



# CITY OF MANZANITA

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ci.manzanita.or.us

## COUNCIL REGULAR SESSION

Pine Grove Community Center  
<https://ci.manzanita.or.us>

## AGENDA

December 4, 2024  
06:00 PM Pacific Time

**Council will hold this meeting at the Pine Grove Community Center**

**Video Information:** The public may watch live on the

[City's Website: ci.manzanita.or.us/broadcast](https://ci.manzanita.or.us/broadcast)

or by joining via Zoom:

<https://us02web.zoom.us/j/82375382654?pwd=6K8Blaa2UsKuKyEkaYTEOObhurXDe9.1>

Meeting ID: 823 7538 2654 Passcode: 549570

Call in number: +1 253 215 8782

If you would like to submit written testimony to the City Council on items included on the agenda, please send your comments to [cityhall@ci.manzanita.or.us](mailto:cityhall@ci.manzanita.or.us) and indicate the agenda item and date of meeting.

**Note:** Agenda item times are estimates and are subject to change

**1. CALL TO ORDER** (6:00 p.m.)

**2. AUDIENCE PARTICIPATION**

Comments must be limited to city business topics that are not on the agenda. A topic may not be discussed if the topic record has been closed. All remarks should be directed to the whole Council. The presiding officer may refuse to recognize speakers, limit the time permitted for comments, and ask groups to select a spokesperson. **Comments may also be submitted in writing before the meeting, by mail, e-mail (to [cityhall@ci.manzanita.or.us](mailto:cityhall@ci.manzanita.or.us)), or in person to city staff**

**3. CONSENT AGENDA**

Consent items are not discussed during the meeting; they are approved in one motion and any Council member may remove an item for separate consideration.

**A. Approval of Minutes**

- a. November 06, 2024, Regular Session
- b. November 13, 2024, Work Session

**B. Approval of Bills**

#### **4. INFORMATION**

- A.** City Manager Report  
Leila Aman, City Manager

#### **5. NEW BUSINESS**

- A.** Financial Audit  
Nina Crist, Accounting Manager  
Kori Sarrett, Accuity
  
- B.** FEMA Biological Opinion Pre Implementation Compliance Measure  
Scott Fregonese, City Contract Planner, 3J Consulting
  
- C.** Budget Committee Criteria  
Nina Crist, Accounting Manager  
Joy Nord, Budget Committee
  
- D.** Planning Commission Appointments  
Tom Campbell, Councilor  
Cody Aucoin, Hatfield Fellow
  
- E.** Policy Handbook  
Leila Aman, City Manager
  
- F.** EVCNB Memorandum of Understanding  
Linda Kozlowski, Council President  
Trish Johnson, EVCNB President
  
- G.** Restrictive Covenant – Highlands Annexation  
Leila Aman, City Manager

#### **6. COUNCIL UPDATES**

#### **7. ADJOURN (8:00)**

##### **Meeting Accessibility Services and Americans with Disabilities Act (ADA) Notice**

The city is committed to providing equal access to public meetings. To request listening and mobility assistance services contact the Office of the City Recorder at least 48 hours before the meeting by email at [cityhall@ci.manzanita.or.us](mailto:cityhall@ci.manzanita.or.us) or phone at 503-812-2514. Staff will do their best to respond in a timely manner and to accommodate requests. Most Council meetings are broadcast live on the [ci.manzanita.or.us/broadcast](http://ci.manzanita.or.us/broadcast).



# City of Manzanita

## MEMORANDUM

To: City Council

Date Written: November 27, 2024

From: Leila Aman, City Manager

Subject: **December 4, 2024, City Council Regular Session**

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### 4. INFORMATION

### 5. NEW BUSINESS

#### A. FINANCIAL AUDIT

Accounting Manager Nina Crist and Auditor Kori Sarrett will discuss the findings from the 2023-24 audit report. The audit report can be downloaded from the city's website.

#### B. FEMA BIOLOGICAL OPINION POST IMPLEMENTATION COMPLIANCE MEASURES (PICM)

The City of Manzanita has selected to "Require permit applicants to develop a Floodplain Habitat Assessment documenting that their proposed development in the Special Flood Hazard Area will achieve "no net loss" as part of the PICM process. The city's contract City Planner, Scott Fregonese, will briefly review the Biological Opinion and its implications for Manzanita which only apply to properties located in the coastal velocity zone.

#### C. BUDGET COMMITTEE CRITERIA

Council shall review and finalize criteria for the selection process and will delegate authority to the established selection committee who will conduct a selection process. The proposed criteria are as follows:

- Can demonstrate a readiness to be prepared to participate actively in the budget process. This includes taking the training provided by the Oregon Department of Revenue, reviewing, and understanding the budget document, and understanding their role of the budget committee.
- Has a solid basis or background in finance and or budgeting experience in either the public, private, or nonprofit sectors. Experience should be substantial or significant in nature.
- Committee members should be able to take an active role in developing, evaluating and proposing policy that ensures the city's financial wellbeing. While this will likely happen outside of the budget process

members will be asked for guidance and feedback on proposed financial policies.

- Committee members should have experience working in a constructive and collaborative committee format that is focused on supporting the development of a budget that advances the city's fiscal health and wellbeing and serving the community's needs and goals.
- Applicant confirms they have read Chapter 9 – Ethics, Decorum, Outside Statements of the City of Manzanita Rules of Procedure for City Council Meetings.

The application has been updated to reflect the new criteria, along with less substantive additions (e.g., number of open positions, term dates, and application submission deadline).

#### **D. PLANNING COMMISSION APPOINTMENTS**

City staff received and forwarded three applications for the three open Planning Commission positions to the selection committee. Applications were reviewed by the selection committee. All applicants – Brad Berman, Frank Squillo, and Lee Hiltenbrand – were interviewed, deemed qualified to serve as planning commissioners, and are recommended for appointment to the Mayor and City Council.

#### **E. POLICY HANDBOOK**

The City Manager has worked with the City Attorney and County Insurance to ensure new laws related to Oregon's Paid Leave Act are included in the Employee Policy Handbook. Minor modifications to travel and reimbursement have been made to align with federal per diem rates.

#### **F. EVCNB MEMORANDUM OF UNDERSTANDING**

This MOU establishes the roles and responsibilities for the City and EVCNB to collaborate for the purpose of preparing for, and responding to, the safety of residents and visitors in the event of a natural or man-made disaster. The MOU also includes terms that will enable EVCNB to utilize the assembly area adjacent to the new City Hall for training and other activities that have historically been requested via event permit.

#### **G. RESTRICTIVE COVENANT**

At the Regular Session meeting, the City Council conducted a second reading of Ordinance 24-04 annexing and rezoning property in the city's urban growth boundary for the purpose of affordable housing. On March 11, 2024, the Manzanita City Council approved this request and recommended approval to the city council subject to certain conditions including the establishment of a deed restriction on the property limiting it to moderate income housing. The city manager has been working with Pine Grove Properties and the City Attorney to develop and finalize a restrictive covenant to the property to meet these conditions. The city manager is requesting the council's approval to sign and file



the restrictive covenant. Once approved the city manager will finalize the annexation with Tillamook County.

CITY OF MANZANITA  
NOVEMBER 6, 2024  
CITY COUNCIL REGULAR SESSION

**1. CALL TO ORDER:** The meeting was called to order on November 6, 2024, at 6:01pm at the Pine Grove Community Center by Mayor Kathryn Stock.

**Roll:** Council members present: Kathryn Stock, Linda Kozlowski, Jerry Spegman, Brad Hart and Tom Campbell. Staff present: City Manager Leila Aman, Police Sergeant Mike Sims, Police Officer John Garcia, Code Enforcement Officer Max Halverson and Assistant City Recorder Nancy Jones. Staff Present via Zoom: Accounting Manager Nina Crist, and Hatfield Fellow Cody Aucoin.

**2. AUDIENCE PARTICIPATION:** There were 7 people in attendance, 10 attended via zoom, 34 attended via website. There were three public comments.

**3. CONSENT AGENDA:**

- A. APPROVAL OF MINUTES –
  - a. October 09, 2024, Regular Session
  - b. October 16, 2024, Work Session
  - c. October 22, 2024, Budget Work Session

B. APPROVAL OF BILLS FOR PAYMENT

**A motion was made by Kozlowski, seconded by Campbell, to approve the consent agenda that included approval of the October 09, 2024, Regular Session Minutes; October 16, 2024, Work Session Minutes; October 22, 2024, Budget Work Session; Approved payment of bills and all subsequent bills subject to approval by the Mayor or Council President and City Manager; Motion passed Unanimously.**

**4. INFORMATION:**

**A. City Manager Report - City Manager Leila Aman**

- City Manager Leila Aman spoke about the Public Advisory Steering Committee Community Summit that was held on October 28<sup>th</sup>. She said that this public event was focused on housing and the community participation was exceptional. She communicated that the city is analyzing the feedback it received and is creating an online survey that should be posted on the website next week. She said the consultant team will meet with the Public Advisory Steering Committee (PASC) in December and then the code concept will be presented to the Planning Commission prior to start of the code writing.

- Aman spoke about the new city hall building project and reported that the exterior framing is almost complete. She explained that the interior wall framing should be complete in the next few weeks to prepare for electrical, mechanical, and plumbing. She communicated that the water tie-in on Classic Street has been completed, preparation for the parking lot has begun, and stated that the project is within budget, on schedule, and proceeding to plan.
- Aman provided information on a citizens' comment from a previous meeting regarding Manzanita's city park. She announced that the equipment has been cleaned and after the monkey bars are refurbished, they will be re-installed this spring. Public Works Director Rick Rempfer completed a maintenance inventory with the builders of the structure. Aman said the builders will provide a report as to what the structural repairs will cost and stated that any major repairs will wait until next fiscal year's budget.
- Aman announced that if the Classic Street engineering contract is approved tonight, geo technical work will begin next week. She specified that the city has been working with the HOA's of both the Highlands and the Classic St Cottages. There will be traffic control on Classic Street, the Highlands, and parts of Necarney as drilling begins.

#### **B. Update Ballot Measure 29-179 Results – Mayor Kathryn Stock**

Mayor Kathryn Stock provided an updated-on ballot measure 29-179. She said that a referendum was submitted to the city on Ordinance 24-01 regarding monthly verses quarterly water billing. She reported the un-certified results of the election on this measure - 56 percent voted yes, and 44 percent voted no. A yes vote means that the water billing will remain monthly. Stock announced that the cost to the city for this measure and other referendum requests were just over \$36,000.00.

#### **C. Code Enforcement Update – Police Sergeant Mike Sims and Code Enforcement Officer Max Halverson**

Code Enforcement Officer Max Halverson provided an update of his completed duties from January to November 2024. He stated that the goal of code enforcement is to gain voluntary compliance with education over enforcement and explained the approaches used. He spoke about community outreach, short term rentals compliance checks, ordinance violations, business licenses, and parking violations.

### **5. NEW BUSINESS:**

#### **A. Classic Street Connection Project Engineering Contract – City Manager Leila Aman**

City Manager Leila Aman spoke about the Classic Street connection project and said the city received three responsive Request for Proposals (RFP). She explained the interview process and announced that Windsor Engineering received the highest score. Windsor Engineering will provide design engineering for water, stormwater and road reconstruction. They will assist the city through the bidding process and provide construction administration. The contract amount is not to exceed \$482,700. Aman announced that there will be a separate contract for construction inspection and said the goal is to begin construction in March 2025 and should take six months to complete.

**A motion was made by Hart to accept Resolution 24-21 Approving a Design Services Agreement and Authorizing the City Manager to Execute the Agreement with Windsor Engineering in an Amount not to Exceed \$482,700. Seconded by Spegman; Motion passed Unanimously.**

**B. Budget Committee Appointment of Council Member and Budget Committee Member – Accounting Manager Nina Crist**

Accounting Manager Nina Crist spoke about the appointment process for the Budget Committee members and announced that there are two, three-year term seats set to end in March 2025. She asked the council to select one member from city council and one member from the budget committee to serve on the selection committee. Councilor Hart nominated councilor Spegman, and he accepted. Council President Kozlowski nominated Joy Nord from the Budget Committee, and she accepted. Accounting Manager Nina Crist will serve on the committee as the city representative. Crist said the selection criteria will be presented to council on December 4 and the application will be posted December 13 for three weeks. It is planned to present the applicant recommendations to the council on February 5<sup>th</sup> for approval. A consensus of the council approved Jerry Spegman, Joy Nord, and Nina Crist to serve on the Budget Selection Committee.

**6. OLD BUSINESS:**

**A. City Logo Approval – City Manager Leila Aman**

City Manager Leila Aman spoke about the new city logo survey and presented the logo that was chosen by a majority vote. The winner, by a sixty percent vote, was the logo with the two seagulls. This new logo will be used citywide, and the change will begin with computer forms, emails and the website.

**A motion was made by Campbell to accept the New City Logo. Seconded by Kozlowski; Motion passed Unanimously.**

**B. Amendment to Guaranteed Maximum Price Contract with Cove Built LLC (Solar)– City Manager Leila Aman**

City Manager Leila Aman presented an amendment to the Guaranteed Maximum Price (GMP) for an approved change order to add a grid tied solar array system to the new city hall building. The total cost of the solar installation including panels and electrical connections is \$77,820.66, bringing the total contract amount to \$4,799,535.37. This is the second amendment with Cove Built for the construction project.

**A motion was made by Kozlowski to accept Resolution 24-22 Approving a Guaranteed Maximum Price Amendment to the Cove Built LLC GM/GC Contract, Authorizing the City Manager to Execute the Guaranteed Maximum Price Amendment for Approved Change Order Adding a Solar Panels and Electrical Connection to the Manzanita City Hall Project. Seconded by Hart; Motion passed Unanimously.**

**C. Ordinance 24-05 – Reducing the Speed Limit to 20 Miles Per Hour in Residence Districts within the City of Manzanita – Police Sergeant Mike Sims**

Police Sergeant Mike Sims spoke about the reduction of the speed limit to twenty miles per hour within the city limits and asked for a second reading of Ordinance 24-05. He said that enforcement of the new speed limit would not begin until 30 days after adoption and when the new street signs are posted. Twenty is plenty yard signs are available at city hall for free.

Sims also spoke about next steps regarding implementing clear view vision triangles at neighborhoods corners on bikeways identified in the Transportation System Plan. The concept is for better vision in intersections with twenty-five feet of vegetation and fences cleared or lowered on the residential corners to enhance safety for pedestrians and cyclists.

Allowed for public comment: There were three public comments.

**A motion was made by Hart to accept the Second Reading of Ordinance 24-05 Reducing the Speed Limit to 20 Miles Per Hour in Residence Districts Within the City of Manzanita. Seconded by Campbell; Motion passed Unanimously.**

**D. Ordinance 24-06 – Amending Section 1, Section 4(B), Section 4(I), Section 5(A) and Section 5(B) Regulations Relating to Short-Term Rentals – City Manager Leila Aman**

City Manager Leila Aman spoke about the updates to Ordinance 24-06 and asked for a second reading. This Ordinance will update four items from Ordinance 10-03 as it relates to dark skies, changing due dates for periodic inspections and renewals, and Short-Term Rental signage.

**A motion was made by Campbell to accept the Second Reading of Ordinance 24-06 Amending Section 1, Section 4(B), Section 4(I), Section 5(A) and Section 5(B) of Ordinance 10-03 Establishing Rules and Regulations Relating to Short Term Rentals. Seconded by Kozlowski; Motion passed Unanimously.**

**7. COUNCIL UPDATES:**

Council members took turns sharing information and updates of what they were involved in for the month.

**8. INFORMATION AND ADJOURN:**

- The next Planning Commission meetings for November and December have been cancelled.
- Manzanita Municipal Court will be held November 15, 2024, at 1:30pm and is open to the public.

