfers from other funds	-	240,000	-
Receipt (repayment) on interfund loan	-	-	(902,363)
Net cash provided by (used for) non-capital financing activities	<u>-</u>	<u>240,000</u>	<u>(902,363)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchase of capital assets	(817,390)	(553,044)	(142,405)
Principal paid on long-term obligations	(87,603)	(1,063,576)	-
Proceeds from system development charges	135,601	308,132	-
Grants and contributions	117	117	79,359
Interest paid on long-term debt	(57,414)	(81,168)	-
Net cash provided by (used for) capital and related financing activities	<u>(826,689)</u>	<u>(1,389,539)</u>	<u>(63,046)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received	16,974	48,444	13,253
Notes receivable	887	22,453	-
Net cash provided by investing activities	<u>17,861</u>	<u>70,897</u>	<u>13,253</u>
Net increase (decrease) in cash and cash equivalents	(262,926)	40,907	-
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>1,224,980</u>	<u>381,586</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>\$ 962,054</u>	<u>\$ 422,493</u>	<u>\$ -</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>			
Operating income	\$ (159,093)	\$ 158,949	\$ (136,024)
Adjustments:			
Depreciation and amortization	541,812	980,534	130,236
Decrease (increase) in:			
Accounts receivable and due from other funds	30,073	27,204	1,002,811
Inventories	18,935	(736)	4,153
Prepays	-	-	376
Increase (decrease) in:			
Accounts payable	75,599	(131,333)	(49,396)
Compensated absences	735	6,267	-
Net other post employment benefits	(8,062)	(5,214)	-
Net pension benefits	45,903	83,878	-
Net cash provided by (used for) operating activities	<u>\$ 545,902</u>	<u>\$ 1,119,549</u>	<u>\$ 952,156</u>

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

Business-Type Activities - Enterprise Funds			Internal Service
Stormwater Funds	Events Center	Total	Public Works Admin
\$ 563,201	\$ 311,982	\$ 7,712,212	\$ -
		-	1,260,685
(156,976)	(244,200)	(1,198,270)	(646,960)
(263,612)	(503,010)	(4,188,950)	(209,491)
142,613	(435,228)	2,324,992	404,234
-	235,487	475,487	-
-	-	(902,363)	-
-	235,487	(426,876)	-
(80,899)	(35,474)	(1,629,212)	(271,066)
(15,801)	-	(1,166,980)	(132,058)
71,260	-	514,993	-
-	128,524	208,117	10,731
(891)	-	(139,473)	(87,642)
(26,331)	93,050	(2,212,555)	(480,035)
3,224	9,247	91,142	-
4,469	-	27,809	-
7,693	9,247	118,951	-
123,975	(97,444)	(195,488)	(75,801)
971,537	475,562	3,053,665	102,828
\$ 1,095,512	\$ 378,118	\$ 2,858,177	\$ 27,027
\$ 13,409	\$ (575,262)	\$ (698,021)	\$ 197,114
80,550	142,638	1,875,770	122,977
(901)	-	1,059,187	2,500
-	-	22,352	-
-	-	376	-
7,041	(4,739)	(102,828)	(2,814)
530	(2,521)	5,011	3,811
(2,009)	(4,282)	(19,567)	(3,132)
43,993	8,938	182,712	83,778
\$ 142,613	\$ (435,228)	\$ 2,324,992	\$ 404,234

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



**FUND FINANCIAL STATEMENTS**  
**Fiduciary Funds**

These funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency Funds are custodial in nature and do not involve measurement of results.

**Agency Fund**

This fund is used for tracking of activities for the Municipal Court Agency Fund. The assets are held in trust for individuals, private organizations, or other organizations.

**CITY OF FLORENCE, OREGON  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
June 30, 2020**

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	<u>Agency Funds</u>
<b>ASSETS:</b>	
Cash and cash equivalents	<u>\$ 44,779</u>
<b>LIABILITIES:</b>	
Amount held for others	<u>\$ 44,779</u>

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

**I. Summary of Significant Accounting Policies**

The financial statements of the City of Florence, Oregon (the City) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). GAAP statements require the application of all relevant Governmental Accounting Standards Board (GASB) pronouncements.

**A. Description of Government-Wide 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 activities of the primary government and its component unit. *Governmental activities*, which are normally supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from a legally separate *component unit* for which the primary government is financially accountable.

**B. Reporting Entity**

**1. Primary Government**

The City of Florence, Oregon (City), is an Oregon municipal corporation, is organized under the general laws of the State of Oregon. The City's governed by an elected mayor and four-member council. These financial statements present the primary government and its component unit, the Florence Urban Renewal Agency, a separate legal entity for which the City is considered to be financially accountable.

**2. Blended Component Unit**

The accompanying basic financial statements present the City and its component unit, Florence Urban Renewal Agency (Agency). The Agency was formed to plan, direct, and manage certain projects within Florence. Pursuant to ORS 457.055 and under Lane County's order No. 86-8-27-1H, the City Council has appointed a nine-member board as the governing body of the Agency. The Agency was formed by the City as a separate legal entity to implement the programs in the revitalization plan of the City. Upon completion, all projects constructed become assets of the City. The Florence Urban Renewal Agency General Fund and Florence Urban Renewal Agency Debt Service Fund are reported as governmental funds. The Agency is a blended component unit and as such is reported in a separate column in the government-wide financial statements to emphasize the Department's separate enterprise operations

**C. Basic Financial Statements**

**1. Government-Wide Financial Statements**

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

Government-wide financial statements present information about the reporting government as a whole. These statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the *Statement of Net Position* and the *Statement of Activities*.

The *Statement of Net Position* presents information on all of the City's assets and deferred outflows, liabilities, and deferred inflows, with the difference between the two reported as net position.

The *Statement of Activities* demonstrates the degree to which the direct and allocated indirect 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. Indirect expenses are those costs, usually

**CITY OF FLORENCE, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended June 30, 2020**

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administrative in nature, that support all City function or program. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from a function or segment or are otherwise directly affected by it; 2) operating grants and contributions that are restricted to meeting requirements of a particular function or segment; and 3) capital grants and contributions that are restricted to meeting requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

**2. Fund Financial Statements**

Fund financial statements present information at the individual fund level. Funds are classified and summarized as governmental, proprietary, or fiduciary type. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are combined into a single column in the fund financial statements and are detailed in the supplemental information.

**D. Measurement Focus and Basis of Accounting**

Government-wide financial statements and proprietary fund financial statements are presented using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time 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 revenues as soon as all eligibility requirements imposed by the provider have been met. Capital assets are capitalized and depreciated, and City debt is reported as a liability with premiums and discounts amortized over the life of the debt.

Governmental fund financial statements are presented 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*. *Measurable* means the amount of the transaction can be determined and 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 City considers revenues to be available if they are collected within 60 days of year end. Property taxes, franchise fees from the Department, assessment liens, and state shared revenues are susceptible to the year-end 60-day accrual. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the City.

An unavailable revenue deferred inflow arises on the balance sheets of the governmental funds when potential revenue does not meet both the *measurable* and *available* criteria for recognition in the current period. This unavailable revenue consists primarily of uncollected property taxes not deemed available to finance operations of the current period. In the government-wide statement of activities, with a full accrual basis of accounting, revenue must be recognized as soon as it is earned regardless of its availability. Thus, the deferred inflow created on the balance sheets of the governmental funds for unavailable revenue, is eliminated.

Similar to the way its revenues are recorded, governmental funds only record those expenditures that affect current financial resources. Debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. In the government-wide financial statements, however, with a full accrual basis of accounting, all expenses affecting the economic resource status of the government are recognized.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the basic financial statements.

**CITY OF FLORENCE, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended June 30, 2020**

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Proprietary funds distinguish operating revenues and expenses from non-operating 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 of the City's enterprise and internal service funds are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**E. Financial Statement Presentation**

The financial transactions of the City are recorded in individual funds. A fund is an independent accounting entity with a self-balancing set of accounts comprised of assets, liabilities, deferred inflows/outflows of resources, fund balances, revenues, and expenditures. Fund accounting segregates resources according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions.

Accounting principles generally accepted in the United States of America (GAAP) set forth minimum criteria for the determination of major funds. The City elected to include the Airport Maintenance Fund as a major funds due to community interest.

The City reports the following major governmental funds:

- General Fund – This is the City's primary operating fund. It 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 taxes, and state shared revenue. Primary expenditures are for general government and public safety.
- Streets Program – This program reports activity from the following budgeted funds:
  - Street Fund – This was established as a requirement of Oregon Revised Statutes 366.815. Monies received from the State of Oregon (gasoline tax apportionment), the City's street maintenance fee, and grants are the major sources of revenue. These monies are to be used exclusively for the construction, reconstruction, improvement, repair, maintenance, operation and use of public highways, roads, streets, sidewalks, bike lanes, and paths.
  - Street System Development Fund – This fund is used to account for major street improvements. The primary source of revenues is street system development fees on new construction within the City. The use of these funds is restricted by State statute and City ordinance.
- FURA General Fund – This fund accounts for the activities associated with the City's Urban Renewal Plan. The primary resources are debt proceeds, grants and developer contributions.
- Debt Service Fund – This fund is used to account for special assessment revenue from a local improvement district (LID) and the servicing of related bonded debt incurred for the improvement of Spruce Street.
- City FURA Debt Service Fund – This fund was closed during the fiscal year. This fund accounted for the issuance and repayment of City issued debt obligations that were loaned by the City to the FURA per the terms of an intergovernmental agreement (IGA) between the parties. The source of repayment was payments from FURA.
- FURA Debt Service Fund – This fund accounts for the repayment of debt issued to finance the urban renewal agency's projects and programs, including debt obligations to the City. The primary revenue source is property taxes.

**CITY OF FLORENCE, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended June 30, 2020**

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Additionally, the City reports non-major funds within the governmental classification which include the following funds:

- 9-1-1 Emergency Fund – This fund accounts for revenue from the 911 telephone tax and user fees from various special districts for operation of the Western Lane County Public Safety Answering Point (PSAP).
- Room Tax Fund – This fund accounts for the City's room tax receipts. These taxes are used to help support the Florence Events Center and to accomplish specific marketing of the City and tourism-related projects.
- General Obligation Bond Fund – This fund accounts for the City's general obligation bond activity. Currently, a bond issued to fund construction of water utility infrastructure is accounted for in this fund.

The City reports the following major enterprise funds:

- Water Operations – This program reports activity from the following budgeted funds:
  - Water Fund – This fund accounts for the financial activities of the city-owned water utility operations. Sales of water and related charges are the major revenue sources.
  - Water Systems Development Fund – This fund accounts for monies accumulated from water system development charges for facility expansion or improvement. The use of these funds is restricted by State statute and City ordinance.
- Wastewater Operations – This program reports activity from the following budgeted funds:
  - Wastewater Fund – This fund accounts for the financial activities of the city-owned sewer service. Wastewater charges are the major revenue sources.
  - Water Systems Development Fund – This fund accounts for monies accumulated from wastewater systems development charges for facility expansion or improvement. The use of these funds is restricted by State statute and City ordinance.
- Airport Fund - This fund accounts for all activities of the City's municipal airport. Expenditures include facility and grounds maintenance, aviation fuel, and capital investment. Primary revenue sources are fuel sales, ground leases, land sales, and intergovernmental grants.

Additionally, the City reports the following funds as nonmajor enterprise funds:

- Stormwater Operations – This program reports activity from the following budgeted funds:
  - Stormwater Operations Fund – This fund accounts for the financial activities of the city-owned storm drainage system. Revenues consist primarily of stormwater charges
  - Stormwater Systems Development Fund – This fund accounts for monies accumulated from storm drainage systems development charges for facility expansion or improvement. The use of these funds is restricted by State statute and City ordinance.
- Event Center Fund – This fund is used to account for the activities of the Florence Events Center. Expenditures are for the operation of the Events Center facility including personnel, show booking costs, facility operating and maintenance costs, licensing, and equipment expenditures. The

**CITY OF FLORENCE, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended June 30, 2020**

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primary sources of revenue are facility and equipment rental fees, ticket fees, commissions, and show revenue.

The City also reports internal service funds within the proprietary fund type. The City's internal service funds include the service the Public Works Administration Fund provides to other funds of the City. The internal service fund primarily operates for the benefit of the enterprise funds and is reported with Business-type Activities on the statement of activities.

The agency fund is used for tracking of activities for the Municipal Court Agency Fund. The assets are held in trust for individuals, private organizations, or other organizations.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. The City allocates charges as reimbursement for services provided by the general fund in support of those functions based on levels of service provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. These charges are included in direct program expenses.

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 of the enterprise funds are charges to customers for sales and services. Significant operating expenses include personnel, contracted services, repairs and maintenance, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**F. Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position/Fund Balance**

**1. Cash and Investments**

Cash and investments, including restricted cash and investments, consist of cash on hand, demand deposits, short-term investments with original maturities of three months or less from the date of acquisition, and the State of Oregon Local Government Investment Pool (LGIP) deposits. Investments in the LGIP are stated at share value, which approximates fair value, and is the value at which the shares can be withdrawn.

The LGIP is administered by the Oregon State Treasury. The LGIP is an 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 public funds. The LGIP is commingled with the state's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP.

The City's investment policy, adopted by the City Council, essentially mirrors the requirements of the Oregon Revised Statutes. Currently, the City's investment portfolio consists of investments in the LGIP.

Investments are stated at fair value. Fair value is based on current market prices. Changes in the fair value of investments are recognized as revenue. GASB Statement 72, *Fair Value Measurement and Application* provides a fair value hierarchy that prioritized the inputs for valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

**2. Receivables and Payables**

Transactions between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year, as well as all other outstanding balances between funds or between the primary government and its component unit are referred to as "due to", "advance to" or "due from",

**CITY OF FLORENCE, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended June 30, 2020**

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“advance from” other funds or component unit. Amounts related to the intergovernmental agreement between the City and FURA are reported as interfund note receivable/payable. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Property taxes are assessed as of January 1 and become a lien as of July 1 on all taxable property. Property taxes are due on November 15. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due or two-thirds of the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

In the government-wide financial statements, property taxes are recognized as revenue in the year for which they are levied. In the fund financial statements, property taxes receivable which have been collected within 60 days subsequent to year-end are considered *measurable* and *available* and are recognized as revenues. All other property taxes receivable is offset by deferred inflows of resources as they are deemed unavailable to finance operations of the current period.

Receivables of the proprietary fund types and the Department are recorded as revenue when earned. Accounts receivables in the Department also include estimated revenues, that are accrued for power and water deliveries not yet billed to customers from meter reading dates prior to month end (unbilled revenue) and are reversed in the following year when the billings occur. In the Department, the allowance for uncollectible accounts is determined by considering a number of factors, including the length of time trade accounts receivable are past due, the customer’s previous loss history, the customer’s current ability to pay its obligation, and the condition of the general economy and the industry as a whole.

**3. Inventories and Prepaid Items**

Inventories of materials and supplies in the proprietary funds are stated at cost, on a first-in, first-out basis, and charged to expense as used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**4. Capital Assets**

In the government-wide financial statements, capital assets include property, plant, equipment, infrastructure assets (streets, traffic lights, storm drain, and sanitary sewer), and intangible assets (easements and land rights) and are reported in the applicable governmental activity, business-type activity columns in the government-wide financial statements. In the governmental fund financial statements, capital assets are charged to expenditures as purchased; while in the proprietary fund financial statements, capital assets are capitalized when purchased. Capital Assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are valued at acquisition value. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more, and having a useful life extending beyond a single reporting period. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred as part of the capitalized value of the assets constructed. No interest costs were capitalized during the year ended June 30, 2020.



**CITY OF FLORENCE, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended June 30, 2020**

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Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line basis over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements	25
Infrastructure	25 – 40
Vehicles	5
Furniture & Equipment	5

Depreciation is recorded in the year the assets are acquired or retire from the date of acquisition or to the date of disposition. Gains and losses from sales or retirements of capital assets are included in operations of the current period.

**5. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes 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. The government-wide statements and the enterprise funds report deferred outflows of resources related to pensions and other post employment benefits (OPEB).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports two types of deferred inflows. Unavailable revenues, which arises only under a modified accrual basis of accounting, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, assessments and notes receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government-wide statements and the enterprise funds report deferred inflows of resources related to pensions and OPEB.

**6. Compensated Absences**

Compensated absences, such as vacation and comp time pay is accrued as it is earned. For governmental funds, compensated absences is maintained separately and represents a reconciling item between the fund level and government-wide presentations. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it.

Funds used to liquidate accrued compensated absences include the general fund, street fund, water fund, wastewater fund, event center fund, stormwater fund, and public works administration fund.

**7. Long-Term Debt**

In the government-wide and proprietary fund type financial statements, long-term debt is reported as a liability in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Premiums, discounts and deferred amounts on refunding are amortized over the life of the related debt issue. Long-term debt payable is reported net of the related unamortized premium or discount. Issuance costs are reported as period costs in the year of issue.

In the governmental fund financial statements, the face amount of the debt issued is reported as other financing sources. Premiums are also reported as other financing sources while discounts are reported

**CITY OF FLORENCE, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended June 30, 2020**

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as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**8. Pensions**

A pension liability is reported in government-wide and proprietary fund financial statements as a liability in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Interest and amortization are reported as pension expense in the government-wide statement of activities for governmental and business-type activities, and as operating expense in the proprietary funds.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows or resources related to pension, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (Oregon PERS) and additions to/deductions from Oregon PERS' fiduciary net position have been determined on the same basis as they are reported by Oregon PERS. 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.

**9. Other Postemployment Benefit Obligations**

For purposes of measuring the OPEB asset and liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City and Department's two separate plans the Implicit Rate Subsidy and Oregon Public Employees Retirement Systems and additions to/deductions from Implicit Rate Subsidy and Oregon PERS's fiduciary net position have been determined on the same basis as they are reported by Implicit Rate Subsidy and Oregon PERS. For this purpose, Implicit Rate Subsidy and Oregon PERS recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

**10. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes 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.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has two types of deferred inflows that qualify for reporting in this category. *Unavailable revenue* is reported in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that amount becomes available. The governmental funds report unavailable revenues from four sources: property taxes, intergovernmental, SDC and assessments receivable, and other for when a timing requirement has not been met. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also reports deferred amounts related to pension and OPEB. These amounts are deferred and recognized as inflows of resources in the period when the City recognizes pension and OPEB income. Deferred inflows are included in the government-wide statement of net position and the proprietary funds statement of net position.

**11. Net Position Flow Assumption**

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be

**CITY OF FLORENCE, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended June 30, 2020**

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made about the order in which resources are considered to be applied. It is the City's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

**12. Fund Balance**

In the governmental fund financial statements, fund balances are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

Fund balance is reported as *nonspendable* when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepayments.

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

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority are reported as *committed* fund balances. The City reports fund balances as committed when the City Council passes a resolution that places specific constraints on how the resources may be used. The City Council can modify or rescind the resolution at any time through passage of an additional resolution.

Amounts that are constrained by the City's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as *assigned* fund balance. Intent is expressed when the City Council approves certain amounts during the adoption of the annual budget.

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

**G. Use of Estimates**

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

**II. Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

The City implemented biennial budgeted effective July 1, 2019 for the biennium ending June 30, 2021. Appropriations are for the biennial period. Appropriations reported in the supplemental budget schedules report the amount for the biennial period. Appropriations lapse at the end of the biennial period.

A budget is prepared in the early winter preceding the biennial period in which the budget will be used. The City is required to budget for all funds. The budget committee, with public input, deliberates and approves the budget for transmittal to the City Council in early spring. After public notices and a hearing, the final budget is adopted, appropriations made, and a tax levy declared no later than June 30<sup>th</sup>.

**CITY OF FLORENCE, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended June 30, 2020**

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The City Council resolution adopting the budget and authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriation. Appropriations lapse at the end of the biennial period.

Expenditures cannot legally exceed appropriations except in the case of grants which could not be estimated at the time of budget adoption. Supplemental appropriations and appropriation transfers may occur with notice and City Council action.

For the year ended June 30, 2020, expenditures exceeded appropriations as follows:

<u>Fund</u>	<u>Budget Category</u>	<u>Amount</u>
Debt Service Fund	Materials and services	\$ 60
Debt Service Fund	Capital outlay	60,503
Airport Fund	Capital outlay	7,406

**III. Detailed Notes on Accounts**

**A. Cash and Investments**

The City maintains a cash and investment pool for its cash and cash equivalents in which each fund participates. Cash and investments comprise the following as of June 30, 2020:

Cash on hand	\$ 1,500
Cash in bank	538,621
LGIP	7,704,069
Oregon Community Foundation	74,864
Total	<u>\$ 8,319,054</u>

Cash and Investments are reported as follows:

Governmental activities	\$ 5,389,071
Business-type activities	2,885,204
Agency funds	44,779
Total	<u>\$ 8,319,054</u>

Oregon Revised Statutes authorize the City to invest in general obligations of the U.S. Government and its agencies; certain bonded obligations of Oregon municipalities; bank repurchase agreements; certificates of deposit; bankers' acceptances; the State of Oregon Local Government Investment Pool; and certain corporate indebtedness, which includes only the four highest ratings by the ratings agencies.

The State of Oregon Local Government Investment Pool (Pool) is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the Pool's investment policies. The State Treasurer is the investment officer for the Pool and is responsible for all funds in the Pool. These funds must be invested, and the investments managed as a prudent investor would, exercising reasonable care, skill, and caution. Investments in the Pool are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board which establishes diversification percentages and specifies the types and maturities of investments. The Oregon Audits Division audits the Pool annually. The Division's report on the Pool as of and for the year ended June 30, 2020 was unmodified. The fair value of the City's position in the Pool at June 30, 2020 was 100 percent of the value of the Pool shares. The Pool does not have a credit quality rating by a nationally recognized statistical rating organization and is therefore unrated.

**CITY OF FLORENCE, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended June 30, 2020**

At year end, the City's investment balance was \$74,864 held by the Oregon Community Foundation for the Florence Events Center Endowment Subfund. The weighted average maturity on the investments was about 3 months. The City's investments include co-mingled trusts and pooled funds-equity category which represents investments in equities, both U.S and international, including investments in developed and emerging markets as well as in energy, real estate, and commodity stocks.

At year end, the City's total book balance for deposits with financial institutions was \$538,621 and the bank balance was \$675,702. The City's bank balances were covered by \$250,000 Federal Depository Insurance. Of the Department's bank balances, \$387,726 was covered by Federal Depository Insurance. As required by Oregon Revised Statutes, deposits in excess of federal depository insurance were held at a qualified depository for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer.

Custodial credit risk is the risk that, in the event of 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 relating to custodial credit risk. At June 30, 2020, the City does not have investments exposed to custodial credit risk.

The City's investment policy allows 100 percent of the City's investments to be invested in the Pool. As a means to limit exposure to fair value losses arising from changes in interest rates, the City's investment policy requires that all investments other than the Pool mature in less than one year.

**B. Allowance for Doubtful Accounts**

Uncollected taxes and assessments are deemed to be substantially collectible or recoverable through liens. Therefore, no allowance for uncollectible accounts has been established.

Accounts receivable for business-type activities are reported net of an allowance of doubtful accounts as follows as of June 30, 2020:

Water operations	\$	13,125
Wastewater operations		17,738
Stormwater operations		2,495
		<hr/>
Total allowance for doubtful accounts	\$	<u>33,358</u>

**C. Receivables**

**1. Interfund Transfers**

The interfund transfer activity for the year ended June 30, 2020 was as follows:

	Transfers In						Totals
	General	Debt Service	FURA Debt Service	Nonmajor Governmental	Wastewater Operations	Events Center	
Transfers Out:							
General	\$ -	\$ 383,600	\$ -	\$ 700,000	\$ 240,000	\$ -	\$ 1,323,600
FURA General	-	-	647,100	-	-	-	647,100
Streets Program	-	173,400	-	-	-	-	173,400
Nonmajor Governmental	100,000	-	-	-	-	235,487	335,487
Public Works Admin	-	219,700	-	-	-	-	219,700
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 100,000	\$ 776,700	\$ 647,100	\$ 700,000	\$ 240,000	\$ 235,487	\$ 2,699,287

**CITY OF FLORENCE, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended June 30, 2020**

Transfers are budgeted and made to move financial resources from the Transient Room Tax Fund to the Events Center Fund to fund operations. Additionally, transfers are made to move financial resources to the Debt Service and FURA Debt Service Funds to fund the repayment of debt.

**2. Interfund Note Receivable/Payable**

The City entered into an intergovernmental agreement with the Florence Urban Renewal Agency (FURA) to facilitate the use of the City's credit to fund FURA's urban renewal plan projects and programs with more favorable terms and conditions. The IGA provides for \$7.0 million in loans to FURA, with repayment of principal and interest consistent with the terms and conditions of the City's loans with Banner Bank. Additionally, FURA must levy sufficient taxes to ensure a minimum 1.25 debt coverage ratio. FURA used the loans to refinance \$1.6 million of existing debt and \$5.4 million for new projects and programs described in the Florence Urban Renewal Plan. The City and FURA anticipate additional debt obligations will be utilized as FURA's property tax revenue and debt capacity increase to facilitate and goals and objectives of the urban renewal plan.

The City established the City FURA Debt Service Fund to account for the activities associated with the City's use of its credit for the benefit of the City's urban renewal agency. At June 30, 2020, FURA owed the City \$6,352,109 for bank loans the City took out on FURA's behalf.

**D. Capital Assets**

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 2,031,030	\$ -	\$ -	\$ 2,031,030
Construction in progress	4,204,963	2,098,080	-	6,303,043
Total capital assets, not being depreciated	<u>6,235,993</u>	<u>2,098,080</u>	<u>-</u>	<u>8,334,073</u>
Capital assets, being depreciated				
Buildings and improvements	12,165,409	55,433	-	12,220,842
Equipment and vehicles	3,174,557	146,087	-	3,320,644
Infrastructure	15,180,879	742,139	-	15,923,018
Total capital assets being depreciated	<u>30,520,845</u>	<u>943,659</u>	<u>-</u>	<u>31,464,504</u>
Less accumulated depreciation for:				
Buildings and improvements	(4,244,778)	(336,183)	-	(4,580,961)
Equipment and vehicles	(2,480,704)	(208,590)	-	(2,689,294)
Infrastructure	(7,138,132)	(592,470)	-	(7,730,602)
Total accumulated depreciation	<u>(13,863,614)</u>	<u>(1,137,243)</u>	<u>-</u>	<u>(15,000,857)</u>
Total capital assets, being depreciated, net	<u>16,657,231</u>	<u>(193,584)</u>	<u>-</u>	<u>16,463,647</u>
Governmental activities capital assets, net	<u>\$22,893,224</u>	<u>\$ 1,904,496</u>	<u>\$ -</u>	<u>\$24,797,720</u>

**CITY OF FLORENCE, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended June 30, 2020**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 1,868,428	\$ -	\$ -	\$ -	\$ 1,868,428
Construction in progress	2,948,871	684,901	-	(2,195,912)	1,437,860
Total capital assets, not being depreciated	4,817,299	684,901	-	(2,195,912)	3,306,288
Capital assets, being depreciated					
Buildings and improvements	32,199,185	435,111	-	1,020,831	33,655,127
Utility systems	14,070,494	108,987	-	1,166,586	15,346,067
Equipment and vehicles	4,493,149	617,683	-	8,495	5,119,327
Infrastructure	11,200,587	53,596	-	-	11,254,183
Total capital assets being depreciated	61,963,415	1,215,377	-	2,195,912	65,374,704
Less accumulated depreciation for:					
Buildings and improvements	(16,004,484)	(885,957)	-	-	(16,890,441)
Utility systems	(8,629,085)	(300,231)	-	289	(8,929,316)
Equipment and vehicles	(3,088,636)	(322,383)	-	(289)	(3,411,019)
Infrastructure	(2,087,147)	(490,176)	-	-	(2,577,323)
Total accumulated depreciation	(29,809,352)	(1,998,747)	-	-	(31,808,099)
Total capital assets, being depreciated, net	32,154,063	(783,370)	-	2,195,912	33,566,605
Business-type activities capital assets, net	\$36,971,362	\$ (98,469)	\$ -	\$ -	\$36,872,893

Depreciation expense was charged to functions/programs of the primary government as follows:

<b>Governmental activities:</b>	
Administration	\$ 168,034
Community development	29,933
Public safety	189,795
Parks	36,671
Transportation	678,862
Non-departmental	33,948
Total depreciation expense - governmental activities	<u>\$ 1,137,243</u>
<b>Business-type activities:</b>	
Water operations	\$ 541,812
Wastewater operations	980,534
Stormwater operations	80,550
Airport operations	130,236
Events center	142,638
Public works admin	122,977
Total depreciation expense - business-type activities	<u>\$ 1,998,747</u>

**CITY OF FLORENCE, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended June 30, 2020**

**E. Long-Term Liabilities**

**1. General Obligation Bonds – Governmental Activities**

Long-term liability activity for the year ended June 30, 2020 was as follows:

	<u>June 30, 2019</u>			<u>June 30, 2020</u>	<u>Due in</u>
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>1 Year</u>
Governmental Activities:					
Bonds payable	\$ 2,364,658	\$ -	\$ (274,987)	\$ 2,089,671	\$ 282,719
Unamortized bond premium	16,016	-	(1,056)	14,960	-
Notes from direct borrowings	10,832,895	-	(537,173)	10,295,722	523,080
Total long-term debt	13,213,569	-	(813,216)	12,400,353	805,799
Compensated absences	282,621	299,955	(282,621)	299,955	299,955
Total	<u>\$ 13,496,190</u>	<u>\$ 299,955</u>	<u>\$ (1,095,837)</u>	<u>\$ 12,700,308</u>	<u>\$ 1,105,754</u>
Business-Type Activities:					
Bonds payable	\$ 2,507,626	\$ -	\$ (814,107)	\$ 1,693,519	\$ 831,376
Unamortized bond premium	71,972	-	(26,738)	45,234	-
Notes from direct borrowings	8,210,480	-	(457,793)	7,752,687	463,984
Unamortized bond premium	6,400	-	(400)	6,000	-
Total long-term debt	10,796,478	-	(1,299,038)	9,497,440	1,295,360
Compensated absences	109,559	118,381	(109,559)	118,381	118,381
Total	<u>\$ 10,906,037</u>	<u>\$ 118,381</u>	<u>\$ (1,408,597)</u>	<u>\$ 9,615,821</u>	<u>\$ 1,413,741</u>

Bonds outstanding at June 30, 2020 were as follows:

<u>Purpose</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
During the 2010, the City issued \$8,750,000 of full faith and credit refunding obligations debt with \$8,310,000 at 3.064% and \$440,000 as 3.75%. This bond was used to fund projects for enterprise funds as well as governmental funds. \$600,000 was used by governmental funds and \$8,150,000 was used by enterprise funds. Bond principal and interest is payable semiannually through December 2030. The unamortized premium included in the balance of this bond is \$55,044.	\$ 382,060	\$ 1,297,984
During 2010, the City issued \$1,478,000 of limited tax improvement bonds at 3.81% for the Spruce St LID. Semiannual payments are made from assessments on the property benefitting from the improvements. Bond principal and interest is payable semiannually through December 2030.	1,035,000	-



