

**CITY COUNCIL MEETING  
McMinnville, Oregon**

**AGENDA**

**McMINNVILLE CIVIC HALL  
200 NE SECOND STREET**

**April 12, 2016  
6:00 p.m. – Informal Dinner Meeting  
7:00 p.m. – Regular Council Meeting**

Welcome! All persons addressing the Council will please use the table at the front of the Board Room. All testimony is electronically recorded. Public participation is encouraged. If you desire to speak on any agenda item, please raise your hand to be recognized after the Mayor calls the item. If you wish to address Council on any item not on the agenda, you may respond as the Mayor calls for "Invitation to Citizens for Public Comment."

**NOTE: *The Dinner Meeting will be held at the McMinnville Civic Hall and will begin at 6:00 p.m.***

**CITY MANAGER'S SUMMARY MEMO**

- a. City Manager's Summary Memorandum

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**INVITATION TO CITIZENS FOR PUBLIC COMMENT** – *The Mayor will announce that any interested audience members are invited to provide comments. Anyone may speak on any topic other than:*

- 1) a topic already on the agenda;*
- 2) a matter in litigation,*
- 3) a quasi judicial land use matter; or,*
- 4) a matter scheduled for public hearing at some future date.*

*The Mayor may limit the duration of these comments.*

- 1. **PROCLAMATION:** Lemonade Day
- 2. **CONSENT AGENDA**
  - a. Consider Minutes of the January 12, 2016 Dinner and Regular City Council Meetings
  - b. **Resolution No. 2016 - 14:** A Resolution awarding the contract for the Biosolids Application Project, Project 2016-4.
  - c. **Resolution No. 2016 - 15:** A Resolution awarding the contract for the City Facility HVAC Preventative Maintenance Services.

- d. **Resolution No. 2016 - 16:** A Resolution awarding the contract for the 2016 City Facility Janitorial Services.
  - e. **Resolution No. 2016 - 17:** A Resolution accepting the Reimbursable Agreement and authorizing the City Manager to execute an agreement with the Federal Aviation Administration (FAA) for the Airport Improvement Project.
3. PUBLIC HEARING
- a. 7:00 p.m. Public Hearing: Regarding a Marijuana Local Sales Tax
4. ORDINANCES
- a. **Ordinance No. 5003:** Amending the McMinnville Municipal Code provisions incorporating a Local Transient Lodging Tax (Ordinances No. 4994, 4974, and 4970)
5. RESOLUTIONS
- a. **Resolution No. 2016 - 18:** Approving entering into a contract with Talbot, Korvola and Warwick LLP
6. ADVICE / INFORMATION ITEMS
- a. Reports from Councilors on Committee and Board Assignments
  - b. Department Head Reports
  - c. Cash and Investment Report - January 2016
  - d. Information Systems 2016 Strategic Plan
  - e. 2015 - 2016 Third Quarter City Council Goals and Objectives Update
7. ADJOURNMENT



**City Council- Regular**

**TO:** Mayor and City Council  
**FROM:** Rose Lorenzen, Administrative Assistant / HR Analyst  
**DATE:** 04/12/2016  
**SUBJECT:** City Manager's Summary Memorandum

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**SUMMARY:**

Please see City Manager Meeker's Summary Memorandum (attached)

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**Attachments**

Summary Memo

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**DATE:** April 5<sup>th</sup>, 2016

**TO:** Mayor and City Council

**FROM:** Martha Meeker, City Manager

**SUBJECT:** Agenda for the McMinnville City Council Session for April 12<sup>th</sup>, 2016

## **PROCLAMATION**

### **LEMONADE DAY**

Nathan Knottingham, Executive Director for McMinnville's Chamber of Commerce, will update the Council on the upcoming "Lemonade Day". The event is focused on empowering the next generation with the life skills, mentorship and real-world experience needed to achieve their own American Dream, one lemonade stand at a time.

## **CONSENT AGENDA**

The following items are considered routine and will be enacted by one motion without separate discussion on each item. If a Council member (or a citizen through a Council member) wishes additional time on a particular topic, it will be removed from the Consent Agenda and considered separately. If any item involves a potential conflict of interest, Council members should so note before adoption of the Consent Agenda.

### **MINUTES OF THE JANUARY 12<sup>TH</sup>, 2016 DINNER AND REGULAR CITY COUNCIL MEETINGS**

### **RESOLUTION AWARDING THE CONTRACT FOR BIOSOLIDS HAULING**

The City utilizes private contractors to transport and apply liquid biosolids beneficially to agricultural land in the local area. With the current contract set to expire on June 30, 2016, bids were solicited in March with the lowest responsible and responsive bid being received from Tribeca Transport LLC in the amount of \$127,620.00. Funding for this project is included in the proposed FY17 Wastewater Services budget and the work is scheduled to commence in July 2016.

### **RESOLUTION AWARDING THE CONTRACT FOR HVAC MAINTENANCE SERVICES**

In March, the City solicited bids for HVAC maintenance encompassing the Public Library, the building leased by the Chamber of Commerce, City Hall, the Community Development Center,

the Community Center, the Senior Center, the building leased by the Oregon State Police, airport facilities and Public Works facilities.

Per the contract documents, the low bidder was determined by calculating the sum of the "Total Amount of Services", plus Call out Rate at an estimated 100 hours of additional service, plus the material mark-up percentage on an estimated \$7,500 of parts. Based on the review of the submitted bids, Dr. HVAC Inc. is the lowest responsive and responsible bidder. Staff notes that Dr. HVAC Inc. is the City's current HVAC maintenance provider.

The contract work will commence on July 1, 2016 and terminate on June 30, 2017 with the provision that it may be renewed, in one year increments, for an additional two years, if both parties agree.

#### **RESOLUTION AWARDING THE CONTRACT FOR JANIROTIAL SERVICES**

In March, the City solicited bids for janitorial services for the Aquatic Center, City Hall, Civic Hall, the Community Center, the Community Development Center, the Fire Station, the Public Library, the Public Safety Building (Police Department), Public Works, the Senior Center and the Waster Water Reclamation facilities.

Based on review of the submitted bids, ABM Onsite Services – West Inc. is the lowest responsive and responsible bidder. Staff notes that American Building Maintenance has recently changed their name to ABM Onsite Services – West Inc. and is the City's current janitorial service provider. Their work under the current contract has generally been acceptable.

The contract work will commence on July 1, 2016, and terminate on June 30, 2017 with provisions that it may be renewed, in one year increments, for an additional two years if both parties agree.

#### **RESOLUTION ACCEPTING THE REIMBURSABLE AGREEMENT AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH THE FEDERAL AVIATION ADMINISTRATION (FAA) FOR THE AIRPORT IMPROVEMENT PROJECT**

As part of the Runway 4-22 Rehabilitation Project, the FAA requires a Reimbursable Agreement with the City to cover FAA engineering, consulting and oversight services relating to the relocation of FAA facilities such as the Runway End Identifier Lights and the Medium Intensity Approach Lighting System impacted by the rehabilitation and narrowing of Runway 4-22 from 150 to 100 feet.

The FAA will perform site survey, cost estimate, project planning and integration as well as engineering consulting services relating to the relocation of FAA facilities impacted by the project. The cost for these services is \$25,825.00. This cost is 90% reimbursable through a future AIP grant for the construction of the Runway 4-22 Rehabilitation Project.

#### **PUBLIC HEARING – LOCAL SALES TAX ON RETAIL RECREATIONAL MARIJUANA**

In 2015, Oregon House Bill 3400 passed the legislation allowing local governments to place a 3% tax on the sale of recreational marijuana items. Should the Council adopt the proposed ordinance language to implement a sales tax, the tax would be referred to voters during the November 2016 General Election. If the measure passes, it would go into effect in January, 2017.

Accurately estimating the revenue from a 3% tax on retail marijuana sales is challenging since it is impossible to predict what prices will be charged and what volume will be sold in McMinnville. A straight-line, population-based extrapolation of Legislative Revenue Office estimates for state marijuana tax collection in FY 2018 indicates a 3% sales tax in McMinnville could raise over \$30,000 annually while extrapolating from recently state reported gross revenues from January would project over \$90,000. Given the large number of unknowable variables, these numbers should not be relied upon for fiscal planning purposes.

Should the Council wish to proceed with placing the 3% sales tax on the November ballot, the staff will bring the completed ordinance incorporating all recommended changes to the Council on April 26<sup>th</sup>.

<b>REGULAR AGENDA</b>
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**ORDINANCE**

**Ordinance amending the McMinnville Municipal Code provisions incorporating a Local Transient Lodging Tax**

McMinnville Municipal Code Section 5.10.150(C), which governs the City's local transient lodging tax, states "a formal audit of all the Tax Collector's records shall be conducted at least once in every three year period." After additional research with other Oregon cities, audit firms and the Visit McMinnville Board of Directors, the staff is proposing a more balanced approach based on risk factors such as delinquent payments or incomplete quarterly returns versus a blanket approach affecting every TLT provider.

While altering the language concerning audits was the impetus for requesting an amendment, the staff is also proposing to take this opportunity to better align the City's TLT ordinance with Oregon state statutes.

**RESOLUTION**

**Resolution Awarding the Contract for Transient Lodging Tax Attestation Services**

In 2013, the City Council adopted Ordinance No. 4970 which specified periodic audits of Transient Lodging Tax providers. In order to fulfill this requirement, the City issued a Request for Proposals in March, 2016 for Transient Lodging Tax Attestation Services to three firms 1) Talbot, Korvola and Warwick LLP, 2) Merina and Company LLP and 3) Pauly Rogers and Company CPA. Talbot, Korvola and Warwick LLP was the sole firm to respond with a proposal. The proposal meets all stated requirements and the fee structure is reasonable and appropriate.



**City Council- Regular**

**Meeting Date:** 04/12/2016

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**TOPIC**

**PROCLAMATION:** Lemonade Day

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**Attachments**

Proclamation

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## PROCLAMATION

### LEMONADE DAY

**WHEREAS**, Lemonade Day is a fun, free experiential learning program that launched in Houston, Texas in 2007, and has grown from 2,700 kids in one city to 200,000 kids in over 35 cities across America and Canada; and

**WHEREAS**, there are 400 kids in McMinnville and surrounding communities who will be learning how to be young entrepreneurs by opening and operating their own businesses – a lemonade stand; and

**WHEREAS**, the community's business leaders are supporting and encouraging these young entrepreneurs to be brave and do big things; and

**WHEREAS**, since its inception, Lemonade Day has provided access to the experience of business ownership to youth from all walks of life who learn lifelong business skills and principles while learning how to make money where they are encouraged to "spend a little, save a little, and share a little"; and

**WHEREAS**, the mission of Lemonade Day is to empower today's youth to become tomorrow's entrepreneurs;

**NOW, THEREFORE, I, RICHARD L. "RICK" OLSON**, Mayor of the City of McMinnville, Oregon, do hereby proclaim Saturday April 30, 2016, as

### LEMONADE DAY

in McMinnville. We urge all citizens to recognize and encourage the efforts of our kids as they learn about being young entrepreneurs while they open and operate their own businesses.

**IN WITNESS WHEREOF**, I have hereunto set my hand and caused the official Seal of the City of McMinnville to be affixed this 12<sup>th</sup> day of April 2016.



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Richard L. (Rick) Olson, Mayor





**City Council- Regular**

**Meeting Date:** 04/12/2016

**Subject:**

**From:** Rose Lorenzen, Administrative  
Assistant / HR Analyst

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**AGENDA ITEM:**

Consider Minutes of the January 12, 2016 Dinner and Regular City Council Meetings

**BACKGROUND:**

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**Attachments**

Jan 12 2016 Minutes

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CITY OF MCMINNVILLE  
MINUTES OF DINNER MEETING of the McMinnville City Council  
Held at the Kent L. Taylor Civic Hall on Gormley Plaza  
McMinnville, Oregon

Tuesday, January 12, 2016, 2015 at 6:00 p.m.

Presiding: Rick Olson, Mayor

Recording: Rose A. Lorenzen, Recording Secretary

Councilors: Present Excused Absence

Remy Drabkin	Kevin Jeffries	Kellie Menke
Scott Hill	Larry Yoder	Alan Ruden

Also present were City Manager Martha Meeker, Interim City Attorney Walt Gowell, Planning Director Doug Montgomery, Fire Chief Rich Leipfert, and members of the news media, Don Iler of the *News Register* and Dave Adams of KLYC Radio.

DINNER

CALL TO ORDER: Mayor Olson called the Dinner Meeting to order at 6:28 p.m. and welcomed all in attendance. He advised that Councilors Menke and Ruden had been excused from the evening's proceedings.

PRESENTATIONS - *Your Community Mediators of Yamhill County*: City Manager Meeker advised that staff had asked Your Community Mediators Executive Director Marlena Bertram to make a presentation to the City Council prior to the Council's Goal Setting session and the upcoming 2016-17 Budget Committee Meeting.

*Presentation of Proposed Agreement between the City of McMinnville and the Amity Fire District regarding Ambulance / Fire Support*: Fire Chief Leipfert briefed the City Council on the proposed agreement between the City and the Amity Fire District. He advised that an Intergovernmental Agreement and resolution would be before the Council for approval at its January 26, 2016 Meeting.

BRIEF AGENDA OVERVIEW: Mayor Olson briefly reviewed the balance of the evening's agenda.

ADJOURNMENT: Mayor Olson adjourned the Dinner Meeting at 6:50 p.m.

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Rose A. Lorenzen, Recording Secretary

CITY OF MCMINNVILLE  
MINUTES OF REGULAR MEETING of the McMinnville City Council  
Held at the Kent L. Taylor Civic Hall on Gormley Plaza  
McMinnville, Oregon

Tuesday, January 12, 2016 at 7:00 p.m.

Presiding: Rick Olson, Mayor

Recording: Rose A. Lorenzen, Recording Secretary

Councilors:	<u>Present</u>	<u>Excused Absence</u>
	Remy Drabkin	Kevin Jeffries
	Scott Hill	Larry Yoder
		Kellie Menke
		Alan Ruden

Also present were City Manager Martha Meeker, Interim City Attorney Walt Gowell, Planning Director Doug Montgomery, Fire Chief Rich Leipfert, Community Development Director Mike Bisset, and members of the news media, Don Iler of the *News Register* and Dave Adams of KLYC Radio.

AGENDA ITEM

CALL TO ORDER: Mayor Olson called the meeting to order at 7:00 p.m. and welcomed all in attendance. He noted for the record that Councilors Menke and Ruden had been excused from the evening's meeting.

PLEDGE OF ALLEGIANCE: Councilor Hill led in the recitation of the Pledge of Allegiance.

INVITATION TO CITIZENS FOR PUBLIC COMMENT: Mayor Olson asked for comments from citizens on topics not on the evening's agenda. No comments were received.

CONSIDER MINUTES: Councilor Hill MOVED to approve the minutes of the October 27, 2015 Dinner and Regular City Council Meetings as submitted; SECONDED by Councilor Yoder. Motion PASSED unanimously.

1 NEW BUSINESS

1 a PRESENTATION: YOUR COMMUNITY MEDIATORS OF YAMHILL COUNTY (YCM): Mayor Olson welcomed YCM Executive Director Marlena Ingebo who distributed informational packets to the Mayor and City Council. She stated that YCM stands ready "24/7" all year long with volunteer mediators to assist folks in conflict. She noted that the program is very effective and 95 percent of the people who go into mediation come away with a written agreement. Referring to the informational material, Ms. Ingebo cited that in 2014/15 there were 109 cases served in McMinnville which totaled 46.35 percent of all cases. The referral sources came mostly from the Court system. She reviewed YCM's budget for the fiscal year and requested program support in the amount of \$26,585.

Ms. Ingebo stated, as a special note, that this year YCM would be asking cities to enter into a service contract with YCM. A service contract would help provide a more professional relationship between YCM and the city. Additionally, a service contract would preclude YCM from having to request funding each year.

Following a brief question and answer period, Mayor Olson thanked Ms. Ingebo and advised that this topic would be discussed by the Council and the Budget Committee at the 2016 Budget Committee Meeting.

1 b

PRESENTATION OF PROPOSED AGREEMENT BETWEEN THE CITY OF MCMINNVILLE AND THE AMITY FIRE DISTRICT REGARDING AMBULANCE / FIRE SUPPORT: Fire Chief Leipfert thanked the Mayor and Council for the opportunity to discuss potential partnerships within the ambulance - fire service communities. He noted that as we move forward in times of fiscal responsibility and tightening budgets it is necessary to do business in a better manner. Most recently, the Fire Department has been discussing potential partnerships with the Amity Fire District to place a City of McMinnville Part-Time Plus employee at the Amity Fire Station during peak service times. The Amity Fire District would contribute \$10,000 and a place to house the ambulance and work space for the City's employee.

Chief Leipfert explained that an arrangement of this nature would allow the City to respond to the southern and south-eastern portions of the Ambulance Service Area (ASA) with quicker response times. Additionally, this arrangement would allow the City to capture calls for which it is currently not able to respond. Having the ability to capture those calls can also add revenue to the Department. He explained that all revenues from calls taken by McMinnville while at the Amity Fire Station will be directed to McMinnville's system. He acknowledged cultural differences between volunteer organizations and combination departments. He emphasized the need for sensitivity in these situations and that small steps will make for a more successful relationship.

Each of the Councilors thanked Chief Leipfert for his informative presentation. Mayor Olson advised that by consensus, the Council is asking staff to bring back the Intergovernmental Agreement and resolution to a future meeting for Council action.

1 c

REAPPOINTMENT OF MEMBERS TO VARIOUS BOARDS AND COMMISSIONS: Interim City Attorney Gowell explained that Airport Commission members are directly appointed by the Mayor with consensus approval from the City Council. Members of the Budget Committee, Historic Landmarks Commission, and the Planning Commission are appointed directly by the City Council. He advised that the following individuals are being recommended for reappointment: Jerry Hart and Brad

Lunt to the Budget Committee; Patti Webb to the Historic Landmarks Commission; and John Tiedge and Martin Chroust-Masin to the Planning Commission. It was noted that interviews for the vacant Planning Commission position would be coming soon.

Councilor Drabkin MOVED to reappoint Jerry Hart and Brad Lunt to the Budget Committee; Patti Webb to the Historic Landmarks Commission; and John Tiedge and Martin Chroust-Masin to the Planning Commission; SECONDED by Councilor Jeffries. Motion PASSED unanimously.

Mayor Olson advised that he was reappointing Jody Christensen to the Airport Commission. By consensus the appointment was approved by the City Council.