**Mayor Stock adjourned the meeting at 7:42PM.**

**MINUTES APPROVED THIS  
4<sup>th</sup> Day of December, 2024**

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Kathryn Stock, Mayor

Attest:

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Leila Aman, City Manager

**CITY OF MANZANITA  
NOVEMBER 13, 2024  
CITY COUNCIL WORK SESSION**

**1. CALL MEETING TO ORDER:** The meeting was called to order on November 13, 2024, at 2:00pm via Zoom by Mayor Kathryn Stock.

**ROLL:** Members present: Kathryn Stock, Linda Kozlowski, Jerry Spegman, Brad Hart, and Tom Campbell. Staff present: City Manager Leila Aman, Accounting Manager Nina Crist, Hatfield Fellow Cody Aucoin, and Assistant City Recorder Nancy Jones. Panelist present: Recology Dan Blue.

**2. Process For Changing Vehicle Use On The Ocean Shore - Councilor Jerry Spegman**

Councilor Jerry Spegman spoke about residents' concerns about allowing large motor vehicles beach access. Currently vehicles are allowed to drive on the beach from October until April from 7am to 12noon. He communicated that the city does not have the authority to change the beach access rules since the beaches are governed by the Oregon Parks and Recreation Department. He explained that Manzanita can petition Oregon Parks and Recreation to consider changing this rule on the Manzanita section of beach. The Manzanita beach boundaries are from the south edge of Oswald West to the North edge of Nehalem Bay State Park. Spegman would like the council to consider pursuing a petition to request a rule change to prohibit vehicles from beach access. If the council agrees to move forward with the petition, the request will go to the Oregon Parks and Recreation Department for a hearing. He reported that the hearing would cover five categories, Safety – Access Concerns - Scenic Recreational Values – Natural Resources – and Beach Management. There will be more discussions on this topic, including public input, at future council meetings.

**3. Recycling Modernization Act – Recology Dan Blue**

Government and Community Relations Manager for Recology Northern Oregon Dan Blue provided a Recology services update and presented an overview on the Plastic Pollution and Recycling Modernization Act (RMA). He spoke about the history of the recycling program and stated that Senate Bill 582 was signed into law effective January 1, 2022. Implementation of this bill begins July 1, 2025. Senate Bill 582 requires producers of packaging, printing and writing paper, and food service-ware to share responsibility for the effective, responsible, handling of their products after use. He said this bill is intended to stabilize the recycling market and will send a signal to manufacturers to look at the recyclability of their packaging products. He spoke about shared requirements for producers, service providers, local governments, recycling facilities and responsible end markets. He reported that the Circular Action Alliance is a third-party company that manages the implementation of the Recycling Modernization Act (RMA) in Oregon. They are responsible for collecting funds from companies selling packing products and distributing the funds across the state of Oregon through local governments and service providers to expand recycling services. He shared the new statewide collection list for curbside recycling, the Producer Responsibility Organization (PRO) list, and presented the requirements and options for all local governments with timelines of implementation.

**4. Short-Term Rental Discussion – Council President Linda Kozlowski & Short-Term Rental Chair Cheryl Ogburn**  
Council President Linda Kozlowski reported that this topic has been delayed from today's meeting. It is planned to be rescheduled in 2025.

**5. Adjourn:** Mayor Stock adjourned the meeting at 3:21pm.

**MINUTES APPROVED THIS  
4<sup>th</sup> Day of December 2024**

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Kathryn Stock, Mayor

Attest:

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Leila Aman, City Manager



## BILLS FOR APPROVAL OF PAYMENT

From 11/1/2024 - 11/30/2024

VENDOR	TOTAL	ADMIN	POLICE	BLDG	COURT	PARKS	CH EXP	ROADS	Visitors Center	WATER
3J (CITY PLANNER)	\$15,287.48	\$15,287.48								
ADVANCED EXC. (MTRLS & SUPP.)	\$863.37							\$400.00		\$463.37
ADVENTIST HEALTH (TESTING)	\$125.00		\$125.00							
AXON ENTERPRISE (MTRLS & SUPP.)	\$2,010.37		\$1,379.52						\$630.85	
BEARING (ARCHITECT)	\$2,864.00						\$2,864.00			
CARLSON (GEOTECH ENGINEER)	\$1,546.25							\$1,546.25		
CASELLE (FIN. SOFTWARE)	\$2,446.00	\$1,861.15								\$584.85
CHARTER (INTERNET)	\$604.91	\$219.98	\$129.98						\$124.97	\$129.98
CITY OF NEH. (FINES & ASSMNTS)	\$214.00				\$214.00					
CITY OF WHLR. (FINES & ASSMNTS)	\$1,504.00				\$1,504.00					
COAST GARAGE (GARAGE DOOR SERVICE)	\$295.00									\$295.00
COAST PRINTING (OFFICE SUPPLIES)	\$517.25	\$517.25								
CODY AUCOIN (STAFF REIMBURSEMENT)	\$223.78	\$223.78								
COVE BUILT (CMGC)	\$275,941.20						\$275,941.20			
DATA CENTER (MAILING SERVICE)	\$1,181.24									\$1,181.24
DMV (RECORDS REQ.)	\$3.55				\$3.55					

## BILLS FOR APPROVAL OF PAYMENT

From 11/1/2024 - 11/30/2024

VENDOR	TOTAL	ADMIN	POLICE	BLDG	COURT	PARKS	CH EXP	ROADS	Visitors Center	WATER
EVERGREEN AUTO (VEHICLE MAINT.)	\$25.00		\$25.00							
FERGUSON (MTRLS & SUPP.)	\$78.98									\$78.98
GRAND PEAKS (FINANCIAL CON.)	\$1,921.25	\$1,921.25								
HASCO (FUEL)	\$1,518.53		\$590.00			\$44.21		\$221.06	\$44.28	\$618.98
KLOSH (OWNERS REP.)	\$2,891.65						\$2,891.65			
LARRY BLAKE (MUNI JUDGE)	\$400.00				\$400.00					
LB BUILDING SRVCS (INSPECTION SERV.)	\$15,020.91			\$15,020.91						
LOC (ANNUAL CONFERENCE)	\$670.00	\$670.00								
LEXIPOL (ANNUAL SUB.)	\$394.16		\$394.16							
MANZ. LUMBER (MTRLS & SUPP.)	\$167.50								\$167.50	
NB WW (WASTEWATER)	\$765.00	\$90.00	\$90.00	\$90.00		\$405.00				\$90.00
NEHALEM LUMBER (MTRLS & SUPP.)	\$18.67									\$18.67
OLD REPUBLIC (ANNUAL BOND)	\$227.00									\$227.00
ONE CALL (LOCATE FEES)	\$16.80									\$16.80
ONE ELEVEN (IT SERVICES)	\$4,060.00	\$4,030.00								\$30.00
ONE ELEVEN (EQUIPMENT)	\$474.92			\$189.95					\$284.97	

## BILLS FOR APPROVAL OF PAYMENT

From 11/1/2024 - 11/30/2024

VENDOR	TOTAL	ADMIN	POLICE	BLDG	COURT	PARKS	CH EXP	ROADS	Visitors Center	WATER
OR. DEPT REV (FINES & ASSMNTS.)	\$503.23				\$503.23					
PACIFIC OFFICE (PSTG & COPIER)	\$135.00	\$101.25								\$33.75
RADARSIGN (SIGNAGE)	\$16,457.00							\$16,457.00		
RICK REMPFER (STAFF REIMB.)	\$144.72									\$144.72
RTI (PHONE SERVICE)	\$494.72	\$95.90	\$98.18							\$300.64
SECRETARY OF STATE (AUDIT FILING)	\$350.00	\$350.00								
STAPLES (OFFICE SUPPLIES)	\$234.61	\$234.61								
STATE FORESTER (ANNUAL FEE)	\$596.77	\$596.77								
STATE OF WA. (RECORDS REQUEST)	\$0.20				\$0.20					
SWEET SEPTIC (PORTABLE TOILETS)	\$295.00								\$295.00	
TILL. CREAMERY (MTRLS & SUPP.)	\$310.00									\$310.00
TILL. PAYABLE (FINES & ASSMNTS.)	\$161.03				\$161.03					
TCVA (VC COORD.)	\$5,663.51								\$5,663.51	
TPUD (ELECTRICITY)	\$3,713.00	\$189.19	\$134.99			\$96.03		\$609.00	\$114.60	\$2,569.19
US BANK (CITY VISA)	\$6,604.84	\$2,173.47	\$857.61					\$625.85	\$1,762.87	\$1,185.04
VERIZON (TELEPHONE)	\$1,273.94	\$337.28	\$343.48	\$110.47					\$111.64	\$371.07

## BILLS FOR APPROVAL OF PAYMENT

From 11/1/2024 - 11/30/2024

VENDOR	TOTAL	ADMIN	POLICE	BLDG	COURT	PARKS	CH EXP	ROADS	Visitors Center	WATER
WALTER NELSON (MTRLS & SUPP.)	\$709.20								\$709.20	
WALTER WEND. (CITY PLANNER)	\$300.00	\$300.00								
ZUMAR (ROAD SIGNS)	\$328.77							\$328.77		
<b>TOTALS</b>	<b>\$372,553.31</b>	<b>\$29,199.36</b>	<b>\$4,167.92</b>	<b>\$15,411.33</b>	<b>\$2,786.01</b>	<b>\$545.24</b>	<b>\$281,696.85</b>	<b>\$20,187.93</b>	<b>\$9,909.39</b>	<b>\$8,649.28</b>



**CITY OF MANZANITA**  
Tillamook County, Oregon

ANNUAL FINANCIAL REPORT

June 30, 2024



**Accuity**

*Where accuracy meets integrity*

**CERTIFIED PUBLIC ACCOUNTANTS**

436 1<sup>st</sup> Avenue W • PO Box 1072  
Albany, Oregon 97321 • (541) 223-5555

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

**CITY OFFICIALS**

June 30, 2024

**MAYOR**

Kathryn Stock

**CITY COUNCIL**

Linda Kozlowski, Council President

Tom Campbell

Brad Hart

Jerry Spegman

\*All councilors receive mail at the address below.

**CITY MANAGER**

Leila Aman

**MAILING ADDRESS**

P.O. Box 129  
Manzanita, Oregon 97130

**CITY ATTORNEY**

James Walker  
PO Box 3585  
Portland, Oregon 97208

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

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## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

The Honorable Kathryn Stock, Mayor and Members of the City Council  
City of Manzanita  
Manzanita, Oregon 97130

### Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Manzanita, Tillamook County, Oregon, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Manzanita, Tillamook County, Oregon as of June 30, 2024, and the respective changes in modified cash basis financial position, and where applicable, cash flows, thereof for the year then ended on the basis of accounting described in Note I.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Manzanita, Tillamook County, Oregon, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Emphasis of Matter - Basis of Accounting

We draw attention to Note I of the financial statements, which describes the basis of accounting. The City of Manzanita, Tillamook County, Oregon, prepares its financial statements on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to that matter.

### Emphasis of Matter - Change in Accounting Principle

As described in the notes to the financial statements, in the year ended June 30, 2024, the City adopted new accounting guidance: GASB Statement No. 100, *Accounting Changes and Error Corrections*. Our opinions are not modified with respect to this matter.

## **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Manzanita, Tillamook County, Oregon's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Manzanita, Tillamook County, Oregon's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Manzanita, Tillamook County, Oregon's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Supplementary and Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Manzanita, Tillamook County, Oregon’s basic financial statements. The individual fund financial statements and budgetary comparison information, if applicable, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and budgetary comparison information, if applicable, are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The other financial schedules, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.


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

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated November 13, 2024 on our tests of the City’s compliance with certain provisions of laws and regulations specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2024, on our consideration of the City’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Manzanita’s internal control over financial reporting and compliance.

Accuity, LLC

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

Glen O. Kearns, CPA

Albany, Oregon  
November 13, 2024

## **BASIC FINANCIAL STATEMENTS**

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

June 30, 2024

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 4,638,644	\$ 1,168,107	\$ 5,806,751
Restricted assets			
Cash and cash equivalents	1,160,734	2,810,575	3,971,309
Notes receivable - housing rehab loans	142,754	-	142,754
Total restricted assets	1,303,488	2,810,575	4,114,063
Capital assets not being depreciated	4,510,904	990,612	5,501,516
Capital assets being depreciated, net	3,129,216	6,704,857	9,834,073
Total assets	13,582,252	11,674,151	25,256,403
<b>LIABILITIES</b>			
Current liabilities			
Long-term debt, current portion	187,805	85,000	272,805
Noncurrent liabilities			
Long-term debt, less current portion	1,157,702	2,440,000	3,597,702
Total liabilities	1,345,507	2,525,000	3,870,507
<b>NET POSITION</b>			
Net investment in capital assets	6,294,613	5,170,469	11,465,082
Restricted for:			
System development	-	2,810,575	2,810,575
Building department	257,766	-	257,766
Capital projects and street maintenance	26,785	-	26,785
Special projects	226,520	-	226,520
Tourism promotion	649,663	-	649,663
Unrestricted	4,781,398	1,168,107	5,949,505
Total net position	\$ 12,236,745	\$ 9,149,151	\$ 21,385,896

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

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**

For the Year Ended June 30, 2024

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
<b><u>Functions/Programs</u></b>	<b>Expenses</b>					
Governmental activities						
General government	\$ 1,352,619	\$ -	\$ 60,000	\$ (929,817)	\$ -	\$ (929,817)
Public safety	786,539	-	-	(545,682)	-	(545,682)
Highways and streets	135,453	-	-	26,388	-	26,388
Culture and recreation	202,181	-	-	(202,181)	-	(202,181)
Interest expense	17,020	-	-	(17,020)	-	(17,020)
Unallocated depreciation	219,072	-	-	(219,072)	-	(219,072)
	<b>\$ 2,712,884</b>	<b>\$ -</b>	<b>\$ 60,000</b>	<b>(1,887,384)</b>	<b>-</b>	<b>(1,887,384)</b>
Total governmental activities						
Business-Type activities						
Water	\$ 1,086,370	\$ -	\$ -	-	619,821	619,821
						(continued)

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**

For the Year Ended June 30, 2024

(continued)

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
General revenues						
Property taxes		269,776		269,776	-	269,776
Transient lodging tax		1,841,968		1,841,968	-	1,841,968
State highway tax		49,754		49,754	-	49,754
Alcohol and cigarette taxes		12,077		12,077	-	12,077
Privilege taxes		1,335		1,335	-	1,335
Franchise fees		162,794		162,794	-	162,794
Unrestricted grants and contributions		6,020		6,020	-	6,020
State revenue sharing		25,059		25,059	-	25,059
Investment earnings		293,146		293,146	170,996	464,142
Sale of assets		638,351		638,351	-	638,351
Miscellaneous		49,752		49,752	11,407	61,159
Total general revenues		3,350,032		3,350,032	182,403	3,532,435
Transfers				208,000	(208,000)	-
Change in net position				1,670,648	594,224	2,264,872
Net position - beginning				10,566,097	8,554,927	19,121,024
Net position - ending				\$ 12,236,745	\$ 9,149,151	\$ 21,385,896

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



**CITY OF MANZANITA**  
**Tillamook County, Oregon**

**BALANCE SHEET - MODIFIED CASH BASIS**

**GOVERNMENTAL FUNDS**

June 30, 2024

	Special Revenue Funds			Capital Projects Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Tourism Promotion & Facilities	Building Fund	Road Fund	City Hall Expansion Fund			
<b>ASSETS</b>								
Cash and cash equivalents	\$ 3,585,423	\$ 649,663	\$ 257,766	\$ 509,721	\$ 262,731	\$	\$ 534,074	\$ 5,799,378
Notes receivable	-	-	-	-	-	-	142,754	142,754
Total assets	\$ 3,585,423	\$ 649,663	\$ 257,766	\$ 509,721	\$ 262,731	\$	\$ 676,828	\$ 5,942,132
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue - housing rehab loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 142,754	\$ 142,754
<b>FUND BALANCES</b>								
Restricted	-	649,663	257,766	-	-	-	253,305	1,160,734
Committed	-	-	-	509,721	262,731	-	280,769	1,053,221
Unassigned	3,585,423	-	-	-	-	-	-	3,585,423
Total fund balances	3,585,423	649,663	257,766	509,721	262,731		534,074	5,799,378
Total deferred inflows of resources, and fund balances	\$ 3,585,423	\$ 649,663	\$ 257,766	\$ 509,721	\$ 262,731	\$	\$ 676,828	\$ 5,942,132