**CITY OF FLORENCE, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended June 30, 2020**

<u>Purpose</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
During 2011, the City issued \$1,245 of full faith and credit refunding obligations debt at 4.14% for the Local Oregon Capital Asset Program (LOCAP). This bond was used to fund projects for enterprise funds as well as governmental funds. This governmental portion as \$558,980 and the enterprise funds portion was \$686,020. Bond principal and interest is payable semiannually through June 2031. The unamortized premium included in the balance of this bond is \$5,150.	359,381	440,769
During 2013, the City issued \$1,460,000 of direct placement Water GO bonds for refunding of existing General Obligation Water Bonds for water system improvements. The bond pays interest of 2.11%. The bond matures in June 2022. Loan principal and interest is payable semiannually through June 2022. In the event of a default the Bank may at its election increase the interest rate to 5.11%.	328,190	-
Total bonds outstanding	2,104,631	1,738,753
Less current portion	(282,719)	(831,376)
Long-term portion	<u>\$ 1,821,912</u>	<u>\$ 907,377</u>

Direct placement notes payable outstanding at June 30, 2020 were as follows:

<u>Purpose</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
On March 21, 2018, the City received proceeds in the amount of \$3,395,000 from Banner bank to finance improvements to City Hall and the Justice Center and the purchase of land. Loan principal and interest is payable semiannually at 4.375% through December 2037. If an event of default occurs, the Bank may exercise any remedy available at law or in equity; but the Note shall not be subject to acceleration.	\$ 3,056,857	\$ -
On June 20, 2019, the City received proceeds in the amount of \$3,150,000 from Banner Bank to finance the projects of the Florence Urban Renewal Agency. Loan principal and interest is payable semiannually at 3.3% through March 2039. If an event of default occurs, the Bank may exercise any remedy available at law or in equity; but the Note shall not be subject to acceleration.	3,006,772	-
On June 20, 2019, the City received proceeds in the amount of \$150,000 from Banner Bank to finance the projects of the Florence Urban Renewal Agency. Interest only payments at 5.3% are required semiannually through March 2024. Loan principal is due in full on March 1, 2024. If an event of default occurs, the Bank may exercise any remedy available at law or in equity; but the Note shall not be subject to acceleration.	150,000	-

**CITY OF FLORENCE, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended June 30, 2020**

<u>Purpose</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
<p>During 2018, the City termed out its tax-exempt non-revolving line of credit with Banner Bank. Annual principal and interest payments are required on June 1 and December 1. The interest rate for the line of credit is 2.92% through December 15, 2026 as which point the interest rate become variable, with a maximum rate of 5.25% through December 15, 2031, when the maximum rate increases to 7.2%. The minimum interest rate for years eleven through twenty is 2.75%. The note payable has a scheduled maturity of December 1, 2026 for the outstanding balance allocated to the Street Project and December 1, 2036 for the remaining balances. If an event of default occurs, the Bank may exercise any remedy available at law or in equity; but the Note shall not be subject to acceleration. The projects funded and their balances at June 30, 2020 were as follows:</p> <p style="padding-left: 40px;"><i>Street Project</i> – Financing of improvements to the City's streets and related issuance costs in the original amount of \$1,300,000. This portion of the note matures on December 1, 2026.</p> <p style="padding-left: 40px;"><i>Agency Project</i> -- \$3,700,000 was allocated to finance and refinance the projects of the Florence Urban Renewal Agency. This portion of the notes mature on December 1, 2036.</p> <p style="padding-left: 40px;"><i>Water Project</i> – Financing of improvements to the City's water system and related issuance costs in the original amount of \$1,500,000. This portion matures on December 1, 2036.</p> <p style="padding-left: 40px;"><i>Facility Project</i> – Financing of the City's public works facility and related issuance costs in the original amount of \$3,300,000. This portion of the note matures on December 1, 2036.</p> <p>On August 31, 2010, the City entered into a loan agreement with the Oregon Business Development Department to receive a loan in the amount of \$657,057 to permanently finance the Florence Wastewater Transition Line &amp; Intersection Improvements. Loan interest rate is variable between 2% and 4%. Loan principal and interest is payable annually through December 2034. Upon the event of a default OBDD may declare the loan immediately due and payable, declare the City ineligible to receive future awards from the OBDD, withhold all or a portion of any amounts otherwise due tot the City, or foreclosing liens or security interests upon collateral. The unamortized premium included in the balance of this bond is \$6,000.</p>	<p>886,756</p> <p>3,195,337</p> <p>-</p> <p>-</p> <p>-</p>	<p>-</p> <p>-</p> <p>1,295,410</p> <p>2,849,898</p> <p>464,559</p>

**CITY OF FLORENCE, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended June 30, 2020**

<u>Purpose</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
On February 12, 2010, the City entered into an agreement with the State of Oregon Department of Environmental Quality for a loan in the amount of \$4,923,260 to finance rehabilitation to a major wastewater trunk sewer. Loan principal payments commenced upon completion of the project (June 24, 2013). The loan has a twenty year maturity (June , 2023) with loan fees of 0.5% of the outstanding balance payable annually. Upon the event of a default, DEQ may declare the loan immediately due and payable, appoint a receiver to operate the Facility, set and collect utility rates, direct the State Treasurer to withhold amounts due, or pursue any other legal or equitable remedy it may have.	-	3,142,820
Total notes payable outstanding	10,295,722	7,752,687
Less current portion	(523,080)	(463,984)
Long-term portion	<u>\$ 9,772,642</u>	<u>\$ 7,288,703</u>

Annual debt service requirements to maturity for long-term debt at June 30, 2020 are as follows:

<u>Total Governmental Activities</u>								
<u>Public Offering Bonds</u>			<u>Direct Placement Bonds</u>			<u>Direct Borrowings</u>		
	<u>Principal</u>	<u>Interest</u>		<u>Principal</u>	<u>Interest</u>		<u>Principal</u>	<u>Interest</u>
2021	\$ 118,624	\$ 62,836	2021	\$ 164,095	\$ 6,925	2021	\$ 523,080	\$ 332,389
2022	124,796	64,735	2022	164,095	3,462	2022	539,850	315,620
2023	134,184	60,096	2023	-	-	2023	557,161	298,309
2024	141,327	54,802	2024	-	-	2024	724,528	280,941
2025	148,572	49,012	2025	-	-	2025	593,459	254,061
2026-2030	882,856	144,886	2026-2030	-	-	2026-2030	2,712,646	996,510
2031-2035	211,122	5,386	2031-2035	-	-	2031-2035	2,930,040	553,001
2036-2040	-	-	2036-2040	-	-	2036-2040	1,714,958	101,563
Total	<u>\$ 1,761,481</u>	<u>\$ 441,753</u>	Total	<u>\$ 328,190</u>	<u>\$ 10,387</u>	Total	<u>\$ 10,295,722</u>	<u>\$ 3,132,394</u>

<u>Total Business-Type Activities</u>					
<u>Public Offering Bonds</u>			<u>Direct Borrowings</u>		
	<u>Principal</u>	<u>Interest</u>		<u>Principal</u>	<u>Interest</u>
2021	\$ 831,376	\$ 57,770	2021	\$ 463,984	\$ 154,223
2022	70,204	34,459	2022	470,037	146,261
2023	75,816	31,693	2023	476,271	138,119
2024	78,673	28,639	2024	482,392	130,190
2025	81,428	25,448	2025	494,256	121,491
2026-2030	452,144	74,976	2026-2030	2,577,754	467,848
2031-2035	103,878	3,299	2031-2035	2,322,718	214,712
2036-2040	-	-	2036-2040	465,275	13,881
Total	<u>\$ 1,693,519</u>	<u>\$ 256,284</u>	Total	<u>\$ 7,752,687</u>	<u>\$ 1,386,725</u>

**CITY OF FLORENCE, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended June 30, 2020**

**F. Other Post-Employment Benefits (OPEB)**

**1. Financial Statement Presentation**

The City's two OPEB plans are presented in the aggregate on the Statement of Net Position. The amounts on the financial statements relate to the plans as follows:

	<u>Implicit Rate Subsidy</u>	<u>PERS RHIA Plan</u>	<u>Total OPEB on Financials</u>
Net OPEB Asset	\$ -	\$ 57,382	\$ 57,382
Deferred Outflows of Resources			
Change in Assumptions	6,546	-	6,546
Change in Proportionate Share	-	274	274
Difference between expected and actual experience	32,933	-	32,933
Contributions After MD	35,016	1,149	36,165
Total OPEB Liability	(302,648)	-	(302,648)
Deferred Inflows of Resources			
Difference in Expected and Actual Experience	-	(7,567)	(7,567)
Difference in Earnings	-	(3,542)	(3,542)
Change in Assumptions	(21,977)	(59)	(22,036)
Change in Proportionate Share	-	(313)	(313)
OPEB Expense/(Income)*	32,134	(7,698)	24,436

\*Included in program expenses on Statement of Activities

**2. Implicit Rate Subsidy**

**Plan Description:**

The City's single-employer defined benefit postemployment healthcare plan is administered by City County Insurance Services (CIS). Benefit provisions are established through negotiations between the City and representatives of collective bargaining units or through resolutions passed by City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The City's postemployment healthcare plan administrator issues a publicly available financial report that includes financial statements and required supplementary information for CIS. This report may be obtained through their website at: <https://www.cisoregon.org/About/TrustDocs>.

**Benefits Provided:**

The plan provides eligible retirees and their dependents under age 65 the same health care coverage at the same premium rates as offered to active employees. The retiree is responsible for the premiums. As of the valuation date of July 1, 2019, the following employees were covered by the benefit terms:

Active employees	59
Eligible retirees	6
Spouses of ineligible retirees	0
Total participants	<u>65</u>

**CITY OF FLORENCE, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended June 30, 2020**

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**OPEB Plan Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:**

The City's total OPEB liability of \$302,648 was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018.

For the fiscal year ended June 30, 2020, the City recognized OPEB expense from this plan of \$32,134. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 32,933	\$ -
Changes of assumptions	6,546	21,977
Total (prior to post-MD contributions)	39,479	21,977
Contributions subsequent to the MD	35,016	-
Total	<u>\$ 74,495</u>	<u>\$ 21,977</u>

Deferred outflows of resources related to OPEB of \$35,016 resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2021	\$ 1,821
2022	1,821
2023	1,821
2024	1,821
2025	1,821
Thereafter	8,397
Total	<u>\$ 17,502</u>

**CITY OF FLORENCE, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended June 30, 2020**

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**Actuarial Assumptions and Other Inputs**

The total OPEB liability in the July 1, 2019 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Discount Rate	3.50 percent
Projected Salary Increases	3.50 percent overall payroll growth
Retiree Healthcare Participation	40% of eligible employees 60% of male members and 35% of female members will elect spouse coverage.
Mortality	<b>Health retirees and beneficiaries:</b> RP-2014 healthy annuitant, sex distinct mortality tables blended 50/50 blue collar and white collar, set back one year for males. Mortality is projected on a generational basis using the Unisex Social Security Data scale.
	<b>Healthcare cost trend rate:</b> Medical and vision: 7.00 percent per year decreasing to 4.75 percent.  Dental: 4.50 percent per year

The discount rate was based on Bond Buyer 20-Year General Obligation Bond Index.

**Changes in Total OPEB Liability:**

Changes in assumptions is the result of the change in the discount rate from 3.87% to 3.50%.

	<b>Total OPEB Liability</b>
Balance as of June 30, 2019	\$ 302,666
Changes for the year:	
Service cost	18,602
Interest on Total OPEB Liability	11,711
Effect of assumptions changes or inputs	7,335
Benefit payments	(37,666)
Balance as of June 30, 2020	<u>\$ 302,648</u>

**Sensitivity of the total OPEB liability to changes in the discount rate:**

The following presents the City's OPEB liability, as well as what the liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

**CITY OF FLORENCE, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended June 30, 2020**

Discount Rate:

	<u>1% Decrease (2.50%)</u>	<u>Current Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Total OPEB Liability	\$ 322,016	\$ 302,648	\$ 284,941

Healthcare Cost Trend:

	<u>1% Decrease</u>	<u>Current Health Care Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 279,373	\$ 302,648	\$ 330,533

**3. PERS Retirement Health Insurance Account**

The City contributes to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums for eligible retirees. ORS 238.420 established this trust fund. The Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. The plan is closed to new entrants hired after August 29, 2003. PERS issues publicly available financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700, or online at <https://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>.

**Benefits Provided**

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost, the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

**Contributions**

PERS funding policy provides for 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 for the period were based on the December 31, 2017 actuarial valuation and a percentage of payroll that first became effective July 1, 2019. The City contributed 0.06% of PERS-covered salaries for Tier One/Tier Two members to fund the normal cost portion of RHIA benefits and 0.00% of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. The City's total for the year ended June 30, 2020 contributions was \$1,149.

**CITY OF FLORENCE, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended June 30, 2020**

**OPEB Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2020, the City reported an asset of \$57,382 for its proportionate share of the Oregon PERS net OPEB asset. The net OPEB asset was measured as of June 30, 2019, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. The City's proportion of the net OPEB asset was based on the City's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2019, the City's proportionate share was 0.0297%, which is a decrease from its proportion of 0.0302% as of June 30, 2018.

For the year ended June 30, 2020, the City recognized OPEB income from this plan of \$7,698. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 7,567
Changes of assumptions	-	59
Net difference between projected and actual earnings on investments	-	3,542
Changes in proportionate share	274	313
Total (prior to post-MD contributions)	<u>274</u>	<u>11,481</u>
Contributions subsequent to the MD	<u>1,149</u>	<u>-</u>
Total	<u>\$ 1,423</u>	<u>\$ 11,481</u>

Deferred outflows of resources related to OPEB of \$1,149 resulting from the City's contributions subsequent to the measurement date will be recognized as an increase in the net OPEB asset in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2021	\$ (5,894)
2022	(5,035)
2023	(641)
2024	363
2025	-
Total	<u>\$ (11,207)</u>

**Actuarial Methods and Assumptions**

The total OPEB asset in the December 31, 2017 actuarial valuation was determined using the actuarial methods and assumptions are the same as listed below in **Note G – Pension Plan Actuarial Assumptions**.

**Long-Term Expected Rate of Return**

Are the same as listed above in **Note G – Pension Plan Long-term Expected Rate of Return**.



**CITY OF FLORENCE, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended June 30, 2020**

**Discount Rate**

The discount rate used to measure the total OPEB liability was 7.20% for the RHIA Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those contributing employers are made at the 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 pension plan investments for the RHIA Plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Sensitivity of the City's proportionate share of the net OPEB asset to changes in the discount rate**

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

<u>Discount Rate:</u>	<u>1% Decrease (6.20%)</u>	<u>Current Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
Total OPEB Asset	\$ 44,486	\$ 57,382	\$ 68,370

**OPEB Plan Fiduciary Net Position**

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

**Changes in Plan Provisions During the Measurement Period**

There were no changes during the June 30, 2019 measurement period that require disclosure.

**Changes in Plan Provisions Subsequent to Measurement Date**

There were no changes subsequent to the June 30, 2019 measurement period that require disclosure.

**G. Pension Plans**

Employees of the City are provided with pensions through the Oregon Public Employees Retirement System (Oregon PERS) a cost-sharing multiple-employer defined benefit pension plan, the Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. Oregon PERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at <http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

**Benefits Provided**

*1. Tier One/Tier Two Retirement Benefit (ORS Chapter 238)*

**Pension Benefits**

The PERS 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

**CITY OF FLORENCE, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended June 30, 2020**

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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. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

**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 lumpsum 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 PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS-covered job, or
- the member was on an official leave of absence from a PERS-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 PERS judge members) for disability benefits regardless of the length of PERS-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 (COLA) changes. The COLA is capped at 2.0 percent.

*2. OPSRP Pension Program (OPSRP DB)*

**Pension Benefits**

The Pension Program (ORS Chapter 238A) 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.

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 fiscal year 2015 and beyond 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.

*3. OPSRP Individual Account Program (OPSRP IAP)*

**Pension Benefits**

The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400. 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.

Upon retirement, a member of the OPSRP Individual Account Program (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.

**Recordkeeping**

Oregon PERS contracts with VOYA Financial to maintain IAP participant records.

**Contributions**

*1. Employer Contributions*

PERS 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. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2017. Employer contributions for the year ended June 30, 2020 were \$312,862 excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2020 were 18.79 percent for Tier One/Tier Two General Service Member,

**CITY OF FLORENCE, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended June 30, 2020**

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18.79 percent for Tier One/Tier Two Police and Fire, 10.14 percent for OPSRP Pension Program General Services, 14.77 percent for OPSRP Police and Fire members and 6 percent for OPSRP Individual Account Program.

*2. Employee Contributions*

Beginning January 1, 2004, all employee contributions were placed in the OPSRP Individual Account Program (IAP), a defined contribution pension plan established by the Oregon Legislature. Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members behalf. The IAP member accounts represent member contributions made on or after January 1, 2004, plus earnings allocations less disbursements for refunds, death benefits, and retirements. Contributions made by employees were \$207,173 for the year ended June 30, 2020.

**Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2020 the City reported a liability of \$4,823,081 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. 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 entities, actuarially determined. At June 30, 2019, the City's proportion was 0.0279 percent, which was a changed from its proportion measured as of June 30, 2018 of 0.0270 percent.

For the year ended June 30, 2020, the City recognized pension expense of \$727,952. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
	<hr/>	<hr/>
Differences between expected and actual experience	\$ 265,979	\$ -
Changes of assumptions	654,306	-
Net difference between projected and actual earnings on investments	-	136,729
Changes in proportion	158,348	50,711
Differences between employer contributions and proportionate share of contributions	-	242,828
Total (prior to post-MD contributions)	<hr/> 1,078,633	<hr/> 430,268
Contributions subsequent to the MD	450,246	-
	<hr/>	<hr/>
Total	<u>\$ 1,528,879</u>	<u>\$ 430,268</u>

**CITY OF FLORENCE, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended June 30, 2020**

City's contributions subsequent to the measurement date of \$450,246 are reported as deferred outflows of resources related to pensions and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 384,615
2022	10,276
2023	119,625
2024	112,866
2025	20,983
Total	<u>\$ 648,365</u>

**Actuarial Methods and Assumptions**

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2017
Measurement Date	June 30, 2019
Experience Study Report	2016, published July 26, 2017
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 overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and grade COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service.
Mortality	<p><b>Health retirees and beneficiaries:</b> 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><b>Active Members:</b> 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><b>Disabled retirees:</b> 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

**CITY OF FLORENCE, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended June 30, 2020**

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, 2016.

**Long-term Expected Rate of Return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. 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 a forward-looking capital market economic model.

<b>Asset Class/Strategy</b>	<b>Assumed Asset Allocation</b>		
	<b>Low Range</b>	<b>High Range</b>	<b>Target</b>
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternative Equity	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
<b>Total</b>			<b>100.0%</b>

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Compounded Annual Return (Geometric)</b>
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.30%	6.69%
Micro Cap US Equities	1.30%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Foreign Equities	4.12%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equities	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-Driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
<b>Total</b>	<b>100.00%</b>	
Assumed Inflation - Mean		2.50%

**CITY OF FLORENCE, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**Year Ended June 30, 2020**

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**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 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 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) 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.

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

- PERS 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 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 PERS' independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

**Discount Rate**

The discount rate used to measure the total pension liability of the Plan was 7.20 percent. 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.

**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 (asset) calculated using the discount rate of 7.20 percent, as well as what the City's proportionate share of the net pension liability (asset) 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:

	<u>1% Decrease (6.20%)</u>	<u>Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
City's proportionate share of the net pension liability (asset)	\$ 7,723,736	\$ 4,823,081	\$ 2,395,632

**Pension Plan Fiduciary Net Position**

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

**Changes in Plan Provisions During the Measurement Period**

There were no changes during the June 30, 2019 measurement period that require disclosure.

**Changes in Plan Provisions Subsequent to Measurement Date**

A legislative change that occurred after the December 31, 2017 valuation date affected the plan provisions reflected for financial reporting purposes. Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed in future years) will be excluded when determining member benefits. As a result, future Tier 1/Tier 2 and OPSRP benefits for certain active members are now projected to be lower than prior to the legislation. Senate Bill 1049 was reflected in the June 30, 2019 Total Pension Liability as a reduction in liability.

**IV. Other Information**

**A. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters for which the government carried commercial insurance. In 1981, the League of Oregon Cities joined together with the Association of Oregon Cities to form City County Insurance Services (CIS), a public entity risk pool currently operating a common risk management and insurance program. The City pays an annual premium to CIS for insurance coverage. Based on the experience of the City and CIS, the City may be liable for an additional premium of up to 20% of its initial premium or it may receive a refund. The City has not had to pay an additional premium. Predetermined limits and deductible amounts are stated in the policy. Settled claims have not exceeded commercial insurance coverage in any of the past three years.

**B. Commitments and Contingencies**

Under terms of federal and state grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under terms of the grant. Such audits could lease to reimbursement to the grantor agencies. The City believes disallowances, if any, will be immaterial.

**C. Contingency Liabilities**

The City is contingency liable with respect to lawsuits and other claims incidental to the ordinary course of its operations and capital projects. Management intends to contest these matters and does not believe their ultimate resolution will have a material effect upon the City's financial position, results of operations, or cash flows.

**D. Accounting Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 95, Postponement of the Effective Date of Certain Authoritative Guidance to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The effective dates of certain provisions and pronouncements have been postponed for either a twelve or eighteen month period, depending upon the statement or implementation guide.

**E. Subsequent Events**

As stated above and in the Management Discussion and Analysis, the COVID-19 pandemic was declared by the World Health Organization in March 2020. The operational and financial impacts are far reaching and will not be fully assessed until sometime in 2021, when the anticipated vaccines are widely distributed. All cities have been affected, and Florence has endeavored to monitor, plan and address issues on a proactive basis. As of release of this report, the current state of emergency declaration regarding COVID-19 extended through June 28, 2021.



## **REQUIRED SUPPLEMENTARY INFORMATION**

## REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements.

- Budgetary Comparison Schedules
  - General Fund
  - Street Fund
  - Florence Urban Renewal Agency General Fund
- Schedule of the Proportionate Share of the Net Pension Liability
- Schedule of Contributions - Pension
- Schedule of the Proportionate Share of OPEB - RHIA
- Schedule of Contributions to OPEB - RHIA
- Schedule of Changes in OPEB Liability and Related Ratios - Implicit Rate Subsidy
- Schedule of Contributions to OPEB - Implicit Rate Subsidy

**CITY OF FLORENCE, OREGON**  
**GENERAL FUND - BUDGETARY BASIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Budget		Actual			Variance with Final Budget
	Original	Final	FY 2019-20	FY 2020-21	Biennium	
<b>REVENUES:</b>						
Taxes	\$ 5,353,000	\$ 5,353,000	\$ 2,691,318	\$ -	\$ 2,691,318	\$(2,661,682)
Franchise fees	2,303,800	2,303,800	1,032,926	-	1,032,926	(1,270,874)
Licenses and permits	549,900	549,900	286,683	-	286,683	(263,217)
Intergovernmental	1,223,600	1,223,600	434,792	-	434,792	(788,808)
Charges for services	3,764,100	3,764,100	1,828,472	-	1,828,472	(1,935,628)
Fines and forfeitures	-	-	217,781	-	217,781	217,781
Miscellaneous	557,000	557,000	74,074	-	74,074	(482,926)
<b>Total revenues</b>	<b>13,751,400</b>	<b>13,751,400</b>	<b>6,566,046</b>	<b>-</b>	<b>6,566,046</b>	<b>(7,185,354)</b>
<b>EXPENDITURES:</b>						
Current:						
Administration	1,580,400	1,580,400	745,279	-	745,279	835,121
Administrative services	2,221,400	2,221,400	992,441	-	992,441	1,228,959
Community development	1,774,800	1,774,800	714,557	-	714,557	1,060,243
Public safety	4,937,900	4,937,900	2,574,676	-	2,574,676	2,363,224
Municipal court	579,100	579,100	-	-	-	579,100
Parks	560,700	560,700	257,778	-	257,778	302,922
Non-departmental	214,200	214,200	120,372	-	120,372	93,828
Capital outlay	745,500	745,500	339,259	-	339,259	406,241
Contingency	1,260,300	1,260,300	-	-	-	1,260,300
<b>Total expenditures</b>	<b>13,874,300</b>	<b>13,874,300</b>	<b>5,744,362</b>	<b>-</b>	<b>5,744,362</b>	<b>8,129,938</b>
Revenues over (under) expenditures	(122,900)	(122,900)	821,684	-	821,684	944,584
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	275,000	275,000	100,000	-	100,000	(175,000)
Transfers out	(2,130,100)	(2,130,100)	(1,323,600)	-	(1,323,600)	806,500
<b>Total other financing sources (uses)</b>	<b>(1,855,100)</b>	<b>(1,855,100)</b>	<b>(1,223,600)</b>	<b>-</b>	<b>(1,223,600)</b>	<b>631,500</b>
Net change in fund balance	(1,978,000)	(1,978,000)	(401,916)	-	(401,916)	1,576,084
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>	<b>1,978,000</b>	<b>1,978,000</b>	<b>2,109,821</b>	<b>-</b>	<b>2,109,821</b>	<b>131,821</b>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,707,905</b>	<b>\$ -</b>	<b>\$ 1,707,905</b>	<b>\$ 1,707,905</b>

**CITY OF FLORENCE, OREGON**  
**STREET FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Budget		Actual			Variance with Final Budget
	Original	Final	FY 2019-20	FY 2020-21	Biennium	
<b>REVENUES:</b>						
Franchise fees	\$ 163,000	\$ 163,000	\$ 82,642	\$ -	\$ 82,642	\$ (80,358)
Intergovernmental	2,542,000	2,542,000	603,688	-	603,688	(1,938,312)
Charges for services	870,000	870,000	497,956	-	497,956	(372,044)
Miscellaneous	4,200	4,200	4,901	-	4,901	701
<b>Total revenues</b>	<b>3,579,200</b>	<b>3,579,200</b>	<b>1,189,187</b>	<b>-</b>	<b>1,189,187</b>	<b>(2,390,013)</b>
<b>EXPENDITURES:</b>						
Personnel service	171,600	171,600	83,944	-	83,944	87,656
Materials and service	1,345,500	1,345,500	631,406	-	631,406	714,094
Capital outlay	6,440,000	6,440,000	847,986	-	847,986	5,592,014
Contingency	276,100	276,100	-	-	-	276,100
<b>Total expenditures</b>	<b>8,233,200</b>	<b>8,233,200</b>	<b>1,563,336</b>	<b>-</b>	<b>1,563,336</b>	<b>6,669,864</b>
Revenues over (under) expenditures	(4,654,000)	(4,654,000)	(374,149)	-	(374,149)	4,279,851
<b>OTHER FINANCING SOURCES (USES):</b>						
Issuance of debt	4,500,000	4,500,000	-	-	-	(4,500,000)
Transfers in	480,000	480,000	380,000	-	380,000	(100,000)
Transfers out	(520,600)	(520,600)	(173,400)	-	(173,400)	347,200
<b>Total other financing sources (uses)</b>	<b>4,459,400</b>	<b>4,459,400</b>	<b>206,600</b>	<b>-</b>	<b>206,600</b>	<b>(4,252,800)</b>
Net change in fund balance	(194,600)	(194,600)	(167,549)	-	(167,549)	27,051
<b>FUND BALANCE, BEGINNING-BUDGETARY BASIS</b>	<b>194,600</b>	<b>194,600</b>	<b>383,405</b>	<b>-</b>	<b>383,405</b>	<b>188,805</b>
<b>FUND BALANCE, ENDING -BUDGETARY BASIS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>215,856</b>	<b>\$ -</b>	<b>\$ 215,856</b>	<b>\$ 215,856</b>
The Street Fund is budgeted as an individual fund but is combined with the Street System Development Fund for GAAP reporting.						
			174,183			
<b>FUND BALANCE, ENDING</b>			<b>\$ 390,039</b>			

**CITY OF FLORENCE, OREGON**  
**FLORENCE URBAN RENEWAL AGENCY GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Budget		Actual			Variance with Final Budget
	Original	Final	FY 2019-20	FY 2020-21	Biennium	
<b>REVENUES:</b>						
Taxes	\$ 1,071,500	\$ 1,071,500	\$ 540,348	\$ -	\$ 540,348	\$ (531,152)
Intergovernmental	1,639,700	1,639,700	340,036	-	340,036	(1,299,664)
Miscellaneous	16,000	16,000	47,470	-	47,470	31,470
Total revenues	2,727,200	2,727,200	927,854	-	927,854	(1,799,346)
<b>EXPENDITURES:</b>						
Materials and service	670,100	670,100	289,413	-	289,413	380,687
Capital outlay	3,482,500	3,482,500	1,875,868	-	1,875,868	1,606,632
Contingency	158,700	158,700	-	-	-	158,700
Total expenditures	4,311,300	4,311,300	2,165,281	-	2,165,281	2,146,019
Revenues over (under) expenditures	(1,584,100)	(1,584,100)	(1,237,427)	-	(1,237,427)	346,673
<b>OTHER FINANCING SOURCES (USES):</b>						
Issuance of debt	400,000	400,000	-	-	-	(400,000)
Transfers out	(800,000)	(800,000)	(647,100)	-	(647,100)	152,900
Total other financing sources (uses)	(400,000)	(400,000)	(647,100)	-	(647,100)	(247,100)
Net change in fund balance	(1,984,100)	(1,984,100)	(1,884,527)	-	(1,884,527)	99,573
<b>FUND BALANCE, BEGINNING-BUDGETARY BASIS</b>						
	1,984,100	1,984,100	3,920,260	-	-	1,936,160
<b>FUND BALANCE, ENDING -BUDGETARY BASIS</b>						
	\$ -	\$ -	\$ 2,035,733	\$ -	\$ (1,884,527)	\$ 2,035,733

**CITY OF FLORENCE, OREGON**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**For the Last Ten Fiscal Years<sup>1</sup>**

Measurement Date June 30,	(a) City's proportion of the net pension liability (asset)	(b) City's proportionate share of the net pension liability (asset)	(c) City's covered payroll	(b/c) City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2019	0.02788294%	\$ 4,823,081	\$ 3,762,260	128.20%	80.20%
2018	0.02703036%	4,094,744	3,669,227	111.60%	82.10%
2017	0.02733098%	3,684,226	3,257,585	113.10%	83.10%
2016	0.02535152%	3,805,852	3,354,642	113.45%	80.53%
2015	0.02730409%	1,567,653	3,238,206	48.41%	91.90%
2014	0.02378761%	(539,197)	3,154,516	-17.09%	103.60%
2013	0.02378761%	1,213,917	3,015,337	40.26%	91.97%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

<sup>1</sup>This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**NOTES TO SCHEDULE**

**Changes in Benefit Terms:**

The 2013 Oregon Legislature made a series of changes to PERS that lowered projected future benefit payments from the System. These changes included reductions to future Cost of Living Adjustments (COLA) made through Senate Bills 822 and 861. Senate Bill 822 also required the contribution rates scheduled to be in effect from July 2013 to June 2015 to be reduced. The Oregon Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future System Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 total pension liability.

A legislative change that occurred after the December 31, 2017 valuation date affected the plan provisions reflected for financial reporting purposes. Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed in future years) will be excluded when determining member benefits. As a result, future Tier 1/Tier 2 and OPSRP benefits for certain active members are now projected to be lower than prior to the legislation. Senate Bill 1049 was reflected in the June 30, 2019 Total Pension Liability as a reduction in liability.

**Changes of Assumptions:**

The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability and June 30, 2018 total pension liability. For June 30, 2016, the changes included the lowering of the long-term expected rate of return to 7.50 percent and lowering of the assumed inflation to 2.50 percent. For June 30, 2018, the long-term expected rate of return was lowered to 7.20 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay were updated.