1 d APPROVAL OF A CHAMBER OF COMMERCE SUBLEASE: City Manager Meeker stated that the City of McMinnville leases the property at 417 NW Adams Street to the McMinnville Area Chamber of Commerce. The Chamber of Commerce Board of Directors is proposing to sublease of a portion of the building on the second floor to Greg Anderson who plans to run a real estate agency from the office. Mr. Anderson will pay a monthly sublease amount of \$350.00. The Chamber has traditionally rented out space on the second floor. Councilor Hill pointed out that this would be a good tenant and one who did not require a lot of parking area.

Councilor Drabkin MOVED to approve the McMinnville Chamber of Commerce's Sublease agreement to Greg Anderson; SECONDED by Councilor Hill. Motion PASSED unanimously.

2 ORDINANCES

2 a AMENDING AN EXISTING PLANNED DEVELOPMENT ORDINANCE TO PERMIT CERTAIN EXCEPTIONS TO THE CITY'S STREET STANDARDS, AND LOT DEPTH TO WIDTH RATIO: Planning Director Montgomery advised that in October 2015 the Planning Department received an application from the Yamhill Community Development Corporation for zone changes to street standards and lot depth to width ratio to support a 29-lot single-family residential subdivision on 7.19 acres of land located on Cumulus Avenue. He noted that the Planning Commission held a public hearing on this matter and at the close of the hearing voted unanimously to approve the tentative subdivision and to recommend approval of the planned development amendment to the City Council.

Councilor Drabkin stated that she had read the staff report and felt the information was thoroughly presented. Councilor Hill asked whether there were any opposing views discussed during the public hearing. Mr. Montgomery advised that staff had received a few telephone calls asking for details; however, none of the questions rose to the level of concern. There was an individual at the Planning Commission hearing who couched questions as not a form of opposition, yet he did not seem fully supportive.

Staff answered his questions and nothing more was heard from him.

Councilor Yoder stated that as he reviewed the information provided, there were parts that he did not necessarily care for; however, the Planning Commission had done their work and he had no further questions.

Councilor Jeffries raised questions regarding streets and how ingress and egress onto Cumulus would be managed. He stated that he also had some concerns regarding the density of the proposed subdivision; yet he noted that he always preferred to see infill rather than sprawl.

Mayor Olson stated that he was somewhat concerned about how the Planning Commission looked at the lack of sidewalks and planting strip. He stated that although there was pedestrian access on the southern end of Cumulus, there was nothing on the north end except a 28-foot paved right-of-way. He asked what the parking would look like on that street.

Community Development Director Bisset stated that the 28-foot residential street standard allows for parking on both sides of the street. There will be driveway cuts along the eastern edge of the north cul de sac and the western end of the south cul de sac. There are sidewalks planned along one side of the street continuous from Cumulus to the northern end of the development.

Councilor Jeffries asked about setbacks and the design for the homes. Mr. Montgomery explained that the lots would average 5,200 square feet in size, with the largest lot being 9,051 square feet and the smallest at 5,020 square feet. He explained that given the design of the street system for this development, and the subject site's narrow width, the lots would be relatively deep for their size. Regardless, homes within each of these lots would be placed consistent with the setback requirements of the R-4 (multi-Family Residential) zone. The developer provided conceptual foot prints for the homes. Garages will be in the front of the homes, facing forward.

No further questions were posed. Interim City Attorney Gowell read by title only Ordinance No. 5001 amending an existing Planned Development Ordinance to permit certain exceptions to the City's street standards, and lot depth to width ratio. (No Councilor present requested that the ordinance be read in full.) The title of the ordinance was read for the second time.

Ordinance No. 5001 PASSED by a unanimous roll-call vote.

2 b

APPROVING A TELECOMMUNICATIONS FRANCHISE AGREEMENT FOR LIGHTSPEED: City Manager Meeker stated that LightSpeed Networks, Inc. is seeking to provide high speed data transmission, broadband Internet access, and other similar

services within McMinnville to businesses and other telecommunication providers. To facilitate this, LightSpeed is seeking a franchise agreement which would access to the City's Rights-of-Way. She noted that LightSpeed does not plan to provide residential service.

Interim City Attorney Gowell read by title only Ordinance No 5002 approving a telecommunications franchise agreement for LightSpeed. (No Councilor present requested that the ordinance be read in full.) The title of the ordinance was read for the second time.

Ordinance No. 5002 PASSED by a unanimous roll-call vote.

3

RESOLUTIONS

3 a

AMENDING THE CONTRACT WITH CENTURY WEST ENGINEERING, INC. FOR THE RUNWAY 4-22 REHABILITATION PROJECT AT THE McMINNVILLE MUNICIPAL AIRPORT, PROJECT NO. 2014-1: Community Development Director Bisset referred to the informational materials located in the Council packets and advised that the Federal Aviation Administration (FAA), in association with the runway rehabilitation project, requires airport owners to use the airport's Geographic Information System to acquire and submit aeronautical data when they are planning runway reconstruction. To comply with this, staff is proposing to amend the City's current contract for the reconstruction of Runway 4-22 to include an additional \$89,282.00 to cover the cost of the enhanced survey data collection. This amount will be funded 90 percent by the FAA's Airport Improvement Program Grant which was previously accepted by the City Council in August 2015.

Councilor Yoder MOVED to adopt Resolution No. 2016-1 amending the contract with Century West Engineering, Inc. for the Runway 4-22 Rehabilitation Project at the McMinnville Municipal Airport, Project No. 2014-1; SECONDED by Councilor Hill. Motion PASSED unanimously.

3 b

CONSENTING TO THE TRANSFER OF THE FIXED BASE OPERATOR LEASE PROVIDING THE EXCLUSIVE USE OF THE EAST HANGAR, OFFICE BUILDING, AND THE WEST HANGAR (INCLUDING FACILITIES FOR DISPENSING FUEL) LOCATED ON THE GROUNDS OF McMINNVILLE MUNICIPAL AIRPORT: Community Development Director Bisset referred to the brief staff report in the Council packets and reminded the Council that in November 2015, Konect Aviation was approved to take over the Fixed Base Operations (FBO) at the McMinnville Municipal Airport upon expiration of the current FBO lease with Cirrus Aviation in June 2016. Since that time, Konect and Cirrus have come to an agreement allowing Konect to buy out the remainder of Cirrus's existing contract. He noted that staff recommends approval of the resolution.

Councilor Drabkin MOVED to adopt Resolution No. 2016-2 consenting to the Transfer of the Fixed Base Operator Lease providing the exclusive use of the East Hangar, Office building, and the West Hangar (including facilities for dispensing fuel) located on the grounds of the McMinnville Municipal Airport; SECONDED by Councilor Yoder. Motion PASSED unanimously.

4

4 a

REPORTS FROM COUNCILORS ON COMMITTEE AND BOARD ASSIGNMENTS:  
Each Councilor present gave a brief report.

4 b

DEPARTMENT HEAD REPORTS: Each department head present gave a brief report.

5

ADJOURNMENT: Mayor Olson adjourned the meeting at 8:02 p.m.

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Rose A. Lorenzen, Recording Secretary





**City Council- Regular**

**Meeting Date:** 04/12/2016

**Subject:** Resolution awarding the contract for the Biosolids Application Project

**From:** Mike Bisset, Community Development Director

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**AGENDA ITEM:**

**Resolution No. 2016 - 14:** A Resolution awarding the contract for the Biosolids Application Project, Project 2016-4.

**BACKGROUND:**

At 2:00pm on March 10, 2016, the bids for the Biosolids Application Project, Project 2016-4 were publicly opened and read aloud. Three bids were received and the results are tabulated as follows:

Tribeca Transport LLC	\$127,620.00
Northwest Cascade, Inc.	\$395,100.00
Water Truck Services, Inc.	\$928,260.00**

\*\*The proposal from Water Truck Services included a discrepancy between the written unit price and the written total cost. Per the bid documents, the written unit price shall govern and the bid results above reflect the correct extension of the unit price times estimated quantity to provide the total cost. This correction resulted in the increase of the Water Truck Services, Inc. bid total from the written amount of \$118,260.00 to the corrected amount of \$928,260.00.

The current annual contract for this work is \$118,620.00.

The bids were checked for completeness, including a review of the following:

- Was the bid submitted, on time, in a properly sealed and labeled envelope?
- Was the bid form properly filled out and executed?
- Did the bid include a 10% Bid Bond or Bid Security?
- Was the Equipment Questionnaire filled out and complete?

All three of the bids met these requirements. The bid from Tribeca Transport LLC, in the amount of \$127,620.00 was deemed to be the lowest responsible and responsive bid. Detailed breakdowns of the received bids are on file in the Engineering Department.

The Wastewater Services Division utilizes private contractors to transport and apply liquid biosolids beneficially to agricultural land in the local area. Biosolids are a product of the wastewater treatment process and contain nutrients and organic matter that improve agricultural productivity. The biosolids produced at the McMinnville Water Reclamation Facility (WRF) are classified as "exceptional quality" or Class A; requiring no special permitting or regulation by the Department of Environmental Quality (DEQ)

for application. The City's current Biosolids Application Contract with Tribeca Transport LLC will expire on June 30, 2016. Tribeca Transport LLC has performed to a high standard with no issues to date and their current contract has been renewed annually since FY14.

The total bid amount is an estimate, as the actual amount of biosolids to be hauled and applied varies. For the purposes of this bid, the estimated amount of biosolids to be applied annually is 4.5 million gallons. The bid documents required pricing for hauling at two hauling distances: fields from 0-10 miles from the WRF (approximately 80% of estimated quantity to be hauled) and fields from 10-25 miles from the WRF (approximately 20% of estimated quantity to be hauled).

Tribeca Transport LLC bid prices were:

\$0.0271 per gallon for fields 0-10 miles from the WRF; and

\$0.0334 per gallon for fields 10-25 miles from the WRF.

For comparison, the current contract with Tribeca Transport has a unit cost of \$0.0251 per gallon for hauling 0-10 miles, and \$0.0314 per gallon for hauling 10-25 miles.

Funding for this project is included in the proposed FY17 Wastewater Services fund (75) budget, and the work is scheduled to commence in July 2016.

**RECOMMENDATION:**

Staff recommends that the City Council award the contract for the Biosolids Application Project, Project 2016-4, to Tribeca Transport LLC at the unit prices per gallon outlined in the Contractor's Proposal, with a total estimated annual cost of \$127,620.00.

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**Attachments**

Resolution

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RESOLUTION NO. 2016 - 14

A Resolution awarding the contract for the Biosolids Application Project, Project 2016-4.

RECITALS:

At 2:00pm on March 10, 2016, three bids were received, opened, and publicly read for the Biosolids Application Project.

The Wastewater Services Division utilizes private contractors to transport and apply liquid biosolids beneficially to agricultural land in the local area. The current annual contract for this service has been extended twice and will expire on June 30, 2016

The bid from Tribeca Transport LLC, in the amount of \$127,620.00, was deemed to be the lowest responsible and responsive bid. The total bid amount is an estimate, as the actual amount of biosolids to be hauled and applied varies. For the purposes of this bid, the estimated amount of biosolids to be applied annually is 4.5 million gallons.

Funding for this project is included in the Wastewater Services Fund (75).

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMinnville, OREGON, as follows:

1. That entry into a contract between the City of McMinnville and Tribeca Transport LLC, at the unit prices per gallon outlined in the Contractor's Proposal, with a total estimated annual cost of \$127,620.00 is hereby approved.
2. The City Manager is hereby authorized and directed to execute a contract with Tribeca Transport, LLC, for the work associated with the Biosolids Application Project., Project 2016-4.
3. That this resolution shall take effect immediately upon passage and shall continue in full force and effect until modified, revoked, or replaced.

Adopted by the Common Council of the City of McMinnville at a meeting held the 12<sup>th</sup> day of April 2016 by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved this 12<sup>th</sup> day of April 2016.

\_\_\_\_\_  
MAYOR

Approved as to form:

\_\_\_\_\_  
CITY ATTORNEY



**City Council- Regular**

**Meeting Date:** 04/12/2016

**Subject:** Resolution awarding the contract for the City Facility HVAC Preventative Maintenance Services

**From:** Mike Bisset, Community Development Director

**AGENDA ITEM:**

**Resolution No. 2016 - 15:** A Resolution awarding the contract for the City Facility HVAC Preventative Maintenance Services.

**BACKGROUND:**

At 2:00pm on March 10, 2015, the bids for the City Facility HVAC Preventative Maintenance Services, Project 2016-3 were publicly opened and read aloud. Two bids were received and the results are tabulated as follows:

	<b>Dr. HVAC yearly cost</b>	<b>Reitmeier yearly cost</b>	<b>Current FY16 cost</b>
<b>City Facility</b>			
Public Library	\$1,260.00	\$2,791.00	\$1,260.00
Chamber of Commerce	\$320.00	\$1,632.00	\$315.00
City Hall	\$400.00	\$1,759.24	\$385.00
Community Development Center	\$500.00	\$1,428.52	\$450.00
Community Center	\$3,000.00	\$3,763.56	\$3,125.00
Senior Center	\$700.00	\$2,346.00	\$675.00
Oregon State Police	\$1,100.00	\$1,800.20	\$1,125.00
Airport	\$200.00	\$483.20	\$210.00
Public Works	\$400.00	\$1,644.70	\$305.00
<b>Total Amount of Services</b>	<b>\$7,880.00</b>	<b>\$17,648.42</b>	<b>\$7,850.00</b>
Call out rate based on 100 hours	(\$95/hr)	(\$92.50/hr)	
of additional service	\$9,500.00	\$9,250.00	
Material mark-up cost on parts	(25%)	(30%)	
based on \$7500 in parts	\$1,875.00	\$2,250.00	
<b>Total</b>	<b>\$19,255.00</b>	<b>\$29,148.42 *</b>	

\* Note: The proposal from Reitmeier included discrepancies between the written unit price and the written total cost. Per the bid documents, the written unit price shall govern and the bid results above reflect the correct extension of the unit price times estimated quantity to provide the total cost. This correction resulted in the decrease of the Reitmeier's bid total from the written amount of \$36,646.00 to the corrected amount of \$29,148.42.

Per the contract documents, the low bidder was determined by calculating the sum of the "Total Amount of Services", plus Call out Rate at an estimated 100 hours of additional service, plus the material mark-up percentage on an estimated \$7,500 of parts. Based on the review of the submitted bids, Dr. HVAC Inc. is the lowest responsive and responsible bidder. Staff notes that Dr. HVAC Inc. is the City's current HVAC maintenance provider.

The contract work will commence on July 1, 2016, and will end on June 30, 2017. The contract has the provision that it may be renewed, in one year increments, for an additional two years, if both parties agree. The costs for the HVAC maintenance services will be included in each department's FY17 budget.

**RECOMMENDATION:**

Staff recommends that the City Council award the resolution awarding the contract for the City Facility HVAC Maintenance Services to Dr. HVAC in the amount of \$7,880.00.

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**Attachments**

Resolution

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RESOLUTION NO. 2016 - 15

A Resolution authorizing and directing the entry into a contract for the provisions of HVAC maintenance services at various City facilities.

RECITALS:

The City sent out a request for bids for HVAC maintenance services at nine City facilities. The bid opening for this work was held at 2:00 p.m. on Thursday, March 10, 2016. A total of two bids were received, opened and publicly read.

The bids were reviewed, and checked for completeness. Based on the review of the submitted bids, the bid submitted by Dr. HVAC Inc., in the annual amount of \$7,880.00 should be considered the lowest responsive and responsible bid.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMinnville, OREGON, as follows:

1. That entry into a contract between the City of McMinnville and Dr. HVAC Inc. for the provisions of HVAC maintenance services at various city facilities beginning on July 1, 2016 for a period of one year in the annual amount of \$7,880.00, being the lowest and best bid, is hereby approved.
2. The City Manager is hereby authorized and directed to execute the contract containing the specifications for HVAC maintenance services to be provided at the following facilities: City Hall, Community Development Center, Library, Community Center, Senior Center, Public Works, Chamber of Commerce, Oregon State Police Building, and the McMinnville Airport maintenance Hangars.
3. That this resolution shall take effect immediately upon passage and shall continue in full force and effect until modified, revoked, or replaced.

Adopted by the Common Council of the City of McMinnville at a meeting held the 12<sup>th</sup> day of April 2016 by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved this 12<sup>th</sup> day of April 2016.

\_\_\_\_\_  
MAYOR

Approved as to form:

\_\_\_\_\_  
CITY ATTORNEY



**City Council- Regular**

**Meeting Date:** 04/12/2016

**Subject:** A Resolution awarding the contract  
for the 2016 City Facility Janitorial  
Services

**From:** Mike Bisset, Community  
Development Director

**AGENDA ITEM:**

**Resolution No. 2016 - 16:** A Resolution awarding the contract for the 2016 City Facility Janitorial Services.

**BACKGROUND:**

At 2:00pm on March 17, 2016, the bids for the 2016 City Facility Janitorial Services, Project 2016-2 were publicly opened and read aloud. Two bids were received and the results are tabulated as follows:

LOCATION		ABM Onsite Services – West, Inc. Bid Amount (per month)	Jani King Bid Amount (per month)	Current FY16 bid amount (FY16) - ABM
1	CITY HALL	\$ 390.55	\$ 821.00	\$ 365.00
2	COMM DEV CENTER	\$ 482.85	\$ 1,120.00	\$ 435.00
3	FIRE STATION	\$ 478.00	\$ 845.00	\$ 460.00
4	LIBRARY	\$ 1,522.50	\$ 1,530.00	\$ 1,450.00
5	COMMUNITY CENTER	\$ 2,719.50	\$ 5,820.00	\$ 2,590.00
6	SENIOR CENTER	\$ 777.00	\$ 1,800.00	\$ 700.00
7	PUBLIC WORKS	\$ 295.00	\$ 256.00	\$ 200.00
8	WRF	\$ 572.25	\$ 1,650.00	\$ 525.00
9	AQUATIC CENTER	\$ 1,776.00	\$ 2,000.00	\$ 1,600.00
10	PUBLIC SAFETY BLDG	\$ 2,047.50	\$ 1,664.00	\$ 1,950.00
11	CIVIC HALL	\$ 420.00	\$ 637.00	\$ 400.00
MONTHLY TOTAL :		\$ 11,481.15	\$ 18,143.00	\$ 10,675.00
ANNUAL TOTAL :		\$ 137,773.80	\$ 217,716.00	\$ 128,100.00

The bids were reviewed and checked for completeness, and both bids were deemed complete. Based on the review of the submitted bids, ABM Onsite Services – West Inc. is the lowest responsive and responsible bidder.

Staff notes that American Building Maintenance has recently changed their name to ABM Onsite Services – West Inc. and is the City’s current janitorial service provider, and their work under the current contract has generally been acceptable.