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

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES

June 30, 2024

<b>Total fund balances</b>		\$ 5,799,378
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds:		
Cost	10,872,128	
Accumulated depreciation	<u>(3,232,008)</u>	7,640,120
Long-term liabilities are not due or payable in the current period and are therefore not reported in the governmental funds. Interest on long-term debt is not accrued in the governmental funds, but rather, is recognized as an expenditure when due. These liabilities consist of:		
Notes payable		(1,345,507)
Housing rehabilitation loans are not available to pay for current period expenditures and are therefore deferred in the fund statements		<u>142,754</u>
<b>Net position of governmental activities</b>		<u><u>\$ 12,236,745</u></u>

The accompanying notes are an integral part of these financial statements

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**MODIFIED CASH BASIS - GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2024

	General Fund	Special Revenue Funds			Capital Projects Funds			Nonmajor Governmental Funds	Total Governmental Funds
		Tourism Promotion & Facilities	Building Fund	Road Fund	City Hall Expansion Fund	Governmental Funds			
<b>REVENUES</b>									
Property taxes	\$ 269,776	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 269,776	
Intergovernmental	61,200	-	-	-	-	-	-	61,200	
Licenses, fees, and permits	305,627	-	191,377	-	-	-	91,574	588,578	
Franchise fees	63,501	-	-	99,293	-	-	-	162,794	
State liquor taxes	11,661	-	-	-	-	-	-	11,661	
State cigarette taxes	416	-	-	-	-	-	-	416	
State revenue sharing	25,059	-	-	-	-	-	-	25,059	
State highway tax	-	-	-	49,754	-	-	-	49,754	
Excise tax	1,335	-	-	-	-	-	-	1,335	
Grants and contributions	6,020	-	-	-	60,000	-	-	66,020	
Short-term rental tax	1,556,091	285,877	-	-	-	-	-	1,841,968	
Fines and forfeitures	90,808	-	-	-	-	-	24,914	115,722	
Investment earnings	227,908	6,387	-	23,182	2,491	-	33,178	293,146	
Other revenue	35,209	-	-	14,543	-	-	-	49,752	
Total revenues	<u>2,654,611</u>	<u>292,264</u>	<u>191,377</u>	<u>186,772</u>	<u>62,491</u>	<u>62,491</u>	<u>149,666</u>	<u>3,537,181</u>	
<b>EXPENDITURES</b>									
Current									
General government	1,097,943	-	166,867	-	386,154	-	4,523	1,655,487	
Public safety	777,246	-	-	-	-	-	107,221	884,467	
Highways and streets	-	-	-	115,733	-	-	5,326	121,059	
Culture and recreation	19,709	172,860	-	-	-	-	-	192,569	
Debt service	-	50,868	-	-	155,332	-	-	206,200	
Capital outlay	5,803	4,431	-	387,720	1,019,813	-	117,823	1,535,590	
Total expenditures	<u>1,900,701</u>	<u>228,159</u>	<u>166,867</u>	<u>503,453</u>	<u>1,561,299</u>	<u>1,561,299</u>	<u>234,893</u>	<u>4,595,372</u>	

(continued)

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 MODIFIED CASH BASIS - GOVERNMENTAL FUNDS

For the Year Ended June 30, 2024

(continued)	Special Revenue Funds		Capital Projects Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Tourism Promotion & Facilities	Building Fund	Road Fund	City Hall Expansion Fund		
Excess (deficiency) of revenues over (under) expenditures	753,910	64,105	24,510	(316,681)	(1,498,808)	(85,227)	(1,058,191)
<b>OTHER FINANCING</b>							
<b>SOURCES (USES)</b>							
Sale of assets	638,351	-	-	-	-	-	638,351
Loan proceeds	663,056	-	-	-	-	-	663,056
Transfers in	218,332	-	-	100,000	1,510,056	78,535	1,906,923
Transfers out	(1,662,891)	-	(27,332)	(8,700)	-	-	(1,698,923)
Total other financing sources (uses)	(143,152)	-	(27,332)	91,300	1,510,056	78,535	1,509,407
Net change in fund balances	610,758	64,105	(2,822)	(225,381)	11,248	(6,692)	451,216
Fund balances - beginning	2,974,665	585,558	260,588	735,102	251,483	540,766	5,348,162
Fund balances - ending	<u>\$ 3,585,423</u>	<u>\$ 649,663</u>	<u>\$ 257,766</u>	<u>\$ 509,721</u>	<u>\$ 262,731</u>	<u>\$ 534,074</u>	<u>\$ 5,799,378</u>

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

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2024

<b>Net change in fund balances</b>		\$ 451,216
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures; however, in the statement of activities, the costs of these assets are allocated over their estimated useful lives and are reported as depreciation expense.		
Expenditures for capital assets	1,919,077	
Less current year depreciation	<u>(219,072)</u>	1,700,005
Long-term debt proceeds are reported as other financing sources in the governmental funds. In the statement of net position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position.		
Loan proceeds	(663,056)	
Debt principal paid	<u>182,483</u>	<u>(480,573)</u>
<b>Change in net position</b>		<b><u>\$ 1,670,648</u></b>

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

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

PROPRIETARY FUNDS

June 30, 2024

	Business-Type Activities - Enterprise Funds		
	Water Operating	Water System Development Charges	Totals
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 1,168,107	\$ -	\$ 1,168,107
Restricted assets			
Cash and cash equivalents	-	2,810,575	2,810,575
Capital assets not being depreciated	990,612	-	990,612
Capital assets being depreciated, net	6,704,857	-	6,704,857
Total assets	8,863,576	2,810,575	11,674,151
<b>LIABILITIES</b>			
Current liabilities			
Long-term debt, current portion	85,000	-	85,000
Noncurrent liabilities			
Long-term debt, less current portion	2,440,000	-	2,440,000
Total liabilities	2,525,000	-	2,525,000
<b>NET POSITION</b>			
Net investment in capital assets	5,170,469	-	5,170,469
Restricted for:			
System development	-	2,810,575	2,810,575
Unrestricted	1,168,107	-	1,168,107
Total net position	\$ 6,338,576	\$ 2,810,575	\$ 9,149,151

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

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -  
MODIFIED CASH BASIS

PROPRIETARY FUNDS

For the Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds		
	Water Operating	Water System Development Charges	Totals
Operating revenues			
Water charges	\$ 1,575,094	\$ -	\$ 1,575,094
Total operating revenues	<u>1,575,094</u>	<u>-</u>	<u>1,575,094</u>
Operating expenses			
Payroll and related costs	463,733	-	463,733
Plant and well operations	239,240	11,230	250,470
Depreciation	279,111	-	279,111
Total operating expenses	<u>982,084</u>	<u>11,230</u>	<u>993,314</u>
Operating income (loss)	<u>593,010</u>	<u>(11,230)</u>	<u>581,780</u>
Nonoperating revenues (expenses)			
System development charges	-	131,097	131,097
Other income	10,567	840	11,407
Investment earnings	68,676	102,320	170,996
Interest expense	(93,056)	-	(93,056)
Total nonoperating revenues (expenses)	<u>(13,813)</u>	<u>234,257</u>	<u>220,444</u>
Income (loss) before contributions and transfers	579,197	223,027	802,224
Transfers in	219,521	-	219,521
Transfers out	(208,000)	(219,521)	(427,521)
Change in net position	590,718	3,506	594,224
Total net position - beginning	<u>5,747,858</u>	<u>2,807,069</u>	<u>8,554,927</u>
Total net position - ending	<u>\$ 6,338,576</u>	<u>\$ 2,810,575</u>	<u>\$ 9,149,151</u>

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

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS

PROPRIETARY FUNDS

For the Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds		
	Water Operating	Water System Development Charges	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 1,575,094	\$ -	\$ 1,575,094
Cash payments for payroll and related costs	(463,733)	-	(463,733)
Cash payments for operating expenses	<u>(239,240)</u>	<u>(11,230)</u>	<u>(250,470)</u>
Net cash provided (used) by operating activities	<u>872,121</u>	<u>(11,230)</u>	<u>860,891</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Miscellaneous revenues	<u>10,567</u>	<u>840</u>	<u>11,407</u>
Net cash provided (used) by noncapital financing activities	<u>10,567</u>	<u>840</u>	<u>11,407</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
System development charges	-	131,097	131,097
Long-term debt payments	(173,056)	-	-
Capital asset purchases	-	(219,521)	(219,521)
Transfers from (to) other funds for capital purchases	<u>(208,000)</u>	<u>-</u>	<u>(208,000)</u>
Net cash provided (used) by capital and related financing activities	<u>(381,056)</u>	<u>(88,424)</u>	<u>(469,480)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment earnings	<u>68,676</u>	<u>102,320</u>	<u>170,996</u>
Net cash provided (used) by investing activities	<u>68,676</u>	<u>102,320</u>	<u>170,996</u>
Net increase (decrease) in cash and cash equivalents	570,308	3,506	562,407
Cash and cash equivalents - beginning	<u>597,799</u>	<u>2,807,069</u>	<u>3,404,868</u>
Cash and cash equivalents - ending	<u>\$ 1,168,107</u>	<u>\$ 2,810,575</u>	<u>\$ 3,978,682</u>

(Continued)

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



**CITY OF MANZANITA**  
**Tillamook County, Oregon**

STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS

PROPRIETARY FUNDS

For the Year Ended June 30, 2024

(Continued)

	Business-Type Activities - Enterprise Funds		
	Water Operating	Water System Development Charges	Totals
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 593,010	\$ (11,230)	\$ 581,780
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	279,111	-	279,111
Net cash provided (used) by operating activities	\$ 872,121	\$ (11,230)	\$ 860,891
<b>Noncash investing, capital, and financing activities</b>			
Contributions of capital assets	\$ 219,521	\$ (219,521)	\$ -

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

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Manzanita have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting principles are described below.

**A. Description of Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. All fiduciary activities are reported only in the fund financial statements. *Governmental Activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

**B. Reporting Entity**

The City of Manzanita, Oregon operates under the 1992 Manzanita Charter. The government of the City consists of an elected mayor and four council members. The mayor serves a two-year term and the council members serve four-year terms. The city council appoints the city manager, an additional officer of the City.

**C. Basis of Presentation - Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from all governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

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

**D. Basis of Presentation - Fund Financial Statements**

The fund financial statements provide information about the government's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Major individual governmental funds are reported as separate columns in the fund financial statements.

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The City reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the City. It accounts for all financial resources of the City except those required to be accounted for in another fund.

Special Revenue Funds

*Tourism Promotion & Facilities Fund* – The Tourism Promotion & Facilities Fund accounts for the portion of transient lodging taxes required by Oregon law to be spent on tourism promotion and/or tourist related facilities for lodging tax increases enacted after 2003.

*Building Fund* – The Building Fund accounts for restricted revenues from building inspections and plan reviews. The funds are restricted by State law for building department related expenses.

Capital Projects Funds

*Road Fund* – The Road Fund accounts for the receipt and expenditure of financial resources that are generally restricted for use on the City’s streets.

*City Hall Expansion Fund* – The City Hall Expansion Fund accounts for revenues transferred from the General Fund, sale of surplus property, investment earnings, and carryover. The fund is maintained to address the city hall office space needs when appropriate.

The City reports the following major proprietary funds:

Enterprise Funds

*Water Operating Fund* – The Water Operating Fund accounts for the operation and maintenance of the City’s water system.

*Water System Development Charges Fund* – The Water System Development Charges Fund accumulates resources restricted to expenditure on water system construction, reconstruction, major upgrades, equipment, and other long-term investments in the City’s water collection, storage, and distribution systems.

Additionally, the City reports the following nonmajor governmental funds:

Special Revenue Fund

*Housing Rehabilitation Revolving Loan Fund* – The Housing Rehabilitation Revolving Loan Fund accounts for the repayment of no-interest loans for housing rehabilitation funded by a federal community development block grant. The money may only be used for new no-interest loans to qualified homeowners. The City has a contract with Community Action Team, Inc. (CAT) to identify qualified homeowners for possible loans.

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*Municipal Court Trust Fund* – The Municipal Court Trust Fund accounts for collections and disbursements of monies resulting from municipal court proceedings.

*Performance Guarantee Deposit Fund* – The Performance Guarantee Deposit Fund accounts for collections and disbursements of monies related to the South 4<sup>th</sup> Place Drainage project.

Capital Projects Funds

*Park Facility Fund* – The Park Facility Fund accounts for revenues related to system development charges from new residences, private donations, and investment earnings. Expenditures are proposed when a new park-related project is identified.

*Public Safety Equipment and Facilities Reserve Fund* – The Public Safety Equipment and Facilities Reserve Fund, authorized by ORS 294.525, was established by Ordinance 98-06. This fund accounts for revenues transferred from the General Fund for the purchase of vehicles, vehicle equipment, police and emergency medical equipment, and training facilities. Transfers from the General Fund are proposed and based on an updated analysis, determining the amount to be set aside each year for the replacement of all police equipment over time.

*Public Works Equipment Reserve Fund* – The Public Works Equipment Reserve Fund accounts for revenues transferred from the Water Operating Fund and the Road Fund for the purchase of vehicles, vehicle equipment, and any other equipment used for the maintenance of the water system, storm drainage system, streets, and parks.

*Storm Drain Facilities Fund* – The Storm Drain Facilities Fund accounts for revenues related to system development charges from new residences, investment earnings, and cash carryover. Primary expenditures are for the installation of storm drains in critical areas, as identified in the Storm Drainage Master Plan.

*Timber Management Fund* – The Timber Management Fund accounts for revenues generated by the periodic sale of timber on City-owned property. The fund is used for managing City-owned timber resources and for major capital improvement projects.

*Building Reserve Fund* – The Building Reserve Fund accounts for revenues transferred from the Building Fund for vehicles for the building department staff for inspections, or for other capital equipment needs of the building department.

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated, so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus within the limitations of the modified cash basis of accounting, as described below.

Governmental fund financial statements are reported using the current financial resources measurement focus. Only current financial assets and liabilities are generally included on the balance sheet. The operating statements present sources and uses of available expendable financial resources during a given period. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt is reported as other financing source.

In the government-wide financial statements, proprietary funds, and the fund financial statements, governmental activities are presented using the modified cash basis of accounting. This basis recognizes assets, liabilities, fund balance/net position, revenues, and expenditures when they result from cash transactions, with a provision for depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenues for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid and accrued expenses and liabilities) are not recorded in the financial statements.

If the City utilized the basis of accounting recognized as generally accepted, the fund financial statements would use the modified accrual basis of accounting and the government-wide financial statements would be presented on the accrual basis of accounting.

**F. Budgetary Information**

**1. Budgetary Basis of Accounting**

Annual budgets are adopted on the cash basis of accounting. The City budgets all funds in accordance with the requirements of state law. Annual appropriated budgets are adopted for the general, special revenue, capital projects, and enterprise funds.

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The City begins its budgeting process by appointing budget committee members. The budget officer prepares a budget, which is reviewed by the budget committee. The budget is then published in proposed form and is presented at public hearings to obtain taxpayer comments and approval from the budget committee. The city council legally adopts the budget by resolution prior to the beginning of the City's fiscal year. The council resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total personnel services, materials and services, debt service, capital outlay, and contingency for each fund are the levels of control established by the resolution. The detailed budget document, however, is required to contain more specific detailed information for the aforementioned expenditure categories and management may revise the detailed line-item budgets within appropriation categories.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. The city council may adopt supplemental budgets less than 10% of a fund's original budget at a regular council meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers, and approval by the city council. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the city council. During the year, there was one supplemental budget. The City does not use encumbrances and appropriations lapse at year-end.

Budget amounts shown in the financial statements reflect the original budget amounts and one approved supplemental budget.

**G. Assets, Liabilities, Deferred Inflows/Deferred Outflows and Net Position/Fund Balance**

**1. Cash and Cash Equivalents**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**2. Investments**

State statutes authorize the City to invest in legally issued general obligations of the United States, the agencies and instrumentalities of the United States and the states of Oregon, Washington, Idaho, or California, certain interest-bearing bonds, time deposit open accounts, certificates of deposit, and savings accounts in banks, mutual savings banks, and savings and loan associations that maintain a head office or a branch in this state in the capacity of a bank, mutual savings bank, or savings and loan association, and share accounts and savings accounts in credit unions in the name of, or for the benefit of, a member of the credit union pursuant to a plan of deferred compensation.

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**3. Notes Receivable**

Notes receivable represent amounts due from property owners for loans made for housing rehabilitation. The original funding for these loans was a housing rehabilitation grant received by the City. The loans are secured by real property, do not bear interest, and generally are due when the real property is transferred or otherwise sold. Accordingly, the outstanding receivable balances are restricted for future rehabilitation loans.

**4. Capital Assets**

Capital assets resulting from cash transactions, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost where no historical records exist.

The costs of normal maintenance or repairs that do not add to the value of an asset or materially extend its life are charged to expenditures as incurred and are not capitalized. Major capital outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Vehicles and Equipment	3-25
Buildings	10-50
Infrastructure	10-50
Water System	10-70

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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will therefore not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will therefore not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified cash basis of accounting that qualifies for reporting in this category.



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Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from housing rehabilitation loans. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**6. Net Position Flow Assumption**

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

**7. Fund Balance Flow Assumptions**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government's policy to consider restricted fund balances to have been depleted before using any of the components of unrestricted fund balance. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**8. Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The city council is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

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Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City Council (Council) has by resolution authorized the City Manager to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to remove or revise a commitment.

The City reports fund equity in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance - amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance - amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e. board of directors). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest-level action to remove or change the constraint.
- Assigned fund balance - amounts that City intends to use for a specific purpose. Intent can be expressed by the board of directors or by an official or body to which the board of directors delegates authority.
- Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The City has not formally adopted a minimum fund balance policy.

**H. Revenues and Expenditures/Expenses**

**1. Program Revenues**

Amounts reported as program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

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**2. Property Taxes**

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collection to entities levying taxes. Property taxes are levied and become a lien as of July 1 on property values assessed as of June 30. Property taxes are payable in three installments, which are due on November 15, February 15, and May 15.

**3. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

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

**I. Use of Estimates**

The preparation of financial statements in conformity with the other comprehensive basis of accounting (OCBOA) used by the City requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

**II. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**A. Deposits and Investments**

The City of Manzanita maintains a cash and cash equivalents pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the fund financial statements as cash and cash equivalents.

Additionally, several funds held separate cash accounts. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances. Investments, including amounts held in pooled cash and investments, are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. The City participates in an external investment pool (State of Oregon Local Government Investment Pool). The Pool is not registered with the U.S. Securities and Exchange Commission as an investment company. The State's investment policies are governed by the Oregon Revised Statutes (ORS) and the Oregon Investment Council (OIC).

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The State Treasurer is the investment officer for the OIC and is responsible for all funds in the State Treasury. These funds are invested exercising reasonable care, skill, and caution. Investments in the Pool are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which established diversification percentages and specifies the types and maturities of investments.

The portion of the external investment pool which belongs to local government investment participants is reported in an Investment Trust Fund in the State’s Annual Comprehensive Financial Report (ACFR). A copy of the State’s ACFR may be obtained at the Oregon State Treasury, 350 Winter St. N.E., Salem, Oregon 97310-0840.

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or price paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

- *Level 1* - Unadjusted quoted prices for identical investments in active markets.
- *Level 2* - Observable inputs other than quoted market prices; and,
- *Level 3* - Unobservable inputs.

There were no transfers of assets or liabilities among the three levels of the fair value hierarchy for the year ended June 30, 2024.

Fair values of assets measured on a recurring basis at June 30, 2024 are as follows:

	<u>Level 2</u>
Investments:	
Oregon Local Government Investment Pool	<u>\$ 9,636,685</u>

Credit Risk

Oregon statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, bankers’ acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor’s Corporation or P-1 by Moody’s Commercial Paper Record, and the Local Government Investment Pool. The City has not adopted an investment policy regarding credit risk; however, investments comply with state statutes.

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Interest Rate Risk

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

Investments

As of June 30, 2024, the City had the following investments:

	<u>Credit Quality</u> <u>Rating</u>	<u>Maturities</u>	<u>Fair Value</u>
Oregon Local Government Investment Pool	Unrated	-	<u>\$ 9,636,685</u>

Concentration of Credit Risk

The City does not have a formal policy that places a limit on the amount that may be invested in any one insurer. 100 percent of the City's investments are in the Oregon Local Government Investment Pool.

Custodial Credit Risk - Investments

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

Custodial Credit Risk - Deposits

This is the risk that, in the event of a bank failure, the City's deposits may not be returned. All City deposits not covered by Federal Depository Insurance Corporation (FDIC) insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon, organized in accordance with ORS 295.

The PFCP is a shared liability structure for participating bank depositories. Barring any exceptions, a bank depository is required to pledge collateral valued at a minimum of 10% of their quarter-end public fund deposits if they are considered well capitalized, 25% of their quarter-end public fund deposits if they are considered adequately capitalized, or 110% of their quarter-end public fund deposits if they are considered undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

The City holds an account at US Bank, for which deposits are insured up to \$250,000. At June 30, 2024 the City had deposits of \$250,000 fully insured by the FDIC and \$120,661 collateralized by the PFCP.

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Deposits

The City's deposits and investments at June 30, 2024 are as follows:

Checking accounts	\$ 141,375
Total investments	<u>9,636,685</u>
Total deposits and investments	<u><u>\$ 9,778,060</u></u>

Cash and investments by fund:

Governmental activities - unrestricted	
General Fund	\$ 3,585,423
Road Fund	509,721
City Hall Expansion Fund	262,731
Nonmajor governmental funds	<u>280,769</u>
Total governmental activities - unrestricted	<u>4,638,644</u>
Business-type activities - unrestricted	
Water Operating Fund	<u>1,168,107</u>
Subtotal unrestricted cash and investments	<u>5,806,751</u>
Governmental activities - restricted	
Tourism and Promotion Fund	649,663
Building Fund	257,766
Nonmajor governmental funds	<u>253,305</u>
Total governmental activities - restricted	<u>1,160,734</u>
Business-type activities - restricted	
Water System Development Charges Fund	<u>2,810,575</u>
Subtotal restricted cash and investments	<u>3,971,309</u>
Total cash and investments	<u><u>\$ 9,778,060</u></u>

Restricted cash is for tourism promotion, building department, housing rehabilitation loans, and future system development improvements.

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**B. Capital Assets**

Governmental capital asset activity resulting from modified cash basis transactions for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land and improvements	\$ 2,154,139	\$ -	\$ -	\$ 2,154,139
Construction in progress	548,891	1,807,874	-	2,356,765
Total capital assets not being depreciated	<u>2,703,030</u>	<u>1,807,874</u>	<u>-</u>	<u>4,510,904</u>
Capital assets being depreciated				
Buildings	1,303,416	-	-	1,303,416
Vehicles and equipment	665,952	111,203	-	777,155
Infrastructure	4,280,653	-	-	4,280,653
Total capital assets being depreciated	<u>6,250,021</u>	<u>111,203</u>	<u>-</u>	<u>6,361,224</u>
Less accumulated depreciation for				
Buildings	(646,334)	(22,034)	-	(668,368)
Vehicles and equipment	(357,270)	(43,055)	-	(400,325)
Infrastructure	(2,009,332)	(153,983)	-	(2,163,315)
Total accumulated depreciation	<u>(3,012,936)</u>	<u>(219,072)</u>	<u>-</u>	<u>(3,232,008)</u>
Total capital assets being depreciated, net	<u>3,237,085</u>	<u>(107,869)</u>	<u>-</u>	<u>3,129,216</u>
Governmental activities capital assets, net	<u>\$ 5,940,115</u>	<u>\$ 1,700,005</u>	<u>\$ -</u>	<u>\$ 7,640,120</u>

Governmental capital assets are reported on the statement of net position as follows:

	Capital Assets	Accumulated Depreciation	Net Capital Assets
Governmental activities			
Land and improvements	\$ 2,154,139	\$ -	\$ 2,154,139
Construction in progress	2,356,765	-	2,356,765
Buildings	1,303,416	(668,368)	635,048
Vehicles and equipment	777,155	(400,325)	376,830
Infrastructure	4,280,653	(2,163,315)	2,117,338
Total governmental activities capital assets	<u>\$ 10,872,128</u>	<u>\$ (3,232,008)</u>	<u>\$ 7,640,120</u>

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Business-type capital asset activity resulting from modified cash basis transactions for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities</b>				
Capital assets not being depreciated				
Land and improvements	\$ 153,147	\$ -	\$ -	\$ 153,147
Construction in progress	617,944	219,521	-	837,465
Total capital assets not being depreciated	771,091	219,521	-	990,612
Capital assets being depreciated				
Buildings	115,709	-	-	115,709
Vehicles and equipment	163,014	-	-	163,014
Water system	11,467,601	-	-	11,467,601
Total capital assets being depreciated	11,746,324	-	-	11,746,324
Less accumulated depreciation for				
Buildings	(79,393)	(2,785)	-	(82,178)
Vehicles and equipment	(84,739)	(12,262)	-	(97,001)
Water system	(4,598,224)	(264,064)	-	(4,862,288)
Total accumulated depreciation	(4,762,356)	(279,111)	-	(5,041,467)
Total capital assets being depreciated, net	6,983,968	(279,111)	-	6,704,857
Business-type activities capital assets, net	\$ 7,755,059	\$ (59,590)	\$ -	\$ 7,695,469

Business-type capital assets are reported on the statement of net position as follows:

<b>Business-type activities</b>			
Land and improvements	\$ 153,147	\$ -	\$ 153,147
Construction in progress	837,465	-	837,465
Buildings	115,709	(82,178)	33,531
Vehicles and equipment	163,014	(97,001)	66,013
Water system	11,467,601	(4,862,288)	6,605,313
Total business-type activities capital assets	\$ 12,736,936	\$ (5,041,467)	\$ 7,695,469



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Total capital assets are reported on the statement of net position as follows:

	Governmental Activities	Business-Type Activities	Total
Capital assets not being depreciated	\$ 4,510,904	\$ 990,612	\$ 5,501,516
Capital assets being depreciated, net	3,129,216	6,704,857	9,834,073
Total capital assets	\$ 7,640,120	\$ 7,695,469	\$ 15,335,589

For the governmental activities, depreciation was not charged to specific functions or programs of the City. Capital assets of the City’s governmental activities are for the use of the entire City and are therefore unallocated.

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

Governmental activities	
Unallocated depreciation expense	\$ 219,072
Business-type activities	
Water	\$ 279,111

**C. Interfund Transfers**

The City’s interfund transfers during the year consisted of the following:

	Transfers in:				
General Fund	City Hall Expansion Fund	Road Fund	Nonmajor Governmental Funds		Total
Transfers out:					
Governmental activities					
General Fund	\$ -	\$ 1,510,056	\$ 100,000	\$ 52,835	\$ 1,662,891
Building Fund	27,332	-	-	-	27,332
Road Fund	-	-	-	8,700	8,700
Business-type activities					
Water Operating Fund	191,000	-	-	17,000	208,000
Total	\$ 218,332	\$ 1,510,056	\$ 100,000	\$ 78,535	\$ 1,906,923

The principal purposes of the interfund transfers were to transfer resources into reserve funds for future expenses.

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

**D. Long-Term Liabilities**

**1. Changes in Long-Term Liabilities**

The following is a summary of long-term liabilities arising from cash transactions for the year:

	Interest Rate	Original Amount	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities							
Visitor Center Note	3.35%	\$ 575,000	\$ 210,855	\$ -	\$ 44,171	\$ 166,684	\$ 45,663
Underhill Plaza Note	2.75%	1,350,000	654,079	-	138,312	515,767	142,142
Business Oregon Note	2.10%	5,134,631	-	663,056	-	663,056	-
Total Governmental Activities		<u>\$ 7,059,631</u>	<u>\$ 864,934</u>	<u>\$ 663,056</u>	<u>\$ 182,483</u>	<u>\$ 1,345,507</u>	<u>\$ 187,805</u>
Business-type activities							
FF&C Refunding Bonds	3.0-4.0%	<u>\$ 2,960,000</u>	<u>\$ 2,605,000</u>	<u>\$ -</u>	<u>\$ 80,000</u>	<u>\$ 2,525,000</u>	<u>\$ 85,000</u>

**2. Governmental Activities - Visitor Center Note Payable**

The City obtained a note payable on January 17, 2013 for the construction of a visitor's center, which is pledged as collateral. The face amount of the note is \$575,000. A portion of the proceeds was used to pay off the loan payable used to obtain the land for the building. The note calls for interest of 3.35% paid semi-annually. The note will be paid with proceeds from the increase in the transient room tax increase passed by the City Council in 2012. If the City is unable to make payments, the agreement contains an event of default; the lender may declare the entire unpaid principal balance and all accrued unpaid interest immediately due. The Tourism Promotion & Facilities Fund has traditionally been used to liquidate the obligation.

**3. Governmental Activities - Underhill Plaza Note Payable**

The City obtained a note payable on September 22, 2017 for the purchase of Underhill Plaza, which is pledged as collateral. The face amount of the note is \$1,350,000. The note calls for interest of 2.75% paid semi-annually. If the City is unable to make payments for longer than 90 days, the agreement contains an event of default; the lender may, in addition to pursuing other remedies, increase the interest rate by 3.00 percentage points. The City Hall Expansion Fund has traditionally been used to liquidate the obligation.

**4. Governmental Activities - Business Oregon Note**

The City obtained a note payable on February 7, 2024 for the new City Hall, which is pledged as collateral. The face amount of the note is \$5,134,631, of which only \$663,056 had been drawn down as of year end. The note calls for interest of 2.1%, but the rate will change once locked in.

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

**5. Governmental Activities - Future Maturities of Long-Term Liabilities**

Year Ending June 30	Visitor Center Note			Underhill Plaza Note		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 45,663	\$ 5,205	\$ 50,868	\$ 142,142	\$ 13,191	\$ 155,333
2026	47,206	3,662	50,868	146,077	9,255	155,332
2027	48,799	2,069	50,868	150,123	5,211	155,334
2028	25,016	418	25,434	77,425	1,053	78,478
	<u>\$ 166,684</u>	<u>\$ 11,354</u>	<u>\$ 178,038</u>	<u>\$ 515,767</u>	<u>\$ 28,710</u>	<u>\$ 544,477</u>

**6. Business-Type Activities - Full Faith and Credit Refunding Bonds**

On May 30, 2018, the City entered into an agreement for the refinance of the series 2002 water revenue bonds. The City financed \$2,960,000 plus interest ranging from 3.00%-4.00% per the original debt agreement. The Water Operating Fund has traditionally been used to liquidate the obligation. Assets of the City are pledged as collateral. If the City is unable to make payments, the agreement contains an event of default; the lender may exercise any remedy available at law or in equity.

**7. Business-Type Activity Future Maturities of Long-Term Liabilities**

Year Ending June 30	FF&C Refunding Bonds		
	Principal	Interest	Total
2025	\$ 85,000	\$ 88,957	\$ 173,957
2026	85,000	85,556	170,556
2027	90,000	82,056	172,056
2028	95,000	78,356	173,356
2029	95,000	75,031	170,031
2030-2034	530,000	327,116	857,116
2035-2039	625,000	228,482	853,482
2040-2044	750,000	103,704	853,704
2045	170,000	3,188	173,188
	<u>\$ 2,525,000</u>	<u>\$ 1,072,446</u>	<u>\$ 3,597,446</u>

**8. Interest Expense**

The City paid \$17,020 and \$93,056 in interest on long-term liabilities during the year ended June 30, 2024 from governmental and business-type activities, respectively.

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

**E. Constraints on Fund Balances**

Constraints on fund balances reported on the balance sheet are as follows:

Fund balances:	General Fund	Tourism Promotion & Facilities	Building Fund	Road Fund	City Hall Expansion Fund	Nonmajor Governmental Funds	Total Governmental Funds
Restricted:							
Special projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,345	\$ 121,345
Building department	-	-	257,766	-	-	-	257,766
Capital projects	-	-	-	-	-	26,785	26,785
Tourism promotion	-	649,663	-	-	-	-	649,663
Municipal court	-	-	-	-	-	49,649	49,649
Streets and roads	-	-	-	-	-	55,526	55,526
Committed:							
Streets and roads	-	-	-	509,721	-	-	509,721
City Hall expansion	-	-	-	-	262,731	-	262,731
Capital projects	-	-	-	-	-	51,178	51,178
Equipment purchases	-	-	-	-	-	229,591	229,591
Unassigned	<u>3,585,423</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,585,423</u>
Total fund balances	<u>\$ 3,585,423</u>	<u>\$ 649,663</u>	<u>\$ 257,766</u>	<u>\$ 509,721</u>	<u>\$ 262,731</u>	<u>\$ 534,074</u>	<u>\$ 5,799,378</u>

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

**III. OTHER INFORMATION**

**A. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. There was no significant reduction in insurance coverage from the previous year. There were no insurance settlements exceeding insurance coverage in any of the past three years.

**B. Retirement Plans**

**1. Oregon Public Employees Retirement System**

*General Information about the Pension Plan*

The Oregon Public Employees Retirement System (OPERS) consists of a cost-sharing, multiple-employer defined benefit plan (Plan) for units of state government, political subdivisions, community colleges, and school districts, containing multiple actuarial pools. Plan assets may be used to pay the benefits of the employees of any employer that provides pensions through the Plan. As of June 30, 2023, there were 945 participating employers.

*Plan Membership*

As of June 30, 2023, there were 9,502 active plan members, 128,931 retired plan members or their beneficiaries currently receiving benefits, 7,566 inactive plan members entitled to but not yet receiving benefits, for a total of 145,999 Tier One members. For Tier Two members, as of June 30, 2023, there were 25,243 active plan members, 22,647 retired plan members or their beneficiaries currently receiving benefits, 12,835 inactive plan members entitled to but not yet receiving benefits, for a total of 60,725 Tier Two members. For Oregon Public Service Retirement Plan (OPSRP) Pension Program members, as of June 30, 2023, there were 153,991 active plan members, 11,959 retired plan members or their beneficiaries currently receiving benefits, 9,492 inactive plan members entitled to but not yet receiving benefits, and 23,207 inactive plan members not eligible for refund or retirements, for a total of 198,649 OPSRP Pension Program members.

*Plan Benefits*

Plan benefits of the System are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A, and Internal Revenue Code Section 401(a).

**Tier One/Tier Two Retirement Benefit (Chapter 238)** - OPERS is a defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living-adjustments, and death benefits to members and their beneficiaries. Benefits are established by state statute. This defined benefit pension plan is closed to new members hired on or after August 29, 2003.

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

*Pension Benefits*

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

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members).

General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. Police and Fire members may purchase increased benefits that are payable between the date of retirement and age 65.

*Death Benefits*

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

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

*Disability Benefits*

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service.

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining monthly benefit.

*Benefit Changes after Retirement*

Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations caused by changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA in fiscal year 2015 and beyond will vary based on the amount of the annual benefit, in accordance with *Moro* decision. The COLA is capped at 2.0 percent.

**OPSRP Defined Benefit Pension Program (OPSRP DB)** – This Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003.

*Pension Benefits*

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

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

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

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

*Death Benefits*

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

*Disability Benefits*

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

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

*Benefit Changes After Retirement*

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA in fiscal year 2015 and beyond will vary based on the amount of the annual benefit, in accordance with *Moro* decision. The COLA is capped at 2.0 percent.

**OPSRP Individual Account Program (OPSRP IAP)** - Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS and is administered by the OPERS Board.

*Pension Benefits*

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP Individual Account Program (IAP), may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

*Death Benefits*

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

*Contributions*

OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the OPERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2020 actuarial valuation, which became effective July 20, 2021. The State of Oregon and certain schools, community colleges, and political subdivisions have made unfunded actuarial liability payments, and their rates have been reduced. Member contributions are set by statute at six percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members' behalf. As permitted, the City has opted to pick-up the contributions on behalf of its employees. Employer contributions for the year ended June 30, 2024 were \$368,865.



**CITY OF MANZANITA**  
**Tillamook County, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

Annual Comprehensive Financial Report (ACFR)

Additional disclosures related to Oregon PERS not applicable to specific employers are available by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700, or can be found at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf>

Actuarial Valuations

The employer contribution rates effective June 30, 2023 were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 16 years.

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2021
Measurement Date	June 30, 2023
Experience Study	2020, published July 20, 2021
<i>Actuarial Assumptions:</i>	
Actuarial Cost Method	Entry age normal
Inflation Rate	2.40 percent
Long-term Expected Rate of Return	6.90 percent
Discount Rate	6.90 percent
Projected Salary Increases	3.40 percent
Cost of living adjustment (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/ .15%) in accordance with <i>Moro</i> decision; blend based on service.

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

Mortality	<p><b>Health retirees and beneficiaries:</b> Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b>Active members:</b> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b>Disabled retirees:</b> Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>
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Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are on the 2020 Experience Study, which reviewed experience for the four-year period ended December 31, 2020. There were no differences between the assumptions and plan provisions used for June 30, 2023 measurement date calculations compared to those shown above.

*Actuarial Methods and Assumptions*

Assets are valued at their market value. Gains and losses between odd-year valuations are amortized as a level percentage of combined valuation payroll over 20 years from the odd-year valuation in which they are first recognized. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Oregon PERS and additions to/deductions from Oregon PERS' fiduciary net position have been determined on the same basis as they are reported by Oregon PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined.

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Depletion Date Projection*

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

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

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

Based on these circumstances, it is our third-party actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors.

**CITY OF MANZANITA**  
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan’s portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS’ audited financial statements at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf>

OIC Target and Actual Investment Allocation as of June 30, 2023

<u>Asset Class/Strategy</u>	<u>OIC Policy Low Range</u>	<u>OIC Policy High Range</u>	<u>OIC Target Allocation<sup>2</sup></u>	<u>Actual Allocation</u>
Debt Securities	20.0%	30.0%	25.0%	20.0%
Public Equity	22.5%	32.5%	27.5%	23.3%
Real Estate	9.0%	16.5%	12.5%	13.6%
Private Equity	17.5%	27.5%	20.0%	26.5%
Real Assets	2.5%	10.0%	7.5%	9.1%
Diversifying Strategies	2.5%	10.0%	7.5%	5.0%
Opportunity Portfolio <sup>1</sup>	0.0%	5.0%	0.0%	2.5%
Total			100.0%	100.0%

<sup>1</sup>Opportunity Portfolio is an investment strategy. Up to 5% of total Fund assets may be invested in it.

<sup>2</sup> The target allocation of Debt Securities is increased by 5% and Public Equity is reduced by 2.5% from FY2022, and the allocation to Risk Parity is eliminated.

**C. Commitments**

**1. Water Transmission Line**

The City has entered into an intergovernmental agreement with the City of Wheeler for the development, management, maintenance, and control of a water well field and water transmission line. The term of the agreement is 40 years and will then continue on a year-to-year basis unless terminated by one of the parties.

**2. Police Services Agreement**

The City has entered into police service agreements with the City of Wheeler, the City of Nehalem, and the Oregon Parks and Recreation Department, where the City of Manzanita will provide police services for a fixed price.

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

**3. Construction Commitments**

The City entered into multiple construction contracts during the year which were not completed at year end. Total contract commitments outstanding at year end totaled \$5,287,128.

**D. New Pronouncements**

For the fiscal year ended June 30, 2022, the City implemented the following new accounting standards:

GASB Statement No. 100, Accounting Changes and Error Corrections. This statement was issued in June 2022 to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

The City will implement applicable new GASB pronouncements no later than the required fiscal year. Management has not determined the effect on the financial statements for implementing any of the following pronouncements:

GASB Statement No. 102, Certain Risk Disclosures. This statement will improve reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. This statement is effective for fiscal years beginning after June 15, 2024.

**E. Subsequent Events**

Management has evaluated subsequent events through November 13, 2024, which was the date that the financial statements were available to be issued.

## **SUPPLEMENTARY INFORMATION**

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Variance with Final Budget Over (Under)	Actual		
				Budget Basis	Adjustments	Modified Cash Basis
<b>REVENUES</b>						
Property taxes	\$ 263,500	\$ 263,500	\$ 6,276	\$ 269,776	\$ -	\$ 269,776
Intergovernmental	55,560	55,560	5,640	61,200	-	61,200
Licenses, fees, and permits	258,000	258,000	47,627	305,627	-	305,627
Franchise fees	67,900	67,900	(4,399)	63,501	-	63,501
State liquor taxes	11,820	11,820	(159)	11,661	-	11,661
State cigarette taxes	600	600	(184)	416	-	416
State revenue sharing	17,670	17,670	7,389	25,059	-	25,059
Excise taxes	6,120	6,120	(4,785)	1,335	-	1,335
Grants and contributions	-	-	6,020	6,020	-	6,020
Short-term rental tax	1,300,000	1,300,000	256,091	1,556,091	-	1,556,091
Fines and forfeitures	20,000	20,000	70,808	90,808	-	90,808
Investment earnings	20,000	20,000	207,908	227,908	-	227,908
Other revenue	-	-	35,209	35,209	-	35,209
<b>Total revenues</b>	<b>2,021,170</b>	<b>2,021,170</b>	<b>633,441</b>	<b>2,654,611</b>	<b>-</b>	<b>2,654,611</b>
<b>EXPENDITURES</b>						
Administration-110	1,265,410	1,265,410	(169,748)	1,095,662	-	1,095,662
Police department-125	798,853	798,853	(63,317)	735,536	-	735,536
Court department-130	45,955	45,955	(4,382)	41,573	-	41,573
Parks department-135	32,110	32,110	(12,264)	19,846	-	19,846
Non-departmental-190	1,030,000	4,030,000	(2,359,025)	1,670,975	(1,662,891)	8,084
Contingency	129,000	129,000	(129,000)	-	-	-
<b>Total expenditures</b>	<b>3,301,328</b>	<b>6,301,328</b>	<b>(2,737,736)</b>	<b>3,563,592</b>	<b>(1,662,891)</b>	<b>1,900,701</b>
Excess (deficiency) of revenues over (under) expenditures	(1,280,158)	(4,280,158)	3,371,177	(908,981)	1,662,891	753,910 (continued)

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2024

(continued)	Original Budget	Final Budget	Variance with Final Budget Over (Under)	Budget Basis	Actual Adjustments	Modified Cash Basis
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of assets	500,000	500,000	138,351	638,351	-	638,351
Loan proceeds	-	3,000,000	(2,336,944)	663,056	-	663,056
Transfers in	218,332	218,332	-	218,332	-	218,332
Transfers out	-	-	-	-	(1,662,891)	(1,662,891)
 Total other financing sources (uses)	 <u>718,332</u>	 <u>3,718,332</u>	 <u>(2,198,593)</u>	 <u>1,519,739</u>	 <u>(1,662,891)</u>	 <u>(143,152)</u>
 Net change in fund balance	 (561,826)	 (561,826)	 1,172,584	 610,758	 -	 610,758
Fund balance - beginning	<u>2,592,609</u>	<u>2,592,609</u>	<u>382,056</u>	<u>2,974,665</u>	<u>-</u>	<u>2,974,665</u>
Fund balance - ending	<u>\$ 2,030,783</u>	<u>\$ 2,030,783</u>	<u>\$ 1,554,640</u>	<u>\$ 3,585,423</u>	<u>\$ -</u>	<u>\$ 3,585,423</u>



**CITY OF MANZANITA**  
**Tillamook County, Oregon**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL

TOURISM PROMOTION & FACILITIES FUND

For the Year Ended June 30, 2024

	<u>Original and Final Budget</u>	<u>Variance with Final Budget Over (Under)</u>	<u>Actual Cash Basis</u>
<b>REVENUES</b>			
Transient room tax	\$ 220,000	\$ 65,877	\$ 285,877
Investment earnings	<u>750</u>	<u>5,637</u>	<u>6,387</u>
 Total revenues	 <u>220,750</u>	 <u>71,514</u>	 <u>292,264</u>
<b>EXPENDITURES</b>			
Current			
Tourism promotion department	304,445	(76,286)	228,159
Contingency	<u>10,000</u>	<u>(10,000)</u>	<u>-</u>
 Total expenditures	 <u>314,445</u>	 <u>(86,286)</u>	 <u>228,159</u>
 Excess (deficiency) of revenues over (under) expenditures	 (93,695)	 157,800	 64,105
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>3,968</u>	<u>(3,968)</u>	<u>-</u>
 Net change in fund balance	 (89,727)	 153,832	 64,105
 Fund balance - beginning	 <u>488,600</u>	 <u>96,958</u>	 <u>585,558</u>
 Fund balance - ending	 <u>\$ 398,873</u>	 <u>\$ 250,790</u>	 <u>\$ 649,663</u>

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL

BUILDING FUND

For the Year Ended June 30, 2024

	<u>Original and Final Budget</u>	<u>Variance with Final Budget Over (Under)</u>	<u>Actual Cash Basis</u>
<b>REVENUES</b>			
Licenses, fees, and permits	\$ 225,000	\$ (33,623)	191,377
<b>EXPENDITURES</b>			
Current			
Building department	306,450	(112,251)	194,199
Capital outlay	<u>10,000</u>	<u>(10,000)</u>	<u>-</u>
Total expenditures	<u>316,450</u>	<u>(10,000)</u>	<u>194,199</u>
Excess (deficiency) of revenues over (under) expenditures	(91,450)	(33,623)	(2,822)
Fund balance - beginning	<u>354,110</u>	<u>(93,522)</u>	<u>260,588</u>
Fund balance - ending	<u>\$ 262,660</u>	<u>\$ (127,145)</u>	<u>\$ 257,766</u>

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL

ROAD FUND

For the Year Ended June 30, 2024

	<u>Original and Final Budget</u>	<u>Variance with Final Budget Over (Under)</u>	<u>Actual Cash Basis</u>
<b>REVENUES</b>			
Licenses, fees, and permits	\$ 2,000	\$ (2,000)	\$ -
Franchise fees	70,000	29,293	99,293
State highway tax	40,000	9,754	49,754
Investment earnings	2,000	21,182	23,182
Miscellaneous	<u>-</u>	<u>14,543</u>	<u>14,543</u>
 Total revenues	 <u>114,000</u>	 <u>72,772</u>	 <u>186,772</u>
<b>EXPENDITURES</b>			
Current			
Road department	710,158	(198,005)	512,153
Contingency	<u>40,000</u>	<u>(40,000)</u>	<u>-</u>
 Total expenditures	 <u>750,158</u>	 <u>(238,005)</u>	 <u>512,153</u>
 Excess (deficiency) of revenues over (under) expenditures	 (636,158)	 310,777	 (325,381)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>100,000</u>	<u>-</u>	<u>100,000</u>
 Net change in fund balance	 (536,158)	 310,777	 (225,381)
 Fund balance - beginning	 <u>597,000</u>	 <u>138,102</u>	 <u>735,102</u>
 Fund balance - ending	 <u>\$ 60,842</u>	 <u>\$ 448,879</u>	 <u>\$ 509,721</u>

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL

CITY HALL EXPANSION FUND

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Variance with Final Budget Over (Under)	Actual Cash Basis
<b>REVENUES</b>				
Grants	\$ 60,000	\$ 60,000	\$ -	\$ 60,000
Investment earnings	250	250	2,241	2,491
 Total revenues	 60,250	 60,250	 2,241	 62,491
 <b>EXPENDITURES</b>				
Current				
City hall expansion department	980,250	3,627,250	(2,065,951)	1,561,299
 Excess (deficiency) of revenues over (under) expenditures	 (920,000)	 (3,567,000)	 2,068,192	 (1,498,808)
 <b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	700,000	3,847,000	(2,336,944)	1,510,056
 Net change in fund balance	 (220,000)	 280,000	 (268,752)	 11,248
 Fund balance - beginning	 220,000	 220,000	 31,483	 251,483
 Fund balance - ending	 \$ -	 \$ 500,000	 \$ (237,269)	 \$ 262,731

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

**COMBINING BALANCE SHEET - MODIFIED CASH BASIS**

**NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2024

	Special Revenue Funds				Capital Projects Funds				Total Nonmajor Governmental Funds
	Housing Rehabilitation Loan Fund	Municipal Court Trust	Performance Guarantee Deposit Fund	Park Facility Fund	Public Safety Equipment and Facilities Reserve	Public Works Equipment Reserve	Storm Drain Facilities	Timber Management Fund	
<b>ASSETS</b>									
Cash and cash equivalents	\$ 115,729	\$ 49,649	\$ 5,616	\$ 26,785	\$ 41,480	\$ 188,111	\$ 46,600	\$ 4,578	\$ 534,074
Notes receivable	142,754	-	-	-	-	-	-	-	142,754
Total assets	\$ 258,483	\$ 49,649	\$ 5,616	\$ 26,785	\$ 41,480	\$ 188,111	\$ 46,600	\$ 4,578	\$ 676,828
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable revenue - housing loans	\$ 142,754	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 142,754
<b>FUND BALANCES</b>									
Restricted:									
Special projects	115,729	-	5,616	-	-	-	-	-	121,345
Municipal court	-	49,649	-	-	-	-	-	-	49,649
Capital projects	-	-	-	26,785	-	-	-	-	26,785
Streets and roads	-	-	-	-	-	-	55,526	-	55,526
Committed for:									
Equipment purchases	-	-	-	-	41,480	188,111	-	-	229,591
Capital projects	-	-	-	-	-	-	46,600	4,578	51,178
Total fund balances	115,729	49,649	5,616	26,785	41,480	188,111	46,600	4,578	534,074
Total deferred inflows of resources and fund balances	\$ 258,483	\$ 49,649	\$ 5,616	\$ 26,785	\$ 41,480	\$ 188,111	\$ 46,600	\$ 4,578	\$ 676,828

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**

**NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2024

	Special Revenue Funds				Capital Projects Funds					Total Nonmajor Governmental Funds
	Housing Rehabilitation Loan Fund	Municipal Court Trust Fund	Performance Guarantee Deposit Fund	Park Facility Fund	Public Safety Equipment and Facilities Reserve	Public Works Equipment Reserve	Storm Drain Facilities	Timber Management Fund	Building Reserve Fund	
<b>REVENUES</b>										
Licenses, permits, and fees	\$ -	\$ 88,849	\$ 2,725	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,574
Fines and forfeitures	-	-	-	780	-	-	24,134	-	-	24,914
Investment earnings	5,071	-	-	808	-	2,748	2,812	21,739	-	33,178
Total revenues	5,071	88,849	2,725	1,588	-	2,748	26,946	21,739	-	149,666
<b>EXPENDITURES</b>										
Current										
General government	-	-	4,000	-	-	-	-	523	-	4,523
Public safety	-	107,221	-	-	-	-	-	-	-	107,221
Highways and streets	-	-	-	-	-	-	5,326	-	-	5,326
Capital outlay	-	-	-	-	117,823	-	-	-	-	117,823
Total expenditures	-	107,221	4,000	-	117,823	-	5,326	523	-	234,893
Excess (deficiency) of revenues over (under) expenditures	5,071	(18,372)	(1,275)	1,588	(117,823)	2,748	21,620	21,216	-	(85,227)

(continued)

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS**

**NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2024

(continued)	Special Revenue Funds			Capital Projects Funds				Total Nonmajor Governmental Funds		
	Housing Rehabilitation Loan Fund	Municipal Court Trust	Performance Guarantee Deposit Fund	Public Safety Equipment and Facilities Reserve	Park Facility Fund	Public Works Equipment Reserve	Storm Drain Facilities		Timber Management Fund	Building Reserve Fund
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	27,835	-	25,700	25,000	-	-	78,535
Total other financing sources (uses)	-	-	-	27,835	-	25,700	25,000	-	-	78,535
Net change in fund balances	5,071	(18,372)	(1,275)	(89,988)	1,588	28,448	46,620	21,216	-	(6,692)
Fund balances - beginning	110,658	68,021	6,891	131,468	25,197	159,663	8,906	25,384	4,578	540,766
Fund balances - ending	\$ 115,729	\$ 49,649	\$ 5,616	\$ 41,480	\$ 26,785	\$ 188,111	\$ 55,526	\$ 46,600	\$ 4,578	\$ 534,074

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL

HOUSING REHABILITATION REVOLVING LOAN FUND

For the Year Ended June 30, 2024

	<u>Original and Final Budget</u>	<u>Variance with Final Budget Over (Under)</u>	<u>Actual Cash Basis</u>
<b>REVENUES</b>			
Investment earnings	\$ 500	\$ 4,571	\$ 5,071
<b>EXPENDITURES</b>			
Current			
Housing rehabilitation department	<u>108,618</u>	<u>(108,618)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(108,118)	113,189	5,071
Fund balance - beginning	<u>108,118</u>	<u>2,540</u>	<u>110,658</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 115,729</u>	<u>\$ 115,729</u>



**CITY OF MANZANITA**  
**Tillamook County, Oregon**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL

MUNICIPAL COURT TRUST FUND

For the Year Ended June 30, 2024

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual		
			Budget Basis	Modified Cash Basis	
<b>REVENUES</b>					
Licenses, fees, and permits	\$ -	\$ 88,849	\$ 88,849	\$ -	\$ 88,849
<b>EXPENDITURES</b>					
Current					
Public safety	-	107,221	107,221	-	107,221
Excess (deficiency) of revenues over (under) expenditures	-	(18,372)	(18,372)	-	(18,372)
Fund balance - beginning	-	68,021	68,021	-	68,021
Fund balance - ending	<u>\$ -</u>	<u>\$ 49,649</u>	<u>\$ 49,649</u>	<u>\$ -</u>	<u>\$ 49,649</u>

For reporting purposes, this fund meets the requirements to be reported as a Special Revenue Fund. For budgetary reporting purposes, this fund is considered an Agency Fund, and is exempt from Oregon Budget Law as described in ORS294.361(3).

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL

PERFORMANCE GUARANTEE DEPOSIT FUND

For the Year Ended June 30, 2024

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual		
			Budget Basis	Modified Cash Basis	
<b>REVENUES</b>					
Licenses, fees, and permits	\$ -	\$ 2,725	\$ 2,725	\$ -	\$ 2,725
<b>EXPENDITURES</b>					
Current					
General government	-	4,000	4,000	-	4,000
Excess (deficiency) of revenues over (under) expenditures	-	(1,275)	(1,275)	-	(1,275)
Fund balance - beginning	-	6,891	6,891	-	6,891
Fund balance - ending	<u>\$ -</u>	<u>\$ 5,616</u>	<u>\$ 5,616</u>	<u>\$ -</u>	<u>\$ 5,616</u>

For reporting purposes, this fund meets the requirements to be reported as a Special Revenue Fund. For budgetary reporting purposes, this fund is considered an Agency Fund, and is exempt from Oregon Budget Law as described in ORS294.361(3).

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL

PARK FACILITIES FUND

For the Year Ended June 30, 2024

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual Cash Basis
<b>REVENUES</b>			
System development charges	\$ 300	\$ 480	\$ 780
Investment earnings	50	758	808
Total revenues	350	1,238	1,588
<b>EXPENDITURES</b>			
	-	-	-
Excess (deficiency) of revenues over (under) expenditures	350	1,238	1,588
Fund balance - beginning	24,644	553	25,197
Fund balance - ending	\$ 24,994	\$ 1,791	\$ 26,785

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL

PUBLIC SAFETY EQUIPMENT AND FACILITIES RESERVE FUND

For the Year Ended June 30, 2024

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual Cash Basis
<b>REVENUES</b>			
Investment earnings	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
Public safety equipment reserve department	125,000	(7,177)	117,823
Excess (deficiency) of revenues over (under) expenditures	(125,000)	7,177	(117,823)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	30,000	(2,165)	27,835
Net change in fund balance	(95,000)	5,012	(89,988)
Fund balance - beginning	102,850	28,618	131,468
Fund balance - ending	\$ 7,850	\$ 33,630	\$ 41,480

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL

PUBLIC WORKS EQUIPMENT RESERVE FUND

For the Year Ended June 30, 2024

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual Cash Basis
<b>REVENUES</b>			
Investment earnings	\$ 200	\$ 2,548	\$ 2,748
<b>EXPENDITURES</b>			
Public works reserve department	20,000	(20,000)	-
Excess (deficiency) of revenues over (under) expenditures	(19,800)	22,548	2,748
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	25,700	-	25,700
Net change in fund balance	5,900	22,548	28,448
Fund balance - beginning	123,686	35,977	159,663
Fund balance - ending	\$ 129,586	\$ 58,525	\$ 188,111

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL

STORM DRAIN FACILITIES FUND

For the Year Ended June 30, 2024

	<u>Original and Final Budget</u>	<u>Variance with Final Budget Over (Under)</u>	<u>Actual Cash Basis</u>
<b>REVENUES</b>			
System development charges	\$ 16,690	\$ 7,444	\$ 24,134
Investment earnings	<u>100</u>	<u>2,712</u>	<u>2,812</u>
 Total revenues	 <u>16,790</u>	 <u>10,156</u>	 <u>26,946</u>
<b>EXPENDITURES</b>			
Current			
Storm drain department	<u>25,000</u>	<u>(19,674)</u>	<u>5,326</u>
 Excess (deficiency) of revenues over (under) expenditures	 (8,210)	 29,830	 21,620
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>25,000</u>	<u>-</u>	<u>25,000</u>
 Net change in fund balance	 16,790	 29,830	 46,620
 Fund balance - beginning	 <u>-</u>	 <u>8,906</u>	 <u>8,906</u>
 Fund balance - ending	 <u>\$ 16,790</u>	 <u>\$ 38,736</u>	 <u>\$ 55,526</u>

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL

TIMBER MANAGEMENT FUND

For the Year Ended June 30, 2024

	<u>Original and Final Budget</u>	<u>Variance with Final Budget Over (Under)</u>	<u>Actual Cash Basis</u>
<b>REVENUES</b>			
Investment earnings	\$ 300	\$ 21,439	\$ 21,739
<b>EXPENDITURES</b>			
Current			
Timber management department	5,000	(4,477)	523
Excess (deficiency) of revenues over (under) expenditures	(4,700)	25,916	21,216
Fund balance - beginning	13,541	11,843	25,384
Fund balance - ending	<u>\$ 8,841</u>	<u>\$ 37,759</u>	<u>\$ 46,600</u>

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL

BUILDING RESERVE

For the Year Ended June 30, 2024

	<u>Original and Final Budget</u>	<u>Variance with Final Budget Over (Under)</u>	<u>Actual Cash Basis</u>
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>2,500</u>	<u>(2,500)</u>	<u>-</u>
Net change in fund balance	2,500	(2,500)	-
Fund balance - beginning	<u>4,500</u>	<u>78</u>	<u>4,578</u>
Fund balance - ending	<u><u>\$ 7,000</u></u>	<u><u>\$ (2,422)</u></u>	<u><u>\$ 4,578</u></u>



**CITY OF MANZANITA**  
**Tillamook County, Oregon**

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -  
 BUDGET AND ACTUAL

WATER OPERATING FUND

For the Year Ended June 30, 2024

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual		
			Budget Basis	Modified Cash Basis	
<b>REVENUES</b>					
Water charges	\$ 1,100,000	\$ 475,094	\$ 1,575,094	\$ -	\$ 1,575,094
Investment earnings	7,000	61,676	68,676	-	68,676
Miscellaneous	<u>8,500</u>	<u>2,067</u>	<u>10,567</u>	<u>-</u>	<u>10,567</u>
Total revenues	<u>1,115,500</u>	<u>538,837</u>	<u>1,654,337</u>	<u>-</u>	<u>1,654,337</u>
<b>EXPENSES</b>					
Current					
Water department	1,387,995	(303,966)	1,084,029	8,889	1,075,140
Contingency	<u>65,515</u>	<u>(65,515)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>1,453,510</u>	<u>(369,481)</u>	<u>1,084,029</u>	<u>8,889</u>	<u>1,075,140</u>
Excess (deficiency) of revenues over (under) expenses	<u>(338,010)</u>	<u>908,318</u>	<u>570,308</u>	<u>(8,889)</u>	<u>579,197</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	219,521	219,521
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(208,000)</u>	<u>(208,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,521</u>	<u>11,521</u>
Change in net position	(338,010)	908,318	570,308	2,632	590,718
Net position - beginning	<u>338,010</u>	<u>259,789</u>	<u>597,799</u>	<u>5,150,059</u>	<u>5,747,858</u>
Net position - ending	<u>\$ -</u>	<u>\$ 1,168,107</u>	<u>\$ 1,168,107</u>	<u>\$ 5,152,691</u>	<u>\$ 6,338,576</u>

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -  
 BUDGET AND ACTUAL

WATER SYSTEM DEVELOPMENT CHARGES FUND

For the Year Ended June 30, 2024

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual		
			Budget Basis	Adjusted	Modified Cash Basis
<b>REVENUES</b>					
System development charges	\$ 69,000	\$ 62,097	\$ 131,097	\$ -	\$ 131,097
Investment earnings	6,000	96,320	102,320	-	102,320
Miscellaneous	-	840	840	-	840
	<u>75,000</u>	<u>159,257</u>	<u>234,257</u>	<u>-</u>	<u>234,257</u>
<b>EXPENSES</b>					
Water system development department	371,000	(140,249)	230,751	(219,521)	11,230
Contingency	20,000	(20,000)	-	-	-
	<u>391,000</u>	<u>(160,249)</u>	<u>230,751</u>	<u>(219,521)</u>	<u>11,230</u>
Excess (deficiency) of revenues over (under) expenses	<u>(316,000)</u>	<u>319,506</u>	<u>3,506</u>	<u>219,521</u>	<u>223,027</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	-	-	-	(219,521)	(219,521)
Change in net position	(316,000)	319,506	3,506	-	3,506
Net position - beginning	<u>2,769,495</u>	<u>37,574</u>	<u>2,807,069</u>	<u>-</u>	<u>2,807,069</u>
Net position - ending	<u>\$ 2,453,495</u>	<u>\$ 357,080</u>	<u>\$ 2,810,575</u>	<u>\$ -</u>	<u>\$ 2,810,575</u>

## **OTHER FINANCIAL SCHEDULES**

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENT OF LONG-TERM DEBT

June 30, 2024

Governmental Activities						
Fiscal Year	Visitor Center Note			Underhill Plaza Note		
	Principal	Interest	Total	Principal	Interest	Total
2024-2025	\$ 45,663	\$ 5,205	\$ 50,868	\$ 142,142	\$ 13,191	\$ 155,333
2025-2026	47,206	3,662	50,868	146,077	9,255	155,332
2026-2027	48,799	2,069	50,868	150,123	5,211	155,334
2027-2028	25,016	418	25,434	77,425	1,053	78,478
Total	\$ 166,684	\$ 11,354	\$ 178,038	\$ 515,767	\$ 28,710	\$ 544,477
Business-Type Activities						
FF&C Refunding Bonds						
Fiscal Year	Principal	Interest	Total			
2024-2025	\$ 85,000	\$ 88,957	\$ 173,957			
2025-2026	85,000	85,556	170,556			
2026-2027	90,000	82,056	172,056			
2027-2028	95,000	78,356	173,356			
2028-2029	95,000	75,031	170,031			
2029-2030	100,000	72,106	172,106			
2030-2031	100,000	68,981	168,981			
2031-2032	105,000	65,650	170,650			
2032-2033	110,000	62,088	172,088			
2033-2034	115,000	58,291	173,291			
Thereafter	1,545,000	335,374	1,880,374			
Total	\$ 2,525,000	\$ 1,072,446	\$ 3,597,446			

**AUDIT COMMENTS AND DISCLOSURES REQUIRED BY  
FEDERAL AND STATE REGULATIONS**



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

The Honorable Kathryn Stock, Mayor  
and Members of the City Council  
City of Manzanita  
Manzanita, Oregon 97130

We have audited the basic financial statements of the City of Manzanita as of and for the year ended June 30, 2022 and have issued our report thereon dated November 13, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

**Compliance**

As part of obtaining reasonable assurance about whether the City of Manzanita's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes, as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 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 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.

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)**

**Programs funded from outside sources**

**Insurance and fidelity bonds in force or required by law**

**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 was not in substantial compliance with certain provisions of laws, contracts, and grants, including the provisions of Oregon Revised Statutes, as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

### **OAR 162-010-0230 Internal Control**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses in internal control over financial reporting.

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

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. We identified one deficiency in internal control over financial reporting, as described in the accompanying schedule of findings and management's response as item 2024-001, that we consider to be a significant deficiency in internal control over financial reporting.

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



Accuity, LLC  
Albany, Oregon  
November 13, 2024



**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**

The Honorable Kathryn Stock, Mayor and Members of the City Council  
City of Manzanita  
Manzanita, Oregon 97130

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 the City of Manzanita, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 13, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City of Manzanita, 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 the City of Manzanita, Oregon's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Manzanita, Oregon'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. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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.



We consider the deficiency described in the accompanying schedule of findings and management's response as item 2023-001 to be a significant deficiency.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Manzanita'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*.

### **City of Manzanita's Response to Findings**

*Governmental Auditing Standards* requires the auditor to perform limited procedures on the City of Manzanita, Oregon's response to the findings identified in our audit and described in the accompanying schedule of findings and management's response. The City of Manzanita, Oregon's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion the response.

### **Purpose of this Report**

This report is intended 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.

A handwritten signature in blue ink that reads "Accuity, LLC". The signature is written in a cursive, flowing style.

Accuity, LLC  
Albany, Oregon  
November 13, 2024

**CITY OF MANZANITA**  
**Tillamook County, Oregon**

June 30, 2024

<b>Finding Number</b>	<b>2024-001 (Repeat finding)</b>
<b>Finding Title</b>	Adequate segregation of duties in most areas was impractical due to the limited number of employees. The City has, however, developed alternative procedures, which mitigate this condition to some extent.
<b>Type of Finding</b>	Significant Deficiency
<b>Criteria</b>	Ideally, staffing levels should allow for all areas of accounting responsibility (authorization or approval, custody of assets, recording transactions and reconciliations) to be performed independent of each other.
<b>Condition</b>	Due to limited staffing, complete segregation is not possible within the City.
<b>Cause of Condition</b>	Finance staff is competent, capable and performs daily and monthly functions very well. Due to the size of the City, adding finance staff is not a feasible option, so the finding is created.
<b>Potential Effect of Condition</b>	There is a greater opportunity for misstatements in financial records, whether from fraud or error, to occur.
<b>Prevalence</b>	Systemic
<b>Recommendation</b>	We do not recommend any changes in staffing, but the City Council should be aware of this deficiency and remain involved in mitigating controls that have been put into place.
<b>Management's Response</b>	Management generally agrees with this determination. Managements response to this finding is to incorporate specific procedures into all other staff functions to provide sufficient documentation to support all financial transactions.



**COUNCIL RESOLUTION No. 24-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MANZANITA, OREGON,  
MAKING APPOINTMENTS TO THE PLANNING COMMISSION.**

**WHEREAS**, Chapter 5, Section 20 of the Manzanita City Charter states that the Mayor shall appoint a committee provided for under the Rules of the Council; and

**WHEREAS**, the Manzanita City Council approved amendments to the Council Rules of Procedure, Section 8, Appointments establishing a competitive application process for committee appointments; and

**WHEREAS**, the Council Rules of Procedure require the appointment of a selection committee to conduct the process and make a recommendation to the Mayor for approval; and

**WHEREAS**, the city established the selection committee for the Planning Commission and established criteria in accordance with Council Rules of Procedure; and

**WHEREAS**, the selection committee reviewed 3 applications and found the candidates to be qualified for the position; and

**WHEREAS**, the Mayor has ultimate responsibility for approving candidates and recommends City Council approve the candidates for the position.

**Now, Therefore, be it Resolved** by the City Council of the City of Manzanita, Oregon that Brad Berman, Frank Squillo, and Lee Hiltenbrand be appointed to the Manzanita Planning Commission for a term expiring in December 2028.

Introduced and adopted by the City Council on \_\_\_\_\_.

This resolution is effective on \_\_\_\_\_.

ATTEST:

\_\_\_\_\_  
Kathryn Stock, Mayor

\_\_\_\_\_  
Leila Aman, City Manager/ City Recorder



# City of Manzanita

PO BOX 129, Manzanita OR 97130-0129

Phone (503) 812-2514 | Fax (503) 368-4145 | TTY Dial 711

ci.manzanita.or.us

## Planning Commission Application

<b>Name:</b> Brad Berman_____	<b>Phone:</b> _____
<b>Address:</b> _____	<b>Email:</b> _____
<b>City/State/Zip:</b> Manzanita, OR 97130_____	
<b>Occupation:</b> Commercial Real Estate Development Manager_____	

**There are three positions open on the Planning Commission. These positions will be 4-year appointments and will end December 2028.**

**Do you live, own property, or a business within the City or Urban Growth Boundary? If yes, please describe your relationship to the City of Manzanita.**

Yes, we own a home on 4<sup>th</sup> Street in Manzanita. My wife is the Board President of the Hoffman Center for the Arts. We actively engage in community events and support local businesses. We reside approximately 40% of our time in Manzanita; the remainder of our time is at our Portland residence, (in part for business purposes).

**Please explain what skills or qualifications you bring that you believe will benefit the City as a member of the Planning Commission. Be brief but be as specific as possible.**

For the past several years I have listened (on-line) to the monthly City Council and Planning Commission meetings. I have followed a number of topics ranging from spirited City Hall debates to permit applications and presentations. My interest in applying to the Planning Commission is based on a number of factors including subject matter experience and timing. Ensuring a vibrant, inspiring and economically sustainable community are guiding values that I consider important to Manzanita and for the next generation; the Planning Commission plays an important role shaping the built and unbuilt environment.

I am fluent in the skills required to successfully contribute as a Planning Commission member. I have the necessary hard and soft skills, developed over the last 30 years working on both large and small scale commercial real estate projects throughout the U.S. From mixed-use and housing projects to corporate office buildings; from temporary buildouts at multiple Olympics and global sporting events, to site acquisitions, I have managed or actively participated on complex transactions requiring government approvals. Comprehending policy's, ordinances, building and zoning codes, have been a significant part of my career. I have successfully engaged with federal, state and city agencies navigating applications, requirements and appeals. I bring passion, curiosity and diversity of thought. I am equally comfortable presenting in a board room as I am walking a construction site. My ethos is analytic, logic-based, pragmatic, creative and solution-oriented, resulting in conclusions that are typically successful for all parties.

**Please describe your understanding of the Comprehensive Plan, the City's Zoning Ordinance and/or Land Use Planning.**

I understand that the Comprehensive Plan is the primary land use document informing the City of Manzanita (and was last updated in 1996). Upcoming revisions to the Plan are intended to address a number of statewide planning mandates including but not limited to housing. Furthermore, I understand that Goal 10, (Housing), is priority number one.

Although I have not completely absorbed all of the materials that appear available, I have reviewed a number of documents and reports including information from 3J Consulting, Marci McInelly, (a past colleague dating back to my architecture days in the late 1980's), and the Public Advisory Steering Committee information / Envision Manzanita.

In addition, I have reviewed the timeline that has been established for updating the Comprehensive Plan, priorities and process. I have briefly reviewed Senate Bill 406. It's my understanding that legislation has established criteria specific to Tillamook County cities including urbanized and unincorporated areas. Housing targets include a 20-year projected needs analysis for middle housing. The efforts from all parties including consultants, citizen engagement, the PC and ultimately Council, will result in the adoption of a new Comprehensive Plan and Zoning Ordinances in 2026.

As a Planning Commissioner you will be asked to make decisions on Land Use Applications using the City's Zoning Ordinance. Your ability to interpret the Zoning Ordinance and criteria will be essential to your success in this position. Please describe how you would evaluate a land use application where you may personally disagree with what is being proposed.

Simply stated, I will follow the facts, laws and ordinances. I also recognize that factual information can be interpreted differently. Context matters and there may be unique circumstances that need to be taken into consideration. The beauty of working with a committee is that there are checks & balances with decision-making including a responsibility for discussing opinions and insights. Ultimately, the facts, laws and ordinances will be the guardrails that inform my input and recommendations.

Do you have any expected or anticipated conflicts of interest that may require you to recuse yourself from a planning application? If yes, please describe.

No.

Planning Commission Meetings are held on the second Monday of each month at 4 pm. In cases where the Monday falls on a holiday the Planning Commission will meet on the third Tuesday of each month. There are also potential trainings and special meetings that may be required. Can you meet this time commitment?

Yes.

(Regarding trainings and special meetings, presumably there would be reasonable advance notice so one can plan accordingly).

Meetings are currently held via the Zoom and are expected to continue on Zoom until mid year 2025. Are you able to participate via Zoom? If meetings were held in person would you be able to participate? Please describe your availability to attend meetings either via Zoom or in person below.

Yes, I am available to participate via Zoom; no issues. If meetings are held in person, I would do my best to arrange my schedule accordingly, as I value “non-digital” engagement when practical.

Is there anything else you would like to share with the selection committee about your experience and interest in the position?

I would be thrilled to serve on the Planning Commission. From a distance, I have followed the current members and I am impressed with the quality of insights and direction. Our City Manager, Mayor and City Council are doing a terrific job fostering a positive dynamic and leading Manzanita; I would be proud to contribute my professional experiences.

In lieu of submitting a resume, I am including a short bio highlighting my experiences in context to the PC position.

### **Brad Berman | Bio**

A 34-year professional career (and still counting) that began in architecture and evolved into commercial real estate development with a primary focus on due diligence, pre-construction analysis, and construction. Project types have ranged from historic restorations to flagship retail; mixed-use high rise to multi-family + workforce housing. Experience includes identifying and collaboratively managing cross-functional consultant teams consisting of legal, finance, operations, property management, design, branding and construction.

A third generation Portlander and University of Oregon graduate, I have resided on the west coast, east coast and China, with multiple extended-stays working in Europe.

Highlights include:

- 19 years at Nike spanning three decades, (1990 – 2018), culminating in a director-level position residing in Shanghai, China. Various management roles in Global Brand Design, Real Estate / Retail Development and Corporate Workplace. Key client stakeholders and direct engagement included Executive Leadership, Legal, Marketing, Sales, Operations and Finance.
- 8 years providing independent project leadership, design and construction management for Microsoft, House of Blues, FedEx and Reebok.
- 7 years as a real estate development manager focusing on new office buildings for clients including The Nature Conservancy and Meyer Memorial Trust; private investment projects including Park Avenue West, (retail, office and apartments), Boxcar, (apartments), Origami, (townhomes), and Modomi, (modular workforce housing).
- Project management including zoning, change of occupancy and design agency approvals throughout the U.S. Adept at working across city bureaus and agencies, successfully navigating codes, ordinances, opinions, and appeals, resulting in acceptable outcomes for all parties.
- Experienced in complex contract negotiations including professional services, construction and lease work-letter agreements. Additional core competencies include feasibility studies and construction management.
- Volunteer committee experience with organizations ranging from Congregation Beth Israel and Project Lemonade, to the Hoffman Center for the Arts and the Nehalem Bay Health District.

**THE DEADLINE FOR SUBMISSIONS IS November 1, 2024, AT 4:00 PM**

Please return this form  
by email to [cityhall@ci.manzanita.or.us](mailto:cityhall@ci.manzanita.or.us)

If you have any questions, please call 503-812-2514 or email us at [cityhall@ci.manzanita.or.us](mailto:cityhall@ci.manzanita.or.us)



# City of Manzanita

PO BOX 129, Manzanita OR 97130-0129  
Phone (503) 812-2514 | Fax (503) 368-4145 | TTY Dial 711  
ci.manzanita.or.us

## Planning Commission Application

Name: <u>Frank Squillo</u>	Phone: _____
Address: _____	Email: _____
City/State/Zip: <u>Manzanita, OR 97130</u>	
Occupation: <u>Owner, Wanda's Cafe + Bakery</u>	

There are three positions open on the Planning Commission. These positions will be 4-year appointments and will end December 2028.

Do you live, own property, or a business within the City or Urban Growth Boundary? If yes, please describe your relationship to the City of Manzanita.

Resident in the Urban Growth Boundary

Please explain what skills or qualifications you bring that you believe will benefit the City as a member of the Planning Commission. Be brief but be as specific as possible.

As a current member of the planning commission with two years experience as a board member.

I am also a small business owner with nearly 30 employees and have owned the business in Nehalem for nearly 6 years now. I am also the president of the board of directors for our local community theater group, Riverbend Players.

I bring a broad understanding of business and community needs in an ever changing landscape.

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Please describe your understanding of the Comprehensive Plan, the City's Zoning Ordinance and/or Land Use Planning.

I have a solid understanding of the City of Manzanita's Comprehensive Plan, Zoning Ordinance, and overall land use planning goals.

The Comprehensive Plan serves as a guiding document for the city's growth, sustainability, and preservation, setting long-term objectives for land use, environmental conservation, housing, and public amenities.

Manzanita's Zoning Ordinance translates these objectives into specific regulations, ensuring that development aligns with the character and needs of each zoning district.

I recognize that effective land use planning in Manzanita balances development with environmental

As a Planning Commissioner you will be asked to make decisions on Land Use Applications using the City's Zoning Ordinance. Your ability to interpret the Zoning Ordinance and criteria will be essential to your success in this position. Please describe how you would evaluate a land use application where you may personally disagree with what is being proposed.

As a Planning Commissioner, my role is to apply the City's Zoning Ordinance objectively, regardless of personal views.

In evaluating a land use application that I may personally disagree with, I would focus on how well it meets the specific criteria and zoning requirements.

If the application aligns with the ordinance, I would support it despite personal opinions, as my duty is to ensure fair and lawful application of the regulations to serve the City's long-term planning goals.

Do you have any expected or anticipated conflicts of interest that may require you to recuse yourself from a planning application? If yes, please describe.

None

Planning Commission Meetings are held on the second Monday of each month at 4 pm. In cases where the Monday falls on a holiday the Planning Commission will meet on the third Tuesday of each month. There are also potential trainings and special meetings that may be required. Can you meet this time commitment?

Yes     No

Meetings are currently held via the Zoom and are expected to continue on Zoom until mid year 2025. Are you able to participate via Zoom? If meetings were held in person would you be able to participate? Please describe your availability to attend meetings either via Zoom or in person below.

Yes, I can attend wither format of meeting.

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Is there anything else you would like to share with the selection committee about your experience and interest in the position?

I am genuinely excited about the opportunity to continue contributing to Manzanita's growth and preservation by serving on the Planning Commission.

With my understanding of land use regulations and a commitment to fair, balanced decision-making, I'm eager to support the city's goals for sustainable development and community well-being.

I bring a collaborative mindset, a keen eye for detail, and a passion for preserving the unique character of Manzanita.

My goal is to contribute thoughtfully and responsibly to each decision, helping ensure that our community thrives while respecting the values we all hold dear.

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You are also welcome and encouraged to submit a CV or Resume as part of your application.

**THE DEADLINE FOR SUBMISSIONS IS November 1, 2024, AT 4:00 PM**

Please return this form  
by email to [cityhall@ci.manzanita.or.us](mailto:cityhall@ci.manzanita.or.us)

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# City of Manzanita

PO BOX 129, Manzanita OR 97130-0129  
Phone (503) 812-2514 | Fax (503) 368-4145 | TTY Dial 711  
ci.manzanita.or.us

## Planning Commission Application

Name: _____	Phone: _____
Address: _____	Email: _____
City/State/Zip: _____	
Occupation: _____	

There are three positions open on the Planning Commission. These positions will be 4-year appointments and will end December 2028.

Do you live, own property, or a business within the City or Urban Growth Boundary? If yes, please describe your relationship to the City of Manzanita.

Please explain what skills or qualifications you bring that you believe will benefit the City as a member of the Planning Commission. Be brief but be as specific as possible.

Please describe your understanding of the Comprehensive Plan, the City's Zoning Ordinance and/or Land Use Planning.

As a Planning Commissioner you will be asked to make decisions on Land Use Applications using the City's Zoning Ordinance. Your ability to interpret the Zoning Ordinance and criteria will be essential to your success in this position. Please describe how you would evaluate a land use application where you may personally disagree with what is being proposed.

Do you have any expected or anticipated conflicts of interest that may require you to recuse yourself from a planning application? If yes, please describe.

Planning Commission Meetings are held on the second Monday of each month at 4 pm. In cases where the Monday falls on a holiday the Planning Commission will meet on the third Tuesday of each month. There are also potential trainings and special meetings that may be required. Can you meet this time commitment?

Yes     No

Meetings are currently held via the Zoom and are expected to continue on Zoom until mid year 2025. Are you able to participate via Zoom? If meetings were held in person would you be able to participate? Please describe your availability to attend meetings either via Zoom or in person below.

Is there anything else you would like to share with the selection committee about your experience and interest in the position?

You are also welcome and encouraged to submit a CV or Resume as part of your application.

**THE DEADLINE FOR SUBMISSIONS IS November 1, 2024, AT 4:00 PM**

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by email to [cityhall@ci.manzanita.or.us](mailto:cityhall@ci.manzanita.or.us)

If you have any questions, please call 503-812-2514 or email us at [cityhall@ci.manzanita.or.us](mailto:cityhall@ci.manzanita.or.us)

# **EMPLOYEE HANDBOOK OF PERSONNEL POLICIES**

City of Manzanita



Effective December 5, 2024

## Welcome!

Welcome to the City of Manzanita (the “City”). We’re glad to have you on our team. At the City, we believe that our employees are our most valuable asset. In fact, we attribute our success as an organization in significant part to our ability to recruit, hire, and maintain a motivated and productive workforce. We hope that during your employment with the City, you will become a productive and successful member of the City’s team.

This employee handbook (the “Handbook”) describes, in summary, the personnel policies and procedures that govern the employment relationship between the City and its employees. The policies stated in this Handbook are subject to change at any time at the sole discretion of the City with or without prior notice. This Handbook supersedes any prior handbooks or written policies of the City that are inconsistent with its provisions.

All employment at City of Manzanita is “at will.” That means that either you or the City may terminate this relationship at any time, for any reason, with or without cause or notice (unless you are subject to a written contract of employment). No supervisor, manager, or representative of the City other than the City Manager has the authority to enter into any agreement with you regarding the terms of your employment that changes our at-will relationship or deviates from the provisions in this Handbook, unless the change or deviation is agreed to in writing by the City Manager.

This Handbook does not create an express or implied employment contract between the City and its employees. It is a broad statement of practice policy. It does not promise specific treatment in a specific situation. Its provisions generally provide uniform guidelines, but are not intended to substitute for the good judgment and discretion of City management.

Nothing in this Handbook, or any specific policy, is intended to, and will not be applied by the City so as to, limit, interfere with or prevent employees from exercising any rights to protected speech or activities expressly protected by applicable state and/or federal law. This includes the rights of non-supervisory employees to organize and bargain, and all employees’ rights to discuss or disclose what they may in good faith believe to be discrimination, harassment, or retaliation.

You may receive updated information concerning changes in policy from time to time, and those updates should be kept with your copy of the Handbook. If you have any questions about any of the provisions in the Handbook, or any policies that are issued after the handbook, please ask me.

Sincerely,

Leila Aman, City Manager  
City of Manzanita  
December 5, 2024

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## **I. Equal Employment Opportunity (“EEO”) Policies**

The City is an Equal Opportunity Employer. We comply with all federal, Oregon, and local laws in providing our employees and applicants with equal opportunities. Our decisions and criteria governing the employment relationship with all employees are non-discriminatory, and are based on job requirements and an individual’s skills and experience without regard to race (including traits historically associated with race, including, but not limited to, hair texture and protective hairstyles such as afros, braids, locks, and twists), color, sex (including pregnancy, childbirth, related medical conditions, breastfeeding, or reproductive health decisions), religion, age, sexual orientation, gender identity or expression, marital status, national origin, veteran status, disability, or any other status protected by state, federal, or local law. It is our intent that such factors will not be a consideration for any of the following: employment, retention, promotion, recruitment or recruitment advertisement, rates of pay or other forms of compensation, administration of benefits, selection for job or management training, and demotion or separation. All matters related to employment are based upon job performance, plus trustworthiness, dependability, and reliability once hired.

The following EEO Policies apply to all employees. Members of management, elected officials, and employees alike are expected to adhere to and enforce the following EEO Policies. Any employee’s failure to do so may result in discipline and/or corrective action, up to and including termination.

This statement reaffirms the City’s commitment to the principles of equal employment opportunity and our expectation that all employees will lend their full support to furthering the City’s commitment to these principles. All employees are encouraged to discuss these EEO Policies with the City Manager at any time if they have questions relating to the issues of alleged discrimination, harassment, or bullying.

### **A. Policy Against Discrimination, Harassment, and Retaliation**

The City is committed to providing a supportive and positive work environment that is free of discrimination and harassment against any person on the basis of age, race (including physical characteristics that are historically associated with race (including traits historically associated with race, including, but not limited to, hair texture and protective hairstyles such as afros, braids, locks, and twists), color, sex (including pregnancy, childbirth, related medical conditions, breastfeeding, or reproductive health decisions), sexual orientation, gender identity or expression, national origin, religion, marital status, disability, and/or veteran status or any other category protected by federal, state, or local law. Harassment or intimidation of any kind by or toward another employee or any other person (including a visitor or vendor/supplier), or harassment of any person not associated with the City by use of City relationships, resources or assets, will not be tolerated. Conduct that the City determines to constitute a violation of this policy may result in the strictest disciplinary action.

The City expects all employees should have the expectation that they work in a professional environment and that the City promotes EEO and prohibits unlawful discriminatory practices, including without limitation harassment.

The City expects that all relationships among persons will be respectful and professional, free of bias, prejudice, and harassment in the workplace, at work-related events, or any activity coordinated by or through the City.

## **1. Applicability**

This policy applies to all employees, elected officials, City Council members, volunteers, interns, and any other person we interact with in the course of City activities. This policy applies to conduct at the workplace and at work-related events, including business trips, off-site City meetings, and City-related social functions.

This policy has been developed to ensure that all employees can work in an environment free from unlawful harassment, discrimination, and retaliation. The City will make every reasonable effort to ensure that all concerned are familiar with these policies and are aware that any complaint in violation of these policies will be investigated and resolved appropriately.

## **2. Sexual Harassment**

Sexual harassment is one form of harassment. It is a violation of state and federal law and will not be tolerated. Sexual harassment, as defined by the U.S. Equal Employment Opportunity Commission (“EEOC”) and stated below, is expressly prohibited:

*“Unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature constitute sexual harassment when: (1) submission to such conduct is made either explicitly or implicitly a term or condition of the individual’s employment; (2) submission to or rejection of such conduct by an individual is used as a basis for employment decisions affecting such individual; or (3) such conduct has the purpose or effect of unreasonably interfering with an individual’s work performance or creating an intimidating, hostile or offensive working environment.”*

EEOC, 29 C.F.R. Part 1604, “Guidelines on Discrimination Because of Sex.”

The definition of sexual harassment includes many forms of offensive behavior and can include gender-based harassment of a person of the same sex as the harasser. Conduct which may be considered in violation of this policy includes, but is not limited to:

- Unwanted sexual advances;
- Making or threatening reprisals after a negative response to sexual advances;
- Visual conduct, including without limitation leering, making sexual gestures, displaying of sexually suggestive objects or pictures, cartoons, or posters;
- Verbal conduct, such as making or using derogatory comments, epithets, slurs, or jokes;
- Verbal sexual advances or propositions;
- Verbal abuse of a sexual nature, graphic verbal commentaries about an individual’s body, or sexually degrading words used to describe an individual;
- Suggestive or obscene letters, notes, or invitations; and/or

- Inappropriate physical conduct, including without limitation touching, assaulting, impeding, or blocking movements.

This policy also includes and is intended to strictly prohibit sexual assault, whether in the workplace or outside the workplace at work-related events, including business trips, off-site business meetings, and work-related social functions. Sexual assault means unwanted conduct of a sexual nature that is inflicted upon a person or compelled through the use of physical force, manipulation, threat or intimidation, or a sexual offense has been threatened or committed as described in Oregon’s criminal statutes.

Unwelcome behavior, whether physical or verbal, that creates an intimidating, hostile, or offensive work environment is prohibited.

### **3. Other Forms of Harassment**

This policy applies not only to complaints and investigations of sexual harassment and intimidation, but to all other forms of harassment and intimidation based on age, race, sex, sexual orientation, national origin, religion, marital status, disability, veteran status, or any other category protected by federal, state, or local law.

The City’s policy also prohibits harassment such as verbal, written or physical conduct that denigrates, makes fun of, or shows hostility towards an individual because of that individual’s protected class or protected activity, and can include:

- Jokes, pictures (including drawings), epithets, or slurs;
- Negative stereotyping;
- Displaying racist symbols anywhere on [Organization] property;
- “Teasing” or mimicking the characteristics of someone with a physical or mental impairment or disability;
- Criticizing or making fun of another person’s religious beliefs, or “pushing” your religious beliefs on someone who doesn’t have them;
- Threatening, intimidating, or hostile acts that relate to a protected class or protected activity; or
- Written or graphic material that speaks badly of or shows hatred toward an individual or group because of one or more protected statuses;
- Negative comments or teasing a person about their natural hair, hair texture, hair type or hair style (see definition of “race” on page 1). Employees may not touch another employee’s hair without permission to do so, even if the touch is extended out of curiosity or as a compliment.

This is not a complete list. All employees are expected to exercise common sense and demonstrate professional conduct in the workplace at all times.

### **4. Complaint Procedure**

We need the participation and support of all employees to help keep the City free of harassment and discrimination. If you believe you have experienced or witnessed harassment, discrimination, or any other behavior prohibited by this policy, you are expected and should bring the matter promptly to the attention of the City Manager or Accounting Manager or report the facts of the

incident(s) and the name of the individual(s) involved directly to your supervisor. If, for any reason, you feel uncomfortable reporting to your supervisor, promptly contact another supervisor and/or the City Manager with your concerns.

Upon receipt of a report of prohibited discrimination, harassment, or sexual assault, the manager who received the report will provide a copy of this policy to the employee.

## **5. Protection Against Retaliation**

The City prohibits retaliation in any way against an employee because the employee has made a good-faith complaint pursuant to this policy or the law, has reported (in good faith) sexual assault, harassing or discriminatory conduct, or has participated in an investigation of such conduct.

Employees who believe they have been retaliated against in violation of this policy should immediately report it to the City Manager or Accounting Manager or any supervisor or member of management. Any employee who is found to have retaliated against another employee in violation of this policy will be subject to disciplinary action up to and including termination of employment.

*See also* the Reporting Improper and Unlawful Activity Policy, below.

## **6. Other Resources Available to Employees**

The City provides an Employee Assistance Program (EAP) through Canopy to employees and dependents who are enrolled in the City's medical coverage. For access to confidential help 24 hours a day, seven days a week, call toll-free: 1-800-433-2320, or go online to [canopywell.com](http://canopywell.com). The EAP program provides confidential counseling services and educational tools such as resources relating to eldercare, childcare, legal consultation, financial coaching, identity theft, and others.

The City cannot provide legal resources to its employees or referrals to specific attorneys. Employees may contact the Oregon State Bar for more information: <https://www.osbar.org/public/>.

## **7. Investigation and Confidentiality**

The City encourages the prompt reporting of complaints or concerns, so that action can be taken quickly. Early reporting and intervention are very often the most effective method of resolving actual or perceived incidents of harassment.

Any reported allegations of harassment, discrimination, or retaliation will be kept confidential to the extent possible, consistently with The City's need to investigate the complaint and address the situation. The investigation may be conducted by the City Manager or an outside investigator as the City determines to be appropriate. The investigation may include individual interviews with the parties involved and, where necessary, with individuals who may have observed the event(s) or may have other relevant knowledge.

The City will maintain confidentiality throughout the investigatory process to the extent possible with acceptable investigation and appropriate corrective action.

Misconduct constituting harassment, discrimination, or retaliation will be dealt with appropriately. Responsive action may include without limitation training, referral to counseling, or corrective action. Examples of possible corrective action include without limitation a warning,



written reprimand, reassignment, temporary suspension without pay, or termination as the City believes appropriate under the circumstances.

The City may also subject managers and supervisors who fail to report known harassment—or fail to take prompt, appropriate corrective action—to disciplinary and/or corrective action, up to and including termination.

False and malicious complaints of harassment, discrimination, or retaliation, as opposed to complaints that, even if erroneous, are made in good faith, may be the subject of appropriate disciplinary and/or corrective action.

Following receipt of a complaint or concern, the City Manager will follow-up with the individual employee, or employees, who expressed the concern, every three (3) months for one (1) year to ensure no further concerns or retaliation are experienced. However, employees should not wait for the City Manager contact to share or communicate any further concerns or experiences. If an employee would like the City Manager to discontinue the follow-up process, a request must be submitted in writing to the City Manager

## **8. Other Employee Rights**

Nothing in this policy prevents a complainant from a formal complaint with the Oregon Bureau of Labor and Industries (BOLI), or the EEOC and/or any other state or federal agency responsible for enforcing laws governing prohibited discrimination, harassment, and retaliation in employment.

A complaint filed by an employee with BOLI alleging an unlawful employment practice as described in ORS 659A.030 (prohibiting discrimination because of race, color, religion, sex, sexual orientation, national origin, marital status, age, or expunged juvenile record); ORS 659A.082 (prohibiting discrimination and mandating leave for certain military service); ORS 659A.112 (prohibiting discrimination against individuals with disabilities), or unlawful harassment, sexual assault, or a violation of the additional protections for victims outlined above, must be filed no later than five (5) years after the occurrence of the alleged unlawful employment practice. Other claims may have shorter timeframes.

In addition to the above, nothing in this policy prevents any person from seeking remedy under any other available law, whether civil or criminal.

## **9. Other Employee Rights**

Nothing in this policy is intended to diminish or discourage an employee who has experienced workplace harassment or discrimination, or sexual assault, from talking about or disclosing their experience.

The City is committed to creating and maintaining a workplace free of sexual assault, harassment, discrimination, and retaliation and it has confidence in the process it has developed for addressing good-faith complaints. However, