



CITY COUNCIL
January 27, 2015
Council Chambers • 777 SW Deschutes Avenue

COUNCIL MEMBERS

- George Endicott
Mayor
- Tory Allman
Councilor
- Joe Centanni
Councilor
- Anne Graham
Councilor
- Camden King
Councilor
- Ginny McPherson
Councilor
- Jay Patrick
Councilor

JANUARY 27, 2015	REGULAR MEETING AGENDA	6:30 P.M.
I.	CALL TO ORDER / ESTABLISH A QUORUM	
II.	BLESSING	
	A. Pastor Kevin Seibold, Redmond Heights Pentecostal Church	
III.	PLEDGE OF ALLEGIANCE	
IV.	COMMENTS FROM CITIZENS AT THE MEETING	
V.	CONSENT AGENDA	
	A. Minutes of January 13, 2015, P.M. Council Meeting	Exhibit 1
	B. Minutes of January 20, 2015, Special P.M. Council Workshop	Exhibit 2
VI.	PRESENTATIONS	
	A. Audit Report, Rob Tremper	Exhibit 3
	B. Central Oregon Intergovernmental Council Update, Andrew Spreadborough	
	C. Financial Report, Jason Neff	Exhibit 4
VII.	ACTION ITEMS	
	A. Community Development Block Grant Funding Award, Action Plan FY 14/15	Exhibit 5
VIII.	MAYOR'S COMMENTS	
IX.	COUNCIL COMMENTS	
X.	CITY MANAGER COMMENTS	
XI.	ADDITIONAL COMMENTS FROM CITIZENS AT THE MEETING	
XII.	ADJOURN	

Regular Council meetings are broadcast live on COTV11 – BendBroadband Channel 11 beginning at 6:30 p.m. on the 2nd and 4th Tuesdays of each month. Rebroadcasts are scheduled for the non-meeting Tuesdays at 6:30 p.m.

Anyone needing accommodation to participate in the meeting must notify the ADA Coordinator at least 48 hours in advance of the meeting at 541-504-3036, or through the Telecommunications Relay Service (TRS) which enables people who have difficulty hearing or speaking in the telephone to communicate to standard voice telephone users. If anyone needs Telecommunications Device for the Deaf (TDD) or Speech To Speech (STS) assistance, please use one of the following TRS numbers: 1-800-735-2900 (voice or text), 1-877-735-7525 (STS English) or 1-800-735-3896 (STS Spanish).

The City of Redmond does not discriminate on the basis of disability status in the admission or access to, or treatment, or employment in, its programs or activities

REGULAR CITY COUNCIL MEETING OF THE CITY OF REDMOND WAS HELD JANUARY 13, 2015, IN THE CITY COUNCIL CHAMBERS.

COUNCIL MEMBERS PRESENT: Tory Allman – Joe Centanni – George Endicott – Anne Graham – Camden King – Ginny McPherson – Jay Patrick

STAFF PRESENT: City Manager Keith Witcosky – City Attorney Steve Bryant – Airport Director Jeff Tripp – Police Captain Brian McNaughton – Public Works Director Bill Duerden – City Recorder Kelly Morse – Community Development Director Heather Richards – CIS Administrator Sheri Cleveland – Deputy Director Jason Neff – Risk Management Administrative Assistant Velia Pagnotta-Brunette

MEDIA PRESENT: Beau Eastes, Bend Bulletin – COTV

Mayor Endicott called the meeting to order at 6:30 p.m.

BLESSING

Pastor Kevin Seibold, Redmond Heights Pentecostal let the blessing.

PLEDGE OF ALLEGIANCE

Councilor Graham led the Pledge of Allegiance.

COMMENTS FROM CITIZENS AT THE MEETING

There were no comments from citizens at the meeting.

CONSENT AGENDA

- A. Minutes of December 9, 2014 Special P.M. Council Meeting (Exhibit 1)**
- B. Minutes of December 16, 2014 P.M. Workshop (Exhibit 2)**

Councilor King moved, seconded by Councilor Centanni, to approve the Consent Agenda as presented, motion passed. (Allman-yes, Centanni-yes, Endicott-yes, Graham-yes, King-yes, McPherson-yes, Patrick-yes)

PRESENTATIONS

- A. Great Cascadia Earthquakes Video**

Mayor Endicott presented a video describing the possible ramifications should a high magnitude earthquake occur along the Cascadia fault. Mayor Endicott noted that should a tsunami event occur as a result of the earthquake, Redmond will serve as the epicenter for recovery operations.

BID AWARDS/BID REJECTIONS

- A. Design Services for the Evergreen Elementary School Rehabilitation Project: New City Hall/Civic Center (Exhibit 3)**

Community Development Director Heather Richards requested approval of a contract with FFA Architecture + Interiors, Inc. (FFA) for architectural and engineering services associated with the Evergreen Elementary School Rehabilitation Project. Seven proposals were received in response to a Request for Qualifications issued in October 2014, of which four firms were interviewed in December 2014. After review of the proposals and interviews, the top scoring firm was FFA which has had a great deal of success with historic rehabilitation projects. Local engineering firms WH Pacific and Froelich Engineers will also serve as part of the FAA team. The fee for FFA is proposed at 10 percent of the estimated construction budget (\$753,000) plus a not-to-exceed amount of \$50,000 for reimbursable

expenses such as travel, printing, etc. Ms. Richards explained that in addition to basic services, additional services were added. Those additional services include security evaluation and planning, design for fixtures and furnishings, low voltage design, and two (2) third-party cost estimates to be completed during the design process.

Councilor Graham moved, seconded by Councilor King, to authorize the City Manager to sign the contract with FFA Architecture + Interiors, Inc. for the Architectural and Engineering services for the Evergreen Elementary School Rehabilitation Project: New City Hall/Civic Center, motion passed. (Allman-yes, Centanni-yes, Endicott-yes, Graham-yes, King-yes, McPherson-yes, Patrick-yes)

MAYOR'S COMMENTS

Councilor King moved, seconded by Councilor Centanni, to nominate Councilor Patrick as Council President, motion passed. (Allman-yes, Centanni-yes, Endicott-yes, Graham-yes, King-yes, McPherson-yes, Patrick-yes)

A. Commission and Committee Appointments

- i. **Airport Committee** – Reappointment of David Foote term expiring December 31, 2018.
- ii. **Bicycle and Pedestrian Advisory Committee** – Appointment of Patrick Tinsley term expiring December 31, 2016. (Exhibit 4)
- iii. **Budget Committee** – Appointment of Jeffery Davidson term expiring December 31, 2016. (Exhibit 5)
- iv. **Juniper Golf Committee** – Appointment of Jim Traughber term expiring December 31, 2015. (Exhibit 6)
- v. **Redmond Committee for Art in Public Places** – Appointment of Betty Jo Simmons term expiring December 31, 2015. (Exhibit 7)

Mayor Endicott recommended the Airport Committee reappointment of David Foote term expiring December 31, 2018; Bicycle and Pedestrian Advisory Committee appointment of Patrick Tinsley, terms expiring December 31, 2016; Budget Committee appointment of Jeffery Davidson, term expiring December 31, 2016; Juniper Golf Committee appointment of Jim Traughber, term expiring December 31, 2015; and Redmond Committee for Art in Public Places appointment of Betty Jo Simmons, term expiring December 31, 2015, motion passed. (Allman-yes, Centanni-yes, Endicott-yes, Graham-yes, King-yes, McPherson-yes, Patrick-yes)

B. Council Liaison Assignments (Exhibit 8)

In an effort to learn more about the City of Redmond, Councilor Graham offered to accept the liaison positions vacated by Ed Onimus in addition to the new Housing and Community Development Committee.

COUNCIL COMMENTS

Councilor Allman stated that the commissions and committee are doing a great deal of work and he looks forward to working with them in 2015.

Councilor McPherson announced that the Redmond Chamber of Commerce will hold their annual awards dinner on January 23, 2015. Those interested in attending can contact Karen Sande at the Chamber.

Councilor Patrick provided an update on the Airport Commission and the runway rehabilitation project noting that word of the closure, scheduled for 2016, will be vital.

Councilor Centanni reported that Redmond Economic Development, Inc. and Economic Development for Central Oregon (EDCO) continue to see positive activity in the traded sector. EDCO will hold their annual luncheon on February 12, 2015, with Alan Beaulieu from ITR Economics serving as the Keynote Speaker. Shoppers were encouraged to explore downtown businesses and shop local.

Councilor King shared that Central Oregon Community College is currently recruiting for a new President and will hold several community outreach meetings in Redmond. Councilor King reported on the Chamber of Commerce Board meeting adding that the 17th Annual Business Expo will take place on April 23, 2015, with David Rosell, from Rosell Wealth Management serving as the Keynote Speaker.

Councilor Graham stated she is thrilled to be serving on the Council and looks forward to working hard for the Redmond citizens. Councilor Graham stated she is honored to join a group so dedicated to the City. The President of Kiwanis International will be in Redmond on February 13, 2015, to take part in the groundbreaking ceremonies at Sam Johnson Park. Redmond Kiwanis has raised over \$300,000 for the project. Citizens were encouraged to attend the ceremonies.

CITY MANAGER COMMENTS

City Manager Keith Witcosky commented on the City’s current communications and future outreach activities regarding the 2016 runway closure. A volunteer recognition event will take place at City Hall on February 23 from 6:00-8:00 p.m. Mr. Witcosky will participate on a panel at the upcoming City Club of Central Oregon event. Topic of discussion will be public participation. Airport travelers were encouraged to try Aero Pub which is the Redmond Airport’s has a new food service provider. The restaurant is getting great reviews.

ADDITIONAL COMMENTS FROM CITIZENS AT THE MEETING

There were no additional comments from citizens at the meeting.

There being no further business, the meeting was adjourned at 7:36 p.m.

Prepared by Kelly Morse, City Recorder

APPROVED by the City Council and SIGNED by the Mayor this 27th day of January, 2015.

George Endicott, Mayor

ATTEST:

Kelly Morse, City Recorder

SPECIAL P.M. CITY COUNCIL WORKSHOP OF THE CITY OF REDMOND WAS HELD JANUARY 20, 2015, IN THE CITY COUNCIL CHAMBERS.

COUNCIL MEMBERS PRESENT: Tory Allman – Joe Centanni – Anne Graham – Camden King – Jay Patrick

COUNCIL MEMBERS EXCUSED: George Endicott – Ginny McPherson

STAFF PRESENT: City Manager Keith Witcosky – City Attorney Steve Bryant – Interim Airport Director Bob Noble – Police Lieutenant Keith Knight – Public Works Director Bill Duerden – City Recorder Kelly Morse – Community Development Director Heather Richards – CIS Administrator Sheri Cleveland – Deputy Director of Central Services Jason Neff – Deputy Director of Central Services Jodi Burch – Utility Billing Supervisor Molly Mansfield – Accountant Wendy England – Airport Director Jeff Tripp

MEDIA PRESENT: None

Council President Patrick called the workshop to order at 6:30 p.m.

PRESENTATIONS

A. Staff Presentation of FY 2013/2014 Audit, Jodi Burch

Deputy Director of Central Services Jodi Burch provided the Council with an audit presentation in an effort to increase their understanding of the audit scope and Comprehensive Annual Financial Report (CAFR). Ms. Burch reviewed audit requirements, the annual audit process, and the CAFR noting that its primary components are:

1. Independent Auditor's Report
2. Management's Discussion and Analysis
3. Basic Financial Statements
4. Supplemental Information
5. Statistical Section
6. Reports of Independent Certified Public Accountants

Ms. Burch described the City's findings of substantial compliance, strong internal controls, and the City's compliance with Federal funds to which there were two minor deficiencies. The Auditor's management letter suggested two areas where the City could improve upon:

1. Utility Billing – Suggests a secondary review over the monthly billing and over annual calculation of sewer and stormwater charges.
2. Capital Outlay – Suggests maintaining a separate capital asset listing for assets purchased with Federal funds. Also suggest reviewing coding of costs as there were several instances where items were coded to capital outlay expenses, but should have been considered materials and services and vice versa.