**CITY OF FLORENCE, OREGON  
SCHEDULE OF CONTRIBUTIONS - PENSION  
For the Last Ten Fiscal Years<sup>1</sup>**

Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) City's covered payroll	(b/c) Contributions as a percent of covered payroll
2020	\$ 450,246	\$ 450,246	\$ -	\$ 3,695,621	12.18%
2019	312,862	312,862	-	3,762,260	8.32%
2018	331,774	331,774	-	3,669,227	9.04%
2017	227,630	227,630	-	3,257,585	6.99%
2016	239,728	239,728	-	3,354,642	7.15%
2015	228,397	228,397	-	3,238,206	7.05%
2014	251,436	251,436	-	3,154,516	7.97%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

<sup>1</sup>This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**NOTES TO SCHEDULE**

**Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions**

Actuarial valuation:	December 31, 2015	December 31, 2013	December 31, 2011
Effective:	July 2017 - June 2019	July 2015 - June 2017	July 2013 - June 2015
Actuarial cost method:	Entry Age Normal	Entry Age Normal	Projected Unit Credit
Amortization method:	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll
Asset valuation method:	Market value	Market value	Market value
Remaining amortization periods:	20 years	20 years	N/A
Actuarial assumptions			
Inflation rate	2.50 percent	2.75 percent	2.75 percent
Projected salary increases	3.50 percent	3.75 percent	3.75 percent
Investment rate of return	7.50 percent	7.75 percent	8.00 percent

**CITY OF FLORENCE, OREGON**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF OPEB - RHIA**  
**For the Last Ten Fiscal Years<sup>1</sup>**

Measurement Date June 30,	(a) City's proportion of the net OPEB liability (asset)	(b) City's proportionate share of the net OPEB liability (asset)	(c) Covered payroll	(b/c) City's share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2019	0.02969519%	\$ (57,382)	\$ 3,762,260	-1.53%	144.4%
2018	0.03019437%	(33,705)	3,669,227	-0.92%	124.0%
2017	0.02881056%	(12,024)	3,257,585	-0.37%	108.9%

**NOTES TO SCHEDULE**

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

<sup>1</sup>This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**Changes of Assumptions:**

The PERS Board adopted assumption changes that were used to measure the June 30, 2018 total OPEB liability. The changes include lowering of the long-term expected rate of return to 7.20 percent. In addition, healthy retiree participation and healthy mortality assumptions were changes to reflect an updated trends and mortality improvement scale for all groups.



**CITY OF FLORENCE, OREGON**  
**SCHEDULE OF CONTRIBUTIONS TO OPEB - RHIA**  
**For the Last Ten Fiscal Years<sup>1</sup>**

Year Ended June 30,	(a) Contractually determined contribution	(b) Contributions in relation to the actuarially required contribution	(a-b) Contribution deficiency (excess)	(c) Covered payroll	(b/c) Contributions as a percent of covered payroll
2020	\$ 1,149	\$ 1,149	\$ -	\$ 3,695,621	0.03%
2019	14,718	14,718	-	3,762,260	0.39%
2018	14,620	14,620	-	3,669,227	0.40%
2017	14,494	14,494	-	3,257,585	0.44%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

<sup>1</sup>This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**NOTES TO SCHEDULE**

**Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions**

Actuarial valuation:	December 31, 2015	December 31, 2013	December 31, 2011
Effective:	July 2017 - June 2019	July 2015 - June 2017	July 2013 - June 2015
Actuarial cost method:	Entry Age Normal	Entry Age Normal	Projected Unit Credit
Amortization method:	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period:	10 years	10 years	10 years
Asset valuation method:	Market value	Market value	Market value
Remaining amortization periods:	20 years	20 years	N/A
<b>Actuarial assumptions</b>			
Inflation rate	2.50 percent	2.75 percent	2.75 percent
Projected salary increases	3.50 percent	3.75 percent	3.75 percent
Investment rate of return	7.50 percent	7.75 percent	8.00 percent
Healthcare cost trend rates	None. Statute stipulates \$60 monthly payment for healthcare insurance	None. Statute stipulates \$60 monthly payment for healthcare insurance	None. Statute stipulates \$60 monthly payment for healthcare insurance

**CITY OF FLORENCE, OREGON**  
**SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED**  
**RATIOS - IMPLICIT RATE SUBSIDY**  
**For the Last Ten Fiscal Years<sup>1</sup>**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
Service Interest	\$ 18,602	\$ 17,474	\$ 18,661
Interest	11,711	10,129	8,583
Differences between economic/demographic gains or losses	-	41,955	-
Changes of assumptions	7,335	(17,222)	(13,340)
Benefit payment	(37,666)	(30,002)	(31,896)
<b>Net change in total OPEB liability</b>	<u>(18)</u>	<u>22,334</u>	<u>(17,992)</u>
<b>Total OPEB liability - beginning</b>	302,666	280,332	298,324
<b>Total OPEB liability - ending (a)</b>	<u>\$ 302,648</u>	<u>\$ 302,666</u>	<u>\$ 280,332</u>
Covered-employee payroll	\$ 3,695,621	\$ 3,762,260	\$ 3,669,227
Total OPEB liability as a percentage of covered-employee payroll	8.19%	8.04%	7.64%

**NOTES TO SCHEDULE**

The amounts presented for each fiscal year were actuarial determined at July 1 and rolled forward to the measurement date.

<sup>1</sup>This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**CITY OF FLORENCE, OREGON**  
**SCHEDULE OF CONTRIBUTIONS TO OPEB - IMPLICIT RATE SUBSIDY**  
**For the Last Ten Fiscal Years<sup>1</sup>**

Year Ended June 30,	(a) Actuarially determined contribution	(b) Contributions in relation to the actuarially required contribution	(a-b) Contribution deficiency (excess)	(c) Covered payroll	(b/c) Contributions as a percent of covered payroll
2020	\$ 35,016	\$ 35,016	\$ -	\$ 3,695,621	0.95%
2019	37,666	37,666	-	3,762,260	1.00%
2018	30,002	30,002	-	3,669,227	0.82%
2017	31,896	31,896	-	3,257,585	0.98%

**NOTES TO SCHEDULE**

The amounts presented for each fiscal year were actuarial determined at July 1 and rolled forward to the measurement date.

<sup>1</sup>This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions**

Actuarial valuation:	July 1, 2018	July 1, 2016
Effective:	June 30, 2018 and 2019	June 30, 2016 and 2017
Actuarial cost method:	Entry Age Normal	Entry Age Normal
Amortization method:	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period:	6.8 years	7.7 years
Asset valuation method:	Market value	Market value
Remaining amortization periods:	20 years	20 years
Actuarial assumptions		
Inflation rate	2.50 percent	2.50 percent
Projected salary increases	3.50 percent	3.50 percent

## **OTHER SUPPLEMENTARY INFORMATION**

## OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Street System Development Fund
- Debt Service Fund
- FURA Debt Service Fund
- Combining Statements – Nonmajor Governmental Funds
- Combining Statement - General Fund - Generally Accepted Accounting Principles
- Budgetary Comparison Schedules
- Budgetary Comparison Schedules – Enterprise Funds

## COMBINING STATEMENTS

### Nonmajor Governmental Funds

#### **Special Revenue Funds**

These funds account for revenue derived from specific taxes or other earmarked revenue sources, which are legally restricted to expenditures for specified purposes. Funds included in this category are:

#### **9-1-1 Emergency Fund**

The 911 Emergency Fund is used to account for revenue from the 911 telephone tax and user fees from various special districts for operation of the Western Lane County Public Safety Answering Point (PSAP).

#### **Room Tax Fund**

The Room Tax Fund is used to account for the City's room tax receipts. These taxes are used to help support the Florence Events Center and to accomplish specific marketing of the City and tourism-related projects.

#### **Debt Service Funds**

These funds are used to account for revenues and expenditures related to the servicing of general long-term debt:

#### **General Obligation Bond Fund**

The General Obligation Bond Fund is used to account for the City's general obligation bond activity. Currently, a bond issued to fund construction of water utility infrastructure is accounted for in this fund.

**CITY OF FLORENCE, OREGON  
STREET SYSTEM DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2020**

	Budget		Actual			Variance with Final Budget
	Original	Final	FY 2019-20	FY 2020-21	Biennium	
<b>REVENUES:</b>						
Charges for services	\$ 70,000	\$ 70,000	\$ 50,209	\$ -	\$ 50,209	\$ (19,791)
Miscellaneous	30,000	30,000	14,622	-	14,622	(15,378)
Total revenues	100,000	100,000	64,831	-	64,831	(35,169)
<b>EXPENDITURES:</b>						
Materials and service	2,400	2,400	473	-	473	1,927
Contingency	77,900	77,900	-	-	-	77,900
Total expenditures	80,300	80,300	473	-	473	79,827
Revenues over (under) expenditures	19,700	19,700	64,358	-	64,358	44,658
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers out	(480,000)	(480,000)	(380,000)	-	(380,000)	100,000
Total other financing sources (uses)	(480,000)	(480,000)	(380,000)	-	(380,000)	100,000
Net change in fund balance	(460,300)	(460,300)	(315,642)	-	(315,642)	144,658
<b>FUND BALANCE, BEGINNING-BUDGETARY BASIS</b>						
	460,300	460,300	489,825	-	489,825	29,525
<b>FUND BALANCE, ENDING -BUDGETARY BASIS</b>						
	\$ -	\$ -	174,183	\$ -	\$ 174,183	\$ 174,183
The Street System Development Fund is budgeted as an individual fund but is combined with the Street Fund for GAAP reporting.						
			(174,183)			
<b>FUND BALANCE, ENDING</b>						
			\$ -			

**CITY OF FLORENCE, OREGON**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Budget		Actual			Variance with Final Budget
	Original	Final	FY 2019-20	FY 2020-21	Biennium	
<b>REVENUES:</b>						
Miscellaneous	\$ 308,000	\$ 308,000	\$ 94,026	\$ -	\$ 94,026	\$ (213,974)
Total revenues	308,000	308,000	94,026	-	94,026	(213,974)
<b>EXPENDITURES:</b>						
Materials and service	800	800	860	-	860	(60)
Capital outlay	-	-	60,503	-	60,503	(60,503)
Debt service:						
Principal	1,415,000	1,415,000	636,896	-	636,896	778,104
Interest	817,500	817,500	387,225	-	387,225	430,275
Total expenditures	2,233,300	2,233,300	1,085,484	-	1,085,484	1,147,816
Revenues over (under) expenditures	(1,925,300)	(1,925,300)	(991,458)	-	(991,458)	933,842
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	1,673,000	1,673,000	776,700	-	776,700	(1,673,000)
Transfers out	-	-	-	-	-	776,700
Total other financing sources (uses)	1,673,000	1,673,000	776,700	-	776,700	(896,300)
Net change in fund balance	(252,300)	(252,300)	(214,758)	-	(214,758)	37,542
<b>FUND BALANCE, BEGINNING -</b>						
<b>BUDGETARY BASIS</b>	823,600	823,600	599,791	-	599,791	(223,809)
<b>FUND BALANCE, ENDING -</b>						
<b>BUDGETARY BASIS</b>	\$ 571,300	\$ 571,300	\$ 385,033	\$ -	\$ 385,033	\$ (186,267)

**CITY OF FLORENCE, OREGON**  
**FURA DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Budget		Actual			Variance with Final Budget
	Original	Final	FY 2019-20	FY 2020-21	Biennium	
<b>EXPENDITURES:</b>						
Debt service:						
Principal	\$ 496,200	496,200	\$ 143,228	\$ -	\$ 143,228	\$ 352,972
Interest	226,600	226,600	76,589	-	76,589	150,011
Contingency	80,600	80,600	-	-	-	80,600
Total expenditures	803,400	803,400	219,817	-	219,817	583,583
Revenues over (under) expenditures	(803,400)	(803,400)	(219,817)	-	(219,817)	583,583
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	800,000	800,000	647,100	-	647,100	(152,900)
Total other financing sources (uses)	800,000	800,000	647,100	-	647,100	(152,900)
Net changes in fund balances	(3,400)	(3,400)	427,283	-	427,283	430,683
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>	3,400	3,400	(346,643)	-	(346,643)	(350,043)
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>	\$ -	\$ -	\$ 80,640	\$ -	\$ 80,640	\$ 80,640



**CITY OF FLORENCE, OREGON  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
June 30, 2020**

	Special Revenue Funds		Debt Service Fund	Nonmajor Governmental Funds
	9-1-1 Emergency Fund	Room Tax Fund	General Obligation Bond Fund	
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 520,830	\$ 20,187	\$ 85,844	\$ 626,861
Receivable, net:				
Accounts	46,554	-	655	47,209
Taxes	-	-	7,366	7,366
Total assets	<u>\$ 567,384</u>	<u>\$ 20,187</u>	<u>\$ 93,865</u>	<u>\$ 681,436</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable and accrued expenses	\$ 8,375	\$ 20,043	\$ -	\$ 28,418
Total liabilities	<u>8,375</u>	<u>20,043</u>	<u>-</u>	<u>28,418</u>
<b>DEREFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue - property taxes	-	-	6,844	6,844
Unavailable revenue - other	10,584	-	-	10,584
Total deferred inflows of resources	<u>10,584</u>	<u>-</u>	<u>6,844</u>	<u>17,428</u>
<b>FUND BALANCE:</b>				
Restricted for:				
Public safety	548,425	-	-	548,425
Tourism	-	144	-	144
Debt service	-	-	87,021	87,021
Total fund balance	<u>548,425</u>	<u>144</u>	<u>87,021</u>	<u>635,590</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 567,384</u>	<u>\$ 20,187</u>	<u>\$ 93,865</u>	<u>\$ 681,436</u>

**CITY OF FLORENCE, OREGON  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
For the Fiscal Year Ended June 30, 2020**

	Special Revenue Funds		Debt Service Fund	
	9-1-1 Emergency Fund	Room Tax Fund	General Obligation Bond Fund	Nonmajor Governmental Funds
<b>REVENUES:</b>				
Taxes	\$ -	\$ 294,222	\$ 153,530	\$ 447,752
Intergovernmental	113,379	-	-	113,379
Charges for services	173,353	-	-	173,353
Miscellaneous	4,983	-	4,191	9,174
Total revenues	291,715	294,222	157,721	743,658
<b>EXPENDITURES:</b>				
Current:				
Administration	-	140,940	-	140,940
Public safety	680,030	-	-	680,030
Capital outlay	31,671	-	-	31,671
Debt service:				
Principal	-	-	164,094	164,094
Interest	-	-	10,378	10,378
Total expenditures	711,701	140,940	174,472	1,027,113
Revenues over (under) expenditures	(419,986)	153,282	(16,751)	(283,455)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	700,000	-	-	700,000
Transfers out	(100,000)	(235,487)	-	(335,487)
Total other financing sources (uses)	600,000	(235,487)	-	364,513
Net change in fund balance	180,014	(82,205)	(16,751)	81,058
<b>FUND BALANCE, BEGINNING</b>	368,411	82,349	103,772	554,532
<b>FUND BALANCE, ENDING</b>	\$ 548,425	\$ 144	\$ 87,021	\$ 635,590

## **BUDGETARY COMPARISON SCHEDULES**

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balance - budget and actual be displayed for each fund where legally adopted budgets are required.

Governmental Budgetary Comparison schedules not included in required supplemental information include the following:

- Special Revenue Funds
  - 9-1-1 Emergency Fund
  - Room Tax Fund
  
- Debt Service Funds
  - General Obligation Bond Fund

**CITY OF FLORENCE, OREGON**  
**9-1-1 EMERGENCY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Budget		Actual			Variance with Final Budget
	Original	Final	FY 2019-20	FY 2020-21	Biennium	
<b>REVENUES:</b>						
Intergovernmental	\$ 220,000	\$ 220,000	\$ 113,379	\$ -	\$ 113,379	\$ (106,621)
Charges for services	340,000	340,000	173,353	-	173,353	(166,647)
Miscellaneous	1,000	1,000	4,983	-	4,983	3,983
Total revenues	561,000	561,000	291,715	-	291,715	(269,285)
<b>EXPENDITURES:</b>						
Personnel service	1,130,900	1,130,900	568,708	-	568,708	562,192
Materials and service	275,000	275,000	111,322	-	111,322	163,678
Capital outlay	50,000	50,000	31,671	-	31,671	18,329
Contingency	551,500	551,500	-	-	-	551,500
Total expenditures	2,007,400	2,007,400	711,701	-	711,701	1,295,699
Revenues over (under) expenditures	(1,446,400)	(1,446,400)	(419,986)	-	(419,986)	1,026,414
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	1,417,000	1,417,000	700,000	-	700,000	(717,000)
Transfers out	(275,000)	(275,000)	(100,000)	-	(100,000)	175,000
Total other financing sources (uses)	1,142,000	1,142,000	600,000	-	600,000	(542,000)
Net change in fund balance	(304,400)	(304,400)	180,014	-	180,014	484,414
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>	304,400	304,400	368,411	-	-	64,011
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>	\$ -	\$ -	\$ 548,425	\$ -	\$ 180,014	\$ 548,425

**CITY OF FLORENCE, OREGON**  
**ROOM TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Budget		Actual			Variance with Final Budget
	Original	Final	FY 2019-20	FY 2020-21	Biennium	
<b>REVENUES:</b>						
Taxes	\$ 866,600	\$ 866,600	\$ 294,222	\$ -	\$ 294,222	\$ (572,378)
Total revenues	866,600	866,600	294,222	-	294,222	(572,378)
<b>EXPENDITURES:</b>						
Materials and service	327,200	327,200	140,940	-	140,940	186,260
Contingency	134,700	134,700	-	-	-	134,700
Total expenditures	461,900	461,900	140,940	-	140,940	320,960
Revenues over (under) expenditures	404,700	404,700	153,282	-	153,282	(251,418)
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers out	(507,300)	(507,300)	(235,487)	-	(235,487)	271,813
Total other financing sources (uses)	(507,300)	(507,300)	(235,487)	-	(235,487)	271,813
Net change in fund balance	(102,600)	(102,600)	(82,205)	-	(82,205)	20,395
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>	102,600	102,600	82,349	-	82,349	(20,251)
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>	\$ -	\$ -	\$ 144	\$ -	\$ 144	\$ 144

**CITY OF FLORENCE, OREGON**  
**GENERAL OBLIGATION BOND FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Budget		Actual			Variance with Final Budget
	Original	Final	FY 2019-20	FY 2020-21	Biennium	
<b>REVENUES:</b>						
Taxes	\$ 318,100	\$ 318,100	153,530	-	153,530	(164,570)
Miscellaneous	100	100	\$ 4,191	\$ -	\$ 4,191	\$ 4,091
Total revenues	318,200	318,200	157,721	-	157,721	(160,479)
<b>EXPENDITURES:</b>						
Debt service:						
Principal	328,189	328,189	164,094	-	164,094	164,095
Interest	17,411	17,411	10,378	-	10,378	7,033
Total expenditures	345,600	345,600	174,472	-	174,472	171,128
Net change in fund balance	(27,400)	(27,400)	(16,751)	-	(16,751)	10,649
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>	29,200	29,200	103,772	-	103,772	74,572
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>	\$ 1,800	\$ 1,800	\$ 87,021	\$ -	\$ 87,021	\$ 85,221

## **BUDGETARY COMPARISON SCHEDULES**

### **Enterprise Funds**

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balance - budget and actual be displayed for each fund where legally adopted budgets are required.

Enterprise Budgetary Comparison schedules include the following:

- Water Funds
  - Water Fund
  - Water System Development Fund
  
- Wastewater Fund
  - Wastewater Fund
  - Wastewater Systems Development Fund
  
- Airport Fund
  - Airport Fund
  
- Stormwater Funds
  - Stormwater Fund
  - Stormwater Systems Development Fund
  
- Events Center
  - Events Center Fund

**CITY OF FLORENCE, OREGON  
WATER FUNDS COMBINED  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
For the Fiscal Year Ended June 30, 2020**

	Water Fund	Water System Development Fund	Total Water Funds
<b>REVENUES:</b>			
Intergovernmental	\$ 117	\$ -	\$ 117
Charges for services	2,244,412	-	2,244,412
Miscellaneous	25,412	153,461	178,873
	<u>2,269,941</u>	<u>153,461</u>	<u>2,423,402</u>
<b>EXPENDITURES:</b>			
Personal services	345,269	-	345,269
Materials and services	1,489,179	-	1,489,179
Capital outlay	813,948	-	813,948
Debt service:			
Principal	87,415	-	87,415
Interest	57,602	-	57,602
	<u>2,793,413</u>	<u>-</u>	<u>2,793,413</u>
Total expenditures	2,793,413	-	2,793,413
Net change in fund balance	(523,472)	153,461	(370,011)
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>	<u>1,085,680</u>	<u>341,749</u>	<u>1,427,429</u>
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>	<u>\$ 562,208</u>	<u>\$ 495,210</u>	1,057,418
<b>RECONCILIATION TO NET POSITION - GAAP BASIS</b>			
Inventory			34,172
Capital assets, net			9,416,544
Net OPEB asset			2,459
Deferred outflows related to pensions			65,516
Deferred outflows related to OPEB			3,253
Unavailable revenue			6,238
Accrued interest			(4,566)
Compensated absences payable			(19,926)
Long-term debt			(1,693,995)
Net pension liability			(206,680)
Net OPEB liability			(12,969)
Deferred outflows related to pensions			(18,438)
Deferred outflows related to OPEB			(1,434)
<b>NET POSITION</b>			<u>\$ 8,627,592</u>



**CITY OF FLORENCE, OREGON**  
**WATER FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Biennium Budget		Actual		Variance with Final Budget	
	Original	Final	FY 2019-20	FY 2020-21		
<b>REVENUES:</b>						
Intergovernmental	\$ -	\$ -	\$ 117	\$ -	\$ 117	\$ 117
Charges for services	4,475,000	4,475,000	2,244,412	-	2,244,412	(2,230,588)
Miscellaneous	10,000	10,000	25,412	-	25,412	15,412
<b>Total revenues</b>	<b>4,485,000</b>	<b>4,485,000</b>	<b>2,269,941</b>	<b>-</b>	<b>2,269,941</b>	<b>(2,215,059)</b>
<b>EXPENDITURES:</b>						
Personal services	764,200	764,200	345,269	-	345,269	418,931
Materials and services	3,017,200	3,017,200	1,489,179	-	1,489,179	1,528,021
Capital outlay	3,125,000	3,125,000	813,948	-	813,948	2,311,052
Debt service:						
Principal	173,100	173,100	87,415	-	87,415	85,685
Interest	118,800	118,800	57,602	-	57,602	61,198
Contingency	905,100	905,100	-	-	-	905,100
<b>Total expenditures</b>	<b>8,103,400</b>	<b>8,103,400</b>	<b>2,793,413</b>	<b>-</b>	<b>2,793,413</b>	<b>5,309,987</b>
Revenues over (under) expenditures	(3,618,400)	(3,618,400)	(523,472)	-	(523,472)	3,094,928
<b>OTHER FINANCING SOURCES (USES):</b>						
Issuance of debt	2,200,000	2,200,000	-	-	-	(2,200,000)
Transfers in	250,000	250,000	-	-	-	(250,000)
<b>Total other financing sources (uses)</b>	<b>2,450,000</b>	<b>2,450,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,450,000)</b>
Net change in fund balance	(1,168,400)	(1,168,400)	(523,472)	-	(523,472)	644,928
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>	<b>1,168,400</b>	<b>1,168,400</b>	<b>1,085,680</b>	<b>-</b>	<b>1,085,680</b>	<b>(82,720)</b>
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 562,208</b>	<b>\$ -</b>	<b>\$ 562,208</b>	<b>\$ 562,208</b>

**CITY OF FLORENCE, OREGON**  
**WATER SYSTEM DEVELOPMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Biennium Budget		Actual		Variance with Final Budget
	Original	Final	FY 2019-20	FY 2020-21	
<b>REVENUES:</b>					
Charges for services	\$ 193,500	\$ 193,500	\$ -	\$ -	\$ (193,500)
Miscellaneous	30,000	30,000	153,461	-	123,461
Total revenues	223,500	223,500	153,461	-	(70,039)
<b>EXPENDITURES:</b>					
Contingency	174,000	174,000	-	-	174,000
Total expenditures	174,000	174,000	-	-	174,000
Revenues over (under) expenditures	49,500	49,500	153,461	-	103,961
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers out	(250,000)	(250,000)	-	-	250,000
Total other financing sources (uses)	(250,000)	(250,000)	-	-	250,000
Net change in fund balance	(200,500)	(200,500)	153,461	-	353,961
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>	200,500	200,500	341,749	-	141,249
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>	\$ -	\$ -	\$ 495,210	\$ -	\$ 495,210

**CITY OF FLORENCE, OREGON  
WASTEWATER FUND COMBINED  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
For the Fiscal Year Ended June 30, 2020**

	Wastewater Fund	Wastewater Systems Development Fund	Total Wastewater Fund
<b>REVENUES:</b>			
Intergovernmental	\$ 117	\$ -	\$ 117
Charges for services	3,314,331	-	3,314,331
Miscellaneous	96,570	338,264	434,834
	<u>3,411,018</u>	<u>338,264</u>	<u>3,749,282</u>
Total revenues			
<b>EXPENDITURES:</b>			
Personnel service	451,825	-	451,825
Materials and service	1,693,922	709	1,694,631
Capital outlay	553,046	-	553,046
Debt service:			
Principal	1,037,144	-	1,037,144
Interest	107,600	-	107,600
	<u>3,843,537</u>	<u>709</u>	<u>3,844,246</u>
Total expenditures			
Revenues over (under) expenditures	<u>(432,519)</u>	<u>337,555</u>	<u>(94,964)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	490,000	-	490,000
Transfers out	-	(250,000)	(250,000)
	<u>490,000</u>	<u>(250,000)</u>	<u>240,000</u>
Total other financing sources (uses)			
Net change in fund balance	57,481	87,555	145,036
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>			
	<u>148,971</u>	<u>227,328</u>	<u>376,299</u>
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>			
	<u>\$ 206,452</u>	<u>\$ 314,883</u>	521,335
<b>RECONCILIATION TO NET POSITION - GAAP BASIS</b>			
Inventory			15,498
Capital assets, net			16,172,900
Net OPEB asset			4,583
Deferred outflows related to pensions			122,117
Deferred outflows related to OPEB			6,064
Unavailable revenue			26,462
Accrued interest			(13,440)
Compensated absences payable			(25,147)
Long-term debt			(4,730,680)
Net pension liability			(385,237)
Net OPEB liability			(24,174)
Deferred outflows related to pensions			(34,367)
Deferred outflows related to OPEB			(2,672)
			<u>\$ 11,653,242</u>
<b>NET POSITION</b>			

**CITY OF FLORENCE, OREGON**  
**WASTEWATER FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Biennium Budget		Actual			Variance with Final Budget
	Original	Final	FY 2019-20	FY 2020-21	Biennium	
<b>REVENUES:</b>						
Intergovernmental	\$ -	\$ -	\$ 117	\$ -	\$ 117	\$ 117
Charges for services	6,660,000	6,660,000	3,314,331	-	3,314,331	(3,345,669)
Miscellaneous	411,000	411,000	96,570	-	96,570	(314,430)
<b>Total revenues</b>	<b>7,071,000</b>	<b>7,071,000</b>	<b>3,411,018</b>	<b>-</b>	<b>3,411,018</b>	<b>(3,659,982)</b>
<b>EXPENDITURES:</b>						
Personnel service	883,900	883,900	451,825	-	451,825	432,075
Materials and service	3,283,500	3,283,500	1,693,922	-	1,693,922	1,589,578
Capital outlay	2,345,000	2,345,000	553,046	-	553,046	1,791,954
Debt service:						
Principal	2,089,300	2,089,300	1,037,144	-	1,037,144	1,052,156
Interest	177,300	177,300	107,600	-	107,600	69,700
Contingency	891,800	891,800	-	-	-	891,800
<b>Total expenditures</b>	<b>9,670,800</b>	<b>9,670,800</b>	<b>3,843,537</b>	<b>-</b>	<b>3,843,537</b>	<b>5,827,263</b>
Revenues over (under) expenditures	(2,599,800)	(2,599,800)	(432,519)	-	(432,519)	2,167,281
<b>OTHER FINANCING SOURCES (USES):</b>						
Issuance of debt	1,250,000	1,250,000	-	-	-	(1,250,000)
Transfers in	550,000	550,000	490,000	-	490,000	(60,000)
<b>Total other financing sources (uses)</b>	<b>1,800,000</b>	<b>1,800,000</b>	<b>490,000</b>	<b>-</b>	<b>490,000</b>	<b>(1,310,000)</b>
Net change in fund balance	(799,800)	(799,800)	57,481	-	57,481	857,281
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>						
	799,800	799,800	148,971	-	148,971	(650,829)
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>						
	\$ -	\$ -	\$ 206,452	\$ -	\$ 206,452	\$ 206,452

**CITY OF FLORENCE, OREGON**  
**WASTEWATER SYSTEMS DEVELOPMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Biennium Budget		Actual			Variance with Final Budget
	Original	Final	FY 2019-20	FY 2020-21	Biennium	
<b>REVENUES:</b>						
Charges for services	\$ 214,000	\$ 214,000	\$ -	\$ -	\$ -	\$ (214,000)
Miscellaneous	15,000	15,000	338,264	-	338,264	323,264
Total revenues	229,000	229,000	338,264	-	338,264	109,264
<b>EXPENDITURES:</b>						
Materials and service	3,600	3,600	709	-	709	2,891
Contingency	63,300	63,300	-	-	-	63,300
Total expenditures	66,900	66,900	709	-	709	66,191
Revenues over (under) expenditures	162,100	162,100	337,555	-	337,555	175,455
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers out	(550,000)	(550,000)	(250,000)	-	(250,000)	300,000
Total other financing sources (uses)	(550,000)	(550,000)	(250,000)	-	(250,000)	300,000
Net change in fund balance	(387,900)	(387,900)	87,555	-	87,555	475,455
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>						
	387,900	387,900	227,328	-	227,328	(160,572)
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>						
	\$ -	\$ -	\$ 314,883	\$ -	\$ 314,883	\$ 314,883

**CITY OF FLORENCE, OREGON**  
**AIRPORT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Biennium Budget		Actual			Variance with Final Budget
	Original	Final	FY 2019-20	FY 2020-21	Biennium	
<b>REVENUES:</b>						
Intergovernmental	\$ 78,000	\$ 78,000	\$ 79,359	\$ -	\$ 79,359	\$ 1,359
Charges for services	120,000	120,000	60,322	-	60,322	(59,678)
Miscellaneous	167,200	167,200	85,433	-	85,433	(81,767)
Total revenues	<u>365,200</u>	<u>365,200</u>	<u>225,114</u>	<u>-</u>	<u>225,114</u>	<u>(140,086)</u>
<b>EXPENDITURES:</b>						
Materials and service	293,500	293,500	136,827	-	136,827	156,673
Capital outlay	135,000	135,000	142,406	-	142,406	(7,406)
Contingency	158,400	158,400	-	-	-	158,400
Total expenditures	<u>586,900</u>	<u>586,900</u>	<u>279,233</u>	<u>-</u>	<u>279,233</u>	<u>307,667</u>
Net change in fund balance	(221,700)	(221,700)	(54,119)	-	(54,119)	167,581
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>	<u>221,700</u>	<u>221,700</u>	<u>54,684</u>	<u>-</u>	<u>54,684</u>	<u>(167,016)</u>
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	565	<u>\$ -</u>	<u>\$ 565</u>	<u>\$ 565</u>
<b>RECONCILIATION TO NET POSITION - GAAP BASIS</b>						
Inventory			20,644			
Capital assets, net			3,594,378			
Unavailable revenue			2,691			
<b>NET POSITION</b>			<u>\$ 3,618,278</u>			

**CITY OF FLORENCE, OREGON  
STORMWATER FUNDS COMBINED  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
For the Fiscal Year Ended June 30, 2020**

	Stormwater Fund	Stormwater Systems Development Fund	Total Stormwater Funds
<b>REVENUES:</b>			
Charges for services	\$ 563,923	\$ -	\$ 563,923
Miscellaneous	178	78,954	79,132
	<u>564,101</u>	<u>78,954</u>	<u>643,055</u>
Total revenues			
<b>EXPENDITURES:</b>			
Personnel service	156,976	-	156,976
Materials and service	270,456	197	270,653
Capital outlay	80,899	-	80,899
Debt service:			
Principal	15,283	-	15,283
Interest	1,409	-	1,409
	<u>525,023</u>	<u>197</u>	<u>525,220</u>
Total expenditures			
Revenues over (under) expenditures	39,078	78,757	117,835
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	200,000	-	200,000
Transfers out	-	(200,000)	(200,000)
	<u>200,000</u>	<u>(200,000)</u>	<u>-</u>
Total other financing sources (uses)			
Net changes in fund balances	239,078	(121,243)	117,835
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>780,939</u>	<u>228,448</u>	<u>1,009,387</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ 1,020,017</u>	<u>\$ 107,205</u>	<u>1,127,222</u>
<b>RECONCILIATION TO NET POSITION - GAAP BASIS</b>			
Capital assets, net			1,897,629
Net OPEB asset			990
Deferred outflows related to pensions			26,366
Deferred outflows related to OPEB			1,309
Unavailable revenue			7,684
Accrued interest			(371)
Compensated absences payable			(3,982)
Long-term debt			(222,867)
Net pension liability			(83,176)
Net OPEB liability			(5,219)
Deferred outflows related to pensions			(7,420)
Deferred outflows related to OPEB			(577)
			<u>2,737,588</u>
<b>NET POSITION</b>			<u>\$ 2,737,588</u>

**CITY OF FLORENCE, OREGON**  
**STORMWATER FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Biennium Budget		Actual		Biennium	Variance Positive (Negative)
	Original	Final	FY 2019-20	FY 2020-21		
<b>REVENUES:</b>						
Charges for services	\$ 1,124,300	\$ 1,124,300	\$ 563,923	\$ -	\$ 563,923	\$ (560,377)
Miscellaneous	1,000	1,000	178	-	178	(822)
Total revenues	1,125,300	1,125,300	564,101	-	564,101	(561,199)
<b>EXPENDITURES:</b>						
Personnel service	311,500	311,500	156,976	-	156,976	154,524
Materials and service	583,800	583,800	270,456	-	270,456	313,344
Capital outlay	890,000	890,000	80,899	-	80,899	809,101
Debt service:						
Principal	30,900	30,900	15,283	-	15,283	15,617
Interest	5,900	5,900	1,409	-	1,409	4,491
Contingency	229,600	229,600	-	-	-	229,600
Total expenditures	2,051,700	2,051,700	525,023	-	525,023	1,526,677
Revenues over (under) expenditures	(926,400)	(926,400)	39,078	-	39,078	965,478
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	200,000	200,000	200,000	-	200,000	-
Total other financing sources (uses)	200,000	200,000	200,000	-	200,000	-
Net changes in fund balances	(726,400)	(726,400)	239,078	-	239,078	965,478
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>						
	726,400	726,400	780,939	-	780,939	54,539
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>						
	\$ -	\$ -	\$ 1,020,017	\$ -	\$ 1,020,017	\$ 1,020,017



**CITY OF FLORENCE, OREGON**  
**STORMWATER SYSTEMS DEVELOPMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Biennium Budget		Actual		Biennium	Variance Positive (Negative)
	Original	Final	FY 2019-20	FY 2020-21		
<b>REVENUES:</b>						
Charges for services	\$ 118,000	\$ 118,000	\$ -	\$ -	\$ -	\$ (118,000)
Miscellaneous	2,000	2,000	78,954	-	78,954	76,954
Total revenues	120,000	120,000	78,954	-	78,954	(41,046)
<b>EXPENDITURES:</b>						
Materials and service	1,000	1,000	197	-	197	803
Contingency	97,400	97,400	-	-	-	97,400
Total expenditures	98,400	98,400	197	-	197	98,203
Revenues over (under) expenditures	21,600	21,600	78,757	-	78,757	57,157
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers out	(200,000)	(200,000)	(200,000)	-	(200,000)	-
Total other financing sources (uses)	(200,000)	(200,000)	(200,000)	-	(200,000)	-
Net changes in fund balances	(178,400)	(178,400)	(121,243)	-	(121,243)	57,157
<b>FUND BALANCE, BEGINNING - BUDGETARY BASIS</b>						
	178,400	178,400	228,448	-	228,448	50,048
<b>FUND BALANCE, ENDING - BUDGETARY BASIS</b>						
	\$ -	\$ -	\$ 107,205	\$ -	\$ 107,205	\$ 107,205

**CITY OF FLORENCE, OREGON**  
**EVENTS CENTER FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Biennium Budget		Actual			Variance Positive (Negative)
	Original	Final	FY 2019-20	FY 2020-21	Biennium	
<b>REVENUES:</b>						
Intergovernmental	\$ 227,500	\$ 227,500	\$ 128,524	\$ -	\$ 128,524	\$ (98,976)
Charges for services	414,900	582,400	217,871	-	217,871	(364,529)
Miscellaneous	307,000	307,000	103,358	-	103,358	(203,642)
Total revenues	949,400	1,116,900	449,753	-	449,753	(667,147)
<b>EXPENDITURES:</b>						
Personnel service	507,300	507,300	244,200	-	244,200	263,100
Materials and service	1,021,300	1,178,800	498,271	-	498,271	680,529
Capital outlay	250,000	260,000	35,474	-	35,474	224,526
Contingency	293,900	293,900	-	-	-	293,900
Total expenditures	2,072,500	2,240,000	777,945	-	777,945	1,462,055
Revenues over (under) expenditures	(1,123,100)	(1,123,100)	(328,192)	-	(328,192)	794,908
<b>OTHER FINANCING SOURCES (USES):</b>						
Issuance of debt	150,000	150,000	-	-	-	(150,000)
Transfers in	507,300	507,300	235,487	-	235,487	(271,813)
Total other financing sources (uses)	657,300	657,300	235,487	-	235,487	(421,813)
Net changes in fund balances	(465,800)	(465,800)	(92,705)	-	(92,705)	373,095
<b>FUND BALANCE, BEGINNING</b>	465,800	465,800	466,692	-	466,692	892
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	373,987	\$ -	\$ 373,987	\$ 373,987
<b>RECONCILIATION TO NET POSITION - GAAP BASIS</b>						
Capital assets, net			1,878,505			
Net OPEB asset			2,706			
Deferred outflows related to pensions			72,107			
Deferred outflows related to OPEB			3,581			
Compensated absences payable			(20,667)			
Net pension liability			(227,474)			
Net OPEB liability			(14,274)			
Deferred outflows related to pensions			(20,293)			
Deferred outflows related to OPEB			(1,578)			
<b>NET POSITION</b>			<u>\$ 2,046,600</u>			

## **BUDGETARY COMPARISON SCHEDULES**

### **Internal Service Funds**

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balances - budget and actual be displayed for each fund where legally adopted budgets are required.

- Public Works Admin Fund

**CITY OF FLORENCE, OREGON  
PUBLIC WORKS ADMIN FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2020**

	Biennium Budget		Actual		Variance with	
	Original	Final	FY 2019-20	FY 2020-21	Biennium	Final Budget
<b>REVENUES:</b>						
Intergovernmental	\$ 93,600	\$ 93,600	\$ 10,731	\$ -	\$ 10,731	\$ (82,869)
Charges for services	2,588,100	2,588,100	1,258,185	-	1,258,185	(1,329,915)
Total revenues	2,681,700	2,681,700	1,268,916	-	1,268,916	(1,412,784)
<b>EXPENDITURES:</b>						
Personal services	1,540,800	1,540,800	646,960	-	646,960	893,840
Material services	366,600	366,600	206,677	-	206,677	159,923
Capital outlay	700,000	700,000	271,066	-	271,066	428,934
Contingency	171,200	171,200	-	-	-	171,200
Total expenditures	2,778,600	2,778,600	1,124,703	-	1,124,703	1,653,897
Revenues over (under) expenditures	(96,900)	(96,900)	144,213	-	144,213	241,113
<b>OTHER FINANCING SOURCES (USES):</b>						
Issuance of debt	350,000	350,000	-	-	-	(350,000)
Transfers out	(439,400)	(439,400)	(219,700)	-	(219,700)	219,700
Total other financing sources (uses)	(89,400)	(89,400)	(219,700)	-	(219,700)	(130,300)
Net change in fund balance	(186,300)	(186,300)	(75,487)	-	(75,487)	110,813
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>						
	186,300	186,300	99,802	-	99,802	(86,498)
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>						
	\$ -	\$ -	24,315	\$ -	\$ 24,315	\$ 24,315
<b>RECONCILIATION TO NET POSITION - GAAP BASIS</b>						
Capital assets, net			3,912,937			
Net OPEB asset			6,411			
Deferred outflows related to pensions			170,806			
Deferred outflows related to OPEB			8,482			
Accrued interest			(6,948)			
Compensated absences payable			(48,659)			
Long-term debt			(2,849,898)			
Net pension liability			(538,833)			
Net OPEB liability			(33,812)			
Deferred outflows related to pensions			(48,069)			
Deferred outflows related to OPEB			(3,738)			
<b>NET POSITION</b>			<u>\$ 592,994</u>			

## **AUDIT COMMENTS AND DISCLOSURES**

**INDEPENDENT AUDITOR’S REPORT  
ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH OREGON STATE REGULATION**

The Honorable Mayor and City Council  
City of Florence, Oregon

We have audited the basic financial statements of City of Florence, Oregon, as of and for the year ended June 30, 2020 and have issued our report thereon dated May 7, 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 of Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether City of Florence’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in the Oregon Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, as set forth below, noncompliance with which could have a direct and material effect on the financial statements:

- Deposits of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions, and repayments.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Highway revenues used for public highways, roads, and streets.
- Authorized investment of surplus funds. (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, and 279C).
- Accountability for collecting or receiving money by elected officials. The City does not have any elected officials collecting or receiving money.

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

Expenditures in the following funds exceeded appropriations for the year ended June 30, 2020:

<u>Fund</u>	<u>Budget Category</u>	<u>Amount</u>
Debt Service Fund	Materials and service	\$ 60
Debt Service Fund	Capital outlay	\$ 60,503
Airport Fund	Capital outlay	\$ 7,406

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

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

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

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

### **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 of 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.



For Merina+Co  
Tualatin, Oregon  
May 7, 2021

May 7, 2021

To the Honorable Mayor and City Council  
City of Florence, OR

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Florence, Oregon as of and for the year ended June 30, 2020, and have issued our report thereon dated May 7, 2021. Professional standards require that we advise you of the following matters relating to our audit.

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

As communicated in our engagement letter dated April 27, 2020, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been approved by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America and *Government Auditing Standards* and the Uniform Guidance. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

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



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

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by City of Florence is included in Note 1 to the financial statements. As described in Note IV.D to the financial statements, the City of Florence implemented one new accounting pronouncement issued by the Governmental Accounting Standards Board (GASB). The pronouncement was:

- GASB Statement No. 95 Postponement of the Effective Dates of Certain Authoritative Guidance

### *Significant Accounting Estimates*

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

The most sensitive accounting estimates affecting the financial statements are described below.

Management's estimate of the accumulated depreciation is based on historical cost or estimated historical cost if purchased or constructed and donated capital assets are recorded at estimated fair market value at the date of donation.

Management's estimate of the compensated absences payable is based on current wages.

Management's estimate of the allowance for doubtful accounts is based on receivables that are more than 90 days past due.

Management's estimate of the net pension liability and net OPEB liability is calculated based on information provided by the State of Oregon (PERS) that was determined by an actuary.

We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting City of Florence's financial statements relate to:

The disclosure of Capital Assets in Note III.D to the financial statements summarizes the changes in capital assets for the year ended June 30, 2020.

The disclosure of Long-Term Debt in Note III.E to the financial statements summarizes the changes in debt for the year ended June 30, 2020.

The disclosure of the City's OPEB Plan in Note III.F to the financial statements describes the City's Pension Plan benefits, contributions, pension liabilities, expense, deferred outflows/inflows of resources, and actuarial assumptions/projections.

The disclosure of the City's Pension Plan in Note III.G to the financial statements describes the City's Pension Plan benefits, contributions, pension liabilities, expense, deferred outflows/inflows of resources, and actuarial assumptions/projections.

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

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

### **Uncorrected and Corrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We noted known and likely uncorrected misstatements of the financial statements with a total financial statement effect of \$101,924. Management has determined that the effect of the uncorrected misstatements is immaterial, both individually and in the aggregate, to each opinion unit's financial statements taken as a whole.

Additionally, the City relied on Merina+Co to propose audit adjustments that are necessary for proper presentation of the financial statements. Some of these proposed audit adjustments are material misstatements. The following material misstatements were detected as a result of audit procedures and were corrected by management:

- Current year grants receivable
- Current year interfund transfers

### **Disagreements with Management**

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

### **Representations Requested from Management**

We have requested certain written representations from management, in a separate letter dated May 7, 2021.

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

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

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

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

## **Other Matters**

We applied certain limited procedures to the management’s discussion and analysis, schedule of the proportionate share of the net pension liability, schedule of contributions – pension, schedule of the proportionate share of OPEB – RHIA, schedule of contributions to OPEB – RHIA, schedule of changes in total OPEB liability and related ratios – implicit rate subsidy, and schedule of contributions to OPEB – implicit rate subsidy which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit management’s discussion and analysis, schedule of the proportionate share of the net pension liability, schedule of contributions – pension, schedule of the proportionate share of OPEB – RHIA, schedule of contributions to OPEB – RHIA, schedule of changes in total OPEB liability and related ratios – implicit rate subsidy, and schedule of contributions to OPEB – implicit rate subsidy and do not express an opinion or provide any assurance on this information.

We were engaged to report on the schedule of revenues, expenditures, and changes in fund balance – budget and actual, as listed in the table of contents under RSI, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

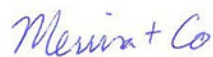
We were engaged to report on the other supplementary information, as listed in the table of contents, which accompany the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing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

We were not engaged to report on the introductory section, which accompany the financial statements but is not RSI. We did not audit or perform other procedures on this other information, and we do not express an opinion or provide any assurance on it.

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

If you should have any questions or comments, we would be pleased to discuss this report with you at your convenience.

Respectfully,



Merina+Co  
Tualatin, Oregon  
*Focused on Your Wants and Understanding Your Needs*

**CITY OF FLORENCE, OREGON  
SINGLE AUDIT REPORT**

**FOR THE YEAR ENDED JUNE 30, 2020**



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

Honorable Mayor and City Council  
City of Florence, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Florence, Oregon as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise City of Florence, Oregon's basic financial statements, and have issued our report thereon dated May 7, 2021.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City of Florence, Oregon's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws,

regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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



For Merina+Co  
Tualatin, Oregon  
May 7, 2021



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

Honorable Mayor and City Council  
City of Florence, Oregon

**Report on Compliance for the Major Federal Program**

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

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

### ***Opinion on the Major Federal Program***

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

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

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Florence, Oregon, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Florence, Oregon's basic financial statements. We issued our report thereon dated April 30, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial

statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



For Merina+Co  
Tualatin, Oregon  
May 7, 2021

**CITY OF FLORENCE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2020

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b><u>Department of Interior</u></b>			
<b>National Park Service</b>			
<i>Passed Through Oregon Parks and Recreation Department</i>			
Outdoor Recreation, Acquisition, Development and Planning	15.916	41-01598	<u>\$ 21,487</u>
<b><u>Department of Justice</u></b>			
<b>Office of Justice Programs</b>			
Bulletproof Vest Partnership Program	16.607	N/A	<u>480</u>
<b><u>Department of Transportation</u></b>			
<b>Federal Aviation Administration</b>			
Airport Improvement Program	20.106	N/A	62,414
<b>Highway Planning and Construction</b>			
<i>Passed through Oregon Department of Transportation</i>	20.205	31893	1,344,530 *
<b>National Highway Traffic Safety Administration</b>			
<i>Passed Through Oregon Impact</i>			
Safety Belt Program	20.600	69A3751830000405hOR0	1,258
DUII Program	20.608	69A37518300001640R1	<u>675</u>
<b>Total State and Community Highway Safety Cluster</b>			<u>1,933</u>
<b><u>Department of the Treasury</u></b>			
<b>Departmental Offices</b>			
Coronavirus Aid, Relief, and Economic Security Act	21.019	1063	54,824
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 1,485,668</u></u>

\* Denotes major program

See the notes to the Schedule of Expenditures of Federal Awards.

**CITY OF FLORENCE, OREGON**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**June 30, 2020**

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Note 1. General

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal financial assistance programs of the City of Florence, Oregon for the year ended June 30, 2020.

Note 2. Significant Accounting Policies

Reporting Entity: The reporting entity is fully described in Note 1 to the City's basic financial statements.

Basis of Presentation: The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

For new awards or modifications of existing awards after December 26, 2014, the expenditures reported in the Schedule follow the cost principles contained in the Uniform Guidance. For existing awards prior to December 26, 2014, the expenditures follow the cost principles contained in OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The costs principles indicate that certain types of expenditures are not allowable or are limited as to reimbursement. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting.

Note 3. Indirect Cost Rate

The City did not elect to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

Note 4. Subrecipients

There were no amounts paid to subrecipients by the City from federal funds for the year ended June 30, 2020.

**CITY OF FLORENCE, OREGON**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2020**

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**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified?  Yes  No

Significant deficiency(s) identified that are not considered to be material weaknesses?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal Control over major federal programs:

Material weakness(es) identified?  Yes  No

Significant deficiency (s) identified that are Not considered to be material weaknesses?  Yes  None reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?  Yes  No

**Identification of Major Federal Programs:**

<b>CFDA Number</b>	<b>Name of Federal Program or Cluster</b>
20.205	High Planning and Construction Cluster

Dollar threshold used to distinguish between Type A Type B programs: \$750,000

Auditee qualified as low-risk auditee?  Yes  No

**CITY OF FLORENCE, OREGON**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2020**

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**Section II – Financial Statement Findings**

None

**Section III – Federal Awards Findings and Questioned Costs**

None

**Section IV – Schedule of Prior Federal Award Findings and Questioned Costs for the Years Ended June 30, 2019**

None

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**AGENDA ITEM SUMMARY**  
**FLORENCE CITY COUNCIL**

**ITEM NO: 5**  
Meeting Date: June 21, 2021  
Department: Admin Svs Dept.

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**ITEM TITLE:** Resolution No. 22, Series 2021, Adopting 2019 – 2021 Biennial Supplemental Budget appropriation adjustments.

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**DISCUSSION/ISSUE:**

Oregon budget law requires revised appropriations whenever expenditures are anticipated to exceed the current appropriated amounts. If the proposed fund budget changes are less than ten percent (10%), the governing body may make the adjustments with a resolution.

The increases that are necessary in this supplemental budget can mainly be attributed to timing of projects. Details of the changes follow.

The proposed resolution provides funding related to the following:

**General Fund:**

	<b>2019-21 Revised</b>	<b>06/21/21 Adjustment</b>	<b>2019-21 Adjusted</b>	<b>% Increase</b>
<i>Requirements</i>				
Administration	\$ 1,595,400	\$ 90,500	\$ 1,685,900	
Administrative Services	2,361,900	(20,000)	2,341,900	
Public Safety	5,045,900	(90,500)	4,955,400	
Non-Departmental	276,200	20,000	296,200	
<b>Total Appropriations</b>	<b>\$ 9,279,400</b>	<b>\$ -</b>	<b>\$ 9,279,400</b>	<b>0.00%</b>

The Administration Division in the General Fund bore the responsibility of the pandemic response throughout the fiscal year 2021, shifting from a Public Safety centric response as traditional emergency responses typically are to an Administrative and Management response led by the City Manager’s Office. Increases in costs include premium paid for staff time, additional responsibilities related to the emergency response, economic development recovery support, and community caretaking up to and including the hosting of seven vaccine clinics.

**Unallocated (Non-Departmental):**

Material & Services - Increased \$20,000 due to COVID-19 related supply purchases. The increase was offset by an appropriation transfer from the Administrative Services budget.

Appropriations for the General Fund are a net zero increase.



**9-1-1 Fund:**

	<b>2019-21 Revised</b>	<b>06/21/21 Adjustment</b>	<b>2019-21 Adjusted</b>	<b>% Increase</b>
<i>Requirements</i>				
Personnel services	\$ 1,130,900	\$ 40,000	\$ 1,170,900	
Contingency	-	(40,000)	(40,000)	
<b>Total Appropriations</b>	<b>\$ 1,130,900</b>	<b>\$ -</b>	<b>\$ 1,130,900</b>	<b>0.00%</b>

Increase in personnel services due to wage premium and over-time costs due to COVID-19 emergency response and recovery efforts. The increase is offset by a transfer from contingency for a net zero increase to the fund's appropriations.

**Debt Services Fund:**

	<b>2019-21 Revised</b>	<b>06/21/21 Adjustment</b>	<b>2019-21 Adjusted</b>	<b>% Increase</b>
<i>Resources</i>				
Intergovernmental	269,000	149,400	418,400	
<i>Requirements</i>				
Materials and services	\$ 800	\$ 62,500	\$ 63,300	
Debt service	1,876,200	149,400	2,025,600	
Contingency	571,300	(62,500)	508,800	
<b>Total Appropriations</b>	<b>\$ 2,448,300</b>	<b>\$ 149,400</b>	<b>\$ 2,597,700</b>	<b>6.10%</b>

Increase in materials and services of \$62,500 due to foreclosure costs of property in the LID. The offset to the increase is a decrease in LID reserves (contingency). Increase in debt service due to the preparation for the closure of the FURA Debt Service Fund at the end of the 2019-21 biennium as recommended during the FY 2020 audit. The increase in appropriations is offset by an increase in intergovernmental payments from the FURA General Fund. The 6.10 percent increase in appropriations doesn't meet the requirements for a public hearing.

**Wastewater Fund:**

	<b>2019-21 Revised</b>	<b>06/21/21 Adjustment</b>	<b>2019-21 Adjusted</b>	<b>% Increase</b>
<i>Requirements</i>				
Personnel services	\$ 908,900	\$ 25,000	\$ 933,900	
Materials and services	3,308,500	30,000	3,338,500	
Capital Outlay	2,325,000	(55,000)	2,270,000	
<b>Total Appropriations</b>	<b>\$ 6,542,400</b>	<b>\$ -</b>	<b>\$ 6,542,400</b>	<b>0.00%</b>

Increases in personnel services of \$25,000 is due to increases in certification pay, wage premium and over-time costs due to COVID-19 emergency response and recovery efforts.

Wastewater Fund Materials & Services costs increased by \$30,000 due to unanticipated costs for equipment maintenance. This increase is offset by a decrease in the capital outlay budget for a net zero increase in appropriations for the fund.

**Stormwater Fund:**

	<b>2019-21 Revised</b>	<b>06/21/21 Adjustment</b>	<b>2019-21 Adjusted</b>	<b>% Increase</b>
<i>Requirements</i>				
Personnel services	\$ 311,500	\$ 5,300	\$ 316,800	
Capital Outlay	890,000	(5,300)	884,700	
<b>Total Appropriations</b>	<b>\$ 1,201,500</b>	<b>\$ -</b>	<b>\$ 1,201,500</b>	<b>0.00%</b>

Increase personnel services \$5,300 due to wage premiums and over-time costs due to COVID-19 emergency response and recovery efforts. This increase is offset by a decrease in the capital outlay budget for a net zero increase in appropriations for the fund.

**Public Works Administration:**

	<b>2019-21 Revised</b>	<b>06/21/21 Adjustment</b>	<b>2019-21 Adjusted</b>	<b>% Increase</b>
<i>Resources</i>				
<i>Requirements</i>				
Materials and services	\$ 391,600	\$ 10,000	\$ 401,600	
Capital Outlay	700,000	(10,000)	690,000	
<b>Total Appropriations</b>	<b>\$ 1,091,600</b>	<b>\$ -</b>	<b>\$ 1,091,600</b>	<b>0.00%</b>

Increase Materials & Services \$10,000 due to continued unanticipated increases in supply costs from increased maintenance requirements for City facilities related to COVID. The increase is offset by a decrease in the capital outlay budget for a net zero increase in appropriations for the fund.

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**FISCAL IMPACT:**

	<b>2019-21 Adjusted Budget</b>	<b>Adjustments</b>	<b>2019-21 Adjusted Budget</b>
Resources	(\$269,000)	(\$149,400)	(\$418,000)
Requirements	\$20,563,200	\$149,400	\$20,712,600

This resolution increases appropriations for the City \$149,400 (0.65%). The increased appropriations are offset by increases in revenues (intergovernmental revenues) budgeted in the FURA Debt Service Fund that will be closing at the end of the biennium.

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**RELEVANCE TO ADOPTED CITY WORK PLAN:**

The above adjustments are integral to the delivery of city services consistent with the City's adopted work plan.

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**ALTERNATIVES:**

1. Approve Resolution No. 22, Series 2021, adopting the budget adjustments noted above for the 2019-21 biennium, or
2. Amend the resolution to adjust appropriations for the 2019-21 biennium, or
3. Not approve the resolution and provide direction to staff.

---

**RECOMMENDATION:**

Approve resolution No. 22, Series 2021 adopting the supplemental budget as presented.

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**AIS PREPARED BY:** Anne Baker, Administrative Services Department Director

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**CITY MANAGER'S RECOMMENDATION:**  Approve       Disapprove       Other

Comments:

*ER Reynolds*

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**ITEM'S ATTACHED:** Resolution No. 22, Series 2021

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**CITY OF FLORENCE  
RESOLUTION NO. 22, SERIES 2021**

**A Resolution adopting biennium 2019-2021 supplemental budget appropriations.**

RECITALS:

1. Certain needs have arisen that could not be foreseen during the biennium that require adjustment to the 2019-2021 biennium budget appropriations, and;
2. ORS 294.471 allows for one or more supplemental budgets for a pressing necessity that could not reasonably be foreseen when preparing the original budget or previous supplemental budgets for the current year or current budget period and that requires prompt action.

Based on these findings,

THE CITY COUNCIL OF THE CITY OF FLORENCE RESOLVES AS FOLLOWS:

1. The City Council of the City of Florence approves the following appropriation adjustments for the 2019-2021 biennium:

<b>General Fund</b>	<b>2019-21 Revised</b>	<b>06/21/21 Adjustment</b>	<b>2019-21 Adjusted</b>
<i>Requirements</i>			
Administration	\$ 1,595,400	\$ 90,500	\$ 1,685,900
Administrative Services	2,361,900	(20,000)	2,341,900
Public Safety	5,045,900	(90,500)	4,955,400
Non-Departmental	276,200	20,000	296,200
<b>Total Appropriations</b>	<b>\$ 9,279,400</b>	<b>\$ -</b>	<b>\$ 9,279,400</b>
<hr/>			
<b>9-1-1 Services</b>	<b>Revised Appropriations</b>	<b>Adjustment</b>	<b>Adjusted Appropriations</b>
<i>Requirements</i>			
Personnel services	\$ 1,130,900	\$ 40,000	\$ 1,170,900
Contingency	-	(40,000)	(40,000)
<b>Total Appropriations</b>	<b>\$ 1,130,900</b>	<b>\$ -</b>	<b>\$ 1,130,900</b>
<hr/>			
<b>Debt service</b>	<b>Revised Appropriations</b>	<b>Adjustment</b>	<b>Adjusted Appropriations</b>
<i>Resources</i>			
Intergovernmental	269,000	149,400	418,400
<i>Requirements</i>			
Materials and services	\$ 800	\$ 62,500	\$ 63,300
Debt service	1,876,200	149,400	2,025,600
Contingency	571,300	(62,500)	508,800
<b>Total Appropriations</b>	<b>\$ 2,448,300</b>	<b>\$ 149,400</b>	<b>\$ 2,597,700</b>

<b>Wastewater Fund</b>	<b>Revised Appropriations</b>	<b>Adjustment</b>	<b>Adjusted Appropriations</b>
<i>Requirements</i>			
Personnel services	\$ 908,900	\$ 25,000	\$ 933,900
Materials and services	3,308,500	30,000	3,338,500
Capital Outlay	2,325,000	(55,000)	2,270,000
<b>Total Appropriations</b>	<b>\$ 6,542,400</b>	<b>\$ -</b>	<b>\$ 6,542,400</b>
<b>Stormwater Fund</b>			
	<b>Revised Appropriations</b>	<b>Adjustment</b>	<b>Adjusted Appropriations</b>
<i>Requirements</i>			
Personnel services	\$ 311,500	\$ 5,300	\$ 316,800
Capital Outlay	890,000	(5,300)	884,700
<b>Total Appropriations</b>	<b>\$ 1,201,500</b>	<b>\$ -</b>	<b>\$ 1,201,500</b>
<b>Public Works Administration</b>			
	<b>Revised Appropriations</b>	<b>Adjustment</b>	<b>Adjusted Appropriations</b>
<i>Resources</i>			
<i>Requirements</i>			
Materials and services	\$ 391,600	\$ 10,000	\$ 401,600
Capital Outlay	700,000	(10,000)	690,000
<b>Total Appropriations</b>	<b>\$ 1,091,600</b>	<b>\$ -</b>	<b>\$ 1,091,600</b>
<b>Appropriations, all funds, for the 2019-21 biennium</b>	<b>\$ 20,563,200</b>	<b>\$ 149,400</b>	<b>\$ 20,712,600</b>

2. This resolution takes effect immediately upon adoption.

ADOPTION

This Resolution is passed and adopted on the 21st day of June 2021.

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Joe Henry, Mayor

Attest:

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Kelli Weese, City Recorder

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**AGENDA ITEM SUMMARY**  
**FLORENCE CITY COUNCIL**

**ITEM NO: 6**  
Meeting Date: June 21, 2021  
Department: Economic Dev.

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**ITEM TITLE:** Florence Enterprise Zone Redesignation

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**DISCUSSION/ISSUE:**

In 2010, the City of Florence partnered with the Port of Siuslaw to apply for an enterprise zone for the City of Florence. This zone sunsets after 10 years, with an additional year added to assist in the transition.

Oregon Enterprise Zones are a program of the State of Oregon that offer a unique resource to local communities. The zones offer 100% tax abatement for three consecutive years from property taxes assessed on new capital of private companies seeking to start or enlarge their operations. By forgiving the local property taxes on new buildings and equipment, enterprise zones serve to support job growth by supporting investments in eligible business operations.

The Florence Enterprise Zone consists of three areas as shown on the map in Exhibit A:

<b>Area</b>	<b>Description</b>	<b>Acres</b>	<b>Zoning</b>
<b>Pacific View Business Park</b>	Lots to the east and west of Kingwood Street from the intersection of 27 <sup>th</sup> Street to nearly 35 <sup>th</sup> Street	110.6 acres	Pacific View Business Park
<b>Quince Street</b>	Location of Old School and Ballfield on Quince Street	21.3 acres	Old Town Area C
<b>Pot of Siuslaw Boardwalk</b>	Along the Siuslaw River Bayfront at the intersection of Bay and Nopal Streets	5.01 acres	Waterfront Marine

In order to participate in the enterprise zone, a business must be a manufacturer, processor, shipper, or other traded sector business. Residential, retail, construction, financial, and certain other activities are not eligible. In addition, the City will seek to add a hotel, motels, and destination resorts, to allow a hotel to qualify if applicable in the zone, particularly for the Quince Street property.

Besides being engaged in an eligible operation / activity, requirements for a business to receive an enterprise zone exemption are:

- Create new full-time jobs
  - Businesses must create enough full-time new jobs to equal a 10% increase to the zone's total employment. At this time that means the business must provide at least one new full-time employee. This employee must be a full-time employee, not multiple part-time employees equaling one full-time employee. The new employee(s) must also make at least 150% of the Lane County Average, which is \$32,333 as of 2019. This means the new full-time employee must make at least \$48,500, or about \$24/ hr.
- No Job Loss
  - In creating this new job, the business must not create a job loss within 30 miles of the zone. This ensures that a business does not simply move their operations from outside city limits, without creating at least one new full-time employee.
- Hire Local
  - The new position(s) created within the enterprise zone must be filled from a local employee. This is accomplished by the requirement that the business coordinate with a local job training provider and sign a first-source hiring agreement. This ensures that, barring certain unforeseeable circumstances, the employee must be found through the local job training agency.

In order to redesignate the enterprise zone, the City was required to hold a meeting with representatives of our special districts, and provide notice to that meeting at least 21 days in advance. This meeting was held on June 8, 2021. After completion of this meeting, the Port of Siuslaw held their meeting on June 16, 2021 and approved Resolution No. 6-16-21 authorizing the submission of the application for the designation of the Florence Enterprise Zone.

At the June 21, 2021 City Council meeting, the City Council will have the opportunity to consider approval of Resolution No. 23, Series 2021, a resolution authorizing the City of Florence to apply for a redesignation of the Florence Enterprise Zone. Should the Council approve the Resolution, staff will submit the enterprise zone application by the required June 30, 2021 deadline.

---

### **FISCAL IMPACT:**

The redesignation of the Florence Enterprise Zone affects the city fiscally through:

- Staff time allocated to assist businesses in the enterprise zone applications and market the program; and
- Postponement of property tax revenue for businesses that take advantage of the enterprise zone opportunity;

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**RELEVANCE TO ADOPTED CITY WORK PLAN:**

Goal 3: Economic Development

- Marketing & Recruitment: Objective 2: Renew City's Enterprise Zone program.

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**ALTERNATIVES:**

1. Approve Resolution No. 23, Series 2021
2. Recommended amendments to the proposed Resolution No. 23, Series 2021 and approve as amended
3. Do not approve Resolution No. 23, Series 2021

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**RECOMMENDATION:**

Approve Resolution No. 23, Series 2021

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**AIS PREPARED BY:**

Kelli Weese, City Recorder / Economic Development Coordinator

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**CITY MANAGER'S**

Approve

Disapprove

Other

**RECOMMENDATION:**

Comments:

*ER Reynolds*

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**ITEM'S ATTACHED:**

**Attachment 1** – Resolution No. 23, Series 2021

- **Exhibit A:** Florence Enterprise Zone Map
- **Exhibit B:** Florence Enterprise Zone Description



**CITY OF FLORENCE  
RESOLUTION NO. 23, SERIES 2021**

**A Resolution authorizing the submission of the application for the redesignation of the  
Florence Enterprise Zone.**

RECITALS:

1. The City of Florence is sponsoring an application for designation of an enterprise zone jointly with the Port of Siuslaw.
2. The City of Florence formally advised and received consultation from the Oregon Business Development Department (OBDD) according to ORS 285C.078; and
3. The municipal corporations, school districts, special service districts, that receive operating revenue through the levying of ad valorem taxes on real and personal property in any area of this enterprise zone were sent notice and invited to a public meeting on June 8, 2021 regarding its designation, in order for the sponsoring governments to effectively consult with these other local taxing districts.
4. The enterprise zone has a total of 136.91 acres (0.214 square miles), it meets other statutory limitations on size and configuration, and it is depicted here on a drawn to scale map (**Exhibit A**) and its boundary is here described (**Exhibit B**).
5. The City of Florence shall fulfill its duties and implement provisions jointly with the City of Florence under ORS 285C.105 or elsewhere in ORS Chapter 285C and related parts of Oregon Law, including but not limited to having appointed a local enterprise zone manager, and preparing a list or map of local, publicly owned lands and buildings in this enterprise zone for purposes of ORS 285C.110.
6. Designation of this enterprise zone does not grant or imply permission to develop land inside it without complying with jurisdictional zoning, regulatory and permitting processes and restrictions; nor does it indicate any intent to alter those processes or restrictions, except as otherwise done in accordance with Comprehensive Plans as acknowledged by the State of Oregon Land Conservation and Development Commission (LCDC).
7. The availability of enterprise zone exemptions to businesses that operate hotels, motels, or destination resorts would help diversity the local economic activity and facilitate expansion of accommodations for visitors, who in turn will spend time and money in the area for business, recreation, or other purposes.
8. The City of Florence is interested in encouraging new business investment, job creation, higher incomes for local residents, and greater diversity of economic activity.

9. The City of Florence appreciates the impacts that the designated enterprise zone would have and the property tax exemptions that eligible business firms might receive.

Based on these findings,

THE CITY COUNCIL OF THE CITY OF FLORENCE RESOLVES AS FOLLOWS:

1. The City of Florence, under ORS 285C.65 / 285C.246, does hereby redesignate an Oregon enterprise zone to be named: The Florence Enterprise Zone, jointly with the Port of Siuslaw, the boundary area of which are described in **Exhibit A** and **Exhibit B**.
  2. Redesignation of this enterprise zone takes effect on July 1, 2021, or later as so stipulated by OBDD in its determination pursuant to any revision and resubmission or documentation.
  3. Kelli Weese, City Recorder / Economic Development Coordinator is appointed as the local zone manager for this enterprise zone.
  4. The City of Florence, as a co-sponsor of the Florence Enterprise Zone exercises its option herewith under ORS 285C.070 that qualified property of and operated by a qualified business as a hotel, motel, or destination resort, shall receive the property tax exemption in the zone, and that such business firms are eligible for purposes of authorization in this zone. This option does not apply within the Pacific View Business Park, or any other area of the Florence Enterprise Zone where hotels, motels, or destination resorts are not permitted per Land Use laws.
2. This Resolution shall become effective immediately upon adoption.

ADOPTION:

This Resolution is passed and adopted on the 21<sup>st</sup> day of June, 2021.

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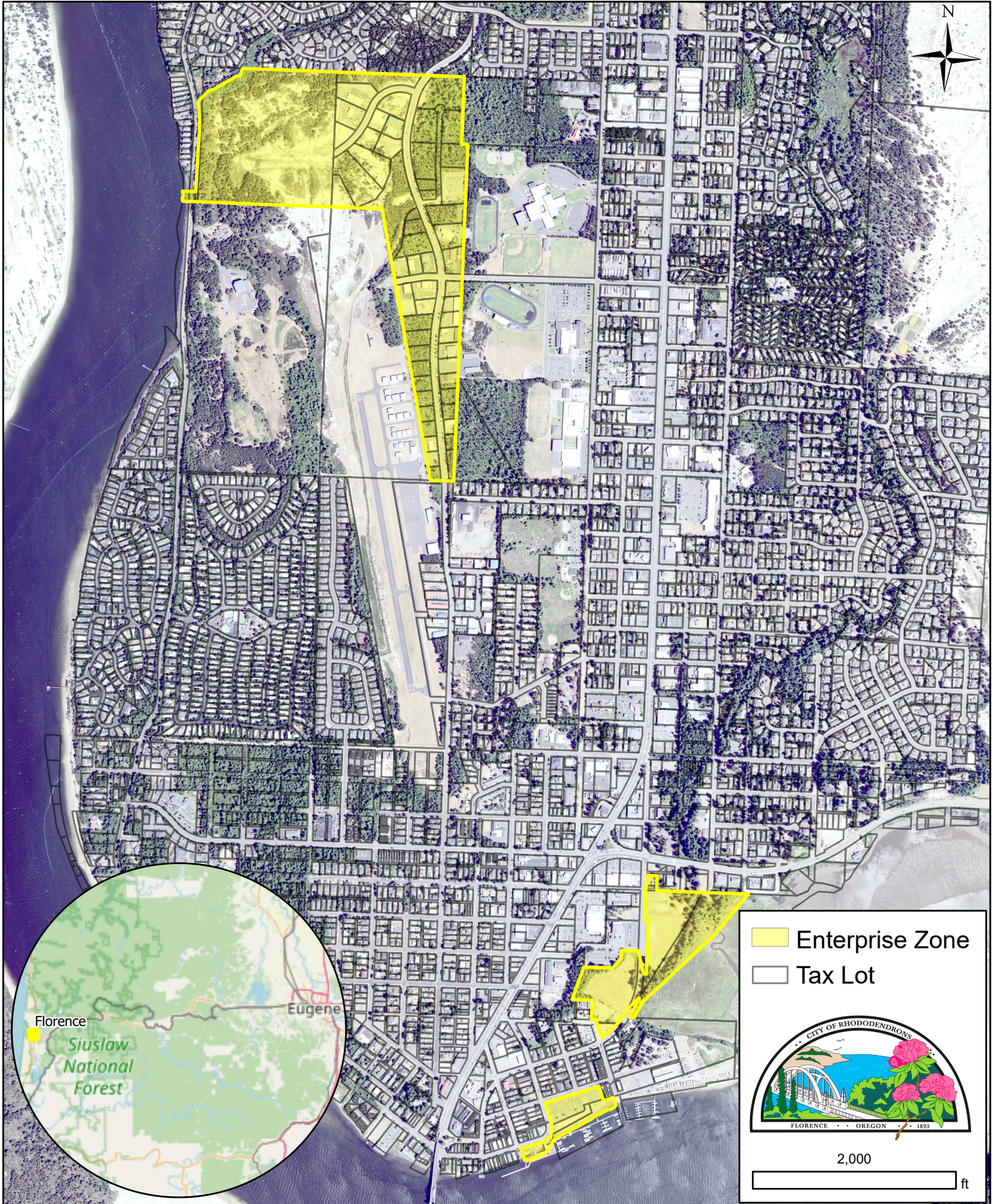
Joe Henry, Mayor

Attest:

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Kelli Weese, City Recorder

# City of Florence Enterprise Zones



**WOBBE & ASSOCIATES, INC.**

P.O. BOX 3093  
510 KINGWOOD STREET  
FLORENCE, OREGON - 97439

Phone (541) 997-8411

Description for the City of Florence # 1  
Enterprise Zone

Beginning at a point, said point being the Northwest corner of Lot 7, Block 2 of MORSE'S ADDITION TO THE TOWN OF FLORENCE, as Platted and Recorded in Volume T, Page 247, Lane County Deed Records, Lane County, Oregon, said point also lying in the Eastern Right of Way Line of Maple Street, (formerly Lincoln Street) and the Southern Right of way Line of Bay Street, (formerly Front Street), thence Northeasterly along the Southern Right of Way Line of said Bay Street to the Northeast corner of Lot 3 of said Plat and Block, thence leaving said Southern Right of Way Line in a Northwesterly direction and perpendicular to said Southerly Right of Way Line to the center of said Bay Street, thence Northeasterly along said center of a vacated portion of Bay Street, to the center of Nopal Street, (formerly Hamlin Street), thence Northwesterly along said centerline to the "Initial Point" as shown on Partition Plat 2002-P1570 as Platted and Recorded in Document Number 2002-033700, Lane County Deeds and Records, Lane County, Oregon, thence Westerly along Lines two and four respectively of said Partition Plat to the Eastern Right of Way Line of Nopal Street as shown on said Partition Plat, thence Northerly and Northwesterly along said Eastern Right of Way Line to the Northwest Corner of Parcel 1 of said Partition Plat, said corner lying in the Southern Right of Way Line of First Street, (formerly Main Street), thence Northeasterly along said Southern Right of Way Line to the Northeast corner of said Parcel 1, said corner also being the "Initial Point" of BRIDGEPORT CONDOMINIUMS as Platted and Recorded in Document Number 2006-075597, Lane County Deeds and Records, Lane County, Oregon, thence leaving said Southern Right of Way Line Southeasterly along the Western line of said Plat to the Southwest corner of said Plat, thence Northeasterly along the Southern line of said Plat to the Western Right of Way Line of Harbor Street, (formerly Howard Street), thence Southeasterly along said Western Right of Way Line and it's Southerly projection to the center of the Siuslaw River, thence Southwesterly along said center of the Siuslaw River to the intersection of said center of the Siuslaw River and the Southerly projection of the Eastern Right of Way Line of Maple Street, thence leaving said center of the Siuslaw River Northwesterly along said Eastern Right of Way Line to the Point of Beginning, in Lane County, Oregon.

# WOBBE & ASSOCIATES, INC.

P.O. BOX 3093  
510 KINGWOOD STREET  
FLORENCE, OREGON - 97439

Phone (541) 997-8411

Description for the City of Florence # 2  
Enterprise Zone

Beginning at the Northeastern intersection of Harbor Street, (formerly Howard Street) and Quince Street, (formerly Gallagher Street), thence Northerly along the Eastern Right of Way Line of Harbor Street to the Northern Right of Way Line of Fourth Street, thence Westerly along said Northern Right of Way Line to the Southeast corner of Lot 1, Block 1 of JOHNSON'S ADDITION TO FLORENCE, as Platted and Recorded in Book 6, Page 23, Lane County Plat Records, Lane County, Oregon, thence leaving said Northern Right of Way Line Northerly along the Western lines of Lots 1 through 6, Block 1, respectively, of said Plat to the Northeast corner of Lot 6, Block 1 of said plat, thence Westerly along the Northern line of Lot 6, Block 1 of said Plat and it's Westerly projection to the centerline of Oak Street, portion now vacated, said point also being the Western most corner of Lot 3 of BUTLER SUBDIVISION, as Platted and Recorded in File 75, Slide 110, Lane County Plat Records, Lane County, Oregon, thence Northerly and Easterly along the Northwestern boundary of said Lot 3 and it's projection across Quince Street to a point in the Eastern Right of Way Line of Quince Street, thence Northerly along the Eastern Right of Way Line of Quince Street, crossing Pacific Avenue to the Southwestern most corner of the Southern Lot shown on County Surveyor's File 39658, Lane County Survey Records, Lane County, Oregon, thence leaving said Right of way Line of said Quince Street Westerly for 100.00 feet and Southerly 100.02 feet as shown on said County Surveyor's File 39658 and it's Southerly projection to the Southern Right of Way Line of Pacific Avenue, thence Westerly along said Northern Right of Way Line to the North corner of that line noted as "U.S. Government 1879 Meander Line" as shown on County Surveyor's File 38311, Lane County Survey Records, Lane County, Oregon, thence Southwesterly along said Meander Line to it's South end as shown on said County Surveyor's File 38311, thence West along the Southern line of Lot 4 of said County Surveyor's File 38311 and it's Westerly projection to the Western Right of Way Line of Quince Street, thence Southwesterly along said Western Right of Way Line to the point of beginning, in Lane County, Oregon.

# WOBBE & ASSOCIATES, INC.

P.O. BOX 3093  
510 KINGWOOD STREET  
FLORENCE, OREGON - 97439

Phone (541) 997-8411

Description for the City Of Florence # 3  
Enterprise Zone

Beginning at the Northwest corner of INDUSTRIAL PARK as Platted and Recorded on File 75, Slide 624, Lane County Plat Records, Lane County, Oregon, thence Easterly along the Northern line of said Plat to the Northeast corner of said Plat, thence Southerly and Easterly along the Eastern lines of said Plat to the Southeast corner of said Plat, thence Westerly along the Southern line of said Plat to the Southern most Southwest corner of said Plat, thence Northerly and Westerly along the Western lines of said Plat to the Western most Southwest corner of said Plat, said corner lying in the Western line of Parcel 1 of Partition Plat 98-P1169 as Platted and Recorded in Lane County Partition Plat records, Lane County, Oregon, thence Southerly along said Western line to the Northeast corner of Parcel 2 of said Partition Plat, thence Westerly along the North line of said Parcel 2 to the Northwest corner of said Parcel 2, said corner lying in the Eastern Right of Way Line of Rhododendron Drive, thence Westerly to the Southeast corner of Tract A of MARINE MANOR as Platted and Recorded in Document Number 2000-064002, Lane County Deeds and Records, Lane County, Oregon, said corner lying in the Western Right of Way Line of Rhododendron Drive, thence Westerly along the Southern line of said Tract A to the line of mean low water of the Siuslaw River, thence Northerly along said line of mean low water to it's intersection with the Northern line of said Tract A, thence Easterly along the said Northern line of Tract A and it's Easterly projection to the Eastern Right of Way Line of Rhododendron Drive, thence Northerly along the said Eastern Right of Way Line to the Southwestern terminus of the line shown as "New Property Line" as shown in County Surveyor's File 38708, Lane County Survey Records, Lane County, Oregon, thence leaving said Eastern Right of Way Line, Easterly and Northerly, along said "New Property Line" to it's Northern terminus, said terminus lying in the Northern line of Parcel 1 of aforesaid Partition Plat 98-P1169, thence Easterly along said Northern line to the Point of Beginning, in Lane County, Oregon.

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**AGENDA ITEM SUMMARY**  
**FLORENCE CITY COUNCIL**

**ITEM NO:** 7  
Meeting Date: June 21, 2021  
Department: Public Works

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**ITEM TITLE:** Accept the bid proposal as submitted by Kunert Electric, LLC for the Florence Municipal Airport AWOS Reconstruction Project, AIP No. 3-41-0019-015-2021.

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**DISCUSSION/ISSUE:**

On June 3, 2021, bids were opened and publicly read aloud for the Florence Municipal Airport Automated Weather Observation System (AWOS) Reconstruction Project, AIP No. 3-41-0019-015-2021. The bid results are as follows:

<u>Bidder</u>	<u>Amount</u>
Kunert Electric, LLC	\$360,303

Public Works, working with Century West Engineering, processed formal bid documents and advertised for bids both locally and statewide. Only one bid was received. The bid received was responsive and, therefore, accepted. The contractor that submitted the lowest qualified bid for the project is Kunert Electric, LLC of Roseburg, Oregon.

The project includes all labor, equipment and materials necessary for AWOS Reconstruction Project. The project the removal and demolition of the old AWOS, including its foundation; installation of a new concrete foundation; installation of conduits and duck bank markers; adjustment and installation of fencing; installation of pedestrian access gate; installation of a new AWOS III P/T station; and landscape restoration (seeding and mulching).

The existing AWOS was constructed in 2001 and during the last five years has encountered significant maintenance issues. The AWOS has reached the end of its design life; has a large number of the components which are obsolete and no longer available; uncertain reliability of third party repaired obsolete components; extended downtime; and in general, is in need of replacement.

The AWOS is a unique computerized system for pilot safety that automatically measures a number of weather parameters, analyzes the data, prepares a weather observation that consists of the parameters measured, provides dissemination of the observations and broadcasts the observation to pilots in the vicinity of the airport.

Typical parameters include barometric pressure, wind speed and direction, temperature and dew point, visibility, and cloud cover. The replacement AWOS will be an AWOS III P/T. The

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significant change or additional ability of the new AWOS is its ability to determine the precipitation type (rain, snow and drizzle) and thunderstorm detection (via a cloud-to-ground lightning detector).

Also, since the new standard for federally maintained AWOS is AWOS III P/T, there is an opportunity that the FAA may take over the maintenance, testing, and inspections of the new system once it is installed and has been commissioned.

The bid proposal from Kunert Electric, LLC was reviewed and two minor bid irregularities were discovered. These were for the seeding and mulching where the contractor incorrectly multiplied the bid unit price by the price unit instead of quantity. However, the bid total for each item (seeding and mulching) was correct and the total bid price for the project was not affected by the error.

The Contractor that submitted the lowest qualified bid, Kunert Electric, LLC has completed similar projects with very good results. In addition to completing the recent lighting (Precision Approach Pathway Indicator; Medium Intensity Runway Lights; Runway End Indicator Lights; and lighted signage) project at our airport in 2019, Kunert Electric, LLC is currently installing a new AWOS III P/T for the Albany Municipal. Public Works has verified, in accordance with ORS 279C.375, that the contractor has had no disciplinary action by the Construction Contractor's Board (CCB); nor is the contractor listed on the Oregon Bureau of Labor and Industries (BOLI) ineligible list or the Federal Excluded Parties List System (EPLS).

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**FISCAL IMPACT:**

Typically, FAA non-primary entitlement grants provide up to 90% of a project total, leaving a local match requirement of 10%. Earlier this year, at the February 22, 2021 City Council meeting

[https://www.ci.florence.or.us/sites/default/files/fileattachments/mayor\\_and\\_council/meeting/packets/18891/2.22.21\\_cc\\_mtg\\_materials.pdf](https://www.ci.florence.or.us/sites/default/files/fileattachments/mayor_and_council/meeting/packets/18891/2.22.21_cc_mtg_materials.pdf) (starting on page 78 of the packet), Council accepted a Critical Oregon Airport Relief (COAR) grant that would provide reimbursements up to \$45,000 in grant funding towards the AWOS replacement project and fulfill the majority of the local match requirement.

Newly approved federal legislation this year contains a provision waiving the normal 10% local match requirement due to the impacts of the Covid-19 pandemic. Now that FAA has announced that they will provide 100% of the funding, the COAR grant funding that was designated for Florence can be re-allocated by the State to other airport projects. Before we officially send notification to the State, we do want to have the actual written agreement from the FAA in hand.



The total project is \$515,655 with FAA, at the time of this report verbally, providing 100% of the project funding with no local match requirement.

Breakdown of the project costs are:

Engineering Services	\$148,852 (authorized 11/2/20)
Administrative Fees	\$6,500
Construction	<u>\$360,303</u>
Project Total	\$515,655

The FAA funding is from the City's allotment of FAA Non-Primary Entitlement Funds. City staff have already submitted the requisite paperwork to the Airport District Office (ADO) in Seattle, Washington in order to finalize the project funding agreement.

The project is included in the FY 2021-23 biennium budget and is fully funded.

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**RELEVANCE TO ADOPTED COUNCIL GOALS:**

- Livability & Quality of Life – being responsive to our community's needs with efficient, effective and sustainable service delivery.
- Economic Development – by maintaining and improving a significant asset such as AWOS, not only do we provide vital information to pilots, but weather information is also shared with National Weather Service which increases the accuracy of weather forecasting in our area which may increase tourism and dollars spent within the community.
- Communication & Trust – strengthening citizen trust by cooperatively working with established community associations for the common good of the community.
- Financial & Organizational Sustainability – leveraging grant proceeds to complete enhancements to Florence Municipal Airport.

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**ALTERNATIVES:**

1. Award contract to Kunert Electric, LLC for \$360,303
2. Do not award bid.

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**RECOMMENDATION:**

Staff recommends that the City Council accept the proposal from Kunert Electric for \$360,303; and authorize the City Manager to proceed with a construction contract.

Authorization of the contract is contingent upon a fully executed agreement with the FAA for funding the project.

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**AIS PREPARED BY:** Mike Miller, Public Works Director

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**CITY MANAGER'S RECOMMENDATION:**  Approve       Disapprove       Other

Comments: ERReynolds

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**ITEMS ATTACHED:** Items available for Reference:

- October 5, 2020 City Council meeting materials (starting on page 6) for the original staff report.  
[https://www.ci.florence.or.us/sites/default/files/fileattachments/mayor\\_and\\_council/meeting/packets/14161/10.5.20\\_cc\\_mt\\_g\\_materials.pdf](https://www.ci.florence.or.us/sites/default/files/fileattachments/mayor_and_council/meeting/packets/14161/10.5.20_cc_mt_g_materials.pdf)
  - October 5, 2020 Staff PowerPoint presentation on the AWOS replacement project.  
[https://www.ci.florence.or.us/sites/default/files/fileattachments/mayor\\_and\\_council/meeting/packets/14161/10.5.20\\_cc\\_mt\\_g\\_-\\_presentations.pdf](https://www.ci.florence.or.us/sites/default/files/fileattachments/mayor_and_council/meeting/packets/14161/10.5.20_cc_mt_g_-_presentations.pdf)
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**AGENDA ITEM SUMMARY**  
**FLORENCE CITY COUNCIL**

**ITEM NO:** 8  
Meeting Date: June 21, 2021  
Department: Administration

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**ITEM TITLE:** Chamber of Commerce Marketing & Visitor Promotion Agreement

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**DISCUSSION/ISSUE:**

**Transient Room Tax Funding & Agreement History**

The City receives certain tax revenue, called transient room tax (TRT) from temporary lodging facilities, including hotels and motels. Per state law, TRT can be used for 'tourism promotion' or 'tourism-related facilities'<sup>1</sup>. It has been the practice of the City to use these funds for services related to the accommodation of guests in the community and to encourage more people to come, stay, recreate, and shop in Florence.

As a result of a comprehensive study of sustainable funding options for the Florence Events Center in 2013, and after four work sessions with the City Council, the City of Florence decided to allocate 60% of TRT funding to the Florence Events Center, and 40% to visitor marketing & promotion.

In 2014, the City prepared a request for proposal (RFP) from entities that were able to implement a visitor promotion and marketing services program for the City. Upon receipt of six proposals, and completion of an evaluation process, the City authorized the City Manager to enter into a contract with the Florence Area Chamber of Commerce for visitor promotion and marketing services at the June 16, 2014, City Council meeting. The final contract included the management and operation of the Visitor Information Center in addition to the Visitor & Tourism Promotion Marketing aspect of the RFP. The contract specifically addresses the production and management of special events and festivals that are designed to attract tourists and encourage repeat visits to the area.

The term of the initial agreement was for three years beginning July 1, 2014 and ending June 30, 2017. This agreement was subsequently extended for a first renewal at the June 12, 2017 City Council meeting for a two-year term beginning July 1, 2017 and ending June 30, 2019, and a second two-year renewal was approved by the Florence City Council on June 17, 2019 for the period beginning July 1, 2019 and ending June 30, 2021.

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<sup>1</sup> This statement simplifies complex transient lodging tax law. For more information, we encourage you to read the Legal Guide to Collecting Transient Lodging Tax in Oregon as published by the League of Oregon Cities located online at <https://www.orcities.org/Portals/17/Library/Model%20TLT%20Guide%20FINAL%204-13-17.pdf>.

**Chamber of Commerce Annual Report**

On June 7, 2021, the Florence Area Chamber of Commerce presented their annual progress review presentation during the preliminary agenda items of the City Council meeting agenda. The particular requirements of this presentation are intended to show the Chamber’s progress over the last year toward the services to be provided by the Marketing & Visitor Promotion agreement including....

- 1. Marketing & Visitor Promotion Activities
- 2. Management and Administration
- 3. Events Management
- 4. Florence Tourism Efforts Coordination

**Proposed Third Renewal**

The agreement before the Council marks the third of up to three renewals available for the Chamber of Commerce per the initial 2014 Visitor Information & Marketing Services Agreement and the subsequent renewals. The proposed third renewal is for a one-year term set to begin July 1, 2021 and end on June 30, 2022.

Per the City’s work plan, the City may utilize the next year to begin discussions on the history and potential amendments to the TRT allocation methodology established in 2013 / 2014, as well as the marketing and visitor information center contract.

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**FISCAL IMPACT:**

The proposed agreement is for a one-year term set to expire June 30, 2022. The agreement proposes to continue to allocate 40% of actual Transient Room Tax (TRT) revenue to the Chamber of Commerce to complete the services of the agreement. Below is the City’s actual / estimated / budgeted TRT revenues from 19-21 Biennial Budget:

<b>Fiscal Year</b>	<b>Total TRT Revenue</b>	<b>TRT Visitor Promotion &amp; Marketing Services Allocation (40% of total)</b>
<b>15-17</b>	\$720,477 <i>Actuals</i>	\$288,190 <i>Actuals</i>
<b>17-19</b>	\$823,538 <i>Actuals</i>	\$329,415 <i>Actuals</i>
<b>19-21</b>	\$757,722 <i>Estimate</i>	\$325,540 <i>Estimate</i>
<b>21-23</b>	\$915,000 <i>Budget</i>	\$363,000 <i>Budget</i>

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**RELEVANCE TO ADOPTED CITY WORK PLAN:**

Goal 3: Economic Development

- Tourism Promotion – Objective 1: Review transient room tax (TRT) allocation methodology, as well as marketing and visitor information center contract.

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**ALTERNATIVES:**

1. Authorize the City Manager to negotiate and sign the third extension of the marketing and visitor information center agreement.
2. Recommend amendments to the third extension of the marketing and visitor information center agreement and authorize the City Manager to sign the agreement as amended
3. Do not approve the third extension and provide direction on next steps

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**RECOMMENDATION:**

Authorize the City Manager to negotiate and sign the third extension of the marketing and visitor information center agreement.

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**AI'S PREPARED BY:** Kelli Weese, City Recorder / Economic Development

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**CITY MANAGER'S RECOMMENDATION:**

Approve       Disapprove       Other  
Comments: *ER Reynolds*

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**ITEM'S ATTACHED:** None**Items Available for Reference:**

- June 7, 2021 City Council Meeting Materials
  - [www.ci.florence.or.us/council/city-council-meeting-202](http://www.ci.florence.or.us/council/city-council-meeting-202)

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**AGENDA ITEM SUMMARY  
FLORENCE CITY COUNCIL**

**ITEM NO:** 9  
**Meeting Date:** June 21, 2021  
**Department:** Administration

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**ITEM TITLE:** Coast Guard City Recertification Application

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**DISCUSSION/ISSUE:**

The City of Florence was originally designated as a Coast Guard City on May 20, 2017. In order to retain this designation, every five years the City is required to submit an application for recertification as a Coast Guard City. The application will be submitted to the Coast Guard City Board for review. If approved, the City's status will be renewed for another five-year term.

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**FISCAL IMPACT:**

There is not a fiscal impact to the City to submit the application for recertification other than the staff time involved in compiling the application materials.

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**RELEVANCE TO ADOPTED CITY WORK PLAN:**

City Council Goal: Livability and Quality of Life  
City Work Plan: Community Designations & Awards – Coast Guard City Renewal

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**ALTERNATIVES:**

1. Adopt Resolution No. 24, Series 2021
2. Do not adopt Resolution No. 24, Series 2021

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**RECOMMENDATION:**

It is recommended that the City Council adopt Resolution No. 24, Series 2021, a resolution supporting the City of Florence's Coast Guard City recertification application.

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**AIS PREPARED BY:** Megan Messmer, Assistant City Manager

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**CITY MANAGER'S RECOMMENDATION:**  Approve  Disapprove  Other  
Comments: *ER Reynolds*

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**ITEM'S ATTACHED:** Resolution No. 24, Series 2021

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**CITY OF FLORENCE  
RESOLUTION NO. 24, SERIES 2021**

**A Resolution Supporting the City of Florence's Coast Guard City Recertification Application**

RECITALS:

1. The Florence, Oregon community shares a rich history with the United States Coast Guard and have provided a home for the Coast Guard since the construction of Station Siuslaw River in 1917.
2. Station Siuslaw River is part of the US Coast Guard 13th District, Sector North Bend.
3. The City of Florence was designated a Coast Guard City on May 20, 2017.
4. Every five years the City is required to submit an application for re-designation as a Coast Guard City.
5. We are stronger because of the dedication and support we receive from the United States Coast Guard.
6. The men and women of the Coast Guard contribute many intangible benefits to the local community in addition to the services they provide -- they are our neighbors, our friends, as well as role models and mentors for our young people.
7. Florence is extremely honored to be named a Coast Guard City and wishes to continue this designation.

Based on these findings,

THE CITY COUNCIL OF THE CITY OF FLORENCE RESOLVES AS FOLLOWS:

1. The Florence City Council endorses and supports the recertification application and looks forward to retaining the Coast Guard City status.
2. This Resolution shall become effective immediately upon adoption.

ADOPTION:

This Resolution is passed and adopted on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Joe Henry, Mayor

Attest:

\_\_\_\_\_  
Kelli Weese, City Recorder

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**AGENDA ITEM SUMMARY**  
**FLORENCE CITY COUNCIL**

**ITEM NO:** 10  
Meeting Date: June 21, 2021  
Department: Public Works

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**ITEM TITLE:** Accept proposal from Sierra Santa Fe Corporation to complete the 2021 annual Chip/Liquid Road™ Seal Program and Polymer Modified MasterSeal™ the FEC south parking lot.

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**DISCUSSION/ISSUE:**

In an effort to provide the most cost effective pavement maintenance procedure for streets that are in “good” condition (streets not needing full depth reconstruction, overlays or grind inlays) a single shot chip seal with a fog seal has been recognized as a cost effective solution. Chip and fog seals extend the life of existing paved streets; protects the sub-grade from water intrusion; and is an environmentally (resource) friendly solution to pavement maintenance which utilizes 60-75% less material over a 18-20 year life span of the street.

Instead of the traditional fog seal, this year we will be applying a new product, Liquid Road™, to protect the chip seal from harmful UV rays that deteriorate the chip seal over time; seals the chip seal from the top down virtually eliminating all loose rock that is generally associated with chip seals; and they add to the overall appearance of chip seals making them look like an ultra-thin overlay.

Liquid Road™ is a high-performance mineral and fiber reinforced asphalt emulsion blended with polymers and special surfactants that offer superior adhesion, flexibility, durability and slip resistance. Fiber reinforcement provides flexural strength resulting in a more durable surface coating. It protects against oxidation, moisture penetration, and chemicals. Liquid Road™ significantly extends pavement surface life, lasts up to three times longer than a conventional fog seal, is easy to apply, and has minimal impact on traffic flow. In addition, Liquid Road™ will minimize ‘whip off’ and damaged windshield claims. It also provides a better appearance and may improve the ride quality and tire noise.

The single shot chip seal consists of an application of emulsified asphalt and a layer of fine aggregate. The emulsified asphalt is CRS-3P which is a Cationic, Rapid Setting (CRS) emulsified asphalt applied at a target rate of 0.48 gallons per square yard and the aggregate is a crushed rock sized from 3/8” to No. 4 size. This is commonly referred to as “3/8-4”, where the “4” represents a size of the screen used in the quarrying process that has 4 openings per inch. The target application rate for the rock is 26 pounds per square yard. Finally, the Liquid Road™ will be spread at an application rate of 0.19-.021 gallons per square yard per layer for a total of two layers.

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In addition, we will be applying a pavement seal coat to the Florence Event Center (FEC) south parking lot. The seal coat will be an application of a Polymer Modified MasterSeal™ (PMM™) which is a new product to the City that has had very good reviews. PPM™ is also a specialty coating designed for pavement surfaces. It delivers excellent cost savings compared to commonly used surface treatments, as well as beautifying and preserving the existing asphalt.

As is typical with most localities, contractors interested in chip seal work are few and far between in the Northwest. A number of counties in Oregon perform their own chip and fog seals, including Washington, Lane, Marion and Deschutes Counties to name a few. However, due to their own work loads and limitations of weather, it is difficult to get on their schedule to have the work performed.

We have contacted three private contractors that specialize in chip and fog seals. The project area includes Willow Loop from 18<sup>th</sup> Court to Coastal Highlands Drive (including 18<sup>th</sup> Court, Pine Court and a portion of 16<sup>th</sup> Street); Coastal Highland Drive from Willow Loop to 12<sup>th</sup> Street; and a portion of Upas from 12<sup>th</sup> Street north approximately 107 feet. Additionally, the work includes seal coating 37,861 square feet of the south parking area at the FEC. The quotes to perform this work are as follows:

<u>Bidder</u>	<u>Amount</u>
Sierra Santa Fe Corporation	\$134,832
Bretthauer Road Oil	No bid – work cannot be scheduled in July/August
Central Oregon Paving	No bid – work cannot be scheduled in July/August

Sierra Santa Fe Corporation has been performing chip and fog seals for more than 30 years and completed our chip and fog seals for the last seven years. They are also prequalified with the State of Oregon Department of Transportation.

Public Works has verified, in accordance with ORS 279C.375, that the Contractor has had no disciplinary action by the Construction Contractor’s Board (CCB); nor is the Contractor listed on the Oregon Bureau of Labor and Industries (BOLI) ineligible list or the Federal Excluded Parties List System (EPLS).

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**FISCAL IMPACT:**

Sierra Santa Fe Corporation was the low responsive bidder that can perform the work. Funding for this project is included in the FY 2021-23 Biennium Street Capital Budget; FEC Capital Building Maintenance Budget; and the project is fully funded. The project is scheduled to start in July 2021.

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<b>Fund</b>	<b>Budget</b>	<b>Bid</b>	<b>Bid Over/(Under) Budget</b>
Street	\$200,000*	\$125,274	(\$74,726)
FEC	\$15,000	\$9,558	(\$5,442)
<b>Totals</b>	<b>\$215,000</b>	<b>\$134,832</b>	<b>(\$80,168)</b>

In the 2021-23 budget process, we allocated \$100,000 per year for chip/fog seals. As we reviewed the bids, we reduced the scope of the project and eliminated Spruce Street between Munsel Lake Road and the northern terminus of the street from the project listing, as well as, the section of 12<sup>th</sup> Street from Spruce to Coastal Highlands Drive. We also eliminated a short section of 12<sup>th</sup> Street west of Hwy 101 between Nopal and Maple streets. This allowed us to reduce the Street portion of the project by \$38,450 so that we are closer to our typical \$100,000 in annual chip seals.

Since overall funding is available, as illustrated in the above table, it is recommended that the 2021 Chip/Liquid Road™ Seal Program for Willow Loop from 18<sup>th</sup> Court to Coastal Highlands Drive (including 18<sup>th</sup> Court, Pine Court and a portion of 16<sup>th</sup> Street); Coastal Highland Drive from Willow Loop to 12<sup>th</sup> Street; and a portion of Upas Street, along with the PMM™ seal coating of the south parking lot at the FEC be awarded.

For the summer 2022 chip seal program, we include the section of 12<sup>th</sup> Street from Spruce to Coastal Highlands Drive; the short section of 12<sup>th</sup> Street west of Hwy 101 between Nopal and Maple streets; and some additional street areas in order to be under the \$74,000 remaining available funding.

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**RELEVANCE TO ADOPTED CITY WORK PLAN:**

- City Service Delivery – improving, maintaining and enhancing our infrastructure as feasible.
- Livability & Quality of Life – implement City’s 2021/23 Capital Improvement Program.
- Communication & Trust – strengthening citizen trust by cooperatively working with residents for the common good.
- Financial & Organizational Sustainability – maintaining our infrastructure in order to support current and future needs.

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**ALTERNATIVES:**

1. Award contract to Sierra Santa Fe Corporation.
  2. Do not award bid.
  3. Do not construct project.
-

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**RECOMMENDATION:**

Staff recommends that the City Council accept the proposal from Sierra Santa Fe Corporation and authorize the City Manager to proceed with a contract.

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**AIS PREPARED BY:** Mike Miller, Public Works Director

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**CITY MANAGER'S RECOMMENDATION:**  Approve  Disapprove  Other

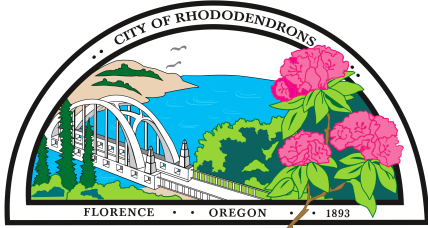
Comments: *ERReynolds*

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**ITEM'S ATTACHED:**




- 2021 Annual Chip Seal Location Map
- FEC Parking Lot Seal Location Map

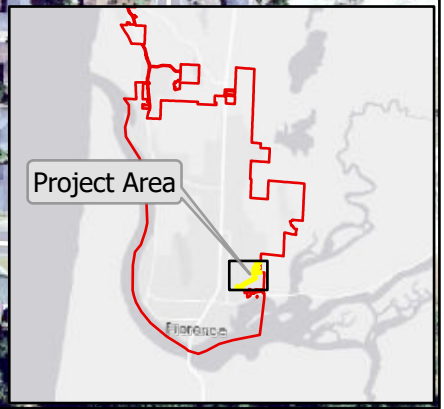
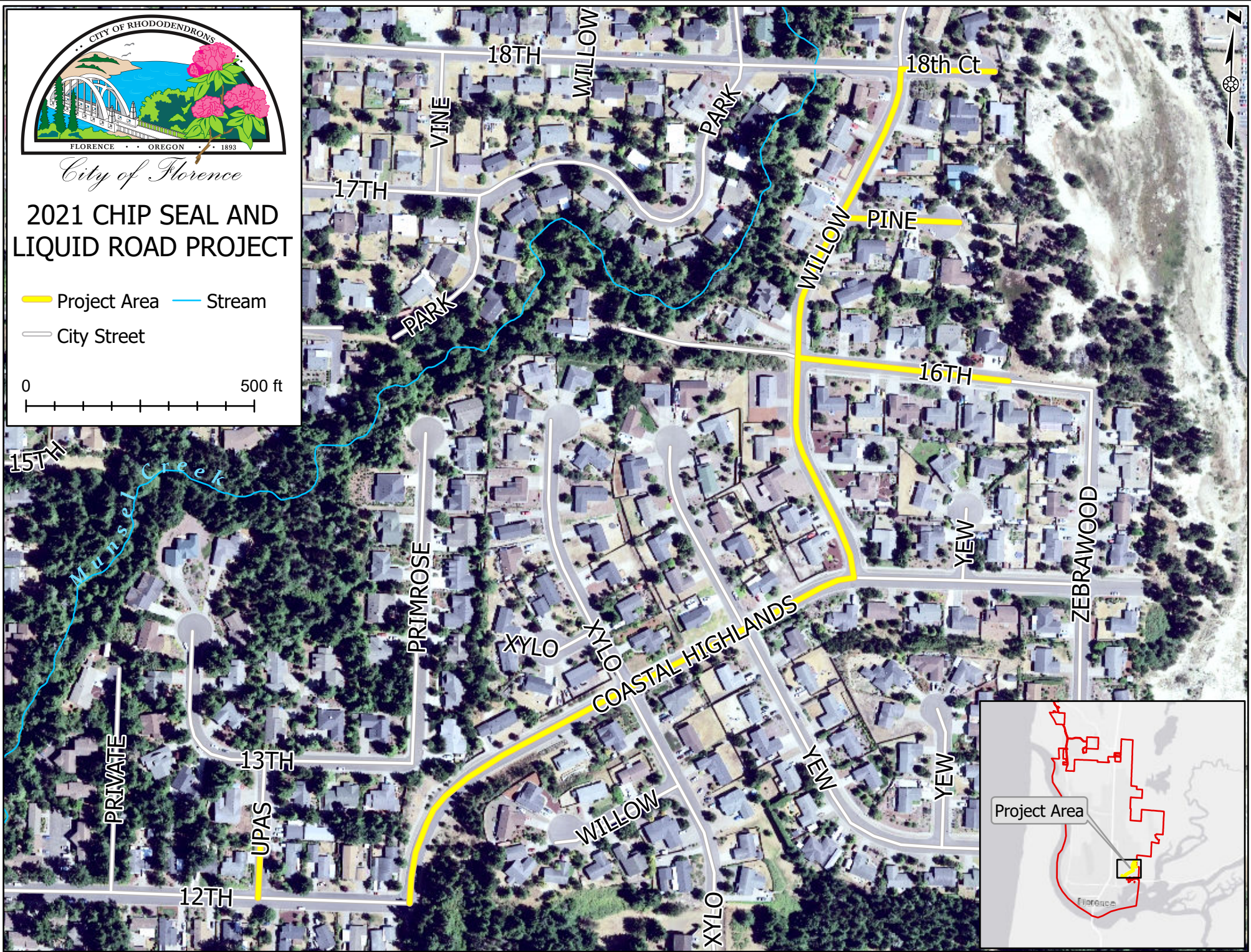
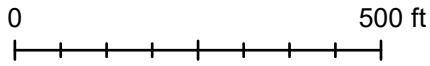
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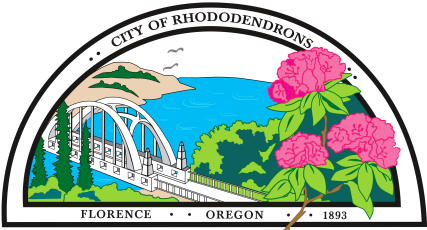


*City of Florence*

## 2021 CHIP SEAL AND LIQUID ROAD PROJECT

-  Project Area
-  Stream
-  City Street



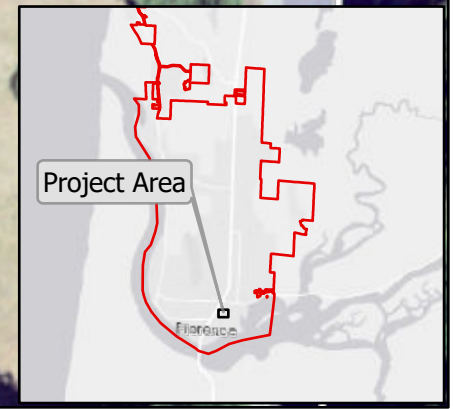
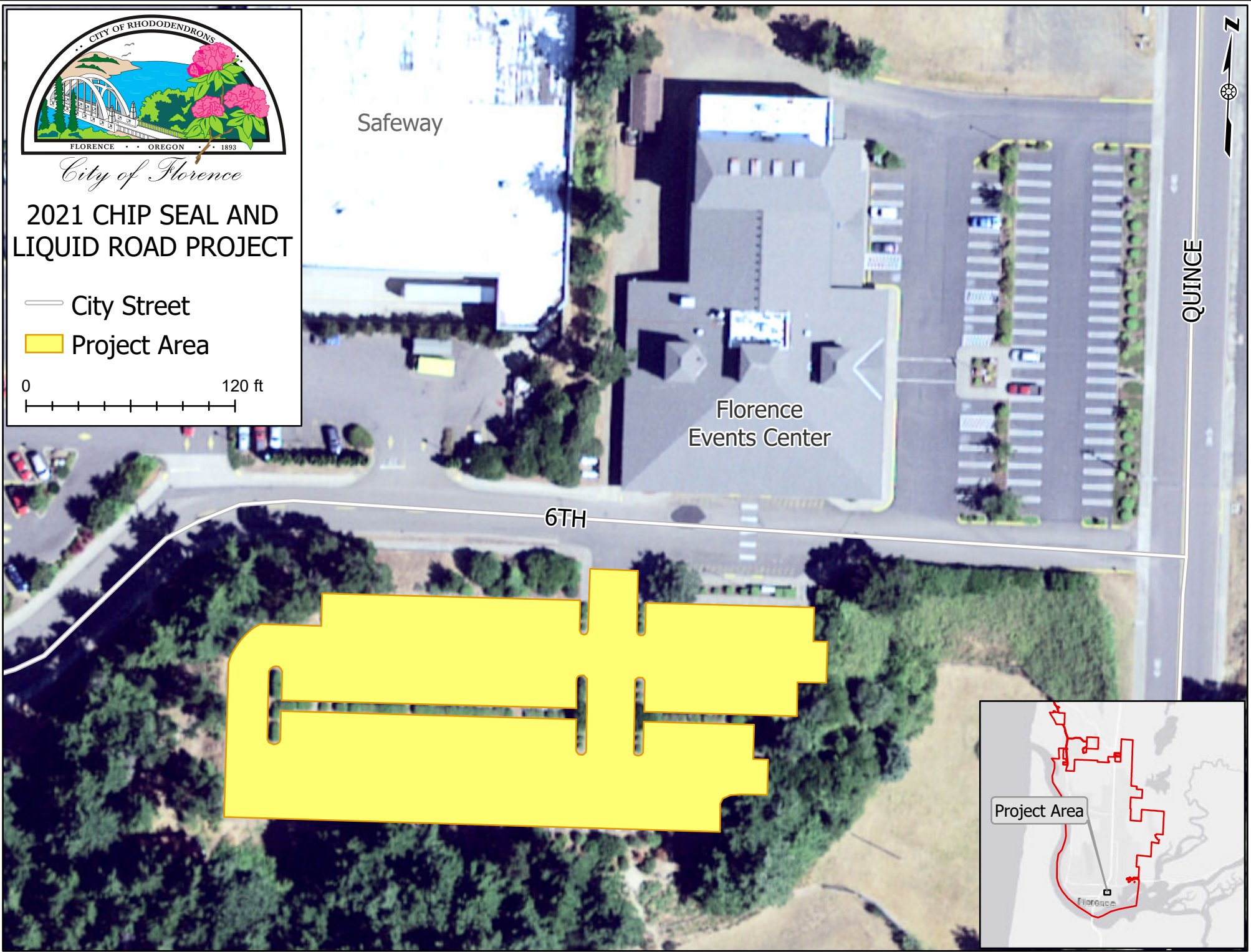
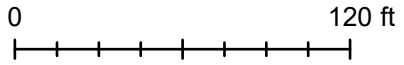


*City of Florence*

## 2021 CHIP SEAL AND LIQUID ROAD PROJECT

— City Street

■ Project Area



Project Area

Florence

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**AGENDA ITEM SUMMARY**  
**FLORENCE CITY COUNCIL**

**ITEM NO:** 11  
**Meeting Date:** June 21, 2021  
**Department:** City Council

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**ITEM TITLE:** Approval of Minutes

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**DISCUSSION/ISSUE:**

Consider approval of the draft minutes listed below.  
Materials distributed during City Council meetings can be found on the City of Florence's website at [www.ci.florence.or.us](http://www.ci.florence.or.us) under the calendar date for each particular meeting. In addition, all items pertaining to the meeting including the meeting agenda, materials and items distributed, as well as electronic audio/video recordings of the meeting, are referenced at the top of each set of approved minutes, and can be referenced either on the City's website or upon request of the City Recorder.

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**FISCAL IMPACT:**

Minutes incur staff time for compilation / retention and have no other fiscal impacts.

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**RELEVANCE TO ADOPTED COUNCIL GOALS:**

Goal 1: Deliver efficient and cost-effective city services.

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**ALTERNATIVES:**

1. Approve the minutes as presented
2. Review and approve the minutes with modifications

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**RECOMMENDATION:**

Approve the minutes as presented

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**AIS PREPARED BY:** Kelli Weese, City Recorder

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**CITY MANAGER'S RECOMMENDATION:**  Approve  Disapprove  Other

Comments: *ER Reynolds*

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**ITEM'S ATTACHED:** **Attachment 1** – Draft 2.1.21 Reguar Session Minutes  
**Attachment 2** – Draft 2.22.21 Regular Session Minutes  
**Attachment 3** – Draft 4.5.21 Regular Session Minutes

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*This document is supplemented by agenda packet materials, meeting materials distributed and electronic audio / video recordings of the meeting and may be reviewed upon request to the City Recorder.*

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**City of Florence  
City Council Regular Session  
Florence City Hall  
250 Hwy 101, Florence, Oregon  
Final Action Minutes  
February 1, 2021**

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**COVID-19 UPDATE**

Due to federal and state restrictions on public gatherings, the Florence City Council meetings shall be held via videoconference and shown live on Cable Channel 191 and online at <https://www.ci.florence.or.us/citymanager/public-meetings-live>.

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Councilors Present: Mayor Joe Henry, Councilors Woody Woodbury,  
(*Videoconference*) Sally Wantz, Bill Meyer and Maggie Wisniewski.

Councilors Absent: None

Staff Present: City Manager Erin Reynolds, Planning Director Wendy  
(*In person and via Videoconference*) Farley-Campbell, City Recorder / Economic Development  
Coordinator Kelli Weese, City Attorney Ross Williamson and  
Public Works Director Mike Miller.

**CALL TO ORDER - ROLL CALL - PLEDGE OF ALLEGIANCE**

Meeting called to order at 5:30 p.m.

Handout: February 1, 2021 City Council Meeting Base Presentation

**1. PUBLIC COMMENTS**

This is an opportunity for members of the public to bring to the Council's attention any item not otherwise listed on the agenda.

Start Time: 6:01 p.m.

Handout: Speaker's Card & Written Comments

Commenter 1: Mr. Michael Allen  
Discussion: Mr. Allen discussed...

- Request for action on the climate crisis

## **PUBLIC HEARING & ACTION ITEMS**

### **2. BENEDICK HOLDINGS, LLC ANNEXATION & ZONE ASSIGNMENT**

#### **A. PUBLIC HEARING ON ANNEXATION AND ZONE ASSIGNMENT**

Hear and consider written and oral testimony regarding the annexation and zone assignment of 48.82 acres of property and right-of-way, including Oceana Drive and property described as Assessors Map No. 18-12-10-40, Tax Lots 400 and 401 and Assessors Map No. 18-12-10-34 Tax Lot 801. Oceana Drive is located east of Rhododendron Drive, within the Idylewood Subdivision, and the property is located south and west of Heceta Beach Road, and south of Kelsie Way and Kelsie Court within the Heceta South subdivision, and east and south of Sandrift Street, and also east of the eastern terminus of Cloudcroft Lane within Idylewood and Idylewood 1<sup>st</sup> and 2<sup>nd</sup> Additions.

Start Time: 5:36 p.m.

Hearing Reading: CR Weese read the Land Use Hearing Script and officiated the public hearing procedures.

Handout: Public Hearing Script

Declarations: CR Weese noted that the City had placed all opinion pieces and articles from the Siuslaw News concerning the annexation in the record for the proceedings as Exhibit O.

The City Council declared...

- Councilor Wisniewski:
  - No conflicts of interest were declared.
  - Declared conversation with party at 'The Shipping Shack' prior to her appointment to the City Council, including concerns from the resident about the possibility of being taxed. Councilor Wisniewski said she let the party know that she did not have the information at this time. She said that she had read the newspaper articles and had driven Oceana Drive.
  - No biases were declared.



- Councilor Meyer:
  - No conflicts of interest were declared.
  - Councilor Meyer declared that he read the letters that were published in the Siuslaw News. He said he had driven Oceana Drive at least twice and had no contacts with anyone in the area, and no direct contact with anyone trying to discuss the matter. He said that he had used google earth to view the site and surrounds. Councilor Meyer said he had used the State of Oregon website to look up the various definitions of terms within the application.
  - No biases were declared.
- Councilor Wantz:
  - No conflicts of interest were declared
  - Councilor Wantz said she had received numerous emails that she forwarded to the Planning Department and they had become a part of the public record. She said that she had driven Oceana Drive in the last couple of months to understand what the road looked like. She said she didn't talk to anyone nor get out and look at that time. She said every conversation she had she referred them to the appropriate party for more information.
  - No biases were declared.
- Councilor Woodbury:
  - No conflicts of interest were declared.
  - No exparte contacts were declared.
  - No biases were declared.
- Mayor Henry:
  - Declared that he had been accused of having a financial interest with the developer. Mayor Henry said he had not met Mr. Benedick and did not have a conflict of interest in that matter. He also declared a potential conflict of interest based on his vocation as a mortgage originator and the possibility that he would have the opportunity to handle a loan on a property within the annexation area. He indicated that he could make a decision in an impartial manner.
  - Mayor noted he had received in excess of 100 emails, had read all the news and other media, including social media, had any number of telephone calls and personal contacts on the

street, including a telephone call with Lane County Commissioner Jay Bozievich who was very much against the annexation for a number of reasons. Mayor Henry said that Commissioner Bozievich stated that he didn't believe the developer should use annexation as a way to circumvent the County guidelines and restrictions. Mayor Henry said he asked Commissioner Bozievich to submit his concerns in writing, which he did, and they were included in the packet.

- No biases were declared.

Public Challenge: Mr. Zack Mittge - Idylewood Owners, LLC

- Inquired whether the emails referenced by the Mayor were added into the public record.

Mayor Henry: Replied that they were included in the record.

Public Hearing: The public hearing for Ordinance No. 1 and No. 2, Series 2021 was opened at 5:57 p.m.

Discussion: Planning Director FarleyCampbell presented the staff report.  
Handout: Staff Presentation

Break: The City Council took a break from 6:53 – 7:09 p.m.

Discussion: The City Council discussed...

- Traffic flow on Oceana Drive, traffic studies for the street, and width of the street and right-of-way.
- Concerns from residents in the area and clarification on who would pay for the improvements based on the annexation.
- Clarification that the City has a policy to not force annexation unless there is a need for a health hazard abatement.
- Stormwater needs for the site and eventual development requirements to maintain the stormwater on site, and analysis that would be required during the development approval.
- Concern for natural hazards, stormwater, and eventual analysis for high groundwater table, including requirements for stormwater facilities on the developed streets.
- Clarification of terms for ordinary & high-water line, coastal shorelands, and potential setback

requirements based on State Law and the Florence Comprehensive Plan / zoning codes and clarification on the process for review of soils, stormwater, wetlands, and other water concerns for the area.

- Clarification regarding concerns expressed from lot owners that they will be required to connect to the new sewer lines and the City's policies regarding annexation.
- Clarification of the use of Oceana Drive right-of-way and loss of landscaping improvements.
- Clarification on concern from property owners about the cost of the sewer line extension, who would be required to pay for those improvements, how improvements are regulated and paid for including System Development Charges.
- Process for parties to request city services through annexation, the costs they would pay to hook up to city services, and when they would be required to pay city taxes.
- Clarification of the Council's decision point regarding the annexation and zone change, and the process for the City to review a development application.
- Recommendation to hold over the Council's decision until the next Council meeting.
- Clarification regarding the Idlywood Improvement Agreement referenced by Mr. Bruce Hadley in Exhibit M-8.
- Traffic studies and data provided regarding the traffic on Rhododendron Drive, concerns for additional developments in that area approved since the traffic counts, as well as concerns for the time of year the studies were completed, and clarification of the need for traffic impact analysis during the development application.
- Clarification that if the residents of Oceana Drive decide to annex, that it would include police service, and how the police would ensure service.

Comments: All Councilors present

Break: The City Council took a break from 7:54 p.m. – 8:00 p.m.

Applicants: Mr. Michael Farthing - Benedick Holdings, LLC  
Handout: Speaker's Card  
Discussion: Mr. Farthing discussed...

- Appreciation for the explanation of System Development Charges.
- Granting of 60-day extension to 120-day time limit.
- Reason for the need for annexation based on requirements for subdividing and septic systems in the aquifer.
- Clarification on Lane County application and changes to the zoning requirements during their application timeline.
- Designation of low-density residential and prime wildlife and assurance that the development would protect the coastal shorelands.
- Clarification that there had been 8 annexations in the urban growth area since 2017.
- Clarification that the annexation and zone assignment did not commit the City nor Benedick Holdings to completion of a development and statement that they currently did not have a development plan for the site.
- Clarification that they would be paying for the sewer line extension to the annexed property and that this action would provide a service to the other residents in the area.

Opponent 1: Mr. Bruce Hadley – Idylewood Owners LLC  
Handout: Speaker's Card  
Discussion: Mr. Hadley discussed...

- Reminder of his request at the January 4, 2021 City Council meeting regarding the City's policies for cherry stem annexations and examples of recent cherry stem annexations in the City.
- Concern for the threat to property and public expense with the annexation particularly regarding stormwater concerns in the area, and his belief that stormwater cannot be maintained on the site.
- Concern that the majority of the surrounding residents did not support the application.
- Situations where Mr. Hadley would approve of an annexation.
- Concerns for loss of property along Oceana Drive.

Questions from Council:

- Reference to revision to the Idylewood Improvement Agreement.

Comments: Mayor Henry

Opponent 2:  
Handout:  
Discussion:

Mr. Zack Mittge - Idylewood Owners, LLC  
Speaker's Card  
Mr. Mittge discussed...

- Reference to written comments noting their opposition and highlight of important points relating to...
  - Potential forced annexation and connection to sewer based on the proximity to the new sewer line.
  - Concern for stormwater and seasonal flooding in the development and history of flooding in the area and applicant stormwater applications to Lane County.

Next Steps:

CR Weese noted that the continuation of the meeting scheduled for February 2, 2021 has been canceled due to the lack of additional speakers requesting comment times.

CR Weese noted that in order to allow additional time for surrounding property owners to respond to the public notice, the City of Florence would be continuing the public hearing for Ordinance #1 and #2, Series 2021 until February 22, 2021. She provided an overview of the process to provide comments including:

- Process to provide written comments.
- Process to provide verbal comments, including clarification that any party who provided verbal testimony at the February 1, 2021 Council meeting would not be able to provide additional verbal testimony at the February 22, 2021 City Council meeting.

## **REPORT & DISCUSSION ITEMS**

### **3. CITY MANAGER REPORT & DISCUSSION ITEMS**

Start Time:  
Discussion:

8:24 p.m.

The City Council discussed...

- Upcoming City Meetings and Events
- Applying for a Travel Oregon Destination Ready grant

**4. CITY COUNCIL REPORT & DISCUSSION ITEMS**

Start Time: 8:28 p.m.

Discussion: The City Council discussed...

- Idylewood Improvement agreement and direction to the staff to investigate the agreement after the completion of the Benedick Holding Annexation application process.
- Emergency management plan and tsunami routes.
- Clarification on the process to extend the public hearing for the Benedick Annexation.

Comments: Mayor Henry and Councilors Wisniewski, Wantz and Meyer

Meeting adjourned at 8:41 p.m.

**ATTEST:**

\_\_\_\_\_  
Joe Henry, Mayor

\_\_\_\_\_  
Kelli Weese, City Recorder

*This document is supplemented by agenda packet materials, meeting materials distributed and electronic audio / video recordings of the meeting and may be reviewed upon request to the City Recorder.*

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**City of Florence  
City Council Regular Session  
Florence City Hall  
250 Hwy 101, Florence, Oregon  
Final Action Minutes  
February 22, 2021**

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**COVID-19 UPDATE**

Due to federal and state restrictions on public gatherings, the Florence City Council meetings shall be held via videoconference and shown live on Cable Channel 191 and online at <https://www.ci.florence.or.us/citymanager/public-meetings-live>.

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Councilors Present: Mayor Joe Henry, Councilors Woody Woodbury,  
(Videoconference) Sally Wantz, Bill Meyer and Maggie Wisniewski.

Councilors Absent: None

Staff Present: City Manager Erin Reynolds, City Recorder / Economic  
(In person and Development Coordinator Kelli Weese, Planning Director  
via Videoconference) Wendy Farley-Campbell, City Attorney Ross Williamson,  
Public Works Director Mike Miller, and Chief of Police Tom  
Turner.

Handout: 2.21.21 City Council Meeting Base Presentation

**CALL TO ORDER - ROLL CALL - PLEDGE OF ALLEGIANCE**

Meeting called to order at 5:30 p.m.

**1. PUBLIC COMMENTS**

This is an opportunity for members of the public to bring to the Council's attention any item not otherwise listed on the agenda.

Start Time: 5:30 p.m.

Discussion: There were no public comments.

## **PUBLIC HEARING & ACTION ITEMS**

### **2. BENEDICK HOLDINGS, LLC ANNEXATION & ZONE ASSIGNMENT**

*Continued from February 1, 2021 City Council Meeting*

#### **A. PUBLIC HEARING ON ANNEXATION AND ZONE ASSIGNMENT**

Hear and consider written and oral testimony regarding the annexation and zone assignment of 48.82 acres of property and right-of-way, including Oceana Drive and property described as Assessor's Map No. 18-12-10-40, Tax Lots 400 and 401 and Assessor's Map 18-12-10-34 Tax Lot 801. Oceana Drive is located east of Rhododendron Drive, within the Idylewood subdivision, and the property is located south and west of Heceta Beach Road, and south of Kelsie Way and Kelsie Court within the Heceta South subdivision, and east and south of Sandrift Street, and also east of the eastern terminus of Cloudcroft Lane within Idylewood and Idylewood 1<sup>st</sup> and 2<sup>nd</sup> additions.

Start Time: 5:31 p.m.

Hearing Reading: CR Weese read the Land Use Hearing Script and officiated the public hearing procedures.

Declarations: The City Council declared...

- Mayor Henry:
  - Declared a potential conflict of interest based on his vocation as a mortgage originator and the possibility that he would have the opportunity to handle a loan on a property within the annexation area. He indicated that he could make a decision in an impartial manner.
  - Mayor noted he had continued to receive emails, and social media, and had received a couple of contacts on the street. He clarified that any emails he received were forwarded to staff to be placed in the record.
  - No biases were declared.
- Councilor Wisniewski:
  - No conflicts of interest were declared.
  - No exparte contacts were declared.
  - No biases were declared.
- Councilor Meyer:
  - No conflicts of interest were declared.
  - No exparte contacts were declared.
  - No biases were declared.



- Councilor Wantz:
  - No conflicts of interest were declared.
  - No exparte contacts were declared.
  - No biases were declared.
- Councilor Woodbury:
  - No conflicts of interest were declared.
  - No exparte contacts were declared.
  - No biases were declared.

Public Challenge: No challenges were heard.

Public Hearing: The public hearing for Ordinance No. 1 and No. 2, Series 2021 was re-convened at 5:42 p.m.

Discussion: Planning Director FarleyCampbell presented the staff presentation with assistance from Attorney Williamson

Handout: Staff Presentation

Opponent 1: Mr. Steve Campbell

Handout: Speaker's Card

Discussion: Mr. Campbell discussed...

- Potential for residents on Oceana Drive being forced to pay for the improvements required by the annexation due to investments necessary for stormwater management.
- Necessity for widening Oceana Drive based on traffic needs for the annexation and the expense to be paid by the property owners.

Staff Response: Planning Director FarleyCampbell discussed...

- Clarification on concern for wetlands addressed on page 8 of the findings of fact and how different types of wetlands are categorized and regulated.
- Clarification on stormwater requirements for the site and Idylewood area and how it is addressed within the City's stormwater master plan.
- Clarification on requirements for Streets / Transportation within the City including requirements for street improvements and when improvements are required.
- Concern for increase in trips and requirements for Traffic Impact Analysis during any development application should the density increase.

- Clarification on requirements for sewer connection and annexation to the City of Florence based on health hazard abatements, or other instances.
- Purpose of the development agreement with the Idylewood subdivision from 1981, the difference between the development proposal and an annexation proposal, and clarification that the Benedick annexation would not trigger the Idylewood development agreements due to the City not having a development proposal for the site at this time.
- Clarification of the residential development process steps.
- Alternatives for the Council to consider regarding the public hearing.

Break: The City Council took a break from 6:59 p.m. to 7:04 p.m.

Discussion: The City Council discussed...

Handout: City of Florence Tsunami Evacuation Map

- Question as to whether Oceana Drive's periodic flooding would affect the City's ability to provide service to the annexation area and the City's ability to review the infrastructure in the area once it is annexed.
- Potential for the City to be forced to pay for stormwater improvements in the area, assurance that the developer would pay for stormwater improvements, and steps for stormwater planning during the development proposal application.
- Concerns raised about the applicant's prior work in other jurisdictions and clarification that the City Council cannot use those complaints as justification for denial.
- Timeline for improvements to Oceana Drive based on the development proposal and not the annexation.
- Applications for development with Lane County and policies with the City of Florence and Lane County regarding subdivisions within the urban growth boundary.
- Potential gains to the City for the annexation including tax funds for the property and police / code enforcement services.
- Clarification on the evacuation plan for the property should it be developed and its location outside of the tsunami zone.

- Clarification that even if the property is annexed, the development would only begin once the development application was approved and the City’s development standards were met.
- Assurance that the City would review the Idylewood Development Agreement after completion of the Benedick Annexation application.

Comments: All Councilors present

Action: Begin the 7-Day final written argument period, closing March 1, 2021 at 5:30 p.m. and set Council deliberations for April 5, 2021.

Motion: Councilor Meyer

Second: Councilor Wantz

Discussion: Attorney Williamson clarified that the motion would mean that the hearing and the record would be closed that evening.

Roll Call Vote: Councilor Meyer, ‘Aye’  
 Councilor Wantz, ‘Aye’  
 Councilor Woodbury, ‘Aye’  
 Councilor Wisniewski ‘Aye’  
 Mayor Henry, ‘Aye’  
 Motion passes unanimously

**ACTION ITEM**

**3. CITY COUNCIL COMMITMENTS & SIGN-UPS**

Consider updates to the City Council Commitments including Municipal Court Judge supervision, City Committee Ex-Officio assignments and outside agencies.

Start Time: 7:38 p.m.

Discussion: The City Council discussed providing feedback to CR Weese regarding the master sign up sheet.

**CONSENT AGENDA**

**4. CRITICAL OREGON AIRPORT RELIEF (COAR) GRANT ACCEPTANCE**

Consider approval of **Resolution No. 6, Series 2021**, a resolution authorizing the acceptance of the Critical Oregon Airport Relief Grant from the Oregon Department of Aviation (ODA) for replacement of the AWOS system at the Florence Municipal Airport.

**5. PUBLIC WORKS FACILITY EQUIPMENT BUILDING CONSTRUCTION**

Consider approval of the proposal from Kroes Northwest in the amount of \$43,200 for the construction of the equipment building to be located at the Public Works Facility on Spruce Street.

**6. UNITED STATES DEPARTMENT OF AGRICULTURE GRANT ACCEPTANCE**

Consider approval of the United States Department of Agriculture (USDA) Rural Development, Community Facility Program grant, for funding of radio equipment replacement to enhance radio coverage and provide long-term operational sustainability.

**7. APPROVAL OF MINUTES**

Consider approval of the meeting minutes from the February 01, 2021 City Council Special Work Session.

Start Time: 7:44 p.m.

Action: Approval of the Consent Agenda as presented

Motion: Councilor Woodbury

Second: Councilor Wisniewski

Roll Call Vote: Councilor Wantz, 'Aye'

Councilor Meyer, 'Aye'

Councilor Woodbury, 'Aye'

Councilor Wisniewski, 'Aye'

Mayor Henry, 'Aye'

Motion passes unanimously

**REPORT & DISCUSSION ITEMS**

**8. GENERAL REPORTS**

- January Committee, Commission & Volunteer Reports

Start Time: 7:46 p.m.

Discussion: None

**9. CITY MANAGER REPORT & DISCUSSION ITEMS**

Start Time: 7:46 p.m.

Discussion: The City Council discussed...

- Budget Committee Timeline and appointments.
- Upcoming City Council Work Session.
- Lane County Public Health vaccinations.

**10. CITY COUNCIL REPORT & DISCUSSION ITEMS**

Start Time: 7:26 p.m.

Discussion: City Council Reports & Discussion Items

- Update on the Transportation and Environmental Management Advisory Committees.
- Update on the Port of Siuslaw.
- Request from Councilor Meyer to serve as the Dunes City representative.
- Upcoming City meetings and activities.

Comments: All Councilors present

Meeting adjourned at 7:29 p.m.

**ATTEST:**

\_\_\_\_\_  
Joe Henry, Mayor

\_\_\_\_\_  
Kelli Weese, City Recorder

*This document is supplemented by agenda packet materials, meeting materials distributed and electronic audio / video recordings of the meeting and may be reviewed upon request to the City Recorder.*

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**City of Florence  
City Council Regular Session  
Florence City Hall  
250 Hwy 101, Florence, Oregon  
Final Action Minutes  
April 5, 2021**

---

**COVID-19 UPDATE**

Due to federal and state restrictions on public gatherings, the Florence City Council meetings shall be held via videoconference and shown live on Cable Channel 191 and online at <https://www.ci.florence.or.us/citymanager/public-meetings-live>.

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Councilors Present: Mayor Joe Henry, Councilors Woody Woodbury, Sally Wantz, Bill Meyer and Maggie Wisniewski.  
(Videoconference)

Councilors Absent: None

Staff Present: City Manager Erin Reynolds, City Recorder / Economic Development Coordinator Kelli Weese, Planning Director Wendy Farley-Campbell, City Attorney Ross Williamson, Public Works Director Mike Miller, and Chief of Police Tom Turner.  
(In person and via Videoconference)

Guests Present: Suzanne Mann-Heintz, Child Abuse Prevention Month  
(Videoconference)

Handout: 4.5.21 City Council Meeting Base Presentation

**CALL TO ORDER - ROLL CALL - PLEDGE OF ALLEGIANCE**

Meeting called to order at 5:30 p.m.

**PRESENTATIONS & ANNOUNCEMENTS**

- Child Abuse Prevention Month Proclamation
- 2021 City & Florence Urban Renewal Agency Budget Committee Appointments

Start Time: 5:31 p.m.  
Discussion: Mayor Henry presented the Child Abuse Prevention Month Proclamation. Mayor Henry also announced the 2021 City and Florence Urban Renewal Agency Budget Committee appointments.

## 1. PUBLIC COMMENTS

This is an opportunity for members of the public to bring to the Council's attention any item not otherwise listed on the agenda.

Start Time: 5:35 p.m.  
Commenter 1: Michael Allen  
Handout: Speaker's Card  
Mr. Allen discussed...

- Concern for lack of attendance at recent Environmental Management Advisory Committee meeting and its implications for the agenda item concerning declaration of a Climate emergency.

## PUBLIC HEARING & ACTION ITEMS

### 2. BENEDICK HOLDINGS, LLC ANNEXATION & ZONE ASSIGNMENT

*Continued from February 1 & 22, 2021 City Council Meeting*

#### A. BENEDICK ANNEXATION REQUEST

Consider approval of **Ordinance No. 1, Series 2021**, an ordinance approving the annexation of approximately 48.82 acres of property and right-of-way, including Assessor's Map 18-12-10-40 Tax Lots 400 & 401, 18-12-10-34, Tax Lot 801, as well as Oceana Drive, from the City limits in Rhododendron Drive East to Tax Lot 400.

Start Time: 5:39 p.m.  
Process Reading: CR Weese read the Land Use Script and officiated the procedures.  
Handout: Public Hearing Script

Declarations: The City Council declared...

- Councilor Wisniewski:
  - No conflicts of interest were declared.
  - No biases were declared.
- Councilor Meyer:
  - No conflicts of interest were declared.
  - No biases were declared.

- Councilor Wantz:
  - No conflicts of interest were declared.
  - No biases were declared.
- Councilor Woodbury:
  - No conflicts of interest were declared.
  - No biases were declared.
- Mayor Henry:
  - Declared a potential conflict of interest based on his vocation as a mortgage originator and the possibility that he would have the opportunity to handle a loan on a property within the annexation area. He indicated that he could make a decision in an impartial manner.
  - No biases were declared.

Public Challenge: No Challenges were presented

Discussion: Planning Director FarleyCampbell presented the staff presentation.

Handout: Staff Presentation

Discussion: The City Council discussed...

- Clarification on which items would be included in the record.
- Concern regarding future liability for the city regarding stormwater and clarification on the process for development.
- Appreciation for the response from Mr. Michael Farthing.
- Assurance from application that nothing would occur to the Idlyewood property owner until a development is approved.

Comments: Councilor Meyer, Woodbury and Wantz

Action: Approval of Ordinance No. 1, Series 2021

Motion: Mayor Henry

Second: Councilor Woodbury

Discussion: The City Council discussed...

- Concern for the stormwater management and potential future decision points for the City.
- CC&R requirements to connect to sewer and the City's role.
- Clarification that an approval for annexation was not an approval for development.



Comments: Councilor Meyer, Wisniewski and Wantz

Action: First Reading Ordinance No. 1, Series 2021  
Vote: Unanimous

Action: Second Reading of Ordinance No. 1, Series 2021  
Motion: Mayor Henry  
Second: Councilor Woodbury  
Roll Call Vote: Councilor Wisniewski, 'Nay',  
Councilor Meyer, 'Aye'  
Councilor Wantz, 'Aye'  
Councilor Woodbury, 'Aye'  
Mayor Henry, 'Aye'  
Motion passes: 4-1

### **B. BENEDICK ZONING ASSIGNMENT**

Consider approval of **Ordinance No. 2, Series 2021**, an ordinance establishing Low Density Residential with a Prime Wildlife Shorelands Management Unit Overlay zoning district to the properties applied for by Benedick Holdings, LLC, as part of the proposed annexation.

Action: First Reading of Ordinance No. 2, Series 2021  
Vote: Unanimous

Action: Second Reading of Ordinance No. 2, Series 2021  
Motion: Mayor Henry  
Second: Councilor Meyer  
Roll Call Vote: Councilor Wisniewski, 'Nay'  
Councilor Meyer, 'Aye'  
Councilor Wantz, 'Aye'  
Councilor Woodbury, 'Aye'  
Mayor Henry, 'Aye'  
Motion passes: 4-1

## **CONSENT AGENDA**

### **3. COVID-19 EMERGENCY DECLARATION**

Consider approval of **Resolution No. 13, Series 2021**, a resolution ratifying the City Manager's decision to extend the COVID-19 Emergency Declaration, declaring a temporary state of emergency within the boundaries of the City and delegating authority to the City Manager, and repealing Resolution No. 2, Series 2021.

**4. NOVELLI’S CRAB AND SEAFOOD LIQUOR LICENSE**

Consider recommendation of approval to the Oregon Liquor Control Commission (OLCC) for a new outlet liquor license for Novelli’s Crab and Seafood, LLC located at 100 Harbor Street.

Start Time: 6:32 p.m.

Discussion: The City Council discussed...

- Potential modification to the end date to May 15, 2021 for the COVID-19 Emergency declaration and concern for the City being under emergency status.
- Request to remove agenda item #3 concerning the COVID-19 Emergency declaration from the consent agenda.

Comments: Councilor Wisniewski

Action: Approval of the Consent Agenda to include Agenda Item #4  
Motion: Councilor Meyer  
Second: Councilor Wantz  
Roll Call Vote: Councilor Wisniewski, ‘Nay’  
Councilor Meyer, ‘Aye’  
Councilor Wantz, ‘Aye’  
Councilor Woodbury, ‘Aye’  
Mayor Henry, ‘Aye’  
Motion passes: 4-1

**3. COVID-19 EMERGENCY DECLARATION**

Consider approval of **Resolution No. 13, Series 2021**, a resolution ratifying the City Manager’s decision to extend the COVID-19 Emergency Declaration, declaring a temporary state of emergency within the boundaries of the City and delegating authority to the City Manager, and repealing Resolution No. 2, Series 2021.

Start Time: 6:35 p.m.

Action: Approve Resolution No. 13, Series 2021  
Motion: Mayor Henry  
Second: Councilor Woodbury

Discussion: The City Council discussed...

- Concern for implications for declaration of a COVID-19 emergency and the need to get back to normalcy.

- Clarification on the request to back up the emergency declaration to May 15, 2021 and the amount of time required to receive a vaccine.
- Availability of the vaccine and the steps to receive one.

Comments: Councilor Wisniewski and Wantz

Roll Call Vote: Councilor Wisniewski, 'Nay'  
 Councilor Meyer, 'Aye'  
 Councilor Wantz, 'Aye'  
 Councilor Woodbury, 'Aye'  
 Mayor Henry, 'Aye'  
 Motion passes: 4-1

**REPORT & DISCUSSION ITEMS**

**5. CITY MANAGER REPORT & DISCUSSION ITEMS**

Start Time: 6:44 p.m.

Discussion: The City Council discussed...

- Upcoming City Meetings and Events.
- Current COVID-19 regulations and location of current case counts within Lane County.
- Review and availability of Council Rules of Procedure and COVID-19 Public Meeting Policies.
- Next steps for the City Council work plan approval.

Comments: All Councilors present

**6. CITY COUNCIL REPORT & DISCUSSION ITEMS**

Start Time: 6:50 p.m.

Discussion: The City Council discussed...

- Reports regarding the Florence Urban Renewal Agency, Environmental Management Advisory Committee and the Public Arts Committee.

Meeting adjourned at 7:02 p.m.

**ATTEST:**

\_\_\_\_\_  
 Joe Henry, Mayor

\_\_\_\_\_  
 Kelli Weese, City Recorder

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**AGENDA ITEM SUMMARY**  
**FLORENCE CITY COUNCIL**

**ITEM NO:** 12  
Meeting Date: June 21, 2021  
Department: Finance

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**ITEM TITLE:** The Laughing Crab, LLC Liquor License

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**DISCUSSION/ISSUE:**

This is a request for a recommendation of a new liquor license to the Oregon Liquor Control Commission (OLCC) for The Laughing Crab, LLC doing business as The Laughing Crab. OLCC allows the City Council the opportunity to review the liquor license before making a recommendation of approval.

The owners/management of the business have been checked and approved by the Florence Police Department for noise and/or altercations. The Planning Department has checked the place of business for zoning or code violations. Both departments have signed recommending approval.

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**FISCAL IMPACT:**

The fee for a liquor license is \$100. This fee includes the cost of staff time to review the application and place a recommendation before the City Council.

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**RELEVANCE TO ADOPTED COUNCIL GOALS:**

Goal 1: Deliver efficient and cost-effective city services.

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**ALTERNATIVES:**

1. Recommend ratification for the liquor license approval
  2. Recommend denial to OLCC for the liquor license
  3. Request staff research further and bring back additional information to a future Council meeting
- 

**RECOMMENDATION:**

Recommend ratification for the liquor license approval

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**AIS PREPARED BY:** Lezlea Purcell, Finance Manager

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**CITY MANAGER'S RECOMMENDATION:**  Approve  Disapprove  Other

Comments: *ER Reynolds*

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**ITEM'S ATTACHED:** Attachment 1 – Liquor License Application

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# LIQUOR LICENSE APPLICATION

PRINT FORM

RESET FORM

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

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

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

*Kimberley A. McLaughlin*

App #1: NAME OF ENTITY OR INDIVIDUAL APPLICANT

App #2: NAME OF ENTITY OR INDIVIDUAL APPLICANT

App #3: NAME OF ENTITY OR INDIVIDUAL APPLICANT

App #4: NAME OF ENTITY OR INDIVIDUAL APPLICANT

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

*The Laughing Crab Gallery LLC*

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

*1341 Bay Street Unit F*

City

*Florence, OR*

County

*Lane*

Zip Code

*97439*

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



# LIQUOR LICENSE APPLICATION

5. Trade Name of the Business (Name Customers Will See) <i>The Laughing Crab Gallery</i>			
6. Does the business address currently have an OLCC liquor license? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO			
7. Does the business address currently have an OLCC marijuana license? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO			
8. Mailing Address/PO Box, Number, Street, Rural Route (where the OLCC will send your license certificate, renewal application and other mailings as described in OAR 845-004-0065[1].) <i>88875 Bay Berry Lane</i>			
City <i>Florence</i>	State <i>Oregon</i>	Zip Code <i>97439</i>	
9. Phone Number of the Business Location <i>541-521-9430</i>		10. Email Contact for this Application and for the Business <i>kimamclaughlin@msn.com</i>	
11. Contact Person for this Application <i>Kimberley (Kim) McLaughlin</i>		Phone Number <i>541-521-9430</i>	
Contact Person's Mailing Address (if different) <i>same</i>	City	State	Zip Code

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

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

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

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

**Applicant(s) Signature**

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

*Kimberley A. McLaughlin*      *Kimberley A. McLaughlin*  
 App. #1: (PRINT NAME)      App. #1: (SIGNATURE)      App. #1: Signature Date      Atty. Bar Information (if applicable)

App. #2: (PRINT NAME)      App. #2: (SIGNATURE)      App. #2: Signature Date      Atty. Bar Information (if applicable)

App. #3: (PRINT NAME)      App. #3: (SIGNATURE)      App. #3: Signature Date      Atty. Bar Information (if applicable)

App. #4: (PRINT NAME)      App. #4: (SIGNATURE)      App. #4: Signature Date      Atty. Bar Information (if applicable)



OREGON LIQUOR CONTROL COMMISSION  
**INDIVIDUAL HISTORY FORM**

PRINT FORM

RESET FORM

1. Name (Print):	<i>McLaughlin</i> Last	<i>Kimberley</i> First	<i>Ann</i> Middle
2. Other names used (maiden, other):			
3. Do you have a Social Security Number (SSN) issued by the United States Social Security Administration? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If yes, you must list your SSN: [REDACTED]			
<p><b>SOCIAL SECURITY NUMBER DISCLOSURE:</b> As part of your application for an initial or renewal license, Federal and State laws require you to provide your Social Security Number (SSN) to the Oregon Liquor Control Commission (OLCC) for child support enforcement purposes (42 USC § 666(a)(13) &amp; ORS 25.785). If you are an applicant or licensee and fail to provide your SSN, the OLCC may refuse to process your application. Your SSN will be used only for child support enforcement purposes unless you indicate below.</p> <p>Based on our authority under ORS 471.311 and OAR 845-005-0312(6), we are requesting your <u>voluntary consent</u> to use your SSN for the following administrative purposes only: to match your license application to your Alcohol Server Education records (where applicable), and to ensure your identity for criminal records checks. OLCC will not deny you any rights, benefits or privileges otherwise provided by law if you do not consent to use of your SSN for these administrative purposes (5 USC § 552(a).</p>			
4. Do you consent to the OLCC's use of my SSN as described above? Check this box: <input checked="" type="checkbox"/>			
5. Date of Birth (DOB):	<i>10</i> (mm)	<i>19</i> (dd)	[REDACTED] (yyyy)
6. Driver License or State ID #:			7. State <i>Oregon</i>
8. Contact Phone: <i>541-521-9430</i>			
9. E-mail Address: <i>Kimamclaughlin@msn.com</i>			
10. Mailing Address:	<i>88875 Bayberry Lane</i> (Number and Street) <i>#14</i>	<i>Florence</i> (City)	<i>OR</i> <i>97439</i> (State) (Zip Code)
11. In the past 10 years, have you been convicted of a felony or a misdemeanor in a U.S. state outside of Oregon? No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> (If yes, explain in the space provided, below) Unsure <input type="checkbox"/> Choose this option and provide an explanation if, for example: you were arrested or went to court, but are unsure of whether there was a conviction; you paid a fine or served probation or parole, but are unsure of whether there was a conviction; or if you know you had a conviction, but you are unsure of whether the conviction has been removed from your record, etc.			



**OREGON LIQUOR CONTROL COMMISSION  
INDIVIDUAL HISTORY FORM**

12. Do you, or any entity that you are a part of, **currently hold** or **have you previously held** a recreational marijuana license in Oregon? (Note: marijuana worker permits are not marijuana licenses.)

No  Yes  Please list licenses (and year(s) licensed) below    Unsure  Please include an explanation:

*Limited ON-Premises Sales # 61810  
OFF Premises sales # 61809*

13. Do you, or any entity that you are a part of, hold an alcohol license in a U.S. state outside of Oregon?

No  Yes  Please list licenses (and year(s) licensed) below    Unsure  Please include an explanation:

14. Do you or any entity that you are a part of, have any other liquor license applications pending with the OLCC?

No  Yes  Please list applications below    Unsure  Please include an explanation:

You must sign your own form (electronic signature acceptable). Another individual, such as your attorney or an individual with power of attorney, **may not** sign your form.

**Affirmation**

Even if I receive assistance in completing this form, I affirm by my signature below, that my answers on this form are true and complete. I understand the OLCC will use the above information to check my records, including but not limited to my criminal history. I understand that if my answers are not true and complete, the OLCC may deny my license application.

Name (Print):	<i>McLaughlin</i> Last	<i>Kimberley</i> First	<i>Ann</i> Middle
---------------	---------------------------	---------------------------	----------------------

Signature:	<i>Kimberley A. McLaughlin</i>	Date:	<i>6/14/2021</i>
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**This box for OLCC use ONLY**

\_\_\_\_\_ Does the individual currently hold, or has the individual previously held, an OLCC- issued liquor license?





# OREGON LIQUOR CONTROL COMMISSION

## Real Property Attestation

**IMPORTANT:** Please read Oregon Administrative Rule (OAR) 845-005-0311 [here](#) before completing this form.

- OAR 845-005-0311 defines who has an ownership interest in the business proposed to be licensed and allows the OLCC to refuse to issue a license if the applicant is not the owner of the business or an undisclosed ownership interest exists.
- Subsection (4)(b) of this rule includes as an ownership interest any person or entity owning the real or personal property of the premises proposed to be licensed, unless the owner of the property has given control over the property to another party via a lease or rental agreement or similar agreement.
- As a part of completing this "Real Property Attestation" form, applicants confirm they have read and understand OAR 845-005-0311.

The Laughing Crab Gallery

Business Trade Name (the name customers see)

1341 Bay Street Unit F, Florence, OR 97439

Business Address (street, city, zip code)

### Definitions

- "Real property" means the real estate (land) and generally whatever is erected or affixed to the land (for example, the building) at the business address.
- "Common area" is a privately owned area where two or more parties (property tenants) have permission to use the area in common. Examples include the walking areas between stores at a shopping center, lobbies, hallways, patios, parking lots, etc. An area's designation as a "common area" is typically identified in the lease or rental agreement.

### ATTESTATION

#### All applicants have read OAR 845-005-0311 and:

1. Each applicant shown on the Liquor License Application form has read and understands OAR 845-005-0311.
2. Only the applicant(s) shown on the Liquor License Application form have an ownership interest in the real property to be used as a part of the licensed business.
3. The licensed premises at the business address proposed to be licensed either:
  - a. Does not include any common areas; or
  - b. Does include one or more common areas; however, only the applicant(s) have the exclusive right to engage in alcohol sales and service in the area to be included as part of the licensed premises.
    - In this circumstance, the applicant(s) acknowledges responsibility for ensuring compliance with liquor laws within and in the immediate vicinity of the licensed premises, including in portions of the premises that are situated in "common areas" and that this requirement applies at all times, even when the business is closed.
4. The premises address at the business address proposed to be licensed matches the premises business address listed on the Liquor License Application form.
5. The licensed premises at the business address above either:
  - a. Has no area on property controlled by a public entity (like a city, county, or state); or
  - b. Has one or more areas on property controlled by a public entity (like a city, county, or state) and the public entity has given at least one of the applicant(s) or licensee(s) permission to exercise the privileges of the license in the area.



OREGON LIQUOR CONTROL COMMISSION

Real Property Attestation

The Laughing Crab Gallery

Business Trade Name (the name customers see)

1341 Bay Street Unit F, Florence, OR 97439

Business Address (street, city, zip code)

Applicant(s) Signature

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

6/14/2021

Date

If an attorney

KAM

Kimberley A. McLaughlin (Print Name), (State of bar licensure), (Bar number)

If an applicant

Kimberley A. McLaughlin (Print Name), Kimberley A. McLaughlin (Signature)

Kimberley A. McLaughlin (Signature), Kimberley A. McLaughlin (Print)

Applicant #2 (Print Name)

Applicant #2 (Signature)

Applicant #3 (Print Name)

Applicant #3 (Signature)

Applicant #4 (Print Name)

Applicant #4 (Signature)



# OREGON LIQUOR CONTROL COMMISSION BUSINESS INFORMATION

Please Print or Type

Applicant Name: Kimberley A. McLaughlin Phone: 541-521-9430

Trade Name (dba): The Laughing Crab Gallery

Business Location Address: 1341 Bay Street Unit F

City: Florence, OR ZIP Code: 97439

### DAYS AND HOURS OF OPERATION

**Business Hours:**

Sunday 9a to 10p  
 Monday 9a to 10p  
 Tuesday 9a to 10p  
 Wednesday 9a to 10p  
 Thursday 9a to 10p  
 Friday 9a to 10p  
 Saturday 9a to 10p

**Outdoor Area Hours:**

Sunday 9a to 10p  
 Monday 9a to 10p  
 Tuesday 9a to 10p  
 Wednesday 9a to 10p  
 Thursday 9a to 10p  
 Friday 9a to 10p  
 Saturday 9a to 10p

The outdoor area is used for:

Food service Hours: 12a to 8p  
 Alcohol service Hours: 12a to 8p  
 Enclosed, how \_\_\_\_\_

The exterior area is adequately viewed and/or supervised by Service Permittees.  
 \_\_\_\_\_ (Investigator's Initials)

Seasonal Variations:  Yes  No If yes, explain: may be closed a couple of days of the week during winter months

### ENTERTAINMENT

Check all that apply:

Live Music  Karaoke  
 Recorded Music  Coin-operated Games  
 DJ Music  Video Lottery Machines  
 Dancing  Social Gaming  
 Nude Entertainers  Pool Tables  
 Other: \_\_\_\_\_

### DAYS & HOURS OF LIVE OR DJ MUSIC

Sunday \_\_\_\_\_ to \_\_\_\_\_  
 Monday \_\_\_\_\_ to \_\_\_\_\_  
 Tuesday \_\_\_\_\_ to \_\_\_\_\_  
 Wednesday \_\_\_\_\_ to \_\_\_\_\_  
 Thursday \_\_\_\_\_ to \_\_\_\_\_  
 Friday 2 to 8 pm  
 Saturday 2 to 8 pm

### SEATING COUNT

Restaurant: 10 Outdoor: 4  
 Lounge: 18 Other (explain): \_\_\_\_\_  
 Banquet: \_\_\_\_\_ Total Seating: \_\_\_\_\_

**OLCC USE ONLY**

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

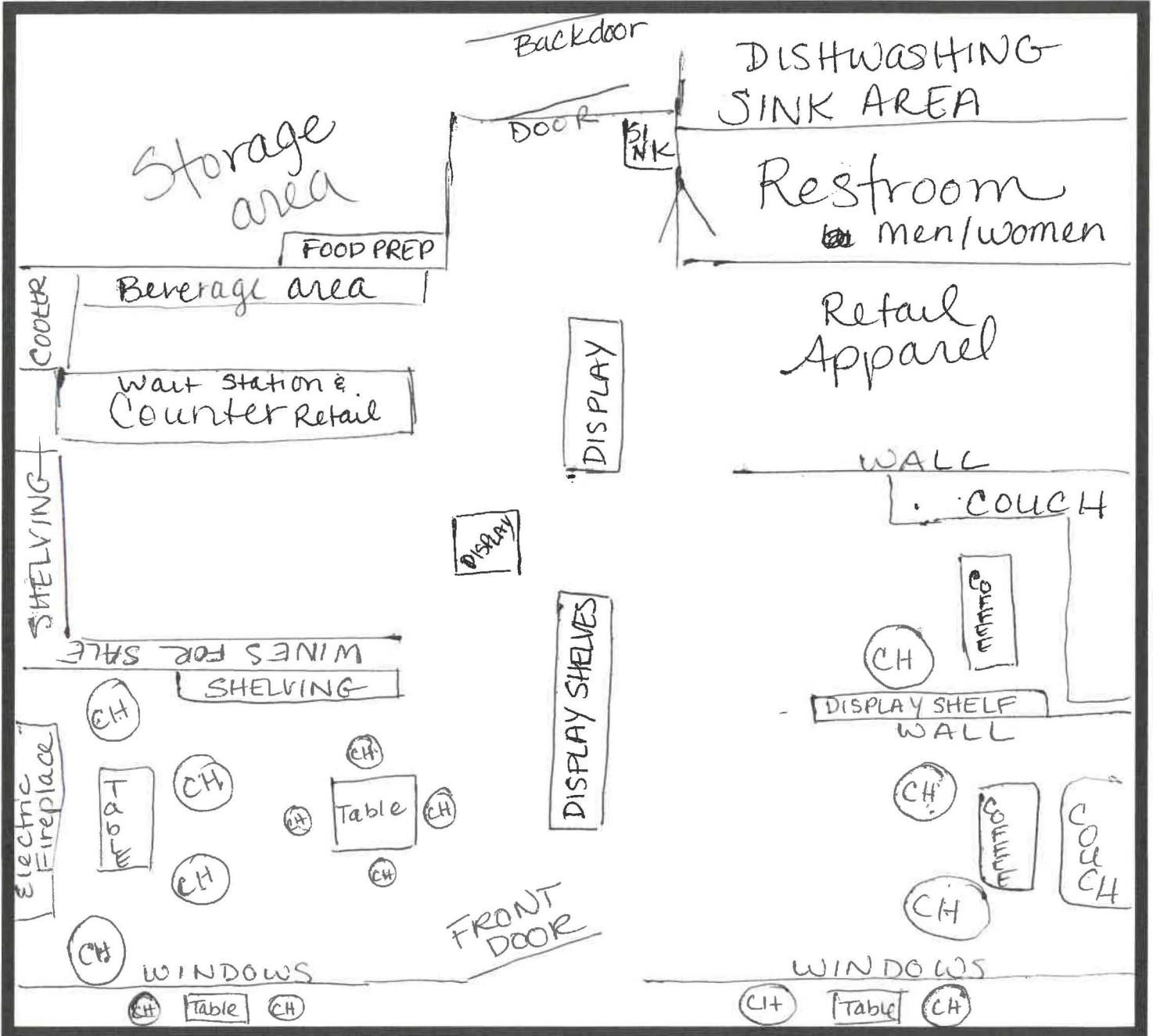
I understand if my answers are not true and complete, the OLCC may deny my license application.

Applicant Signature: Kimberley A. McLaughlin Date: 6/14/2021



# OREGON LIQUOR CONTROL COMMISSION FLOOR PLAN

- Your floor plan must be submitted on this form.
- Use a separate Floor Plan Form for each level or floor of the building.
- The floor plan(s) must show the specific areas of your premises (e.g. dining area, bar, lounge, dance floor, video lottery room, kitchen, restrooms, outside patio and sidewalk cafe areas.)
- Include all tables and chairs (see example on back of this form). Include dimensions for each table if you are applying for a Full On-Premises Sales license.



Kimberley McLaughlin  
 Applicant Name  
 The Laughing Crab Gallery  
 Trade Name (dba):  
 Florence 97439  
 City and ZIP Code

.....OLCC USE ONLY.....  
 MINOR POSTING ASSIGNMENT(S)  
 Date: \_\_\_\_\_ Initials: \_\_\_\_\_



Oregon Liquor Control Commission

# LIMITED LIABILITY COMPANY (LLC) QUESTIONNAIRE

PRINT FORM

RESET FORM

LLC Name The Laughing Crab Gallery LLC

Trade Name of Business (Name Customers Will See) The Laughing Crab Gallery

The LLC named in this document is a (see page 1 for definitions):  Manager-Managed LLC  Member-Managed LLC

**This section is ONLY for a manager-managed LLC.** (Directions on page 1. You may include information on a separate sheet.)

Name of Managing Member (please print)	Name of Managing Member (please print)

**This section is for BOTH a manager-managed LLC and a member-managed LLC.** (Directions on page 1. You may include information on a separate sheet.)

Name of Member (please print)	Percentage of issued membership held
<u>Kimberley A. McLaughlin</u>	<u>50%</u>
<u>Gary T. Manos</u>	<u>50%</u>

**This section is ONLY for an LLC with the listed officers.** (Directions on page 1. You may include information on a separate sheet.)

Title	Name (please print)
President	
Secretary	
Treasurer	
Vice president with responsibility over the operation of the business	

**SERVER EDUCATION DESIGNEE** (Directions on page 1)

Name (please print)	Date of Birth
<u>Kimberley A. McLaughlin</u>	<u>10-19-1968</u>

**SIGNATURE** (Directions on page 1) Kimberley A. McLaughlin  
NAME of Signing Person (please type or print) Kimberley A. McLaughlin

Kimberley A. McLaughlin DATE 6/15/2022  
SIGNATURE of signing person (may electronically sign)

**This box for OLCC use ONLY**

Only for an applicant of record: SOS Number \_\_\_\_\_ Current at time of issuing license (yes/no) \_\_\_\_\_

Does the entity hold, or has it ever held, an OLCC-issued liquor license? \_\_\_\_\_

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**AGENDA ITEM SUMMARY**  
**FLORENCE CITY COUNCIL**

**ITEM NO:** 13  
Meeting Date: June 21, 2021  
Department: Various

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**ITEM TITLE:** GENERAL REPORTS – *Council Question & Answer Only – No Presentations*

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- May Committee, Commission & Volunteer Reports

**AGENDA ITEM SUMMARY**  
**FLORENCE CITY COUNCIL**

**ITEM NO:**  
Meeting Date: May 17, 2021  
Department: All

**ITEM TITLE:** Commission, Committee & Volunteers Report – April 2021

**DISCUSSION/ISSUE:**

**Airport Volunteers**

Department: Public Works

Staff: Mike Miller – Public Works Director

Volunteers from the Airport Volunteer Group: No volunteer activity during May, however with restrictions being lessened, our volunteers will be back at the office starting June 14<sup>th</sup>.

**Audit Ad-Hoc Committee**

Department: Finance

Staff: TBD

No report.

**Budget Committee**

Department: Finance

Chairperson: TBD

No report.

**Community & Economic Development Committee**

Department: Administration

Chairperson: Bill Prosser

The May CDEC meeting was cancelled pending release of city council work plan. The June meeting will be used to review CDEC work plan and priorities as set forth during the April meeting.

**Environmental Management Advisory Committee (EMAC)**

Department: Planning

Vice-Chairperson: Ronelle Kuert

We met May 18th, 2021.

- We elected a new chair, Lisa Walter-Sedlacek. Ronelle Kuert will remain as Vice Chair.
- We went over the approved City Council work plan items and discussed in detail how those are part of the EMAC committee, which items are being already addressed, how the topics and work could be expanded, and how new items will be integrated into our committee. We will be working on a work plan for the committee with city staff to develop a roll out plan on addressing these items for time line and inclusion into the city's work goals and other committee's work plans, specifically the Community & Economic Development Committee. We discussed that it would be helpful to have more interaction between committees on shared work areas and how this could be accomplished.

- We discussed possible future ways to interact and inform the public in EMAC projects.
- Current areas that committee members are working on:
  - o Informing the public on noxious weeds/ invasive plants control
  - o Adopt a street and adopt a trail participation: keeping trails and streets clean and maintained by encouraging citizens and businesses to adopt a street or trail
  - o Compost program: Distributing composters to selected participants to generate interest in home food waste composting
  - o Biosolids: Members toured the Florence Sewage Treatment Plant, discussed the Flo Gro program and the facility's life span. In past meetings we discussed the need to integrate a vegetation recycling program for curb side pick up and how that could be integrated into the Flo Gro program. We discussed the need for additional space for vegetation recycling and the need for a new facility.
- New areas that we will be working on:
  - o Updating the Florence approved vegetation list
  - o Working with city staff on the current Vegetation Preservation code to make it clearer and more consistent to developers and residents, and encourage more vegetation preservation, expanding the role of the Florence Tree City impact through education and incentives
  - o Getting information out to residents about defensible spaces and fire-resistant vegetation
  - o Providing input in revising the Florence outdoor lighting codes

**Florence Urban Renewal Agency**

Department: Administrative

Staff: NA

No Report.

**Florence Urban Renewal Agency Budget Committee**

Department: Finance

Staff: TBD

No report.

**Parks Volunteers**

Department: Public Works

Staff: Mike Miller – Public Works Director

- Old Town Park (Gazebo Park): One volunteer provided 8 hours of labor picking up litter, trimming shrubs and sweeping debris from the plaza.
- Adopt-A-Street Program: Rhododendron Drive 35<sup>th</sup> to Sebastian Street (2.2 miles). Two volunteers spent a total of 22 hours picking up litter along Rhododendron Drive. Our volunteers reported that they picked up 41 pounds of litter and debris along this section of the roadway during May.



- Ken Kettelman, our scotch broom puller extraordinaire, is back making a difference along Rhododendron Drive between 35<sup>th</sup> and Shelter Cove. Ken provided 15 hours of labor pulling scotch broom for the community.
- Exploding Whale Park (formerly River Beach Access Park): Fifteen volunteers provided 60 hours of cleaning up dead fall, limbs and removing more scotch broom; set anchor bolts for four picnic tables and moved the tables into position. The volunteers will be completing the sealing of the new benches and scheduling another work party for June to install the new benches. We very much appreciate the energy and enthusiasm of our volunteers from Resurrection Lutheran Church. They have made a significant contribution to the park and it shows!
- Singing Pines Park: Due to COVID-19 restrictions there were no volunteer activity from Shoreline Christian Church.

### Planning Commission

Department: Planning

Staff: Wendy FarleyCampbell – Planning Director

No Report.

### Police Auxiliary

Department: Police

Director: Len Larson

No report.

### Police Reserve Officers

Department: Police

Staff: Tom Turner – Police Chief

Program not active

### Public Arts Committee

Department: Administrative

Chairperson: Harlen Springer and Vice-Chairperson Jo Beaudreau

See Attachment 1

### Transportation Committee (TC)

Department: Planning

Chairperson: Bob Steele

The TC met virtually on May 13, 2021. Attendance was very good with a quorum.

Under public comments, a letter written by Jo Beaudreau that was written to the EMAC was discussed since it was forwarded to all committees.

The required training for committee members as distributed by Kelli Weese by April 15<sup>th</sup> was discussed. Everyone in this meeting had apparently completed the training. If there are any people associated with the Transportation Committee who haven't completed the training, please notify me or Sylvia Napoles.

The City of Florence Work Plan for 2021-2023 was discussed. The proposal from the Transportation Committee was requested by July 19<sup>th</sup> – so we have two more meetings to finalize our input to the City. The plan is to have each subcommittee provide an input for the new work plan.

The continued discussions of the goal of the committee to define the areas of interest and solidify the subcommittees and hopefully find chairs for each. In future meetings, each subcommittee could provide the committee with it's vision and status.

Progress of the subcommittees was as follows:

Airport – Larry Farnsworth and Terry Tomeny would co-chair.

Public Transportation – Still need to identify a chairman, but Sylvia and Susan have expressed interest and John Ahlen and Josh Haring are obvious candidates.

ADA Accessibility – John Ahlen, Gary Trevisan

Parking & Traffic – Bob Steele and Joe Cullivan

Bicycling – Sylvia Napoles to chair with help from Joe Cullivan

Pedestrian Walkways/Circulation – Vicki Dunaway and Joe Cullivan

Wayfinding – Vicki Dunaway

Adopt a Street – Susan Jones

To begin a series of educational and visionary discussions leading to our work plan proposals, Terry Tomeny and Larry Farnsworth gave a briefing on our airport and the proposed work plan for the next few years.

Bob Steele gave an update on traffic count information that he has obtained from ODOT which should be of value to our committee in the future. This will be part of a monthly Parking/Traffic report.

John Ahlen gave an excellent overview of the history of the Rhody Express.

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**FISCAL IMPACT:**

The fiscal impact of the committees and volunteer groups varies depending on their scope of work. Staff time is allocated to support the committees, and ensure committees comply with Oregon public meetings laws by preparing and posting agendas and minutes and/or digital recordings for meetings.

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**RELEVANCE TO ADOPTED CITY WORK PLAN:**

Goal 1: Deliver efficient and cost-effective city services.

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**AIS PREPARED BY:** Report written by Committee members and/or City of Florence staff and compiled by Kelli Weese, City Recorder

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**CITY MANAGER'S  
RECOMMENDATION:**

Approve  
Comments:

Disapprove

Other

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**ITEM'S ATTACHED:**

Attachment 1 – Public Arts Committee Report

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**May 2021**  
**Public Art Committee Council Report**

**Experience Florence**  
**Where Everyday is a Celebration of the Arts**

*Florence Public Art Program Mission:*

Integrate art into the daily life of our community and inspire extraordinary creative expression that will enrich public awareness, enhancing the vitality, economy and diversity of Florence through the arts

**Items Listed Below Pertain to the Arts in Our Area**

Formatting is not the best due to Google Docs & info get put with other City Committee Reports

**Images are included to assist readers and provide better context of content.**

---

**Continuing Education**

**Art Trip Tijuana:** [pbs.org/video/art-assignment-tijuana/](https://pbs.org/video/art-assignment-tijuana/)  
&

**Far From The Internet, These Big, Benevolent Trolls Lure Humans To Nature**

**Listen Here:**

[npr.org/2021/05/06/992149491/far-from-the-internet-these-big-benevolent-trolls-lure-humans-to-nature?fbclid=IwAR1fUBM9v4wzLsUjnxypD6NPI00fjonK0i2HRXBZAH1Itvhhy4egCiq-is](https://npr.org/2021/05/06/992149491/far-from-the-internet-these-big-benevolent-trolls-lure-humans-to-nature?fbclid=IwAR1fUBM9v4wzLsUjnxypD6NPI00fjonK0i2HRXBZAH1Itvhhy4egCiq-is)

**PAC Narrative City Council Report for May 2021**

Meeting Agenda, Packet is located on the City's Calendar or here:  
[ci.florence.or.us/bc-pac/public-art-committee-meeting-66](https://ci.florence.or.us/bc-pac/public-art-committee-meeting-66)

Video of Meeting & Presentation: [vimeo.com/547742131](https://vimeo.com/547742131)



Siuslaw News Coverage [HERE](#): Didn't see any

### **Continuing Education**

Continuing education for our committee members is important. This month we will have Christine Santiago presenting. PAC/PAC will have an agenda item at each of our meetings to accommodate our sharing and learning.

Santiago Presentation Summary: Santiago has a 2nd home in San Jose Del Cabo, Mexico and wanted to share some of the highlights of that area:

- Two Cities: San Jose Del Cabo is North of Cabo San Lucas
- Art Walk in Tourist Season, Thursdays evening, showcases local arts with bead work, sculpture, ceramics.
- Gazebo area that is central to the area that also has their cultural center too
- New Sign for Tourism, and lots of \$ goes into the Arts in Mexico
- Many public works, skull, diago/kalo bench, angle wings, day of the dead, photos of other tourist spots in display

Research (back from November's Meetings about Other Communities activities and learnings):

- Binghamton New York; Rural and High Tech & High Tech - pools of talent, upstate new work
- 45K populations and over 100 year of Art
- LOTs going on and many forms of art going on
  - 1st Friday Art Walk
  - Special events during summer and take over whole town such as Luma Projects and they have IBM to help fund
  - Similar to Florence, river convergence, farming, manufacturing then to high tech
- River Walk, City & Privately funded works, Campus Walk, 2015 Arts Advisory Board created, but didn't get off the ground 2018 Broome County Arts Council revitalized their organization
  - See Guidelines for Council on Slides
  - All types and styles of art
- Preserves older art works and brings in new works
- iMural projects, 28 new murals in the tri city area, so they are working with the County
- Broome County Arts Council, similar to PAC, LaneArts & FRAA combined, they helped finding donations, house, feed and stumped for artist doing the program
- Supports the growth of Arts; Cast broad net, they have donors from larger cities contributor, spends a lot of time to write grants to get projects moving
- Supports Community in own private projects too
- Partners with local businesses, small and large
- Donors trade services or funds for ads, commit to annual sponsorships
- Value volunteers

- Always see community input
- Add value to beauty in your town
- They also partner with other cities and communities
- Partner, ask, explore, learn, create, uncover, rock it (have fun)
- Suggested with American for the Arts

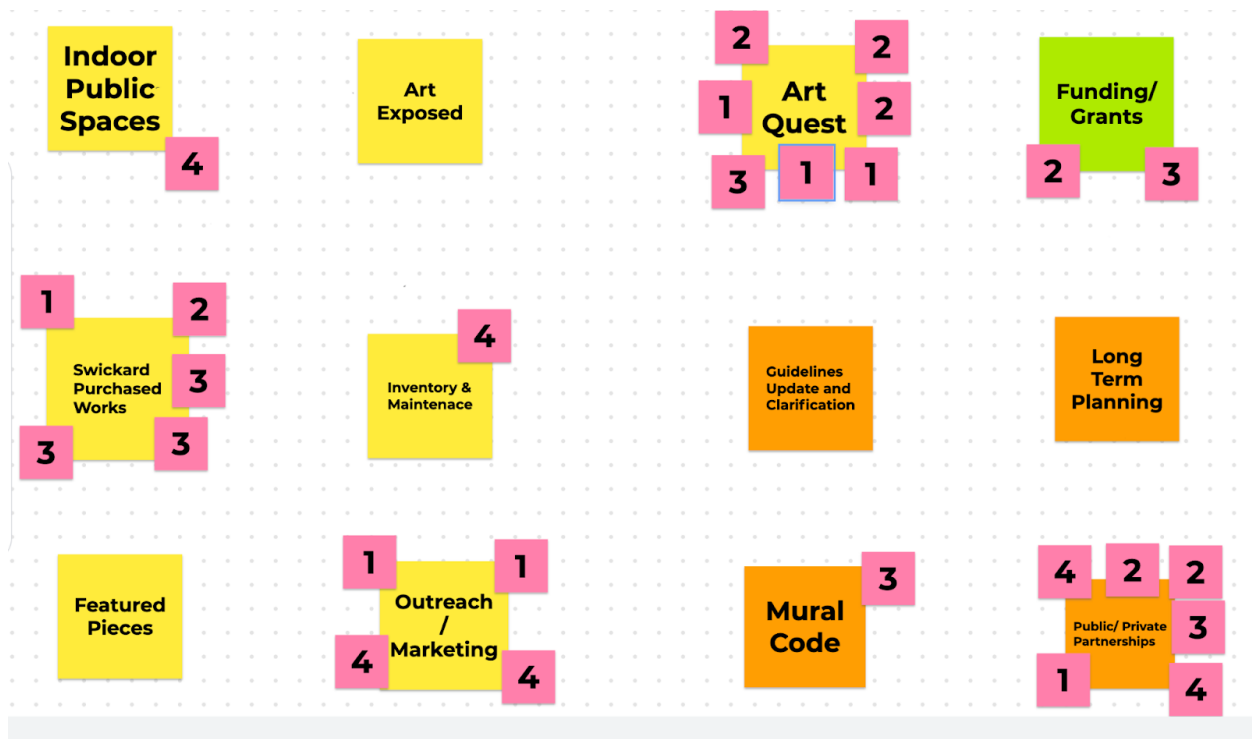
**WorkPlan**

Last Fall Worksession with Council, put together a memo for PAC recommendation 2 year work plan, took staff comments and other things percolating and put together the city of Florence 2021-2023 FYs.

See Work plan page 15 - two years

**Work Plan Next Steps**

PAC Leadership working on work plan; here is a raw look at priorities:



**Previous Years Activity Report** - PAC leadership and past leadership working on. Hope to have this for PAC review at next meeting - [DRAFT HERE](#)

### **ArtQuest Subcommittee Report**

Update from last meeting by Maggie Bagon; went with Dina on route and explained everything, and looking for a box location, lower box. Accessibility changed route slightly because of input. Next subcommittee meeting is June 9th at 11am.

### **COVID Procedures**

By Kelli - City Volunteers should be following OSHA rules. Working outside = wear mask and follow social distance guidelines. But giving laws by CDC don't apply to employees so we need to follow those rules. We are learning as we are going through. **This may vary from the date of the meeting/publication since these guidelines change frequently. Check with the City for most current info.**

### **Arts & Economic Prosperity**

Business Oregon suggested we participate. BizOr to present to Council to then Approve, the City can participate.

Econ Dev Week! - 90k to 800K in leveraged \$ - See Report on Front page of City Website

### **Moving Forward for Next Meeting**

Read & Review Work Plan & Other Docs when sent, Send Feedback  
Previous Report, Review & Send Feedback  
Art Quest

Reported out - LaneArts Round table attendance

Next Meeting is June 14th - [ci.florence.or.us/bc-pac/public-art-committee-meeting-67](https://ci.florence.or.us/bc-pac/public-art-committee-meeting-67)

## **Florence Public Art Interactive Map**

[bit.ly/FlorencePublicArtLocations](https://bit.ly/FlorencePublicArtLocations)

# Additional References from Natative & More Information

## *Other or Regional Community Public Arts WOW!*

People from around the world are doing and encouraging each other to be creative. Multiple local and belond groups have popped up encouraging people to be creative.

- LaneArts will also be hosting an Arts & Culture Roundtables on May 6th, 5-7pm. These community conversations will address diversity, equity, and inclusion in our local arts community, with a focus on racial justice. Roundtables are free but registration is required. Please join the conversation. [lanearts.org/roundtables/](http://lanearts.org/roundtables/)

The image shows a Facebook post from Lane Arts Council, dated yesterday at 9:52 AM. The post text reads: "Arts & Culture Roundtables are tomorrow, May 6th, 5-7pm. These community conversations will address diversity, equity, and inclusion in our local arts community, with a focus on racial justice. Roundtables are free but registration is required. Please join the conversation. [lanearts.org/roundtables/](http://lanearts.org/roundtables/) Sponsored by Columbia Bank and Springfield Arts Commission. In partnership with Arts & Business Alliance of Eugene (ABAE) Florence Regional Arts Alliance Minority Voices Theatre... See More". Below the post is a colorful mural titled "Building A Better World" at the Dr. Edwin Coleman Jr. Community Center, designed by Jessilyn Brinkerhoff. The mural features various icons and the words "A BETTER" and "WORLD". Below the mural is a red banner with the text "ARTS & CULTURE ROUNDTABLES" and "Conversations addressing diversity, equity, and inclusion in Lane County's arts community". At the bottom of the banner, it says "REGISTER AT: LANEARTS.ORG/ROUNDTABLES".



## City of New York Supports Artists with WPA (The Works Progress Administration) Like Program

Law

### New York Mayor Bill de Blasio Is Launching a \$25 Million ‘New Deal’-Style Program to Support Local Artists With Public Commissions

Bill de Blasio leaves after making an announcement at Delacorte Theater in Central Park in March of 2021. Photo: Lev Radin/Pacific Blue via Getty Images.

The money will fund some 1,500 local artists in the “comeback of New York City,” the mayor says.

Taylor Dafoe, May 6, 2021



<https://news.artnet.com/art-world/de-blasio-city-artist-corps-1965629?fbclid=IwAR3Tlo7I5cCMu2VCbY0fX9r8Du8yHOHzTnY0wWUiRX58b7idKHD8QSoamF4#.YJW7rZghMXk.facebook>

**Politics**

## France Is Giving Young People €300 to Spend on the Arts After a Trial Run Found the Culture Pass Program a Success

The newly launched smartphone app gives young people a bundle of credits to spend on cultural discoveries.

**Kate Brown**, May 21, 2021



President of France Emmanuel Macron. Photo: Jean Catuffe/Getty Images.

Read more: <https://news.artnet.com/art-world/macron-launches-culture-pass-1971615>

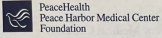


**^Art bench/Functional Art in public space example of Inspiration from PAC Member Peggy Meyer.**

# **Our Community Public Arts WOW!**

*Local Artists & Creator Highlights*

**PeaceHeath using the Arts to fundraise for our local medical needs, Dates are changed from below. More info TBA.**



## SPONSORSHIP FORM

This agreement is between PEACE HARBOR MEDICAL CENTER FOUNDATION, 400 Ninth Street, Florence OR 97439, (541) 902-6589 and \_\_\_\_\_ (hereinafter referred to as Sponsor).

Event: Art for the Heart Walk      Event Date: June 26th - July 4th

Sponsor Level: ( ) \$1,000 Presenting Sponsor  
 ( ) \$500 Supporting Sponsor  
 ( ) \$250 Patron Sponsor  
 ( ) Artist Sponsor- Commitment of at least 2 silent auction items (minimum value \$50 per item)

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email: \_\_\_\_\_

**PEACE HARBOR MEDICAL CENTER FOUNDATION'S Obligations to Sponsor**

- Business name/logo included on Art Walk map, all marketing material (including press releases, radio interviews, social media posts, and internal communications), and on event website.


**Sponsor Obligations and Opportunities**

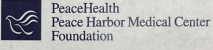
- Sponsor will keep Peace Harbor Medical Center Foundation apprised of its promotional plans and use the appropriate logos and branding under PeaceHealth's direction.

Agreed to by: \_\_\_\_\_  
 Heather Quaas-Annsa, PHMCF Executive Director

Sponsor Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_ Title: \_\_\_\_\_





# ART FROM THE HEART WALK

for the benefit of the Cardiac Program Support Fund

**JUNE 26TH THROUGH JULY 4TH**  
**GALLERIES THROUGHOUT FLORENCE, OREGON**

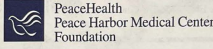
Help improve access to heart health on the Oregon coast by participating in PHMCF's first ever "Art from the Heart" walk.

## HOW CAN YOU PARTICIPATE?

**JUNE 26TH THROUGH JULY 4TH**

- An Art Walk sponsorship can occur for a one-time fee or the commitment to donate at least two items for the silent auction (minimum value \$50 per item)
  - Sponsorship entitles you to an advertisement on the Art Walk map and recognition on all marketing materials prior to the event. Your sponsorship will also be acknowledged in all press releases.
- Encourage your gallery's artists to donate additional items for our silent auction (minimum value \$50)
- Auction items and participating locations will also be listed in our virtual auction platform.

The Art for the Heart Walk is a partnership between local artists/galleries and Peace Harbor Medical Center Foundation. In addition to encouraging residents and tourists to get out and walk, which is GREAT for heart health, participating local galleries will get the opportunity to reach new clients and artists. Local galleries will also have the opportunity to reach new clients and tourists, boost the visibility of artists/galleries in Florence and throughout the local economy, all while increasing awareness and raising money for the Foundation's Cardiac Program Support Fund. Your contributions will help provide funding for various programmatic, staffing and equipment needs such as additional providers, top-notch training opportunities, and the purchase of life-saving diagnostic tools, like a CT Scanner or echocardiogram machine.



## SILENT AUCTION DONATION FORM

**Company/Donor Information**

Company Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email: \_\_\_\_\_

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**Description of Silent Auction Item**

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

Detailed Description (size, color, other info): \_\_\_\_\_

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

Remember: 100% of your gift is tax deductible  
 (see attached form for non-cash items)

### Rhody Days Quilt Show continues today



Many of the Rhody Days activities are gone this year, but not the Rhododendron Quilt Show! Come see the beautiful quilts displayed at Old School Furniture, Sixth Street and Highway 101, today, May 15, from 10 a.m. to 4 p.m.

There will be a variety of quilts shown made by Rhododendron Quilt Guild members, demonstrating the different styles and techniques learned by the members over the years....

Read more: [thesiuslawnews.com/article/rhody-days-quilt-show-continues-today](https://thesiuslawnews.com/article/rhody-days-quilt-show-continues-today)

### **Updates that Need to be made with the Marketing Committee**

#### **Public Art Listed on Chamber Website**

[florencechamber.com/public-art](https://florencechamber.com/public-art) - PAP will need to send in updates.

[eugencascadescoast.org/arts-culture-entertainment/murals/](https://eugencascadescoast.org/arts-culture-entertainment/murals/)

[eugencascadescoast.org/listing/art-to-the-streets-florence-project/10792/](https://eugencascadescoast.org/listing/art-to-the-streets-florence-project/10792/)

### **Arts & Culture**

- **Beautification For Florence Committee** via Chamber is doing what they can from home, working on Spacemaking Parklets & Banners connecting areas of Florence Uptown to Old Town on 101. Two PAC Members are directly involved in helping these projects move forward. On May 17th, the Banner project will be presented to Council. Approved. Learn More [HERE](#)
- **Florence Regional Arts Alliance**
  - Now Open and have been able to rotate & update art

- Working with Senior Living Centers for Art Projects including Zentagle and Painting
- Card making for Senior Living Centers spearheaded by PAC Member, Christine and now possible Mustard Seed Partnership for this program
- **Florence Events Center**
  - Closed doors until TBA due to COVID-19
  - No FEC Gallery Committee Meeting until TBA
- **SeaCoast Entertainment** at Florence Events Center
  - TBA
- **CROW**
  - Limited Classes and Workshops
  - Learn more: [crowkids.com/classes](http://crowkids.com/classes)
- **City Light Cinema**
  - Closed while Lane County is at Extreme level
  - PopCorn Days
  - Website & other info - [citylightscinemas.com](http://citylightscinemas.com)
- **Siuslaw Library District**
  - Open
  - Continued Online Services
  - Subscribed to CreativeBug
- **Siuslaw Viewfinders Club**
  - Doing Monthly themes - See Below
  - Newsletter HERE - TBA
  - Facebook page: [facebook.com/groups/SiuslawViewfinders](https://facebook.com/groups/SiuslawViewfinders)
- **KXCR**
  - No new episodes of local version, Host has connected with LaneArts to develop and do a regional version [Featured Artist Radio Show](http://kxcr.net/show/featured-artist/) - [kxcr.net/show/featured-artist/](http://kxcr.net/show/featured-artist/)
- **Three Rivers Activities**
  - Reopened with restrictions
- **2nd Saturday**
  - Some Galleries open & doing light tour items
  - Revamping
- **BackStreet Gallery**
  - Now Open
  - Featured Artists
    - *Spring Glorious Spring*, offers a variety of fresh art by the talented Backstreet artists who are celebrating the renewal of spring.
    - Newsletter - [mailchi.mp/10328ad456d1/may-news-for-backstreet-gallery](https://mailchi.mp/10328ad456d1/may-news-for-backstreet-gallery)
- **Chamber of Commerce/Visitors Center** - Limited Visitor Center Hours
  - **Artist of the Month** - Gigi Lasson

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**AGENDA ITEM SUMMARY**  
**FLORENCE CITY COUNCIL**

**ITEM NO:** 14  
Meeting Date: June 21, 2021  
Department: City Manager

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**ITEM TITLE:** CITY MANAGER REPORT & DISCUSSION ITEMS

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**AGENDA ITEM SUMMARY**  
**FLORENCE CITY COUNCIL**

**ITEM NO:** 15  
Meeting Date: June 21, 2021  
Department: City Council

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**ITEM TITLE:** CITY COUNCIL REPORTS & DISCUSSION ITEMS

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