The contract work will commence on July 1, 2016, and will end on June 30, 2017. The contract has provisions that it may be renewed, in one year increments, for an additional two years, if both parties agree. The cost for the 2016 City Facility Janitorial Services will be included in each department’s FY17 budget.

**RECOMMENDATION:**

Staff recommends that the City Council award the resolution awarding the contract for the 2016 City Facility Janitorial Services to ABM Onsite Services – West Inc. in the amount of \$137,773.80

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**Attachments**

Resolution

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RESOLUTION NO. 2016 - 16

A Resolution authorizing and directing the entry into a contract for the provision of janitorial services at various City facilities.

RECITALS:

The City sent out a request for bids for janitorial services at eleven City facilities. The bid opening for this work was held at 2:00pm on Thursday, March 17, 2016. A total of two bids were received, opened and publicly read.

The bids were reviewed and checked for completeness. Based on the review of the submitted bids, the bid submitted by ABM Onsite Services – West Inc., in the amount of \$137,773.80 per year, should be considered the lowest responsive and responsible bid.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMinnville, OREGON, as follows:

1. That entry into a contract between the City of McMinnville and ABM Onsite Services – West Inc. for the provision of janitorial services at various city facilities beginning July 1, 2016 for a period of one year in the annual amount of \$137,773.80, being the lowest and best bid, is hereby approved.
2. The City Manager is hereby authorized and directed to execute the contract containing the specifications for janitorial services to be provided at the following facilities: City Hall, Community Development Center, Fire Station, Library, Community Center, Senior Center, Public Works, Water Reclamation Facility, Aquatic Center, Public Safety Building and the Civic Hall.
3. That this resolution shall take effect immediately upon passage and shall continue in full force and effect until revoked or replaced.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 12<sup>th</sup> day of April 2016 by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved this 12<sup>th</sup> day of April 2016.

\_\_\_\_\_  
MAYOR

Approved as to form:

\_\_\_\_\_  
CITY ATTORNEY



**City Council- Regular**

**Meeting Date:** 04/12/2016

**Subject:** Airport Improvement Project –  
Reimbursable Agreement with FAA

**From:** Mike Bisset, Community  
Development Director

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**AGENDA ITEM:**

**Resolution No. 2016 - 17:** A Resolution accepting the Reimbursable Agreement and authorizing the City Manager to execute an agreement with the Federal Aviation Administration (FAA) for the Airport Improvement Project.

**BACKGROUND:**

As part of the Runway 4-22 Rehabilitation Project, the FAA needs to enter into a Reimbursable Agreement with the City to cover FAA engineering consulting and oversight services relating to the relocation of FAA facilities such as the Runway End Identifier Lights (REIL) and the Medium Intensity Approach Lighting System (MALSR) impacted by the rehabilitation and narrowing of Runway 4-22 from 150 to 100 feet. FAA will perform site survey, cost estimate, project planning and integration as well as engineering consulting services relating to the relocation of FAA facilities impacted by the project. The cost for these services is \$25,825.00.

The cost is required to be prepaid and will need to be submitted in order for the project to continue forward. However, the cost is eligible for a 90% reimbursement through the Airport Improvement Program (AIP) grant that will ultimately pay for the runway rehabilitation project. The remaining 10% of the cost can be reimbursed through the Connect Oregon V grant that the City currently has.

**RECOMMENDATION:**

Staff recommends that the City Council approve the Resolution authorizing the City Manager to execute the Reimbursable Agreement with the FAA, in the amount of \$25,825.00, relative to the Airport Improvement Project.

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**Attachments**

Resolution  
FAA AGREEMENT  
FAA REQUEST

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RESOLUTION NO. 2016 - 17

A Resolution accepting the Reimbursable Agreement and authorizing the City Manager to execute an agreement with the Federal Aviation Administration (FAA) for the Airport Improvement Project.

RECITALS:

As part of the Runway 4-22 Rehabilitation Project, the FAA needs to enter into a Reimbursable Agreement with the City to cover FAA engineering, consulting, and oversight services relating to the relocation of FAA facilities such as the Runway End Identifier Lights (REIL) and the Medium Intensity Approach Lighting System (MALSR) impacted by the rehabilitation and narrowing of Runway 4-22 from 150 to 100 feet.

FAA will perform site survey, cost estimate, project planning and integration as well as engineering consulting services relating to the relocation of FAA facilities impacted by the project. The cost for these services is \$25,825.00. This cost is 90% reimbursable through a future AIP grant for the construction of the RW4-22 Rehabilitation Project.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMinnville, OREGON, as follows:

1. The City Manager is hereby authorized and directed to execute the reimbursable agreement with the Federal Aviation Administration for the City of McMinnville Airport Improvement Project in the amount of \$25,825.00.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 12th day of April 2016 by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved this 12th day of April 2016.

\_\_\_\_\_  
MAYOR

Approved as to form:

\_\_\_\_\_  
CITY ATTORNEY

**NON-FEDERAL REIMBURSABLE AGREEMENT**

**BETWEEN**

**DEPARTMENT OF TRANSPORTATION  
FEDERAL AVIATION ADMINISTRATION**

**AND**

**CITY OF MCMINNVILLE  
MCMINNVILLE MUNICIPAL AIRPORT  
MCMINNVILLE, OR**

**WHEREAS**, the Federal Aviation Administration (FAA) can furnish directly or by contract, material, supplies, equipment, and services which the **City of McMinnville** (Sponsor) requires, has funds available for, and has determined should be obtained from the FAA;

**WHEREAS**, it has been determined that competition with the private sector for provision of such material, supplies, equipment, and services is minimal; the proposed activity will advance the FAA's mission; and the FAA has a unique capability that will be of benefit to the Sponsor while helping to advance the FAA's mission;

**WHEREAS**, the authority for the FAA to furnish material, supplies, equipment, and services to the Sponsor upon a reimbursable payment basis is found in 49 U.S.C. § 106(l)(6) on such terms and conditions as the Administrator may consider necessary;

**NOW THEREFORE**, the FAA and the Sponsor mutually agree as follows:

**ARTICLE 1. Parties**

The Parties to this Agreement are the FAA and the **City of McMinnville**.

**ARTICLE 2. Type of Agreement**

This Agreement is an "other transaction" authorized under 49 U.S.C. § 106(l)(6). It is not intended to be, nor will it be construed as, a partnership, corporation, joint venture or other business organization.

**ARTICLE 3. Scope**

- A. The purpose of this Agreement between the FAA and the Sponsor is to facilitate proper FAA engineering consulting and oversight services relating to relocation of FAA facilities most impacted by the Sponsor's Airport Improvement Program (AIP) including the rehabilitation and narrowing of Runway 4/22 from 150 feet to 100 feet at McMinnville Municipal Airport (MMV), in McMinnville, OR. The FAA facilities

requiring relocation are Runway 04 Runway End Identifier Lights (REIL), Runway 22 Medium Intensity Approach Lighting System (MALSR) and Communication lines, as a result of Runway 4/22 being reconstructed. Additionally, the FAA will perform a site survey, cost estimate, project planning and integration as well as engineering consulting services relating to relocation of FAA facilities impacted by the Sponsor's Airport Improvement Program (AIP) runway project. This Agreement provides funding for the FAA to establish these services. It is anticipated that the FAA and Sponsor will enter into a modification of this agreement to cover follow-on design, construction, installation costs, flight checks, and possible other items associated with the Sponsor's project following completion of the preliminary engineering. Therefore, this Agreement is titled:

**McMinnville, OR (MMV) Preliminary Engineering Runway Rehab Impacts RWY  
04/22**

**B. The FAA will perform the following activities:**

1. Preliminary planning activities that may include, but are not limited to technical consultation, engineering, engineering and environment review, site visits, feasibility assessments, project planning, scope definition, development of cost estimate(s), development of design packages, and procurement of long lead items, if required.
2. Review the airport's construction plans and specifications for work impacting existing FAA facilities.
3. Provide a full set of construction plans showing the Runway 22 MALSR Threshold Bar, RWY 04 REILs, and comm/power line relocation.

**C. The Sponsor will perform the following activities:**

1. Coordinate key milestones for design and construction completion with FAA engineering, including a complete schedule for the work to be accomplished.
2. Provide a full set of construction plans, including scaled electronic drawings in PDF and CAD (DGN or DWG) formats, showing all proposed airport work.
3. Provide a full set of construction specifications in PDF format.
4. Provide the FAA with access to the project site, including any airport specific security briefs or driving requirements, for the purposes of site surveys. Also provide and pay for all necessary badging for FAA and consultant/contractor personnel.

**D. This agreement is in whole or in part funded with funding from an AIP grant [X] Yes  
[ ] No. If Yes, the grant date is:\_\_\_\_\_ and the grant number is: 3-41-0036-017-2016.**

If the grant information is not available at the time of agreement execution, the Sponsor will provide the grant information to the FAA when it becomes available.

#### **ARTICLE 4. Points of Contact**

##### **A. FAA:**

1. The **FAA NAVAIDS Engineering Center –B** will perform the scope of work included in this Agreement. **Patrick McDermott** is the System **Engineer** and liaison with the Sponsor and can be reached at **(425) 227-1552 or via email at Patrick.McDermott@faa.gov**. **Andrew Edstrom** is the Planning Specialist and liaison with the Sponsor and can be reached at **(425) 203-4748** or by email at **andrew.edstrom@faa.gov**. This liaison is not authorized to make any commitment, or otherwise obligate the FAA, or authorize any changes which affect the estimated cost, period of performance, or other terms and conditions of this Agreement.
2. FAA Contracting Officer: The execution, modification, and administration of this Agreement must be authorized and accomplished by the Contracting Officer, **Erlinda Williams** who can be reached at **(425) 227-2057** or by email at **linda.c.williams@faa.gov**.

##### **B. Sponsor:**

**City of McMinnville**  
**Attn: Rich Spofford**  
**231 NE Fifth Street**  
**McMinnville, OR 97128**  
**Tel: (503) 434-7312**  
**Email: rich.spofford@ci.mcminnville.or.us**

#### **ARTICLE 5. Non-Interference with Operations**

The Sponsor understands and hereby agrees that any relocation, replacement, or modification of any existing or future FAA facility, system, and/or equipment covered by this Agreement during its term or any renewal thereof made necessary by Sponsor improvements, changes, or other actions which in the FAA's opinion interfere with the technical and/or operations characteristics of an FAA facility, system, and/or piece of equipment will be at the expense of the Sponsor, except when such improvements or changes are made at the written request of the FAA. In the event such relocations, replacements, or modifications are necessitated due to causes not attributable to either the Sponsor or the FAA, the parties will determine funding responsibility.

#### **ARTICLE 6. Property Transfer (Reserved)**

## **ARTICLE 7. Estimated Costs**

The estimated FAA costs associated with this Agreement are as follows:

<b>Description of Reimbursable Item</b>	<b>Estimated Cost</b>
<b>LABOR</b>	
<b>Engineering Support - WB4010, WB4020, WB4060</b>	<b>\$8,000.00</b>
<b>Survey – WB4020</b>	<b>\$9,500.00</b>
<b>Labor Subtotal</b>	<b>\$17,500.00</b>
<b>Labor Overhead (17%)</b>	<b>\$2,975.00</b>
<b>Total Labor</b>	<b>\$20,475.00</b>
<b>NON-LABOR</b>	
<b>WB4010, WB4020, WB4060 – Travel</b>	<b>\$5,000.00</b>
<b>Non-Labor Subtotal</b>	<b>\$5,000.00</b>
<b>Non-Labor Overhead (7%)</b>	<b>\$350.00</b>
<b>Total Non-Labor</b>	<b>\$5,350.00</b>
<b>TOTAL ESTIMATED COST</b>	<b>\$25,825.00</b>

## **ARTICLE 8. Period of Agreement and Effective Date**

The effective date of this Agreement is the date of the last signature. This Agreement is considered complete when the final invoice is provided to the Sponsor and a refund is sent or payment is received as provided for in Article 9, Section E of this Agreement. Under no circumstances will this Agreement extend five years beyond its effective date.

## **ARTICLE 9. Reimbursement and Accounting Arrangements**

- A. The Sponsor agrees to prepay the entire estimated cost of the Agreement. The Sponsor will send a copy of the executed Agreement and submit full advance payment in the amount stated in Article 7 to the Accounting Division listed in Section C of this Article. The advance payment will be held as a non-interest bearing deposit. Such advance payment by the Sponsor must be received before the FAA incurs any obligation to implement this Agreement. Upon completion of this Agreement, the final costs will be netted against the advance payment and, as appropriate, a refund or final bill will be sent to the sponsor. Per U.S. Treasury guidelines, refunds under \$1.00 will not be processed. Additionally, FAA will not bill the sponsor for amounts less than \$1.00.
- B. The Sponsor certifies that arrangements for sufficient funding have been made to cover the estimated costs of the Agreement.



- C. The Accounting Division is identified by the FAA as the billing office for this Agreement. The Sponsor will send a copy of the executed Agreement and submit the full advance payment to the Accounting Division. The sponsor can either mail the payment to the address shown below or submit payment (via check or credit card) electronically via pay.gov. All payments mailed to the FAA must include the Agreement number, Agreement name, Sponsor name, and project location.

The mailing address is:

FAA Mike Monroney Aeronautical Center  
Attn: AMK-323, Reimbursable Project Team  
P.O. Box 25082  
Oklahoma City, OK 73125

The overnight mailing address is:

FAA Mike Monroney Aeronautical Center  
Attn: AMK-323, Reimbursable Project Team  
6500 S. MacArthur Blvd.  
Oklahoma City, OK 73169  
Telephone: (405) 954-5659

The Sponsor hereby identifies the office to which the FAA will render bills for the project costs incurred as:

**City of McMinnville**  
**Attn: Rich Spofford**  
**231 NE Fifth Street**  
**McMinnville, OR 97128**  
**Tel: (503) 434-7312**  
**Email: rich.spofford@ci.mcminnville.or.us**

- D. The FAA will provide a quarterly Statement of Account of costs incurred against the advance payment.
- E. The cost estimates contained in Article 7 are expected to be the maximum costs associated with this Agreement, but may be modified to recover the FAA's actual costs. If during the course of this Agreement actual costs are expected to exceed the estimated costs, the FAA will notify the Sponsor immediately. The FAA will also provide the Sponsor a modification to the Agreement which includes the FAA's additional costs. The Sponsor agrees to prepay the entire estimated cost of the modification. The Sponsor will send a copy of the executed modification to the Agreement to the FAA-Mike Monroney Aeronautical Center with the additional advance payment. Work identified in the modification cannot start until receipt of the additional advance payment. In addition, in the event that a contractor performing work pursuant to the scope of this Agreement brings a claim against the FAA and the FAA incurs additional costs as a result of the claim, the Sponsor agrees to reimburse

the FAA for the additional costs incurred whether or not a final bill or a refund has been sent.

#### **ARTICLE 10. Changes and Modifications**

Changes and/or modifications to this Agreement will be formalized by a written modification that will outline in detail the exact nature of the change. Any modification to this Agreement will be executed in writing and signed by the authorized representative of each party. The parties signing this Agreement and any subsequent modification(s) represent that each has the authority to execute the same on behalf of their respective organizations. No oral statement by any person will be interpreted as modifying or otherwise affecting the terms of the Agreement. Any party to this Agreement may request that it be modified, whereupon the parties will consult to consider such modifications.

#### **ARTICLE 11. Termination**

In addition to any other termination rights provided by this Agreement, either party may terminate this Agreement at any time prior to its expiration date, with or without cause, and without incurring any liability or obligation to the terminated party other than payment of amounts due and owing and performance of obligations accrued, in each case on or prior to the termination date, by giving the other party at least thirty (30) days prior written notice of termination. Payment of amounts due and owing may include all costs reimbursable under this Agreement, not previously paid, for the performance of this Agreement before the effective date of the termination; the total cost of terminating and settling contracts entered into by the FAA for the purpose of this Agreement; and any other costs necessary to terminate this Agreement. Upon receipt of a notice of termination, the receiving party will take immediate steps to stop the accrual of any additional obligations which might require payment. All funds due after termination will be netted against the advance payment and, as appropriate, a refund or bill will be issued.

#### **ARTICLE 12. Order of Precedence**

If attachments are included in this Agreement and in the event of any inconsistency between the attachments and the terms of this Agreement, the inconsistency will be resolved by giving preference in the following order:

- A. This Agreement
- B. The attachments

#### **ARTICLE 13. Legal Authority**

This Agreement is entered into under the authority of 49 U.S.C. § 106(l)(6), which authorizes the Administrator of the FAA to enter into and perform such contracts, leases, cooperative agreements and other transactions as may be necessary to carry out the

functions of the Administrator and the Administration on such terms and conditions as the Administrator may consider appropriate. Nothing in this Agreement will be construed as incorporating by reference or implication any provision of Federal acquisition law or regulation.

#### **ARTICLE 14. Disputes**

Where possible, disputes will be resolved by informal discussion between the parties. In the event the parties are unable to resolve any dispute through good faith negotiations, the dispute will be resolved by alternative dispute resolution using a method to be agreed upon by the parties. The outcome of the alternative dispute resolution will be final unless it is timely appealed to the Administrator, whose decision is not subject to further administrative review and, to the extent permitted by law, is final and binding (see 49 U.S.C. § 46110).

#### **ARTICLE 15. Warranties**

The FAA makes no express or implied warranties as to any matter arising under this Agreement, or as to the ownership, merchantability, or fitness for a particular purpose of any property, including any equipment, device, or software that may be provided under this Agreement.

#### **ARTICLE 16. Insurance**

The Sponsor will arrange by insurance or otherwise for the full protection of itself from and against all liability to third parties arising out of, or related to, its performance of this Agreement. The FAA assumes no liability under this Agreement for any losses arising out of any action or inaction by the Sponsor, its employees, or contractors, or any third party acting on its behalf.

#### **ARTICLE 17. Limitation of Liability**

To the extent permitted by law, the Sponsor agrees to indemnify and hold harmless the FAA, its officers, agents and employees from all causes of action, suits or claims arising out of the work performed under this Agreement. However, to the extent that such claim is determined to have arisen from the act or omission by an officer, agent, or employee of the FAA acting within the scope of his or her employment, this hold harmless obligation will not apply and the provisions of the Federal Tort Claims Act, 28 U.S.C. § 2671, et seq., will control. The FAA assumes no liability for any losses arising out of any action or inaction by the Sponsor, its employees, or contractors, or any third party acting on its behalf. In no event will the FAA be liable for claims for consequential, punitive, special and incidental damages, claims for lost profits, or other indirect damages.

**ARTICLE 18. Civil Rights Act**

The Sponsor will comply with Title VI of the Civil Rights Act of 1964 relating to nondiscrimination in federally assisted programs.

**ARTICLE 19. Protection of Information**

The parties agree that they will take appropriate measures to identify and protect proprietary, privileged, or otherwise confidential information that may come into their possession as a result of this Agreement.

**ARTICLE 20. Security**

In the event that the security office determines that the security requirements under FAA Order 1600.72A applies to work under this Agreement, the FAA is responsible for ensuring that security requirements, including compliance with AMS clause 3.14-2, Contractor Personnel Suitability Requirements are met.

**ARTICLE 21. Entire Agreement**

This document is the entire Agreement of the parties, who accept the terms of this Agreement as shown by their signatures below. In the event the parties duly execute any modification to this Agreement, the terms of such modification will supersede the terms of this Agreement to the extent of any inconsistency. Each party acknowledges participation in the negotiations and drafting of this Agreement and any modifications thereto, and, accordingly that this Agreement will not be construed more stringently against one party than against the other. If this Agreement is not executed by the Sponsor within 120 calendar days after the FAA transmits it to the Sponsor, the terms contained and set forth in this Agreement shall be null and void.

AGREED:

**FEDERAL AVIATION  
ADMINISTRATION**

SIGNATURE \_\_\_\_\_  
NAME Erlinda Williams  
TITLE Contracting Officer  
DATE \_\_\_\_\_

**CITY OF MCMINNVILLE**

SIGNATURE \_\_\_\_\_  
NAME \_\_\_\_\_  
TITLE \_\_\_\_\_  
DATE \_\_\_\_\_



**U.S. Department  
Of Transportation**

**Northwest Mountain Region**  
Western Service Center

1601 Lind Ave SW  
Renton, WA 98057

**Federal Aviation  
Administration**

March 15, 2016

City of McMinnville  
Attn: Rich Spofford  
231 NE Fifth Street  
McMinnville, OR 97128

Subject: Request for Advance Payment for **AJW-FN-WSA-16-S154**

Dear Mr. Spofford:

This document is the request for advance payment as referenced in Article 7 of the agreement between the Federal Aviation Administration and City of McMinnville (hereinafter referred to as the agreement) to which this document is attached.

As set forth in Article 7 of this agreement, the agency's estimated cost to be reimbursed is **\$25,825.00**. After payment is received, the FAA may begin to incur obligations to implement the agreement.

You may either mail the payment to the address shown below or submit payment (via check or credit card) electronically via <https://www.pay.gov>.

The mailing address is:

US Mail:

FAA Mike Monroney Aeronautical Center  
ATTN: AMZ-330, Reimbursable Project Team  
P.O. Box 25082  
Oklahoma City, OK 73125

Federal Express/overnight mail:

DOT/FAA Mike Monroney Aeronautical Center  
AMZ-330 Reimbursable Project Team  
6500 S. MacArthur Blvd.  
Oklahoma City, OK 73169

All payments must include the Agreement number, Sponsor name and project location.

If you require additional information, please contact me at 425-227-2057 or email [linda.c.williams@faa.gov](mailto:linda.c.williams@faa.gov).

Sincerely,

*Erlinda Williams*

Erlinda Williams  
FAA Contracting Officer  
AAQ-530

Enclosure



**City Council- Regular**

**Meeting Date:** 04/12/2016

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**TOPIC**

CONSENT AGENDA

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**City Council- Regular**

**Meeting Date:** 04/12/2016

**Subject:**

**From:** Rose Lorenzen, Administrative  
Assistant / HR Analyst

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**AGENDA ITEM:**

7:00 p.m. Public Hearing: Regarding a Marijuana Local Sales Tax

**BACKGROUND:**

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**Attachments**

Draft Language

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## CHAPTER 5.42

### TAXATION OF CANNABIS AND CANNABIS PRODUCTS

5.42.010 Definitions for 5.42.010 to 5.42.070

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5.42.030 Collection of tax

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5.42.100 Notice

5.42.110 Violations

5.42.120 Penalty

### TAXATION OF CANNABIS AND CANNABIS PRODUCTS

#### 5.42.010 Definitions.

As used in 5.42.010 to 5.42.070:

A. "Cannabinoid concentrate," "cannabinoid edible," "cannabinoid extract," "cannabinoid product," "consumer," "immature marijuana plant," "marijuana flowers," "marijuana items," "marijuana leaves" and "marijuana retailer" have the meanings given those terms in ORS 475B.015.

B. "Retail sale" and "Retail sales price" have the meanings given those terms in ORS 475B.700.

C. "Finance Department" means the Finance Department of the City of McMinnville.

D. "Finance Director" means the Finance Director of the City of McMinnville.

E. "City" means the City of McMinnville, Oregon.

#### 5.42.020 Imposition of tax on retail sale of marijuana items.

A. A tax is hereby imposed upon the retail sale of marijuana items in the City. The tax imposed by this section is a direct tax on the consumer, for which payment upon retail sale is required to achieve convenience and facility in the collection and administration of the tax. The tax shall be collected at the point of sale of a marijuana item by a marijuana retailer at the time at which the retail sale occurs.



- B. The tax imposed under this section shall be imposed at the rate of:
1. 3 percent of the retail sales price of marijuana leaves;
  2. 3 percent of the retail sales price of marijuana flowers;
  3. 3 percent of the retail sales price of immature marijuana plants;
  4. 3 percent of the retail sales price of a cannabinoid edible;
  5. 3 percent of the retail sales price of a cannabinoid concentrate;
  6. 3 percent of the retail sales price of a cannabinoid extract;
  7. 3 percent of the retail sales price of a cannabinoid product that is intended to be used by applying the cannabinoid product to the skin or hair; and
  8. 3 percent of the retail sales price of cannabinoid products other than those described in subsection (B)(7) of this section.
- C. If the tax imposed under this section does not equal an amount calculable to a whole cent, the tax shall be equal to the next higher whole cent.
- D. The amount of the tax shall be separately stated on an invoice, receipt or other similar document that the marijuana retailer provides to the consumer, or shall be otherwise disclosed to the consumer.
- E. A person may not knowingly sell, purchase, install, transfer or possess software programs or other electronic devices intended to hide or to remove records of retail sales of marijuana items or to falsify records of retail sales of marijuana items.

#### 5.42.030 Collection of tax.

- A. Except as otherwise provided in 5.42.010 to 5.42.070, the tax imposed upon the consumer under 5.42.020 shall be collected at the point of sale and remitted by each marijuana retailer that engages in the retail sale of marijuana items. The tax is considered a tax upon the marijuana retailer that is required to collect the tax, and the marijuana retailer is considered a taxpayer.
- B. The marijuana retailer shall submit a return to the Finance Department on or before the last day of January, April, July and October of each year for the previous calendar quarter, or if the last day is not a business day, the next business day thereafter.
- C. The marijuana retailer shall pay the tax to the Finance Department in the form and manner prescribed by the Finance Department, but not later than with each quarterly return, without regard to extensions under subsection (E) of this section.
- D. Marijuana retailers shall file the returns required under this section regardless of whether any tax is owed.
- E. The Finance Director for good cause may extend the date for making any return under this section. The extension may be granted at any time if a written request is filed with the Finance Department during or prior to the period for which the extension may be granted. The Finance Department may not grant an extension of more than 30 days.

#### 5.42.035 Refund; credit.

- A. Whenever the amount of any Tax imposed under this Chapter has been paid more than once or has been erroneously or illegally collected or received by the Finance Department, it may be refunded, provided a verified claim in writing, stating the specific reason upon which the claim is refunded, is filed with the Finance Director within three (3) years from the date of payment. The claim shall be made on forms provided by the Finance Department.
- B. The Finance Director shall have thirty (30) days from the date of the receipt of a claim to make a written determination as to its validity.
- C. If the claim is approved then, at the discretion of the Finance Director, either:

1) The excess amount collected or paid may be refunded to the marijuana retailer from whom it was collected or by whom it was paid, or the marijuana retailer's administrators, executors or assignees; or,

2) The refund may be credited toward any amounts then due and payable from the marijuana retailer from whom it was collected or by whom it was paid, and the balance, if any, may be refunded to the marijuana retailer or the marijuana retailer's administrators, executors, or assignees.

#### 5.42.040 Deficiencies; redeterminations.

A. Every person who collects any amount under 5.42.030 shall hold the same in trust for the City of McMinnville and for the payment thereof to the Finance Department in the manner and at the time provided in 5.42.030.

B. If the Finance Director determines that a return is incorrect, the Finance Director may compute and determine or estimate the amount required to be paid based on the facts contained in the return or returns or any other information within the Finance Director's possession. One or more deficiency determinations may be made on the amounts due for one or more periods.

1. In making a deficiency determination, the Finance Director may offset overpayments, if any, which may have been previously made for a period or periods against any deficiency for a subsequent period or periods, or against penalties, and interest on the deficiency.

2. Once a deficiency determination is made, the Finance Director shall serve a written deficiency notice on the marijuana retailer. The notice may be given personally or sent by United States mail. If sent by mail, the notice shall be addressed to the marijuana retailer at his/her address as it appears on the records of the City or as the City can best determine.

3. Any deficiency is due and payable ten (10) days after the Finance Director serves the written deficiency notice. If not paid by the tenth day after service of a deficiency notice, the amount shall be delinquent and penalties and interest shall be applied as established in this Chapter.

4. The marijuana retailer may petition for a redetermination provided that the petition is filed within ten (10) days of service of the deficiency notice. Nothing prohibits the Finance Director from extending the time for petition beyond ten (10) days at his/her discretion.

5. Except as provided in this Chapter, every deficiency determination shall be made and notice mailed within three (3) years after a return was originally filed or subsequently amended, whichever period expires later. In the case of the filing of a false or fraudulent return with the intent to evade this Chapter, a failure to file a required return, or a willful refusal to collect and remit the Tax, a deficiency determination may be made, or a proceeding for the collection of the deficiency may be commenced at any time.

6. If the Finance Director believes that the collection of any Tax required to be collected and paid to the City will be jeopardized by delay, or if any determination will be jeopardized by delay, the Finance Director may make a determination of the Tax or amount of Tax required to be collected. The Finance Director will serve a written deficiency notice and demand for immediate payment on the marijuana retailer. The amount shall be immediately due and payable, and the marijuana retailer shall immediately pay such determination to the City after service of the notice, provided, however, the marijuana retailer may petition, after payment has been made, for a redetermination of the Finance Director's assessment, provided that the petition is filed within ten (10) days of service of the deficiency notice.

C. If a petition for redetermination, and refund is filed within the requisite time period, the Finance Director shall reconsider the determination, and, if the person has so requested in his/her petition shall grant the person an oral hearing and shall give him/her ten (10) days' notice of the time and place of the hearing. The Finance Director may continue the hearing from time to time as necessary.

#### 5.42.050 Retention of records

A. A marijuana retailer shall keep receipts, invoices and other pertinent records related to retail sales of marijuana items in the form required by the Oregon Department of Revenue. Each record shall be preserved for five years from the time to which the record relates, or for as long as the marijuana retailer retains the marijuana items to which the record relates, whichever is later. During the retention period and at any time prior to the destruction of records, the Finance Department may give written notice to the marijuana retailer not to destroy records described in the notice without written permission of the Finance Department. Notwithstanding any other provision of law, the Finance Department shall preserve reports and returns filed with the Finance Department for at least five years.

B. The Finance Department or its authorized representative, upon oral or written demand, may make examinations of the books, papers, records and equipment of persons making retail sales of marijuana items and any other investigations as the Finance Department deems necessary to carry out the provisions of 5.42.010 to 5.42.070.

#### 5.42.060 Administration.

A. Every marijuana retailer shall keep accounting books, invoices, accounts, and other records. These records shall be retained for three (3) years and six (6) months after they come into being.

B. The Finance Director may examine, during normal business hours, the books, papers and accounting records relating the marijuana retailer's liable for the Tax, after notification to the marijuana retailer, and may investigate the business of the marijuana retailer in order to verify the accuracy of any return made, or if no return is made by the marijuana retailer, to ascertain and determine the amount required to be paid.

C. A formal audit of all the marijuana retailer's records shall be performed at the discretion of the Finance Director. D. Except as otherwise required by law, it shall be unlawful for any officer, employee, or agent of the City to divulge, release, or make known in any manner any financial information submitted or disclosed to the City under the terms of the Chapter. Nothing in this Section shall be construed to prohibit:

1. The disclosure to, or the examination of, financial records by City officers, employees, or agents for the purpose of administering or enforcing the terms of this Chapter, or collecting Taxes imposed under the terms of the Chapter;

2. The disclosure to the marijuana retailer or his/her authorized representative of financial information, including amounts of Marijuana Tax, penalties, or interest, after filing of a written request by the marijuana retailer or his/her authorized representative and approval of the request by the Finance Director;

3. The disclosure of the names and addresses of any person to whom this Chapter applies;

4. The disclosure of general statistics in a form which would prevent the identification of financial information regarding any particular marijuana retailer's return or application; or

5. The disclosure of financial information to the City Attorney or other legal representative of the City to the extent the Finance Director deems disclosure or access necessary for the performance of the duties of advising or representing the Finance Director, the Finance Department, or the City.

#### 5.42.070 Appeals

Any person aggrieved by any decision of the Finance Director may appeal to the City Manager (or their designee) by filing a notice of appeal with the Finance Director within ten (10) days of the serving or mailing of the notice of the decision. The Finance Director shall transmit the notice, together with the file of the appealed matter, to the City Manager, who shall fix a time and place for hearing the appeal.

The City Manager shall give the appellant not less than ten (10) days' written notice of the time and place for hearing the appeal. The City Manager may continue the hearing from time to time as necessary.

#### 5.42.080 Penalties and Interest.

A. A penalty will be imposed on a marijuana retailer who mails or hand delivers the return and the Tax payment after the due date. The penalty is five percent (5%) of the unpaid tax. If the marijuana retailer files and/or pays more than thirty days after the due date, an additional twenty percent (20%) penalty will be added to the unpaid tax. Interest at the rate of one percent (1%) per month will be imposed on any unpaid tax from the due date until the date payment in full is received by the Finance Department.

B. If the Finance Director determines that the nonpayment of any remittance due under this Chapter is due to fraud or intent to evade the provisions of this Chapter, a penalty of twenty-five (25) percent of the amount of the Tax shall be added, in addition to the penalties above.

#### 5.42.090 Expenditure of funds.

All money collected pursuant to this Chapter shall be general funds of the City and shall be used to support public safety operations.

#### 5.42.100 Notice.

In case of service by mail of any notice required by this Chapter, the service is complete three days after deposit with the United States Post Office.

#### 5.42.110 Violations.

A. No marijuana retailer or other person required to do so may fail or refuse to, in the time periods prescribed by this Chapter, furnish any return required to be made under this Chapter or furnish a supplemental return or other data required by the Finance Director, or make the remittance to the Finance Director of the amount of the Taxes, penalties, or interest due. No person may render a false or fraudulent return under this Chapter. No person required to make, render, sign, or verify any report regarding the Tax may make any false or fraudulent report.

B. At any time within three (3) years after any Tax required to be collected becomes due and payable, at any time within three years after any determination by the Finance Director or City Manager under this Chapter becomes final, or at any time within three (3) years after any person who is required to do so fails to furnish true and non-fraudulent information within the time periods prescribed by this Chapter, the City may bring an action in the McMinnville Municipal Court or in the courts of this state, any other state, or the United States, in the name of the City.

#### 5.42.120 Penalty.

Any person violating any of the provisions of this Chapter shall, upon conviction, be punished by a fine of not more than \$500 for each violation. This fine shall be in addition to any and all administrative penalties and interest assessed pursuant to this Chapter.



**City Council- Regular**

**Meeting Date:** 04/12/2016

**Subject:**

**From:** Rose Lorenzen, Administrative  
Assistant / HR Analyst

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**AGENDA ITEM:**

**Ordinance No. 5003:** Amending the McMinnville Municipal Code provisions incorporating a Local Transient Lodging Tax (Ordinances No. 4994, 4974, and 4970)

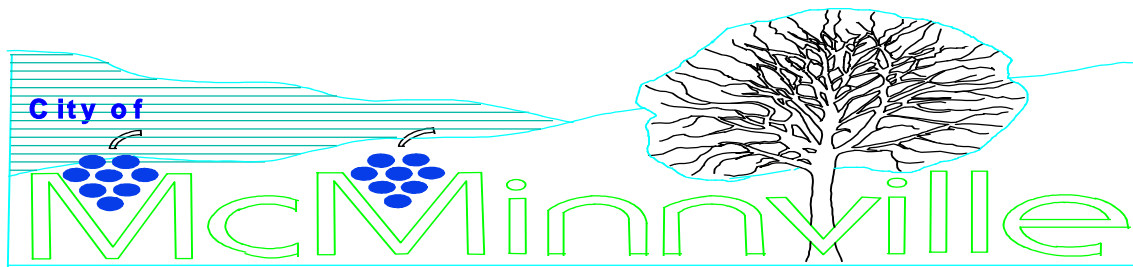
**BACKGROUND:**

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**Attachments**

Memorandum  
Ordinance

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## MEMORANDUM

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**DATE:** April 12, 2016  
**TO:** Martha Meeker, City Manager  
**FROM:** Marcia Baragary, Finance Director  
**SUBJECT:** Proposed Amendments to Transient Lodging Tax Provisions of the McMinnville Municipal Code

Ordinance No. 2016 - 5003 - An Ordinance amending the McMinnville Municipal Code provisions incorporating a Local Transient Lodging Tax

Background: McMinnville Municipal Code (MMC) Section 5.10.150(C), which currently governs administration of the City's local transient lodging tax, requires that, "[a] formal audit of all the Tax Collector's records shall be conducted at least once in every three year period." The purpose of performing audits is to verify the accuracy of the calculation, collection, reporting, and remittance of the tax.

In determining the City's approach to transient lodging tax (TLT) audits, we considered the timeframe, cost, and effectiveness of procedures to be performed. We reviewed other cities' policies and discussed the audit process with several firms that perform TLT audits. We also obtained input from the Visit McMinnville Board of Directors and management team.

Based on this evaluation, we have determined it will be more effective for TLT audits to be completed based on a risk assessment approach, rather than requiring all transient lodging providers to be audited once in every three year period. When selecting providers to be audited, factors such as delinquent payments, incomplete quarterly returns, and the potential for underpayment of taxes may be considered. Providers that have implemented comprehensive procedures for collecting taxes and demonstrated compliance with TLT requirements may be audited less frequently.

While TLT audits may identify underpayment of taxes, audits are also an excellent opportunity to provide clarification and additional information to lodging providers. Focusing on providers with inconsistencies in collecting and reporting the tax will improve providers' understanding of City requirements and will be a more efficient use of City resources.

Therefore, the Ordinance presented for the City Council's consideration amends MMC Chapter 5.10 to provide "[a] formal audit of all Tax Collectors' records may be conducted at the discretion of the Finance Director." This amendment allows the City to determine areas where a greater risk of noncompliance with the Ordinance exists and to focus resources on those areas.

Additional amendments to certain provisions of MMC Chapter 5.10 are being proposed to further improve administration and collection of the tax, including changes to more closely align the City's definitions with the Oregon statute.

Recommendation: Approval of the Ordinance as presented.

ORDINANCE NO. 5003

An Ordinance amending the McMinnville Municipal Code provisions incorporating a Local Transient Lodging Tax (Ordinances No. 4994, 4974 and 4970).

RECITALS:

On June 11, 2013, the McMinnville City Council passed Ordinance No. 4970, implementing a Local Transient Lodging Tax. Two subsequent amendments to the ordinance were adopted on November 26, 2013 (Ord. No. 4974) and October 13, 2015 (Ord. No. 4994), for the purpose of improving the administration and collection of the tax. Ordinance 4970, as amended by Ord. 4974 and Ord. 4994, is codified in the McMinnville Municipal Code (MMC) at Chapter 5.10.

MMC Section 5.10.150(C) requires that, "[a] formal audit of all of the Tax Collector's records shall be conducted at least once in every three year period." In order to allow the City to determine areas where a greater risk of non-compliance with the Ordinance exists and to focus resources on those areas, this section will be amended to provide "[a] formal audit of all of the Tax Collector's records may be conducted at the discretion of the Finance Director."

Additional changes to MMC Chapter 5.10, are also being proposed to further improve the administration and collection of the tax.

Now, therefore, THE COMMON COUNCIL FOR THE CITY OF McMINNVILLE  
ORDAINS AS FOLLOWS:

1. The attached language is incorporated into this Ordinance by this reference.
2. This Ordinance amends and supersedes Ordinances 4970, 4974, and 4994.
3. This Ordinance allows the City to more efficiently verify the accurate collection, reporting and remittance of transient lodging tax collection and facilitates administration of the collection of the transient lodging tax.
4. The provisions of McMinnville Municipal Code Chapter 5.10 that are not expressly amended by this Ordinance shall remain in effect.
5. This ordinance will take effect 30 days after passage by the Council.

Passed by the Council this 12th day of April 2016, by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved this 12<sup>th</sup> day of April 2016.

Effective date: May 12, 2016.

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MAYOR

Attest:

Approved as to form:

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CITY RECORDER

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CITY ATTORNEY



Chapter 5.10  
LOCAL TRANSIENT LODGING TAXES

Sections:

5.10.~~10~~40 Collection fee.

5.10.~~10~~90 Penalty.

5.10.010 Definitions. For the purposes of this Chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning:

- A. "City" means the City of McMinnville, Oregon.
- B. "City Council" means the City Council of the City of McMinnville, Oregon.
- C. "Finance Department" means the Finance Department of the City.
- D. "Finance Director" means the Director of the Finance Department or their designee.
- E. "Lodging" means **"Transient Lodging" as defined by ORS 320.300, except that "Lodging" shall not include** ~~any structure or portion of any structure which is occupied or intended or designed for Occupancy for less than thirty (30) days for dwelling, lodging, or sleeping purposes, and includes any hotel, motel, inn, bed and breakfast establishment, vacation home rental, apartment or apartment house, or similar structure or portion of a structure so occupied, provided the Occupancy is for less than a thirty (30) day period. The term "Lodging" specifically excludes~~ dormitory rooms used for educational purposes, camping sites, and recreational vehicle sites.
- F. "Occupancy" means the use or possession, or the right to use or possession, for lodging purposes, of any space, or portion thereof, in a Lodging.
- G. "Occupant" means a person who uses or possesses, or who has the right to use or posses any space, or portion thereof, in a Lodging.
- H. "Rent" means the consideration charged, whether or not received by the Transient Lodging Tax Collector, for the occupancy of space in a Lodging, whether or not valued in money, without any deduction.

- I. "Tax" or "Taxes" means either the Tax payable by the Occupant or the aggregate amount of Taxes due from a Tax Collector during the period for which the Tax Collector is required to report collections.
- J. "Transient Lodging Intermediary" or "Lodging Intermediary" means a person other than a transient lodging provider who facilitates the retail sale of transient lodging and charges for occupancy of the transient lodging.
- K. "Transient Lodging Provider" or "Provider" means the person who is the proprietor of a Lodging in any capacity. Where management functions are performed through a managing agent other than an employee, the managing agent who shall have the same duties and liabilities as the proprietor shall be the Provider. Compliance with the provisions of this Chapter by either the proprietor or the managing agent shall be considered to be compliance by both.
- L. "Transient Lodging Tax Collector" or "Tax Collector" means a transient lodging provider or a transient lodging intermediary.

5.10.050 Exemptions.

A. No Tax imposed by this Chapter shall be imposed upon **dwelling units described in ORS 320.308.**

- ~~1. Any Occupancy consisting of thirty (30) or more successive calendar days.~~
- ~~2. Any person who pays for Lodging on a monthly basis, irrespective of the number of days in the month.~~
- ~~3. Any occupant in a hospital room, medical or mental health facility, convalescent home, home for aged people, or a government owned and operated public institution.~~
- ~~4. Any person housed through an emergency shelter or disaster program where the Rent is paid with government assistance funds.~~
- ~~5. Any federal government employee traveling on official government business, who presents an official Government Exemption Certificate, official travel authorization, or federal government identification.~~

5.10.150 Administration.

- A. Every Tax Collector shall keep records of rentals and accounting books **that are sufficient to demonstrate compliance with the provisions of this Chapter.** These records shall be retained for three (3) years and six (6) months after they are created.

- B. The Finance Director may examine, during normal business hours, the books, papers, and accounting records relating to rentals of any Tax Collector liable for the Tax, after notification to the Tax Collector, and may investigate the business of the Tax Collector in order to verify the accuracy of any return made, or if no return is made by the Tax Collector, to ascertain and determine the amount required to be paid.
- C. A formal audit of all of the Tax Collector's records ~~may~~ shall be conducted at the discretion of the Finance Director ~~least once in every three year period.~~
- D. Except as otherwise required by law, it shall be unlawful for any officer, employee, or agent of the City to divulge, release, or make known in any manner any financial information submitted or disclosed to the City under the terms of this Chapter. Nothing in this Section shall be construed to prohibit:
1. The disclosure to, or the examination of, financial records by City officers, employees, or agents for the purpose of administering or enforcing the terms of this Chapter, or collecting Taxes imposed under the terms of this Chapter;
  2. The disclosure to the Tax Collector or his/her authorized representative of financial information, including amounts of Transient Lodging Taxes, penalties, or interest, after filing of a written request by the Tax Collector or his/her authorized representative and approval of the request by the Finance Director;
  3. The disclosure of the names and addresses of any person to whom this Chapter applies;
  4. The disclosure of general statistics in a form which would prevent the identification of financial information regarding any particular Tax Collector's return or application; or
  5. The disclosure of financial information to the City Attorney or other legal representative of the City to the extent the Finance Director deems disclosure or access necessary for the performance of the duties of advising or representing the Finance Director, the Finance Department, or the City.



**City Council- Regular**

**Meeting Date:** 04/12/2016

**Subject:**

**From:** Rose Lorenzen, Administrative  
Assistant / HR Analyst

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**AGENDA ITEM:**

**Resolution No. 2016 - 18:** Approving entering into a contract with Talbot, Korvola and Warwick LLP

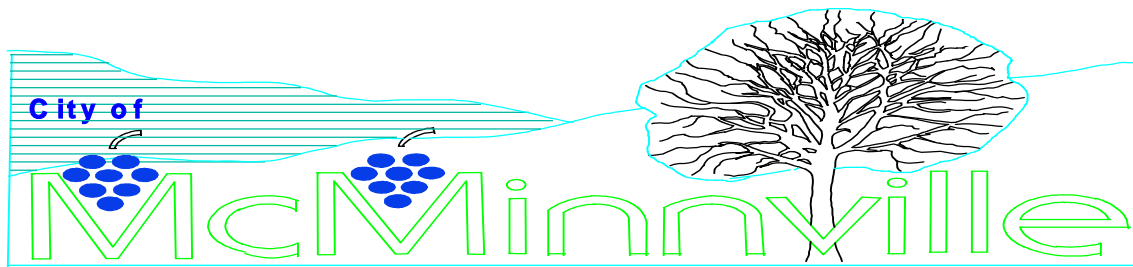
**BACKGROUND:**

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**Attachments**

Memorandum  
Resolution  
TLT Contract

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## MEMORANDUM

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**DATE:** April 12, 2016  
**TO:** Martha Meeker, City Manager  
**FROM:** Marcia Baragary, Finance Director  
**SUBJECT:** Contract for Transient Lodging Tax Attestation Services

Resolution No. 2016 - 18 - A Resolution approving entering into a contract with Talbot, Korvola, and Warwick LLP

Background: In 2013, the City Council adopted Ordinance No. 4970, effective January 1, 2014, imposing an eight percent (8%) local transient lodging tax (TLT) on rent charged by transient lodging providers. Providers must collect the transient lodging tax from the occupant of the lodging and are required to remit taxes collected to the City on a quarterly basis.

To ensure that all providers are collecting, reporting, and remitting taxes accurately, the Ordinance includes a provision for formal "audits" of transient lodging providers' records. In March 2016, the City issued a Request for Proposals (RFP) for Transient Lodging Tax Attestation Services for the purpose of verifying transient lodging taxes remitted to the City. The scope of work in the RFP included such procedures as obtaining an understanding of the providers' accounting methods and processes, comparing rents charged to gross rental receipts reported on quarterly tax returns, reconciling taxes due to taxes remitted to the City, and providing written reports detailing procedures performed and any findings identified.

The RFP was sent to the firms of Talbot, Korvola and Warwick LLP, Merina and Company LLP, and Pauly Rogers and Company CPA. The firm of Talbot, Korvola and Warwick LLP (TKW) responded to the RFP. TKW's proposal demonstrated the firm's experience in conducting transient lodging tax attestation services, qualifications of TKW personnel, and availability to perform the services in the timeframe required by the City. The fee for services included in TKW's proposal was reasonable and appropriate. No other responses to the City's RFP were received.

The Resolution presented to the City Council approves entering into a contract with Talbot, Korvola and Warwick LLP to provide transient lodging tax attestation services for fiscal years 2015-16, 2016-17, and 2017-18.

Recommendation: Approval of the Resolution and contract as presented.

RESOLUTION NO. 2016 - 18

A Resolution approving entering into a contract with Talbot, Korvola and Warwick LLP

RECITALS:

In March 2016, the City of McMinnville issued a Request for Proposals for Transient Lodging Tax Attestation Services. The firm of Talbot, Korvola and Warwick LLP (TKW) submitted a Proposal which conformed to the requirements of the Request for Proposal and demonstrated TKW's experience, qualifications, and ability to perform the attestation services as required by the City.

The City desires to contract with Talbot, Korvola and Warwick LLP to provide transient lodging tax attestation services for fiscal years 2015-16, 2016-17, and 2017-18.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, OREGON, as follows:

1. That entry into a contract between the City of McMinnville and Talbot, Korvola and Warwick LLP is hereby approved.
2. The City Manager is hereby authorized and directed to execute the contract with Talbot, Korvola and Warwick LLP.
3. That this resolution shall take effect immediately upon passage and shall continue in full force and effect until modified, revoked, or replaced.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 12th day of April 2016 by the following votes:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved this 12th day of April 2016.

\_\_\_\_\_  
MAYOR

Approved as to Form:

\_\_\_\_\_  
CITY ATTORNEY

**CITY OF McMinnville, Oregon**  
**CONTRACT**  
**for**  
**TRANSIENT LODGING TAX**  
**ATTESTATION SERVICES**

This contract is between the City of McMinnville, a municipal corporation of the State of Oregon (City) and Talbot, Korvola and Warwick LLP (Contractor). The City's Project Manager for this contract is Marcia Baragary. The contract is entered into in accordance with the requirements of ORS Chapter 279B.

The parties mutually covenant and agree as follows:

**1. Effective Date and Duration.**

This contract, once fully executed, is effective April 13, 2016, and will expire, unless otherwise terminated or extended, on June 30, 2018.

**2. Statement of Work.**

The work to be performed under this contract consists generally of performing certain agreed upon procedures for the purpose of ensuring the proper collection, reporting, and remittance of transient lodging taxes.

The full Statement of the Work is contained in Exhibit A. The Statement of the Work reflects both the work anticipated and the fees the Contractor will charge for each component of the work.

**3. Consideration.**

a. The City agrees to pay the Contractor for work completed according to the charges established in the Statement of the Work (Exhibit A). The total sum will not exceed \$21,000, inclusive of all out-of-pocket expenses for Fiscal Year (FY) 2015-16, \$16,250, inclusive of all out-of-pocket expenses for FY 2016-17, and \$16,250, inclusive of all out-of-pocket expenses for FY 2017-18.

b. The City will pay the Contractor upon submission of an invoice. The City will make payment within thirty days of receipt of the invoice.

c. The City certifies that sufficient funds are available and authorized for expenditure to finance the cost of this contract for FY 2015-16. The City will use best efforts to have available and authorized sufficient funds for all future years.

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**CONTRACTOR DATA, CERTIFICATION, AND SIGNATURE**

Name (please print): \_\_\_\_\_

Address: \_\_\_\_\_

Social Security #: \_\_\_\_\_

Federal Tax ID #: \_\_\_\_\_

State Tax ID #: \_\_\_\_\_

Citizenship: Nonresident alien \_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_

Business Designation (check one): \_\_\_\_\_ Individual \_\_\_\_\_ Sole Proprietorship

\_\_\_\_\_ Partnership \_\_\_\_\_ Corporation \_\_\_\_\_ Government/Nonprofit

The above information must be provided prior to contract approval. Payment information will be reported to the Internal Revenue Service (IRS) under the name and taxpayer I.D. number provided above. (See IRS 1099 for additional instructions regarding taxpayer ID numbers.) Information not matching IRS records could subject you to 31 percent backup withholding.

I, the undersigned, understand that the Standard Terms and Conditions for this contract and Exhibits A, B, C, and D are an integral part of this contract and agree to perform the work described in Exhibit A in accordance with the terms and conditions of this contract; certify under penalty of perjury that I/my business am not/is not in violation of any Oregon tax laws; and certify I am an independent contractor as defined in ORS 670.600, a corporation, or a Limited Liability Partnership.

Signed by Contractor: \_\_\_\_\_

\_\_\_\_\_  
Signature/Title

\_\_\_\_\_  
Date

*NOTICE TO CONTRACTOR: This contract does not bind the City of McMinnville unless and until it has been fully executed by the appropriate parties.*

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**CITY OF McMINNVILLE SIGNATURE**

Approved: \_\_\_\_\_

\_\_\_\_\_  
City Manager or Designee

\_\_\_\_\_  
Date

Reviewed: \_\_\_\_\_

\_\_\_\_\_  
City Attorney or Designee

\_\_\_\_\_  
Date



## **CITY OF McMINNVILLE**

### **STANDARD TERMS AND CONDITIONS FOR CONTRACTS**

#### **1. Contractor is an Independent Contractor, a Corporation, or a Limited Liability Partnership**

a. Contractor will perform the work required by this contract as an independent contractor, a corporation, or a Limited Liability Partnership. Although the City reserves the right (i) to determine (and modify) the delivery schedule for the work to be performed and (ii) to evaluate the quality of the completed performance, the City cannot and will not control the means or manner of the Contractor's performance. The Contractor is responsible for determining the appropriate means and manner of performing the work.

b. The Contractor represents and warrants that the Contractor (i) is not currently an employee of the federal government or the State of Oregon, and (ii) either meets the specific independent contractor standards of ORS 670.600 as certified on the Independent Contractor Certification Statement attached as Exhibit C, or is a corporation or Limited Liability Partnership as certified on Exhibit C.

c. Contractor will be responsible for any federal or state taxes applicable to any compensation or payment paid to Contractor under this contract.

d. Contractor is not eligible for any federal Social Security, unemployment insurance, or workers' compensation benefits from compensation or payments to Contractor under this contract, except as a self-employed individual.

#### **2. Subcontracts and Assignment**

Contractor will not subcontract any of the work required by this contract, or assign or transfer any of its interest in this contract, without the prior written consent of the City. Contractor agrees that if subcontractors are employed in the performance of this contract, the Contractor and its subcontractors are subject to the requirements and sanctions of ORS Chapter 656, Workers' Compensation.

#### **3. No Third Party Beneficiaries**

City and Contractor are the original parties to this contract. City and Contractor are the only parties entitled to enforce the terms of this contract. Nothing in this contract gives or provides any benefit or right, whether directly, indirectly, or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this contract.

#### **4. Successors in Interest**

The provisions of this contract shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors and approved assigns, if any.

#### **5. Early Termination**

- a. The City and the Contractor, by mutual written agreement, may terminate this contract at any time.
- b. Either party may, by providing written notice to the other party by January 1 of the year in which the termination is to be effective, terminate this contract for any reason.
- c. Either the City or the Contractor may terminate this contract in the event of a breach of the contract by the other. Prior to such termination, however, the party seeking the termination shall give to the other party written notice of the breach and of the party's intent to terminate. If the other party has not entirely cured the breach within twenty one days of the notice, then the party giving the notice may terminate the contract at any time thereafter by giving a written notice of termination.

#### **6. Payment on Early Termination**

- a. If this contract is terminated under 5(a) or 5(b), the City shall pay the Contractor for work performed in accordance with the contract prior to the termination date. Payment may be prorated as necessary.
- b. If this contract is terminated under 5(c) by the Contractor due to a breach by the City, then the City shall pay the Contractor as provided in subsection (a) of this section.
- c. If this contract is terminated under 5(c) by the City due to a breach by the Contractor, then the City shall pay the Contractor as provided in subsection (a) of this section, subject to set off of excess costs, as provided for in section 7, Remedies.

#### **7. Remedies**

- a. In the event of termination under 5(c) by the City due to a breach by the Contractor, then the City may complete the work by agreement with another contractor. In the event the cost of completing the work exceeds the remaining unpaid balance of the total compensation provided under this contract, then the Contractor will pay to the City the amount of the reasonable excess.
- b. The remedies provided to the City under sections 5 and 7 for a breach by the Contractor are not exclusive. The City also will be entitled to any other equitable and legal remedies that are available.
- c. In the event of breach of this contract by the City, then the Contractor's remedy will be limited to termination of the contract and receipt of payment as provided in section 5(c) and 6(b).

## **8. Access to Records**

Contractor will maintain, and the City and its authorized representatives will have access to, all books, documents, papers, and records of Contractor which relate to this contract for the purpose of making audit, examination, excerpts, and transcripts for a period of three years after final payment. Copies of applicable records shall be made available upon request. Payment for cost of copies is reimbursable by the City.

## **9. Ownership of Work**

All work products of the Contractor that are a product of this contract are the property of City. Contractor will retain no ownership interests or rights in the work product.

## **10. Compliance with Applicable Law**

Contractor will comply with all federal, state, and local laws and ordinances applicable to the work under this contract, including, without limitation, the provisions of ORS 279B.220, 279B.230, and 279B.235 as set forth on Exhibit B. Without limiting the foregoing, Contractor expressly agrees to comply with: (i) Title VI of the Civil Rights Act of 1964; (ii) Section V of the Rehabilitation Act of 1973; (iii) the Americans with Disabilities Act of 1990 (Pub L No. 101-336), ORS 659.425, and all regulations and administrative rules established pursuant to those laws; and (iv) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations.

## **11. Indemnity and Hold Harmless**

a. Except for the professional negligent acts covered by paragraph 11.b., Contractor will defend, save, hold harmless, and indemnify the City, its officers, agents, and employees from all claims, suits, or actions of whatsoever nature resulting from or arising out of the activities of Contractor or its officers, employees, subcontractors, or agents under this contract.

b. Contractor will defend, save, hold harmless, and indemnify the City, its officers, agents, and employees from all claims, suits, or actions arising out of the professional negligent acts, errors, or omissions of Contractor or its officers, employees, subcontractors, or agents under this contract.

## **12. Insurance**

Contractor will provide insurance in accordance with Exhibit B.

## **13. Waiver**

The failure of the City to enforce any provision of this contract shall not constitute a waiver by the City of that or any other provision.

## **14. Errors**

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

**15. Governing Law**

The provisions of this contract shall be construed in accordance with the laws of the State of Oregon and ordinances of the City of McMinnville, Oregon. Any action or suits involving any question arising under this contract must be brought in the appropriate court in Yamhill County, Oregon. Provided, however, if the claim must be brought in a federal forum, then it shall be brought and conducted in the United States District Court for the District of Oregon.

**16. Severability**

If any term or provision of this contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the particular term or provision held invalid.

**17. Merger Clause**

THIS CONTRACT AND ATTACHED EXHIBITS CONSTITUTE THE ENTIRE AGREEMENT BETWEEN THE PARTIES. NO WAIVER, CONSENT, MODIFICATION, OR CHANGE OF TERMS OF THIS CONTRACT SHALL BIND EITHER PARTY UNLESS IN WRITING, SIGNED BY BOTH PARTIES. SUCH WAIVER, CONSENT, MODIFICATION, OR CHANGE, IF MADE, SHALL BE EFFECTIVE ONLY IN THE SPECIFIC INSTANCE AND FOR THE SPECIFIC PURPOSE GIVEN. THERE ARE NO UNDERSTANDINGS, AGREEMENTS, OR REPRESENTATIONS, ORAL OR WRITTEN, NOT SPECIFIED HEREIN REGARDING THIS CONTRACT. BY SIGNATURE, CONTRACTOR ACKNOWLEDGES IT HAS READ AND UNDERSTANDS THIS CONTRACT AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

**EXHIBIT A**  
**STATEMENT OF THE WORK**

Please see following page.



City of McMinnville, Oregon  
Proposal on Transient Lodging Tax Attestation Services

March 15, 2016

Contact:

Robert G. Moody, Jr., Partner  
4800 Meadows Rd., Suite 200  
Lake Oswego, OR 97035  
(503) 274-2849  
[rmoody@tkw.com](mailto:rmoody@tkw.com)  
[www.tkw.com](http://www.tkw.com)





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**Talbot, Korvola  
& Warwick, LLP**

Certified Public Accountants  
& Consultants

**ACHIEVE MORE**

4800 Meadows Road, Suite 200  
Lake Oswego, Oregon 97035-4293

P 503.274.2849  
F 503.274.2853

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

March 15, 2016

Ms. Marcia Baragary, Finance Director  
City of McMinnville  
230 NE Second Street  
McMinnville, OR 97128

Dear Ms. Baragary,

Thank you for the opportunity to provide this proposal to the City of McMinnville (the City) in response to your Request for Proposals (RFP) to provide agreed upon procedures relating to the City's Transient Lodging Tax (TLT). Talbot, Korvola & Warwick, LLP (TKW) is proud to have provided assurance and consulting services to local governments for more than 27 years. We are proposing a team with significant experience directly benefiting the City's objectives related to TLT compliance.

Our team has the relevant expertise in the defined scope of work with specific experience in the public sector. We believe we understand what is important to you and that we are a solid match with the City's needs. Our background in municipal accounting, finance, auditing, and compliance, coupled with our familiarity with the City, allows us to bring not only a level of service that you can, and should, expect from your professional services firm, but an understanding of best practices and experience that we will leverage to your greatest advantage.

#### **We Understand the Work**

We work with local governments in Oregon throughout the year to help ensure proper reporting and compliance. We currently provide compliance services to other Oregon cities related to TLT. The scope of work the City has identified is clearly aligned with best practices and similar to that of other jurisdictions we work with. No learning curve for us translates to efficiencies and cost savings to you.

#### **We Will Communicate**

Our team members are responsive to you. More than that, we are proactive in our communications with you as your business partner. We will bring and discuss information, ideas, and concepts to you that we believe are relevant to the City's TLT program. Our model for serving you includes regular status meetings and updates as part of the engagement plan. We are available to you in person, by phone, and electronically to discuss issues on your schedule. If you don't call – we will.

#### **Expertise and Excellence of Service**

Our expertise results in an acute awareness of the factors affecting TLT and the analytic relationships between the state and local economy, banking records, and other documentation that provide insights into compliance with the City's requirements. Our client service team has developed the specialized competence that enables us to serve you in a more creative and practical manner, looking for trends and outliers that may identify noncompliance and help the City collect amounts legally due and owing. Specific expertise and communications help us to bring a practical and implementable approach to the table and support your specific objectives.

An Independent Member  
**MCGLADREY ALLIANCE**



**McGladrey**



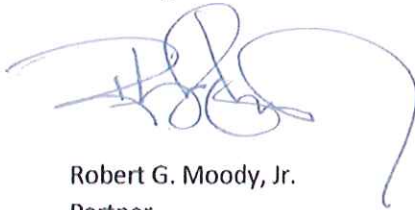
Ms. Marcia Baragary, Finance Director  
City of McMinnville  
March 15, 2016

**Our Commitment to You**

Our focus will be on applying our resources to your greatest advantage; our people, our skills and background, our knowledge and expertise, and our energy. We will deliver sound, practical procedures that support our conclusions and ultimately help to mitigate your risks related to lodging provider noncompliance.

We appreciate the opportunity to provide you with this information. Please let us know if you need any additional information or have any questions. I can be reached by phone (503) 274-2849, fax (503) 274-2853, or email [rmooddy@tkw.com](mailto:rmooddy@tkw.com).

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Moody, Jr.", with a long, sweeping horizontal line extending to the right.

Robert G. Moody, Jr.  
Partner



## Pricing Information

Our fee proposal is based on the expected hours and direct costs we will incur to complete the project, along with our expectation of delivering a consistent value to the City.

We have prepared our estimates for the three years covered by this proposal based on our experience in performing similar services for other jurisdictions, and that we will evaluate one-third of the City's lodging providers each year of the contract. We propose a fee not to exceed \$21,000 for the first year of the contract, inclusive of all out-of-pocket expenses. Anticipating efficiencies in years two and three of the contract, we propose a fee not to exceed \$16,250 per year, inclusive of all out-of-pocket expenses.

## Prior Experience

TKW is uniquely qualified to provide TLT related services to the City of McMinnville based on our experience and expertise in serving similar local governments and extensive familiarity with TLT and our thorough and comprehensive assurance and compliance audits of local governments. We bring a firm, and specific to the City, a team with vast experience working directly with, and for, local government.

We have performed a variety of Agreed-Upon Procedures to government clients in accordance with Statements on Standards for Accounting and Review Services (SSARS) and have specific experience with TLT type engagements including:

### City of Medford, Oregon

We are currently contracted with the City of Medford to perform Agreed-Upon Procedures related to the City's TLT evaluating approximately ten (10) operators annually. The work plan developed for Medford is very similar to the one we propose for the City of McMinnville.

**Contact** – Alison Chan, Finance Director

**Phone** – (541) 774-2030

**Email** – [Alison.chan@cityofmedford.org](mailto:Alison.chan@cityofmedford.org)

### City of Central Point, Oregon

TKW is currently under contract with the City of Central Point to perform Agreed-Upon Procedures related to monitoring and compliance with the City's TLT Ordinance. We evaluated the three operators in Central Point subject to the City's Ordinance.

**Contact** – Bev Adams, Finance Director

**Phone** – (541) 601-1637

**Email** – [bev.adams@centralpointoregon.gov](mailto:bev.adams@centralpointoregon.gov)

### City of Lincoln City, Oregon

TKW was engaged by the City of Lincoln City to review a sample of prior TLT engagements performed by another individual. We reviewed the working files and related reports for consistency and in support of the





objectives per the City's Transient Lodging Tax Ordinance and provided our findings to the City in a written report. The project was structured as an Agreed-Upon Procedures engagement.

**Contact** – Debbie Mammone, Finance Director

**Phone** – (503) 996-1206

**Email** – debbiem@lincolncity.org

#### **City of Woodburn, Oregon**

TKW performed an Agreed-Upon Procedures engagement for the City of Woodburn whereby we were engaged to apply specific procedures to evaluate compliance with lodging tax requirements similar to those proposed to the City of McMinnville. We worked closely with City staff to identify two motels subject to the lodging tax and perform procedures resulting in a written report.

**Contact** – Matt Ellerbrook, Accounting Manager

**Phone** – (503) 982-5222

**Email** – matt.ellerbrook@ci.woodburn.or.us

## **Qualifications of Submitter and Key Personnel**

### **Qualifications**

As mentioned previously, we have direct expertise and experience with engagements similar in scope to your identified project. Our knowledge of the Oregon Revised Statutes as they relate to Transient Lodging Taxes as well as our ability to understand local regulations allows us to immediately begin our engagements. As the following approach demonstrates, we have a clear understanding of your objectives and challenges in meeting those objectives:

#### **Kickoff**

We will meet with City representatives to discuss and refine, as necessary, specific expectations related to the engagement. We will provide an arrangement letter that clearly identifies roles and responsibilities effectively mirroring those outlined in your RFP. We will work with the City to identify key dates and milestones during the engagement where we will provide status and deliverables. This level of planning and communication allows us to work with you to avoid surprises on either side and perform our work not only in accordance with standards, but in alignment with your expectations.

#### **Fieldwork**

In this phase, our team members will work with the City and the lodging providers to gather and evaluate evidence of compliance or potential noncompliance with the City's TLT requirements in support of our conclusions and reports. This phase contains several specific tasks:

##### **Review**

Our team will review and become familiar with the City's Code Section 5.10 relating to TLT and other related requirements. We will inquire of City staff and other stakeholders as necessary, as to any political or other factors that potentially affect compliance.





- **Correspondence**

We will provide the lodging providers, as well as the City, with a list of required documents to be maintained and provided to us in support of our procedures to evaluate compliance. We will also provide a draft announcement letter for the City to review, edit, and send to the lodging providers. Once the letter has been sent, we will contact each provider directly to schedule our on-site visits.

- **Procedures**

Consistent with the City's stated scope of work, we will perform a variety of procedures directly aimed at determining the level of compliance with TLT requirements including, but not limited to:

1. Review the McMinnville Municipal Code Section 5.10, Local Transient Lodging Taxes. Provide comments related to improving or clarifying language in the Code provisions related to collecting, remitting, and reporting transient lodging taxes.
2. In conjunction with City staff, review the TLT providers and associated tax returns to be included in the engagement. Work with City staff to provide notification to selected TLT providers.
3. For each TLT provider selected, obtain an understanding of provider's accounting methods and procedures for collecting, reporting, and remitting transient lodging taxes.
4. Obtain income statements and tax returns, if available, for the period under review. Reconcile reported revenues to amounts reported on the quarterly Transient Lodging Tax Returns.
5. Calculate the total tax due from the lodging establishment for the period and reconcile with payments received by the City for that period.
6. Select a sample of exempted sales reported on the provider's quarterly Tax Returns and reconcile to the supporting documentation for each exempted sale during the period.
7. Select one quarter from the period included in the engagement for detail testing. For the quarter selected, reconcile gross rental fees collected, per the providers' daily records to quarterly Tax Returns filed with the City.
8. For the quarter selected, trace daily sales reported to the records of bank deposits.
9. Provide written reports detailing the procedures performed and any findings identified for each provider included in the engagement.

### **Reporting**

Upon completion of our procedures, we will discuss our draft reports with the lodging provider to ensure our understandings and findings are accurate. Each providers' report will then be provided to the City for review. The report will state the procedures applied and the results of those procedures. Our reports will not provide any assurance as to the sufficiency of our procedures or compliance consistent with professional standards. Once drafts have been reviewed and updated for any additional input, we will finalize and present our reports to the City.

### **Wrap up**

Following the completion of fieldwork and in conjunction with our reporting, we will provide the City with a management representation letter consistent with our professional standards that will confirm any representations made by the City during the engagement. The City will be billed upon submission of our







final report for each respective lodging provider.

### Key Personnel

Your client service team is comprised of professionals with years of experience relevant to our engagement with the City. Key to the success of our overall relationship with the City is to provide you with a single, primary point of contact through Rob as your Project Manager. Rob will coordinate the efforts of each of our team members as needed to meet the requirements of the engagement. Briefly, key members of your client service team are as follows with resumes for each member of the team provided in Attachment A.

#### **Rob Moody, CPA, Project Manager**

Rob has been with TKW for more than 12 years and is a partner focusing on services to local governments. Prior to joining TKW, he was a government finance officer with the cities of The Dalles, Sherwood, and Wilsonville, Oregon and had direct responsibilities for monitoring and compliance related to TLT as well as a local gas tax. Rob will serve as your project manager and as such, will coordinate our resources to best meet your needs and wants. Rob will be directly involved in the planning, performance, and review of our procedures and will sign all reports to the City. His client-centered, collaborative style and approach will help ensure a level of service you can and should expect from this team. Rob is the project manager for the Firm's TLT engagements with the Cities of Medford and Central Point.

#### **Danielle Bertrand**

Danielle joined our team in May, 2015 after 8 years of banking experience, and two seasons with TKW's Tax Department. Danielle is detailed in her approach and has a customer-oriented style. She has coordinated our TLT engagement with the City of Cascade Locks and worked directly on our TLT engagement with the City of Medford. Danielle will be directly involved in scheduling and coordinating of services to the City. She will leverage her experience to the direct advantage of the City of McMinnville.

#### **Brad Rafish, CGFM, CICA**

With more than 30 years of experience serving governments in a consulting and business advisory capacity, Brad brings significant background and skills to the City and will participate directly in the planning, performance, and review of procedures performed under our engagement with the City. Brad brings direct experience in TLT from his work with both the Cities of Medford and Central Point.

#### **Anne Nottingham**

Anne has more than 25 years providing high-quality service to state and local government with TKW. Anne is thorough in her approach and has direct experience performing TLT engagements with the City of Medford. Anne's communications style and client-centered approach make her an immediate asset to our team in working with the City of McMinnville.

Should we wish to introduce additional team members as a means to better serving the City, we will introduce





each and receive your prior consent before any performance on the engagement.

### Time and Availability to Perform

We are available to meet with the City immediately upon being selected to plan the engagement and set expectations for specific performance. We anticipate completing our work plan as tailored to your stated scope of work with kick off and planning performed in April 2016 and fieldwork performed over the course of two weeks during May 2016 or as otherwise negotiated. We expect fieldwork to be completed in one day per hotel/motel and bed and breakfast establishment and one-half day per vacation home rental with draft reports provided to the City at the conclusion of fieldwork. We expect to provide final reports to the City within one week of completing our on-site fieldwork.

Our team has the specific skills, experience, and capacity to meet the needs of the City as outlined in your RFP. In addition to the team identified specifically above, we have significant additional resources available in the Firm's Assurance Team with specific skills serving local governments like the City.

### Client Service Promise

The City of McMinnville will be an important client to TKW. We have built our Firm's reputation on service, relationships, and technical expertise. Our team members – the people that will work directly with you and your team, are what truly sets us apart and allow us to keep our promise to you:

- We will **listen**.

- We will bring our **best efforts, expertise and knowledge** to the table.

- We will **bring value** to every interaction.

- We will **engage** with you and **align** our approach to fit with your culture.







Robert Moody, Jr.  
Partner



**Robert G. Moody, Jr., CPA**  
Partner

Bachelor of Arts in Accounting  
Western Washington University

Licensed CPA  
Oregon #6161  
Washington #27284

American Institute of  
Certified Public Accountants

Oregon Society of  
Certified Public Accountants  
Past Chair

OSCPA Legislative Policy  
Committee Chair

Rob joined TKW in 2004 after more than fifteen years of experience working as a government finance officer for cities in Oregon. His responsibilities as a finance officer included coordination of business processes including compliance with the local room tax requirements. Rob has a leadership style that is client-centered and focused on the needs and wants of those served.

With TKW, Rob brings a strong customer service perspective to clients and a seasoned understanding of government operations and organizational issues. As Project Manager to the City, he will coordinate with other members of the client service team to ensure that your expectations are met or exceeded, and will serve as a primary point of contact.

His experience includes:

- Transient lodging tax compliance procedures for cities.
- Organizational studies and reviews for cities, counties, community colleges and special districts.
- Drafting and implementation assistance with policies and procedures for local government.
- Internal control documentation, review and assessments for local governments.
- Litigation support in relation to issues involving municipal governments.
- Financial statement and compliance audits for cities, counties, school districts, community colleges and special districts.
- Budget development and implementation.
- Cost and fee studies based on cost of service and market factors.
- Cost allocation planning and implementation.





**Brad Rafish, MBA**

**Partner**

Master of Business  
Administration  
University of Montana

Bachelor of Business  
Administration  
University of Montana

Certified Government  
Financial Manager

Certified Internal  
Controls Auditor

Association of  
Governmental Accountants

The Institute for  
Internal Controls

Brad Rafish has conducted information systems assessments, organizational reviews, performance audits, efficiency and effectiveness evaluations, internal controls reviews, and management studies and has developed extensive policy and procedures manuals for more than 20 years with a variety of governmental organizations. He examines: organizational structures, business practices, problem resolution, service delivery, information processing systems, customer satisfaction, financial systems, purchasing, contracting, office systems, and risk management. In addition, Brad has performed financial, compliance, and sunset audits and has assessed a variety of regulatory agencies. He has established specific programs and developed how-to manuals for local and regional governments and public utilities.

His experience includes:

- Organizational studies and reviews for cities, counties, community colleges and special districts.
- Drafting and implementation assistance with policies and procedural manuals for local government.
- Internal control documentation, review and assessments for local governments.
- Cost and fee studies based on cost of service and market factors.
- Cost allocation planning and implementation.



**Anne Nottingham**  
Consulting Manager

BS, Portland State  
University

Anne has over 29 years of experience assessing governmental and small business operations including performance audits, efficiency and effectiveness evaluations, strategic planning, internal control reviews, procurement and contracting operations, and organizational structures. She has extensive experience assessing risk through the documentation and flowcharting of business processes, identifying and testing internal controls and concluding on their effectiveness. In addition, Anne has assisted small businesses and not-for-profits with business reviews, account analyses, and bookkeeping assistance.

Anne has participated in financial audits of various municipalities and businesses and has assisted with compiling, organizing and reviewing work papers in relation to Yellow-Book performance audits, operational assessments, and organizational reviews.

#### *Recent Clients/Relevant Experience*

- City of Medford, Oregon  
Anne participated in evaluating compliance with the City's transient lodging tax requirements.
- Clackamas County, Oregon  
Anne was a team member on the performance evaluation of the Housing Authority of Clackamas County'. She participated in all aspects of the project.
- Oregon Department of Environmental Quality – Internal Audit Services  
Anne was a key team member on this project, assisting with conducting the agency-wide risk assessment, and each of the audits that were performed. Tasks included conducting fieldwork such as documentation review and analysis and conducting interviews, report writing, and presentation to the client.
- Clackamas County Public & Government Affairs Performance Audit  
Anne was the lead consultant on this project. Her responsibilities included interviewing PGA staff, conducting a survey of stakeholders and users of their services, examining the organizational structure of the Department, and contacting similar entities. Anne also participated in status reports, report writing, and presenting the report to the Board of County Commissioners. This project involved reviewing how PGA worked with County Departments, citizen groups, and other stakeholders to assure communication via flyers, newsletters, website, etc. were developed timely and professionally, and sent to County residents.



**Danielle Bertrand**  
Consultant

Linfield College, BS in  
Accounting

Oregon Society of  
Certified Public  
Accountants

Danielle joined TKW in 2014 and brings experience in both public accounting and private industry with over eight years of experience in the banking industry. Her diverse background brings a unique perspective to assisting our clients. Danielle has had the opportunity to prepare federal, state and local income tax returns for individuals and large and small businesses. She provides "back office" services including account analysis, reconciliations, and monthly reporting for a large international conference. Danielle also has recently provided a large Oregon school district with assistance in the identification and recording of capital information technology assets. Danielle strives to provide clients with responsive and prompt service and enjoys assisting them with their success as their needs evolve.

Danielle directly coordinates services to the City of Cascade Locks with respect to their transient lodging tax compliance program, and is part of TKW's team providing similar services to the Cities of Medford and Central Point. She will be directly involved in all phases of our engagement with the City of McMinnville, ensuring a consistent, high level of service to the City.

Her experience includes:

- Transient lodging tax compliance procedures for cities.
- Assistance in drafting and implementing policies, practices and procedures for tax collections and assessments by cities.
- Internal control documentation, review and assessments for local governments.
- Risk assessments for local governments.
- Evaluation of performance (efficiency and effectiveness) in local government.

**EXHIBIT B**  
**COMPLIANCE WITH APPLICABLE LAW**

**ORS 279B.220 Conditions concerning payment, contributions, liens, withholding.** Every public contract shall contain a condition that the contractor shall:

- (1) Make payment promptly, as due, to all persons supplying to the contractor labor or material for the performance of the work provided for in the contract.
- (2) Pay all contributions or amounts due the Industrial Accident Fund from the contractor or subcontractor incurred in the performance of the contract.
- (3) Not permit any lien or claim to be filed or prosecuted against the state or a county, school district, municipality, municipal corporation or subdivision thereof, on account of any labor or material furnished.
- (4) Pay to the Department of Revenue all sums withheld from employees under ORS 316.167. [2003 c.794 §76a]

**ORS 279B.230 Condition concerning payment for medical care and providing workers' compensation.** (1) Every public contract shall contain a condition that the contractor shall promptly, as due, make payment to any person, copartnership, association or corporation furnishing medical, surgical and hospital care services or other needed care and attention, incident to sickness or injury, to the employees of the contractor, of all sums that the contractor agrees to pay for the services and all moneys and sums that the contractor collected or deducted from the wages of employees under any law, contract or agreement for the purpose of providing or paying for the services.

- (2) Every public contract shall contain a clause or condition that all subject employers working under the contract are either employers that will comply with ORS 656.017 or employers that are exempt under ORS 656.126. [2003 c.794 §76c]

**ORS 279B.235 Condition concerning hours of labor; compliance with pay equity provisions; employee discussions of rate of pay or benefits.** (1) Except as provided in subsections (3) to (6) of this section, every public contract subject to this chapter must provide that:

(a) A contractor may not employ an employee for more than 10 hours in any one day, or 40 hours in any one week, except in cases of necessity, emergency or when the public policy absolutely requires otherwise, and in such cases, except in cases of contracts for personal services designated under ORS 279A.055, the contractor shall pay the employee at least time and a half pay for:

(A)(i) All overtime in excess of eight hours in any one day or 40 hours in any one week if the work week is five consecutive days, Monday through Friday; or

(ii) All overtime in excess of 10 hours in any one day or 40 hours in any one week if the work week is four consecutive days, Monday through Friday; and

(B) All work the employee performs on Saturday and on any legal holiday specified in ORS 279B.020.

(b) The contractor shall comply with the prohibition set forth in ORS 652.220, that compliance is a material element of the contract and that a failure to comply is a breach that entitles the contracting agency to terminate the contract for cause.

(c) The contractor may not prohibit any of the contractor's employees from discussing the employee's rate of wage, salary, benefits or other compensation with another employee or another person and may not retaliate against an employee who discusses the employee's rate of



wage, salary, benefits or other compensation with another employee or another person.

(2) A contractor shall give notice in writing to employees who work on a public contract, either at the time of hire or before work begins on the contract, or by posting a notice in a location frequented by employees, of the number of hours per day and days per week that the contractor may require the employees to work.

(3) A public contract for personal services, as described in ORS 279A.055, must provide that the contractor shall pay the contractor's employees who work under the public contract at least time and a half for all overtime the employees work in excess of 40 hours in any one week, except for employees under a personal services public contract who are excluded under ORS 653.010 to 653.261 or under 29 U.S.C. 201 to 209 from receiving overtime.

(4) A public contract for services at a county fair, or for another event that a county fair board authorizes, must provide that the contractor shall pay employees who work under the public contract at least time and a half for work in excess of 10 hours in any one day or 40 hours in any one week. A contractor shall notify employees who work under the public contract, either at the time of hire or before work begins on the public contract, or by posting a notice in a location frequented by employees, of the number of hours per day and days per week that the contractor may require the employees to work.

(5)(a) Except as provided in subsection (4) of this section, a public contract for services must provide that the contractor shall pay employees at least time and a half pay for work the employees perform under the public contract on the legal holidays specified in a collective bargaining agreement or in ORS 279B.020 (1)(b)(B) to (G) and for all time the employee works in excess of 10 hours in any one day or in excess of 40 hours in any one week, whichever is greater.

(b) A contractor shall notify in writing employees who work on a public contract for services, either at the time of hire or before work begins on the public contract, or by posting a notice in a location frequented by employees, of the number of hours per day and days per week that the contractor may require the employees to work.

(6) This section does not apply to public contracts:

(a) With financial institutions as defined in ORS 706.008.

(b) Made pursuant to the authority of the State Forester or the State Board of Forestry under ORS 477.406 for labor performed in the prevention or suppression of fire.

(c) For goods or personal property. [2003 c.794 §77; 2005 c.103 §8f; 2015 c.454 §4]

## EXHIBIT B

### INSURANCE

(The Project Manager must answer and initial 2, 3, 4, and 5 below).

During the term of this contract, Contractor will maintain in force at its own expense, each insurance noted below:

1. **Workers Compensation** insurance in compliance with ORS 656.017, which requires subject employers to provide Oregon workers' compensation coverage for all their subject workers. (Required of contractors with one or more employees, unless exempt under ORS 656.027). In addition to the statutory benefits described in ORS Chapter 656, the Contractor and all subcontractors will provide employers' liability insurance with limits of not less than: \$500,000 each accident for bodily injury by accident, \$500,000 each employee for bodily injury for disease, \$500,000 policy limit for bodily injury by disease.  
☒ Required by City      ☐ I am exempt. Signed \_\_\_\_\_
2. **Professional Liability** insurance with a combined single limit of not less than ☒ \$1,200,000, ☐ \$2,000,000, or ☐ \$3,000,000 each claim, incident, or occurrence. This is to cover damages caused by errors, omissions, or negligent acts related to the professional services to be provided under this Contract. The coverage must remain in effect for at least ☐ one year ☐ two years after the Contract is completed.  
☒ Required by City    ☐ Not required by City By: \_\_\_\_\_
3. **General Liability** insurance, on an occurrence basis, with a combined single limit of not less than ☒ \$1,200,000, ☐ \$2,000,000, or ☐ \$3,000,000 each occurrence for Bodily Injury and Property Damage. It will include contractual liability coverage, product and completed operations coverage, and personal and advertising injury coverage.  
☒ Required by City    ☐ Not required by City By: \_\_\_\_\_
4. **Automobile Liability** insurance with a combined single limit, or the equivalent of not less than ☐ \$1,200,000, ☐ \$2,000,000, or ☐ \$3,000,000 each accident for Bodily Injury and Property Damage, including coverage for owned, hired, or non-owned vehicles.  
☐ Required by City    ☒ Not required by City By: \_\_\_\_\_
5. During construction, **Builders Risk** insurance to the extent of 100 percent of the value of the work for the benefit of the parties to the Contract as their interest may appear. Coverage will also include: (1) formwork in place, (2) form lumber on site, (3) temporary structures, (4) equipment, and (5) supplies related to the work while at the site.  
☐ Required by City    ☒ Not required by City By: \_\_\_\_\_

6. **Notice of cancellation or change.** There will be no cancellation, material change, reduction of limits, or intent not to renew the insurance coverage(s) without priorwritten notice from the Contractor or its insurer(s) to the City.
7. **Certificates of insurance.** As evidence of the insurance coverages required by this Contract, the Contractor will furnish acceptable insurance certificates to the City at the time the Contractor returns the signed contracts. For general liability insurance and automobile liability insurance, the certificate will provide that the City, and its agents, officers, and employees, are additional insureds, but only with respect to the Contractor's services to be provided under this Contract. The certificate will include the cancellation clause, and will include the deductible or retention level. Insuring companies or entities are subject to City acceptance. If requested, complete copies of insurance policies will be provided to the City. The Contractor will be financially responsible for all pertinent deductibles, self-insured retentions, and self-insurance.

**EXHIBIT C  
CERTIFICATION STATEMENT FOR  
INDEPENDENT CONTRACTOR**

(Contractor complete A or B below, Project Manager complete C below.)

**A. CONTRACTOR IS A CORPORATION**

**CORPORATION CERTIFICATION:** I am authorized to act on behalf of the entity named below, and certify under penalty of perjury that it is a corporation.

Entity

Signature

Date

**B. CONTRACTOR IS INDEPENDENT.**

**Contractor certifies he/she meets the following standards:**

1. The individual or business entity providing services is free from direction and control over the means and manner of providing the services, subject only to the right of the person for whom the services are provided to specify the desired results,
2. The individual or business entity is licensed under ORS chapters 671 or 701 if the individual or business entity provides services for which a license is required by ORS chapters 671 or 701,
3. The individual or business entity is responsible for obtaining other licenses or certificates necessary to provide the services,
4. The individual or business entity is customarily engaged in an independently established business, as any three of the following requirements are met (**please check three or more of the following**):
  - ☐ A. The person maintains a business location i) that is separate from the business or work location of the person for whom the services are provided or ii) that is in a portion of the person's residence and that portion is used primarily for the business.
  - ☐ B. The person bears the risk of loss related to the business or the provision of services as shown by factors such as i) the person enters into fixed-price contracts, ii) the person is required to correct defective work, iii) the person warrants the services provided, or iv) the person negotiates indemnification agreements or purchases liability insurance, performance bonds, or errors and omissions insurance.
  - ☐ C. The person provides contracted services for two or more different persons within a 12 month period or the person routinely engages in business advertising, solicitation, or other marketing efforts reasonably calculated to obtain new contracts to provide similar services.
  - ☐ D. The person makes a significant investment in the business, through means such as i) purchasing tools or equipment necessary to provide the services, ii) paying for the premises or facilities where the services are provided, or iii) paying for licenses, certificates, or specialized training required to provide the services.
  - ☐ E. The person has the authority to hire other persons to provide or to assist in providing the services and has the authority to fire those persons.

Contractor Signature

Date

(Project Manager complete C below.)



### C. CITY APPROVAL

**ORS 670.600 Independent contractor standards.** As used in various provisions of ORS chapters 316, 656, 657, 671, and 701, an individual or business entity that performs services for remuneration will be considered to perform the services as an "independent contractor" if the standards of this section are met. The contractor meets the following standards:

1. The Contractor is free from direction and control over the means and manner of providing the services, subject only to the right of the City to specify the desired results,
2. The Contractor is responsible for obtaining licenses under ORS chapters 671 and 701 when these licenses are required to provide the services,
3. The Contractor is responsible for obtaining other licenses or certificates necessary to provide the services,
4. The Contractor has the authority to hire and fire employees to provide or assist in providing the services, and
5. The person is customarily engaged in an independently established business as indicated in B. 4 above.

Project Manager Signature

Date



**City Council- Regular**

**Meeting Date:** 04/12/2016

**Subject:** Cash and Investment Report - January 2016

**Submitted For:** Marcia Baragary, Finance Director **From:** Ronda Gretzon

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**AGENDA ITEM:**

Cash and Investment Report - January 2016

**BACKGROUND:**

Cash and Investment Report - January 2016

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**Attachments**

Cash & Investment Report-January 2016

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CITY OF MCMINNVILLE - CASH AND INVESTMENT BY FUND  
January 2016

FUND #	FUND NAME	GENERAL OPERATING		TOTAL
		CASH IN BANK	INVESTMENT	
01	General	\$506,330.19	\$11,395,579.33	\$11,901,909.52
05	Special Assessment	474.64	156,414.82	156,889.46
07	Transient Lodging Tax	623.76	124,000.00	124,623.76
10	Telecommunications	633.95	1,030.00	1,663.95
15	Emergency Communications	330.65	173,094.81	173,425.46
20	Street (State Tax)	684.65	1,795,381.38	1,796,066.03
25	Airport Maintenance	217.10	790,749.03	790,966.13
40	Public Safety Facility Construction	864.05	10,805.24	11,669.29
45	Transportation	614.63	18,677,212.00	18,677,826.63
50	Park Development	615.90	1,010,660.13	1,011,276.03
58	Urban Renewal	455.57	0.00	455.57
59	Urban Renewal Debt Service	136.48	174,504.43	174,640.91
60	Debt Service	991.35	1,634,399.88	1,635,391.23
70	Building	280.62	613,000.00	613,280.62
75	Sewer	28.21	1,516,215.52	1,516,243.73
77	Sewer Capital	323.20	15,002,103.65	15,002,426.85
79	Ambulance	546.28	485,835.28	486,381.56
80	Information Systems & Services	586.07	175,713.61	176,299.68
85	Insurance Reserve	994.53	1,269,290.54	1,270,285.07
CITY TOTALS		515,731.83	55,005,989.65	55,521,721.48

MATURITY DATE	INSTITUTION	TYPE OF INVESTMENT	INTEREST	CASH VALUE
			RATE	
N/A	Key Bank of Oregon	Checking & Repurchase Sweep Account	0.15%	\$ 515,731.83
N/A	Key Bank of Oregon	Money Market Savings Account	0.02%	\$ 12,001,758.47
N/A	State of Oregon	Local Government Investment Pool (LGIP)	0.75%	23,402,408.43
N/A	State of Oregon	Park Improvement Bonds (LGIP)	0.75%	854,815.06
N/A	State of Oregon	Transportation Bond (LGIP)	0.60%	18,173,851.97
N/A	MassMutual Financial Group	Group Annuity	3.00%	573,155.72
				<u>\$ 55,521,721.48</u>



**City Council- Regular**

**Meeting Date:** 04/12/2016

**Subject:**

**From:** Rose Lorenzen, Administrative  
Assistant / HR Analyst

---

**AGENDA ITEM:**

Information Systems 2016 Strategic Plan

**BACKGROUND:**

Please see the attached Strategic Plan

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**Attachments**

IT 2016 Strategic Plan

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City of McMinnville

# Information Technology Strategic Plan

March 2016

DRAFT – NOT FOR PUBLICATION

2016

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## BACKGROUND

This document presents the Information Technology Strategic Plan for the City of McMinnville. The purpose of this plan is to provide a “roadmap” for the Information Technology Department to implement and deliver services that support the strategic mission and goals of the City of McMinnville.

The City first released a 5 year Strategic Plan in 2011, which expired this year. The City of McMinnville has made progress in recent years to continually adopt new technologies to support the mission of the City and its departments.

In Fall 2015, analysis of the current information technology environment at the City of McMinnville began in order to assist in the development of a new five-year Information Technology Strategic Plan. The new plan focuses on unmet needs, improving the efficiency, reliability and cost effectiveness of City business processes, and fostering increased communication between City IT, City departments and citizens.

This planning document is part of an overarching planning process that ensures the following:

- A shared vision for technology consistent with the City’s strategic vision, mission and goals
- Alignment of technology initiatives with City priorities
- Sharing of knowledge about technology needs, constraints and planning
- Addressing departmental needs through the use of technology
- Identifying required funding and personnel levels for technology

Assessing these areas assures technology initiatives are carefully selected, planned and managed while remaining sustainable from a fiscal, personnel and process perspective to ensure the ongoing delivery of information services.

Strategic Planning must be an ongoing process. The specific outcomes and tactical steps set forth in this document will be reviewed and assessed no less than annually. The City’s Information Technology Director will assume subsequent responsibility for reviewing and updating these objectives annually against the goals established through the ongoing strategic planning process.

## INTRODUCTION

The City of McMinnville's IT Department is well positioned to deliver high quality information services and technology leadership to further the City's goals for years to come. As progress moves forward, IT will be at the forefront of embracing change to ensure the City can take advantage of new technologies, facilitate the exchange of information, and most importantly – deliver valuable, relevant and meaningful information services to the citizens of McMinnville.

The City of McMinnville IT Department provides support for over 200 customers and 300 computers in the following areas:

- All major software applications including financial systems, public safety (including records management, mobile applications, and evidence), community development, network services including internet security, data processing applications, and productivity tools.
- Customer support for desktop, laptop, tablet and mobile devices including printers, wireless connectivity, computers in police cars, fire trucks and ambulances, and all other electronically connected devices across all City locations.
- All network and infrastructure support including internal wired and wireless networks, video surveillance systems including cameras and storage, email, and shared support of our large scale shared regional fiber network.

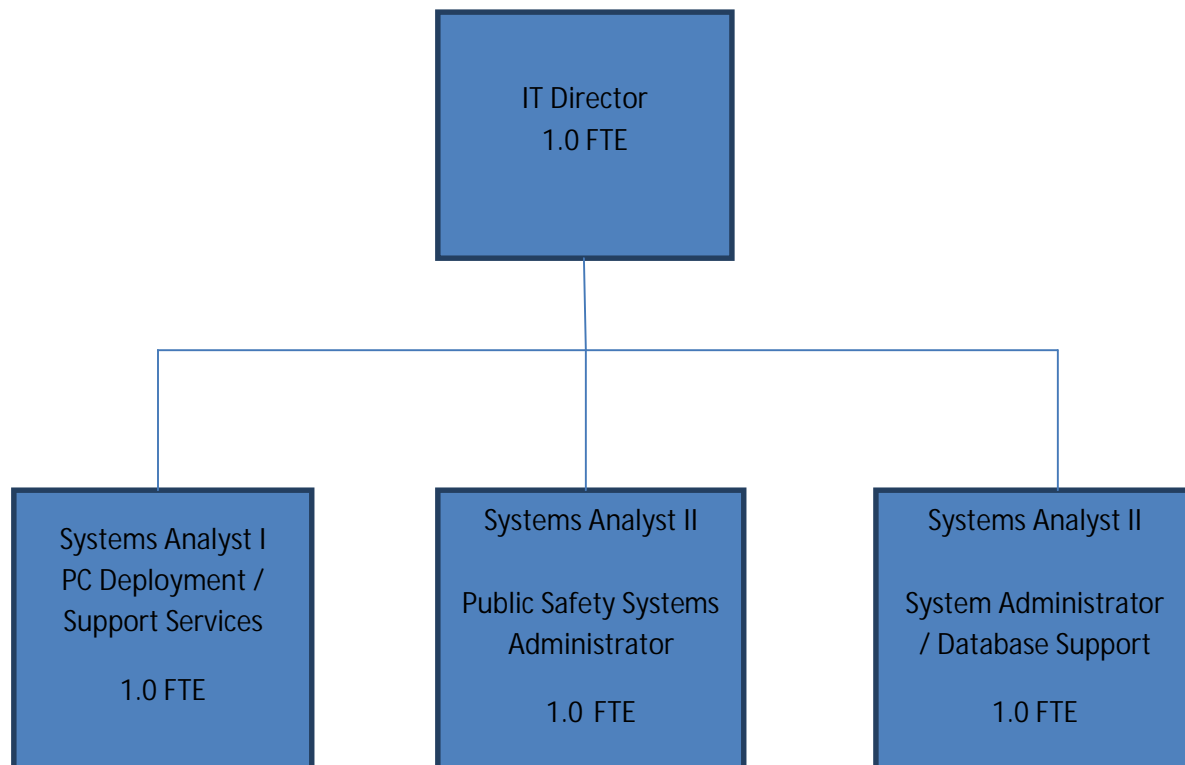
This plan defines the background and current status of the IT department, IT guiding principles, alignment with City Council goals, and a 5 year communication and technology implementation plan. Heavy emphasis is given to the next 12 months, as the plan will be annually evaluated with a new set of detailed goals established each year.

The City Council's ongoing strategic planning process has articulated the goals and future vision of the City of McMinnville, and created the opportunity to strategically align citywide IT with that vision. Through the collaborative effort and energy of the City of McMinnville community, we have developed a plan that will guide the City in its strategic use of technology.



## IT STATUS: BUDGET & PERSONNEL

The IT department was formed in 1995, going through several different management models before hiring a full time director in 2015. The Information Technology Department currently consists of consists of four members: three full time employees and 1 full time Department Head.



The IT department has experienced extreme reorganization in the last two years – all four FTE positions have been filled with new personnel. Given these changes, it has been identified in the 2016-2017 budget process that a vacancy exists at the Analyst 3 level. The IT department can sustain current operations at current staffing levels, granted that sufficient allowances are made to Professional Services budgeting. With this in mind, FTE staffing levels are expected to remain steady at 4.0 while significant budgetary consideration will be channeled into Professional Services, enabling IT to contract for highly specialized technical help when necessary. As long range strategic planning is updated each fiscal year, personnel workload and needs will be re-evaluated as well.

City IT will work to explore methods to improve two-way communications, open discussion and the cultivation and exchange of new ideas, both internally within IT and among City departments. Training will be given a high priority so that IT staff can keep pace with rapid technological advances, while promoting a culture that fosters communication and technical skill development.

## INFORMATION TECHNOLOGY GUIDING PRINCIPLES

- Technology provides the City of McMinnville with the tools and know-how as a strategic partner in achieving the city's goals of serving citizens and achieving excellence in that goal.
- City IT's technology strategy will be aligned with and support the overall strategies of the City and will be considered an essential component in the City's ongoing strategic planning and budgeting process.
- The City will embrace the role of an early adopter of technology that supports the City's goals, but will prefer to be a near follower in business and administrative systems, migrating to or adopting to this technology early in its life cycles, but only after it has been proved viable by others.
- City IT will strive to resist rising and falling trends by monitoring and implementing only those opportunities that improve current operations and add real value to the City's needs.
- City IT regards communication as an essential key to both the success of this plan and the City's goals and will strive to constantly collaborate and communicate with all City departments in project goals, technology plans and delivery of services to citizens.

## CITY IT & TECHNOLOGY TRENDS

- IT security threats evolve constantly – IT will continue to be proactive in monitoring for network intrusions, deploying layers of network and software protection, and training end users on ways to reduce the City's security risk.
- City IT will continue to plan for and support a variety of mobile computing devices, working with departments to ensure data security needs are met and mobile computing services are delivered.
- Cloud based and hosted technologies continue to expand and provide major opportunities for how IT provides services to departments and citizens. IT will continually evaluate possibilities to provide vendor managed services in a cost effective manner.

## CITY COUNCIL GOALS 2015-16

Following are the 2015-16 McMinnville City Council goals, with a brief narrative describing potential linkages to the Information Technology Department – and the potential for the goals to be fulfilled with support from the IT team.

1. Manage and plan to meet demand for City Services  
Understand the business requirements of the city and each department and how each department delivers services to citizens. Provide appropriate technical services, planning and leadership for all departments to operate effectively.
2. Communicate with citizens and key local partners  
Continue to develop and extend the City's web site with emphasis on providing citizen services and opportunities for communication between the City and citizens. Evaluate business partnerships and relationships with current partners including other city government entities.
3. Plan and construct capital projects  
Continue to be a key partner and provide IT services and leadership to add value to any capital projects undertaken by the City. Evaluate city technology on a long term basis and maintain an ongoing 1-5 year timeline for future IT capital needs.
4. Plan for and manage financial resources  
Use technology to improve efficiency and provide services to citizens in all possible City departments. Evaluate emerging technologies such as cloud based storage and ensure financial resources are used wisely and to further City goals efficiently.
5. Promote sustainable growth and development  
Look to provide more citizen services online to reduce the need for trips to City facilities. Provide communication tools between the City and citizens through social media, e-mail and the website to support community planning efforts.

## IMPLEMENTING THE TECHNOLOGY PLAN

Strategic goals for the upcoming fiscal year will be updated annually in a measurable, detailed format. Medium and long range goals will be adjusted and revisited as each new fiscal year begins to measure progress and adjust timelines.

### Short Term Goals – 2016/17 Fiscal year

Deliverable	Department(s) Affected	Impact / Considerations
Complete Implementation of Netmotion	Police, Fire	Mobile Unit secure access to City resources will be separated from the County, more robust and support more advanced features.
All paper registrations for City services moved online	All City	Ease of use for Citizens – moving City services online for 24/7 access at home. This will be included in future development of the City's new website deployment.
Plan for online payments	All City	Future development of the City's new website will include planning and piloting online payment processes for citizens.
Plan for doc mgmt.	All City	Explore ORMS state services for policy and procedure document management. Pilot an City system for internal documents that interfaces with current ERP system.
Begin planning for Municipal Court management replacement software.	Municipal Court, City Attorney, Police	The current system is 12 years old and aging – greater efficiency and integration with City systems is available in newer platforms, resulting in better service delivery to citizens, such as paying tickets online.
Begin planning replacement software for Building / Planning / Engineering Departments.	All City	The current system is 15 years old and aging – newer systems will allow for increased efficiency and services provided to Citizens – mobile inspections, and increased information available online.
Begin planning replacement software for Public Works / Engineering Departments.	All City	The current system is 15 years old and soon will be out of maintenance and not receive upgrades and be compatible with current operating systems.
Improve IT budget design and cost spreading tools	All City	As PC workable life increases and mobile workstations enter the mix, IT will examine the current IT budget cost spreading model to ensure IT costs are spread fairly and appropriately throughout the City.
Deploy Inventory Management / Help Desk tools to for service requests and inventory tracking	All City	As IT demand grows, tools are needed to coordinate and communicate to best deliver timely and effective support services to City Departments.

Deploy e-Suite	All City	e-Suite is a module for the current ERP system which will remove the need for paper checks and provide employees with online access to pay stubs and other information.
Move the City's Municipal Code and Ordinances online	All City	Identify and deploy tools that will allow for the City's Municipal code and Ordinances to be accessed electronically by citizens.
Security & Operations Planning	All City	City IT will create and maintain a formal operations plan including disaster recovery and data security considerations.

## Medium range goals and considerations:

Years 1-3 (2017-2019)

Consideration	Department(s) Affected	Considerations
Body Cameras for McMinnville PD	PD	IT will work in tandem with the Police Department to decide if/when body cameras will be deployed. There are many citizen considerations here, and many internal considerations such as storage, privacy, access, retention.
VDI / Virtual Desktops	All City	IT will continue to assess Virtual Desktop and Virtual Application delivery and deploy when the balance is right between quality service delivery and prudent stewardship of city resources.
Office 365	All City	Continue to examine the feasibility of hosted Office services – including email.
The 'Cloud'	All City	More City systems are expected to be delivered using 'SAAS' or Software as a Service in the future. IT will pursue appropriate solutions for each department and continue to move towards web-based technologies.
City Network	All City	Continue to monitor increased use of City networks to deliver services such as video, high speed data and cloud networking to ensure speed and quality of service. As more systems move to the cloud, system uptime will become crucial to City operations.
City Wireless Network	All City	The City's Wireless Network service delivery will be evaluated for coverage and efficiency, with expansion plans made as needed.
City Phone System	All City	Explore options for City managed telecommunications, and continuing to move entirely to VOIP technology.
Disaster Recovery Planning	All City	Disaster Recovery planning will be constantly updated to provide uninterrupted City IT services.
Data Security Planning	All City	Security will be revisited on an ongoing basis to ensure City data is protected against any and all new threats.
IT Policy Planning	All City	Explore and update City IT policies to reflect technology changes and ongoing security requirements.
Remote Access	All City	Examine the City's external access systems for improvement and increased service delivery.
Firewall Replacement	All City	Research and procure new network firewall software for city security and data protection.
Pursue GIS mapping software solutions with Planning	Planning, Engineering	Assist Planning & Engineering department in exploring online GIS tools, land-use tools, and other citizen services.
Explore Public Safety services	Police, Fire	Partner with Police in new CAD/RMS/Mobile software expected projects, electronic forensics tools, increased mapping capabilities and remote video operations.

## Long range goals and considerations:

Years 3-5 (2019-2021)

Storage Considerations	All City	Continue to evaluate City storage needs as video usage increases, data storage needs expand and ensure accommodation for City IT growth.
Security Auditing	All City	Evaluate benefits of pursuing external auditing services to identify areas for IT improvement and extend service delivery both internally and externally.
Service Outsourcing	All City	Consider externally hosted services for specific IT services when appropriate, such as wireless deployments, data backup and layered security tools.
Server, PC Database and Operating system upgrades	All City	Plan for large scale hardware or software upgrades so costs are spread out annually in a smooth fashion.

## STRATEGIC PLAN UPDATE PROCESS

This plan will be updated at least annually. The method whereby this plan will be updated is as follows:

- 1)- The Information Technology Director will meet with each Department Head to assess technology needs, and update plans for each department accordingly.
- 2)- The Information Systems Director will meet with the City Manager to discuss proposed changes to this strategic plan.
- 3)- Once the updated version of this plan is drafted, the City Manager will review it for approval, or any suggested changes.
- 4)- All department heads will review the plan and approve, or suggest changes.
- 5)- A copy of the approved plan will be presented to the City Council for informational purposes.
- 6)- The timeline for approving an updated plan will be the April-May time period of each year.





**City Council- Regular**

**Meeting Date:** 04/12/2016

**Subject:**

**From:** Rose Lorenzen, Administrative  
Assistant / HR Analyst

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**AGENDA ITEM:**

2015 - 2016 Third Quarter City Council Goals and Objectives Update

**BACKGROUND:**

Please see the attached Third Quarter update for the 2015 - 2016 City Council Goals and Objectives

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**Attachments**

3rd Quarter G & O Update

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# City of McMinnville

## Goals and Objectives

### FY 2015 / 16

#### MANAGE AND PLAN TO MEET DEMAND FOR CITY SERVICES

##### Airport Development

- Secure a single service provider for fixed based operations, onsite airport management and business development planning

##### Tourism

- Establish a Destination Marketing Organization

#### COMMUNICATE WITH CITIZENS AND KEY LOCAL PARTNERS

##### Homelessness

- Gather information and understand the questions to ask and the actions the City or our partners can take to assist citizens who are experiencing homelessness

##### YCOM Funding

- Remain informed on the Issues and provide policy guidance

#### PLAN AND CONSTRUCT CAPITAL PROJECTS

##### Urban Renewal Plan

- Support the administrative planning and implementation work of the Urban Renewal Advisory Committee (MURAC)
- Match the Urban Renewal project schedule to financial forecasts and synchronize with bond funded transportation improvements

##### Transportation Improvements

- Plan and implement bond-funded transportation improvements

#### PLAN FOR AND MANAGE FINANCIAL RESOURCES

##### IT Management

- Establish a comprehensive plan for IT capabilities and service delivery

##### City Finances

- Prepare and adopt a fiscally prudent 2015-2016 City Budget

#### PROMOTE SUSTAINABLE GROWTH AND DEVELOPMENT

##### Quality of Life Issues re Riverbend Landfill

- Understand the scope of available options (impactful solutions within the City's sphere of influence or control)

##### Economic Development

- Continue to support the MEDP. Schedule periodic updates to remain informed on current economic development issues and opportunities



## Meet Demand for City Services (Airport / Tourism)

### Secure New FBO FY 4<sup>th</sup> Qtr

(Target Date: FY 4<sup>th</sup> Qtr)

- Aug 3<sup>rd</sup>: RFP released
- Oct 13<sup>th</sup>: Selection, contact negotiations started

### Establish DMO ✓

(Target Date: FY 3<sup>rd</sup> Qtr)

- Jun 9<sup>th</sup>: DMO board appointed
- Jun 23<sup>rd</sup>: DMO awarded contract
- Aug 24<sup>th</sup>: DMO fully funded

## Communicate with Citizens and Key Local Partners (Homelessness / YCOM Funding)

### Gather Information, Understand Actions to Assist Homeless (Target date: FY 2<sup>nd</sup> Qtr) ✓

- Summer: Briefs by YCAP, HAYC, COMPASS Center, Henderson House
- Sep 22<sup>nd</sup>: Affordable Housing Task Force created
- **Jan / Feb: Affordable Housing Task Force Developing Charter / Action Timelines for April Presentation**

### Remain informed and provide guidance for YCOM funding Ongoing

- July: Radio program transferred from YCOM to Yamhill County; stabilized short term financial viability

## Plan & Construct Capital Projects (Urban Renewal / Transportation Improvements)

### Urban Renewal: Support MURAC / Synchronize with Transportation Improvements Ongoing

- Oct 6<sup>th</sup>: Best Practices MURAC Work Session
- Oct 13<sup>th</sup>: Joint Council / MURAC work session to prioritize / synchronize future UR funds
- **Feb 9<sup>th</sup>: Council approves \$163K loan for design of the Alpine Extension**

### Transportation Improvements Ongoing

- 2015 overlays complete, consulting contracts in place for Alpine, 5<sup>th</sup> St, Ford St sidewalk/pedestrian safety projects, 2<sup>nd</sup> St, Hill Rd, 2016 overlays
- \$3.316M committed in 2015
- **Mar 15<sup>th</sup>: Hill Project Open House**

## Plan For & Manage Financial Resources (IT / Financial Services)

### Comprehensive Plan for IT ✓

- Oct 13<sup>th</sup>: Full time IT director appointed
- Oct: Review started of Dept Head needs
- Nov 24<sup>th</sup>: Website contract approved with aHa
- **Mar 25: Comprehensive Plan draft under review**

### Adopt Fiscally Prudent 2015 / 2016 Budget ✓

- **Feb: FY 2014/15 audit presented to Council**
- **Feb: FY 2015/16 Mid-Year Review presented; 37% Reserves forecast**

## Promote Sustainable Growth & Development (Sustainability / Economic Development)

### Understand Option for Riverbend Landfill FY 4<sup>th</sup> Qtr

- Jun / Sep: Council letters to various agencies supporting closure
- Nov 24<sup>th</sup>: Council presentation session on groundwater effects of Riverbend Landfill
- Dec 8<sup>th</sup>: Recology / Zero Waste presentations on reducing / eliminating City use of Riverbend

### Support MEDP; Remain Informed Ongoing

- Dec 2<sup>nd</sup>: MEDP Strategic Planning Session; staff in attendance
- **Jan 26<sup>th</sup>: Council Presentation on focus areas**

**Underlined is new for the quarter**