The auditors commended the City for adding additional monitoring procedures during the year to address concerns identified in the prior year management letter.

Ms. Burch thanked the Leadership Team and their staff for a smooth process and clean audit then addressed questions from the Council.

OTHER BUSINESS

The Council and staff briefly discussed the need for an update on affordable housing.

DRAFT

There being no further business, the workshop was adjourned at 7:01 p.m.

Prepared by Kelly Morse, City Recorder

APPROVED by the City Council and SIGNED by the Mayor this 27th day of January, 2015.

George Endicott, Mayor

ATTEST:

Kelly Morse, City Recorder



Dickey and Tremper, LLP
Certified Public Accountants and Business Advisors

110 SE First Street
P.O. Box 1533
Pendleton, OR 97801
Phone: (541) 276-6862
Toll Free: 1-800-332-6862
Fax: (541) 276-9040
Web: www.dickeyandtremper.com

Independent Auditor's Report Required by Oregon State Regulations

We have audited the basic financial statements of the City of Redmond as of and for the year ended June 30, 2014, and have issued our report thereon dated December 30, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

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

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Highway revenues used for public highways, roads, and streets.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

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

Expenditures exceeded appropriation in the following amounts:

Transportation Fund	
Materials and Services	\$ <u>(42,988)</u>
Municipal Airport Fund	
Materials and Services	\$ <u>(109,818)</u>
Municipal Golf Fund	
Debt Service	\$ <u>(1,612)</u>

OAR 162-10-0230 Internal Control

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

We noted certain matters that we reported to management of City of Redmond, Oregon, in a separate letter dated December 30, 2014

This report is intended solely for the information and use of the board of directors/council members/commissioners and management of City of Redmond and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

Dickey and Tremper, LLP

Dickey and Tremper, LLP

December 30, 2014



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Fax: (541) 276-9040
Web: www.dickeyandtremper.com

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

December 30, 2014

To the Honorable Mayor and
Members of the City Council
City of Redmond, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Redmond, Oregon, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Redmond, Oregon's basic financial statements and have issued our report thereon dated December 30, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Redmond, Oregon's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Dickey and Tremper, LLP

Dickey and Tremper, LLP
Certified Public Accountants
Pendleton, OR

December 30, 2014



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Pendleton, OR 97801
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Fax: (541) 276-9040
Web: www.dickeyandtremper.com

**Independent Auditor's Report on Compliance for Each Major
Program and Passenger Facility Charge Program and on Internal Control Over
Compliance Required by OMB Circular A-133 and
Passenger Facility Charge Audit Guide for Public Agencies**

To the Governing Body of the City of Redmond, Oregon:

Report on Compliance for Each Major Federal Program

We have audited the City of Redmond, Oregon's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have direct and material effect on each of City of Redmond, Oregon's major federal programs for the year ended June 30, 2014. We have also audited the City of Redmond, Oregon's compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* issued by the Federal Aviation Administration. The City of Redmond's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and passenger facility charges.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Redmond's major federal programs and passenger facility charges based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the *Passenger Facility Charge Guide for Public Agencies*. Those standards, OMB Circular A-133, and the PFC guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Redmond's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and on its passenger facility charge program. However, our audit does not provide a legal determination of the City of Redmond's compliance.

Opinion on Each Major Federal Programs

In our opinion, the City of Redmond, Oregon complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and passenger facility charges for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the City of Redmond, Oregon, is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered the City of Redmond's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program and passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Redmond's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weakness or significant deficiencies may exist that were not identified. However, we identified deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as 2014-01 and 2014-02 that we consider to be significant deficiencies.

The City of Redmond, Oregon's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Redmond's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Passenger Facility Charges. Accordingly, this report is not suitable for any other purpose.

Dickey and Tremper, LLP

Dickey and Tremper, LLP
Certified Public Accountants
Pendleton, Oregon

December 30, 2014

**CITY OF REDMOND, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal or Pass Through Entity Identifying Number	Federal Expenditures
<i>U.S. Department of Housing and Urban Development</i>			
Grants passed through State of Oregon - Housing & Community Services (ARRA) Community Development Block Grants/Entitlement Grants	14.218	1403 & 1403S	\$ 523,632 **
<i>U.S. Department of Justice</i>			
Direct program:			
Bulletproof Vest Partnership Program	16.607	BA-3A00S-MR01	3,085
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ-BX-0902	10,790
<i>Total U.S. Department of Justice</i>			<u>13,875</u>
<i>U.S. Department of Transportation</i>			
Direct program:			
Airport Improvement Program	20.106	3-41-0052-033	(237,724) **
Airport Improvement Program	20.106	3-41-0052-034	(23,048) **
Airport Improvement Program	20.106	3-41-0052-035	539,096 **
Airport Improvement Program	20.106	3-41-0052-036	1,058,344 **
Airport Improvement Program	20.106	3-41-0052-038	3,882 **
Grants passed through Oregon Department of Transportation:			
Capital Assistance Program for Elderly Person & Persons with Disabilities	20.513	29345	173,868
Highway Safety Cluster			
Grants passed through Oregon Department of Transportation:			
State and Community Highway Safety	20.600	OP-14-45-03 RPD	3,360
State and Community Highway Safety	20.600	SC-14-35-14 fff	5,200
State Traffic Safety Information System Improvement Grants	20.610	K9-13-54-03-RPD	52,488
Grants passed through ACTS Oregon/Oregon Impact:			
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	n/a	8,025
Grants passed through Oregon State Police:			
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	n/a	2,855
Total Highway Safety Cluster			<u>71,928</u>
Payments for Small Community Air Service Development	20.930	2612013SC	500,000 **
<i>Total U.S. Department of Transportation</i>			<u>2,086,346</u>
<i>National Endowment for the Arts</i>			
Grants passed through Oregon Arts Commission:			
Promotion of the Arts-Partnership Agreements	45.025	FY13-ABC-11662	2,800
<i>U.S. Department of Health and Human Services</i>			
Grants passed through Oregon Health Authority:			
National Bioterrorism Hospital Preparedness Program	93.889	144308	2,488
<i>Executive Office of the President</i>			
Grants passed through Oregon Department of Justice:			
High Intensity Drug Trafficking Program	95.001	DOJ-HIDTA	7,128
<i>U.S. Department of Homeland Security</i>			
Passed through student:			
Emergency Management Institute Training Assistance	97.026	n/a	929
TOTAL FEDERAL EXPENDITURES			<u>\$ 2,637,198</u>

NOTES:

A The schedule above is prepared on the accrual basis of accounting and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some of the amounts presented in this schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

B Total loan balances as of June 30, 2014, of which at least a portion are Federal funds, are as follows:

Capitalization Grants for Clean Water State Revolving Funds - R76071	66.458		2,640,248
Capitalization Grants for Clean Water State Revolving Funds - R76072	66.458		7,317,843
Series 2000 Sewer Revenue Bond - USDA	10.760		4,266,674

** Signifies Major Program

**CITY OF REDMOND, OREGON
 SCHEDULE OF EXPENDITURES OF PASSENGER FACILITY CHARGES
 FOR THE YEAR ENDED JUNE 30, 2014**

GRANTOR AND PROGRAM TITLE	Federal CFDA Number	Federal Expenditures
Passenger Facility Charges	N/A	\$ 988,743

City of Redmond, Oregon
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2014

US Department of Transportation

Airport Improvement Program (AIP) – CFDA No. 20.106

Finding: 2013-01

Condition and Criteria: The Airport is required to file the "Operating and Financial Summary" and "Financial Government Payment Report" by October 31 of each year, unless an extension to December 31st is obtained. These reports can be filed with unaudited figures, but should be revised once the audited figures are available. We reviewed the reports filed for the year ended June 30, 2012 and noted several items missing or being reported incorrectly and there were significant changes suggested to properly report the activity. The report was not revised to reflect the final audited figures. We also reviewed the June 30, 2013 reports and found many of the same items present, as they were modeled on the amounts reported in the prior year.

Effect: The information reported to the FAA for June 30, 2012 and 2013 contains inaccurate information, which should be corrected.

Cause: Employee workload and changes of staff appears to have contributed to the items listed above.

Auditor's recommendation: We recommend the reports listed above be revised to reflect the audited figures and that a secondary review be performed by finance prior to submitting reports.

Current status: Management acknowledges that there were deficiencies in the annual reporting process. Management has taken action to increase staff's understanding of the process, refined procedures, more clearly identified staff responsibilities, and involved the City Finance Department. These actions cumulated in the amendment of the reports filed for fiscal years ending June 30, 2012 and 2013. Management has been granted an extension of time to file the report for fiscal year ending June 30, 2014 and has a process in place to ensure the report is filed timely and accurately.

Finding: 2013-02

Condition and Criteria: The Federal Aviation Administration and the City were unaware they were using the wrong matching percentage for the Airport Improvement Project contract. The City's AIP grant number 35 was originally awarded as a 90% AIP grant. However, it was determined after year end that based on the City's size and type of airport, the grant should have a 93.75% reimbursement rate. In addition, AIP 36 and AIP 37 were presented to Council as 90% grants, but they also carry a 93.75% reimbursement rate.

Effect: The Finance Department performed an additional revenue accrual and rebalancing of the project between funding sources due to the correction in reimbursement rate.

Cause: The airport relied on the grant agreement and discussions with the FAA and did not independently investigate the proper rate until questions arose from the acceptance of AIP 36. In addition, there have been several changes in staff at the airport and the FAA.

Auditor's recommendation: Due to changes in staff, we recommended specific training be obtained in the requirements of the Airport Improvement Program and Passenger Facility Charge program. In addition, we recommend a thorough review of the AIP Handbook which includes the approved reimbursement rates for airports of all types and sizes.

Current status: Management has taken steps to ensure that staff has sufficient training and resources available. Management also solicited involvement from the City Finance Department to assist with the financial management component of grants. These steps resulted in the closeout of AIP 33, AIP 34, and AIP 35. The open FAA grants of AIP 36 & AIP 38 are overseen by multiple individuals to ensure that all activity is recorded correctly and reports are filed timely and accurately.

CITY OF REDMOND, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Fiscal Year Ended June 30, 2014

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

- 01 The auditor's report expresses an unqualified opinion on the basic financial statements of the City of Redmond.
- 02 No material weaknesses or significant deficiencies in internal control were discovered by the audit of the basic financial statements of the City of Redmond.
- 03 No instances of noncompliance material to the financial statements of the City of Redmond, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

Federal Awards

- 04 Two significant deficiencies in internal control over compliance for major federal programs were disclosed by the audit of the basic financial statements of the City of Redmond, Oregon. The deficiencies described below as 2014-01 and 2014-02 are reported as significant deficiencies.
- 05 The auditor's report on compliance expresses an unqualified opinion for each major program and the Passenger Facilities Charge Program.
- 06 There were no audit findings that are required to be reported in accordance with Section 510 (a) of OMB Circular A-133
- 07 The programs tested as major program was:

Airport Improvement Program (AIP)	CFDA # 20.106
Housing and Community Services – Community Development Block Grants/Entitlement Grants	CFDA # 14.218
Small Community Air Service Development Program	CFDA # 20.930
- 08 The threshold for distinguishing Types A and B programs was \$300,000.
- 09 The City of Redmond was not determined to be a low-risk auditee.

SECTION II - FINDINGS – FINANCIAL STATEMENTS AUDIT

None

SECTION III - FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

US DEPARTMENT OF TRANSPORTATION

Small Community Air Service Development (SCASDP) – CFDA No. 20.930

2014-01

Condition and Criteria: There were inconsistencies in the grant application, grant agreement, and management's understanding of the compliance requirements related to the program. The grant application and management's understanding appear to be using similar requirements, but the signed grant agreement is using different requirements for project "cash costs" and what/how the United States Department of Transportation (DOT) will reimburse these costs.

Effect: This is causing difficulty in closing out the program and in submitting the final reports, as the City managed the program and tracked costs in a method that was different from the signed grant agreement. The City has been working with DOT to close out the program and has documentation to support the full amount of costs under either interpretation, so there were no questioned costs reported. However, the program administration and tracking of allowable costs during the year was not set up in accordance with the grant agreement.

Cause: There was a rush in finalizing the agreement in order to receive funding. In addition, management that negotiated and signed the agreement is no longer with the City.

Auditor's recommendation: The differences should have been corrected before signing the agreement. Otherwise, the City should have worked with DOT to change the agreement or their administration procedures to follow how it was written. We recommend that the City continue to work with DOT to meet their documentation requirements and close out the grant program.

Management's response: Management acknowledges that there were inconsistencies with the grant documents and staff turnover that created difficulties in submitting reports and processing drawdowns of grant funds. Management has continued to work closely with the DOT to complete all documentation requirements and has submitted the first and final grant drawdown request, which is currently under review by the DOT.

US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Community Development Block Grants (CDBG) – CFDA No. 14.218

2014-02

Condition and Criteria: The City is required to submit quarterly activity summary reports to the State of Oregon regarding the Neighborhood Stabilization Program (NSP) and to report program income to the State no less frequently than monthly during the term of the agreement and any additional time period during which the City remains in control of NSP funds or other NSP assets, including program income. The City completed their last drawdown of original grant funds in the first quarter of 2014 and submitted a quarterly

activity report for that quarter. However, the City did not submit a quarterly activity summary report for the second quarter of 2014. In addition, the City has not been reporting program income on a monthly basis to the State of Oregon.

Effect: The State is fully aware of the situation and is working towards a solution. However, the City did not have a system in place during the year to ensure monthly reporting of program income and quarterly reporting for periods after the initial grant funds were fully expended.

Cause: The grant agreement was amended in March of 2014 and extended the term of the agreement. The fourth quarter report was not filed because the City was unaware that the State of Oregon still required the reports after the original grant dollars were fully expended. In addition, the City interpreted the program income reporting requirements to include only net program income greater than \$25,000, rather than gross program income, less expenses, to the State and consequently has not been reporting program income to the State.

Auditor's recommendation: The City is working with the State on an acceptable format to report program income and to provide the information for the fourth quarter report. We recommend that the City continue to work with the State to finalize their requirements and continue reporting until the grant program is fully closed.

Management's response: Management acknowledges that the City misunderstood reporting requirements for quarterly reports after the grant dollars were fully expended and the monthly program income reports and is working with State personnel to bring all reports to a current status. To ensure that reports are filed in a timely manner with accurate information in the future, management has taken the action of hiring a Housing and Community Development Grants Program Coordinator who is participating in State and Federal training programs on reporting procedures, working with State personnel on the reporting requirements and establishing an internal system of controls to ensure that the reports are provided as required. The internal system of controls includes requiring monthly program income reports from sub-recipients, regular meetings with State personnel, refinement of procedures and more clearly identifying staff responsibilities in respect to the reporting requirements.



Dickey and Tremper, LLP
Certified Public Accountants and Business Advisors

110 SE First Street
P.O. Box 1533
Pendleton, OR 97801
Phone: (541) 276-6862
Toll Free: 1-800-332-6862
Fax: (541) 276-9040
Web: www.dickeyandtremper.com

To the Board and Management of the City of Redmond Urban Renewal Agency:

In planning and performing our audit of the financial statements of the governmental activities and each major fund of the City of Redmond Urban Renewal Agency as of and for the year ended June 30, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the City of Redmond Urban Renewal Agency's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore material weaknesses or significant deficiencies may exist that were not identified.

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

This communication is intended solely for the information and use of management, Board of Directors of the Redmond Urban Renewal Agency, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Dickey and Tremper, LLP

Dickey and Tremper, LLP
Certified Public Accountants
Pendleton, Oregon

December 30, 2014



Key Financial Highlights

- * City-wide operating expenses at 47% of budget. Estimated to be at 97% at end of FY14/15
- * General Operating change in fund balance expected to be \$300k better than budget in FY14/15
- * Airport change in unrestricted fund balance expected to be substantially positive in FY14/15
- * Major utility revenues expected to be 2.5% higher than budget
- * Most development related and permit revenue are trending higher than budget

50%

Key Statistics (\$ in Millions)

<u>Property Tax (PT) Collections</u>	
FY14/15 (Current)	\$ 6.459
FY14/15 (Projection)	\$ 7.119
FY14/15 (Budget)	\$ 6.983
FY13/14	\$ 6.722
FY12/13	\$ 5.993
FY11/12	\$ 6.168

Franchise Fees

FY14/15 (Current)	\$ 1.377
FY14/15 (Projection)	\$ 3.119
FY14/15 (Budget)	\$ 2.983
FY13/14	\$ 3.008
FY12/13	\$ 2.811
FY11/12	\$ 2.833

State Shared Revenues

FY14/15 (Current)	\$ 0.894
FY14/15 (Projection)	\$ 2.215
FY14/15 (Budget)	\$ 2.185
FY13/14	\$ 2.183
FY12/13	\$ 2.080
FY11/12	\$ 2.054

General Operating Fund Balance

FY14/15 (Current)	\$ 9.726
FY14/15 (Projection)	\$ 6.588
FY14/15 (Budget)	\$ 6.230
FY13/14	\$ 6.876
FY12/13	\$ 6.676
FY11/12	\$ 6.961

Gen. Oper. Fund Balance Change

FY14/15 (Current)	\$ 2.850
FY14/15 (Projection)	\$ (0.289)
FY14/15 (Budget)	\$ (0.591)
FY13/14	\$ 0.201
FY12/13	\$ (0.285)
FY11/12	\$ 1.784

Water Sales

FY14/15 (Current)	\$ 2.742
FY14/15 (Projection)	\$ 4.857
FY14/15 (Budget)	\$ 4.706
FY13/14	\$ 4.477
FY12/13	\$ 4.342
FY11/12	\$ 4.152

Sewer Sales

FY14/15 (Current)	\$ 2.151
FY14/15 (Projection)	\$ 4.308
FY14/15 (Budget)	\$ 4.221
FY13/14	\$ 4.410
FY12/13	\$ 4.740
FY11/12	\$ 4.460

Finance/Budget Contact:

Jason Neff
541.923.7729
jason.neff@ci.redmond.or.us

Operating Financial Performance by Department (\$ in Millions)

General

Expenditures / Budget:	50%			
Operating Revenues / Budget:	74%	* Property Tax Collections at 93%		
Sub-Fund Balance Change:	\$ 2.741	\$ 0.247	\$ -	* Assessed Value and Franchise Fee Growth
Sub-Fund Balance:	\$ 5.392	\$ 2.899	\$ 2.650	

Police

Expenditures / Budget:	51%	* Personnel Services at 52%		
Operating Revenues / Budget:	52%			
Sub-Fund Balance Change:	\$ (0.021)	\$ (0.203)	\$ (0.073)	* Personnel Services
Sub-Fund Balance:	\$ 1.254	\$ 1.072	\$ 1.195	

Public Works

Transportation

Expenditures / Budget:	43%	* Personnel Services at 44%		
Operating Revenues / Budget:	48%	* Gas Tax at 43%		
Sub-Fund Balance Change:	\$ 0.099	\$ 0.103	\$ -	* Personnel Services
Sub-Fund Balance:	\$ 1.961	\$ 1.965	\$ 1.860	

Parks & Facilities

Expenditures / Budget:	41%	* Personnel Services at 40%		
Operating Revenues / Budget:	49%			
Sub-Fund Balance Change:	\$ (0.012)	\$ (0.170)	\$ (0.215)	* Personnel Services
Sub-Fund Balance:	\$ 0.612	\$ 0.454	\$ 0.435	

Water

Expenditures / Budget:	47%			
Operating Revenues / Budget:	56%	* Water Sales at 58%		
Sub-Fund Balance Change:	\$ 0.326	\$ 0.074	\$ (0.171)	* Water Sales and Personnel Services
Sub-Fund Balance:	\$ 3.460	\$ 3.208	\$ 2.699	

Wastewater

Expenditures / Budget:	49%			
Operating Revenues / Budget:	52%			
Sub-Fund Balance Change:	\$ 0.085	\$ 0.154	\$ (0.112)	* Sewer Sales and Personnel Services
Sub-Fund Balance:	\$ 1.697	\$ 1.766	\$ 1.328	

Stormwater

Expenditures / Budget:	45%			
Operating Revenues / Budget:	51%			
Sub-Fund Balance Change:	\$ 0.012	\$ (0.026)	\$ (0.072)	
Sub-Fund Balance:	\$ 0.253	\$ 0.215	\$ 0.118	

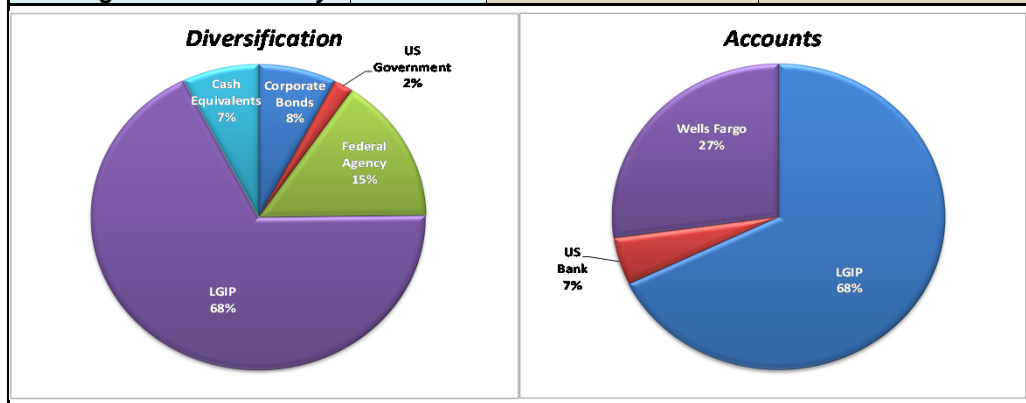
Engineering

Expenditures / Budget:	49%			
Operating Revenues / Budget:	52%			
Sub-Fund Balance Change:	\$ 0.003	\$ (0.010)	\$ (0.047)	
Sub-Fund Balance:	\$ 0.073	\$ 0.060	\$ 0.016	

Operating Financial Performance by Department Cont. (\$ in Millions)				
Airport				
Expenditures / Budget:	43%	* Personnel Services at 45%		
Operating Revenues / Budget:	54%	* Parking 49%, PFCs 52%		
	YTD	YE Proj.	YE Budget	
Sub-Fund Balance Change:	\$ 0.676	\$ 0.308	\$ (0.318)	* Personnel Services
Sub-Fund Balance:	\$ 3.964	\$ 3.596	\$ 2.182	* Forest Svc. "Catch-Up"
CDD				
Operations				
Expenditures / Budget:	47%			
Operating Revenues / Budget:	67%	* General Fund Support at 50%, Business Licenses		
	YTD	YE Proj.	YE Budget	
Sub-Fund Balance Change:	\$ 0.052	\$ (0.082)	\$ (0.095)	
Sub-Fund Balance:	\$ 0.144	\$ 0.010	\$ 0.010	
Building				
Expenditures / Budget:	52%			
Operating Revenues / Budget:	67%	* Permits at 75%		
	YTD	YE Proj.	YE Budget	
Sub-Fund Balance Change:	\$ (0.004)	\$ (0.092)	\$ (0.110)	
Sub-Fund Balance:	\$ 0.186	\$ 0.098	\$ 0.060	
Current Planning				
Expenditures / Budget:	48%			
Operating Revenues / Budget:	44%	* Planning Fees at 46%		
	YTD	YE Proj.	YE Budget	
Sub-Fund Balance Change:	\$ (0.044)	\$ (0.080)	\$ (0.075)	
Sub-Fund Balance:	\$ 0.076	\$ 0.040	\$ 0.010	
Long Range Planning				
Expenditures / Budget:	35%			
Operating Revenues / Budget:	50%	* General Fund Support at 50%		
	YTD	YE Proj.	YE Budget	
Sub-Fund Balance Change:	\$ 0.039	\$ (0.012)	\$ (0.023)	
Sub-Fund Balance:	\$ 0.102	\$ 0.050	\$ 0.010	
Golf				
Expenditures / Budget:	40%			
Operating Revenues / Budget:	46%	* Rounds of Golf at 49%		
	YTD	YE Proj.	YE Budget	
Sub-Fund Balance Change:	\$ 0.133	\$ (0.000)	\$ 0.005	
Sub-Fund Balance:	\$ 0.133	\$ (0.000)	\$ 0.005	

Capital Maintenance Expenditures for Major Infrastructure Systems (\$ in Millions)					
	YTD	YTD/Budget	YE Proj.	Proj/Budget	YE Budget
Transportation	\$ 0.432	40%	\$ 1.073	100%	\$ 1.078
Water	\$ 0.442	21%	\$ 2.100	100%	\$ 2.100
Wastewater	\$ 0.026	8%	\$ 0.250	74%	\$ 0.340
Stormwater	\$ 0.011	4%	\$ 0.229	95%	\$ 0.240

Cash & Investments Summary			
Total Cash & Investments	\$53.3M	Estimated Rates of Return	
Weighted Maturity	6 months	Wells Fargo = 0.91%	US Bank = 0.00%
Weighted Credit Quality	AAA	LGIP = 0.50%	



Key Statistics (Cont.)	
Passenger Facility Charges	
FY14/15 (Current)	\$ 0.458
FY14/15 (Projection)	\$ 0.970
FY14/15 (Budget)	\$ 0.875
FY13/14	\$ 0.968
FY12/13	\$ 0.883
FY11/12	\$ 0.898
Planning Permit Revenue	
FY14/15 (Current)	\$ 0.037
FY14/15 (Projection)	\$ 0.081
FY14/15 (Budget)	\$ 0.081
FY13/14	\$ 0.092
FY12/13	\$ 0.055
FY11/12	\$ 0.113
Expenditures (Excl. URA)	
FY14/15 (Current)	\$ 28.6
FY14/15 (Budget)	\$ 74.7
FY13/14	\$ 54.7
FY12/13	\$ 55.3
FY11/12	\$ 65.7
Debt Service Coverage Ratio	
General Operating	2.46
Water	1.84
Wastewater	1.31
Airport	1.11
Long-Term Debt	
FY14/15	\$ 77.3
FY13/14	\$ 68.9
FY12/13	\$ 73.9
FY11/12	\$ 75.9
Moody's Credit Ratings	
FFCO (4/14)	A1
Airport Rev (7/14)	Baa3
Water Rev (6/10)	A1
Cash/Investment Balances	
LGIP	\$ 36.1
US Bank	\$ 2.7
Wells Fargo	\$ 14.5
TOTAL	\$ 53.3
Assessed Value Growth	
FY14/15	6.8%
FY13/14	10.4%
FY12/13	-2.7%
FY11/12	-6.2%
Property Tax Base	
Maximum Assessed	\$ 2,030
Real Mkt Value	\$ 2,158
RMV / MAV	106%
City/Citizen PT Rate / \$1000	
FY14/15	\$4.41 / \$18.42
FY13/14	\$4.41 / \$18.44
FY12/13	\$4.41 / \$18.86
FY11/12	\$4.41 / \$18.51



CITY OF REDMOND
Community Development Department

716 SW Evergreen Avenue
Redmond, OR 97756
(541) 923-7721
Fax: (541) 548-0706
www.ci.redmond.or.us

STAFF REPORT

DATE: January 27, 2015
TO: Mayor and Council Members
THROUGH: Keith Witcosky, City Manager
FROM: Heather Richards, Community Development Director
SUBJECT: Action Item: CDBG Funding Award, Action Plan FY 14/15

Addresses Council Goal:

4. Community Enhancement – Create an image and identity that generates a sense of community pride, ensuring the high quality of life and safety of our citizens, attracting new residents and businesses and facilitating their success and safety as well.

Report in Brief:

This is the consideration of a recommendation from the City of Redmond Housing and Community Development Committee (HCD) to fund three projects as part of the Redmond CDBG Action Plan FY 14/15 as illustrated below:

Families Forward, Inc.	\$102,727
Opportunity Foundation of Central Oregon	\$ 24,300
Boys and Girls Club Redmond/Terrebonne	\$ 25,000

Background:

On September 27, 2013, the City of Redmond accepted entitlement status in the federal Housing and Urban Development (HUD) Community Development Block Grant (CDBG) program. The objective of the CDBG program is “to develop viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income”, often described as a three-legged stool of housing, neighborhood revitalization and economic development.

Recipient communities receive an annual financial allocation to undertake a wide range of community-based activities directed toward neighborhood revitalization, economic development, and community services, facilities, and improvements. Entitlement communities develop their own programs and set their own funding priorities in conformance with the statutory standards, program regulations and other federal regulations through a five-year Consolidated Plan and an annual Action Plan. The Consolidated Plan analyses the needs in the community and then develops strategies to meet those needs over the next five years. The annual Action Plan describes how the City will expend their annual grant allocation to achieve the goals and strategies in the Consolidated Plan in that particular fiscal year.

The action plan fiscal year is similar to the City of Redmond’s fiscal year, July 1 to June 30.

The City of Redmond’s FY 14/15 allocation is \$190,027.

Attachments:

Redmond Housing and Community Development Action Plan FY 14/15 Summary

Expenditure of CDBG funds is highly regulated and formulaic. 70% of all funds are required to be spent in a manner that benefits low and moderate income residents in the community. A maximum of 15% of funds can be spent on public services. A maximum of 20% of funds can be spent on administration and planning efforts.

Consolidated Plan Goals and Funding Allocations: 2014-2018:

Goal #1: Provide decent affordable housing and work towards homeless prevention	50% of allocation over the next five years.
Goal #2: Increase economic opportunities	15% of allocation over the next five years.
Goal #3: Support agencies that provide public services serving low and moderate income residents.	15% of allocation over the next five years.
Goal #4: Administration and Planning	20% of allocation over the next five years.

Action Plan FY 14/15 Goals and Funding Allocations:

Goal #1: Provide decent affordable housing and work towards homeless prevention	\$102,727
Goal #2: Increase economic opportunities	\$24,300
Goal #3: Support agencies that provide public services serving low and moderate income residents.	\$25,000
Goal #4: Administration and Planning	\$38,000

Each CDBG activity must meet one of three national objectives: benefit low- and moderate- income persons (LMI Area Benefit, LMI Limited Clientele, and LMI Jobs), aid in the prevention or elimination of slums or blight (urban renewal areas qualify); or meet other community development needs having a particular urgency that the grantee is unable to finance on its own.

Discussion:

The City of Redmond’s Consolidated Plan, 2014-2018, was submitted to HUD on August 13, 2014. HUD approved the Consolidated Plan and Annual Action Plan FY 14/15 on October 1, 2014. The City received notification of approval for the first grant allocation on October 21, 2014.

Since this is the first year of the City of Redmond’s program, uniquely the City could not solicit for projects until receiving final notification of award and approval.

Solicitations for projects were issued in November, 2014 with a deadline of December 8, 2014. Four applications were received that were reviewed and evaluated by a subcommittee consisting of two city staff (Community Development Director and Housing and Community Development Grants Program Coordinator) as well as three members of the Housing and Community Development committee. All applications were reviewed for compliance with the CDBG program and Redmond’s Consolidated Plan goals and strategies. They were then scored and ranked based on the following criteria:

Experience managing federally funded projects (CDBG preferred)	5 points
Agency Capacity – financial and staffing, references	15 points
Consolidate Plan priority, number served (Housing or Activity need)	25 points
Benefit to Special Needs and Low- and Moderate- Income Persons	25 points
Project Budget, leverage of other funds, partnerships with other agencies	15 points
Activity management and completion within one (1) year	15 points
Total	100 points

The table below depicts the four applications received, their average score, which Consolidated Plan category they respond to, the amount available in this year's Action Plan for that category, their request, the performance expectation in that category for this year's Action Plan and the applicant's anticipated performance.

Application	Average Score	Action Plan Category	Amount Available	Request	Category Performance Expectation	Applicant Performance
Families Forward, Downtown	65.2	Goal #1: Housing	\$102,727	\$102,727	5 Units Created	8 Units Created
Families Forward, Reindeer	88.2	Goal #1: Housing	\$102,727	\$102,727	5 Units Created	70 Units Created
Opportunity Foundation of Central Oregon	78.6	Goal #2: Economic Development	\$24,300	\$24,300	9 Jobs Created / Workforce Trained	10 Jobs Created / Workforce Trained
Boys and Girls Club of Redmond / Terrebonne	64.8	Goal #3: Public Services	\$25,000	\$25,000	15 People Served	15 People Served

The subcommittee met three times to discuss the applications and then made a final recommendation to the Housing and Community Development Committee on Friday, January 16, 2015.

At that meeting the Housing and Community Development Committee made a motion to recommend the following three projects to the City Council for CDBG funding, amending the Boys and Girls Club of Redmond/Terrebonne request to funding general operations with a goal of increasing membership by 15 members who reside in the City of Redmond, and are considered members of families who make 50% of average median income.

Families Forward, Inc.	\$102,727
Opportunity Foundation of Central Oregon	\$ 24,300
Boys and Girls Club Redmond/Terrebonne	\$ 25,000

Fiscal Impact:

All projects will be funded with the Community Development Block Grant.

Alternative Courses of Action:

1. Award the funds as recommended by the City of Redmond Housing and Community Development Committee.
2. Amend the funding awards.
3. Request more information.
4. Elect not to award any funds at this time.

Recommendation/Suggested Motion:

"I move to award the FY 14/15 City of Redmond CDBG funding to the following projects: Families Forward, Inc. for \$102,727 to fund affordable housing supply; Opportunity Foundation of Central Oregon for \$24,300 to fund workforce training and job creation activities; and to the Boys and Girls Club of Redmond/Terrebonne for \$25,000 to fund operations and increased services, per the goals and strategies of the Consolidated Plan and FY 14/15 Action Plan."

Heather Richards
Community Development Director



GOAL #1: PROVIDE DECENT AFFORDABLE HOUSING AND WORK TOWARDS HOMELESS PREVENTION

Objectives	Activities	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
Increase the supply of affordable housing, especially those units owned or rented by the lowest income residents (< = 50% AMI)	Land Acquisition, site clearance, demolition and public improvements for qualified projects.	2014	2015	Affordable Housing	City Wide	Lack of affordable rental housing	\$102,727	Units Created: 5
	Infrastructure Improvements for qualified projects.							
	Grant code variances, fee waivers, expedited review for workforce housing/affordable housing developments.							
Reduce Housing Cost Burden.	Down payment Assistance							

GOAL #2: INCREASE ECONOMIC OPPORTUNITIES

Objectives	Activities	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
Create and retain jobs for LMI Persons	Loans or grants for job creation or retention or special economic development activities (land acquisition, building improvements, public improvements) where at least 51% of the jobs are for LMI persons, or helps a business stay in operation in a slum and blighted area.	2014	2015	Non-Housing Community Development Needs	Citywide	Barriers to living wage jobs	24,300	Jobs Created / Workforce Trained = 9
Establish, stabilize and expand micro businesses (5 or fewer employees).	Microenterprise Assistance – technical assistance/training to a new or existing microenterprise.							
Expand higher-paying employment opportunities for LMI workforce	Job Training: Support private and public sector economic development efforts that result in job training and employment for the City’s LMI residents.							



GOAL #3: SUPPORT AGENCIES THAT PROVIDE PUBLIC SERVICES SERVING LOW AND MODERATE INCOME RESIDENTS

Objectives	Activities	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
Assist low income and special needs populations by helping service providers expand services.	Grants or loans to provide new services or quantifiable increase in existing services. Consider competitive application process with minimum \$8000 reward and match requirements, once a year.	2014	2015	Affordable Housing, Special Needs, Non-Housing Community Development	Citywide	Assist low income and special needs populations	\$25,000	Grants Awarded: TBD People Served: TBD

GOAL #4: FURTHER FAIR HOUSING AND ADMINISTRATION

Objectives	Activities	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
Further Fair Housing	Develop a Fair Housing Plan	2014	2015	Planning and Capacity	Citywide	Fair Housing	\$5,000	Completion of the Plan
Administration	Administer the Program	2014	2015	Administration	Citywide	Administration	\$33,000	Administration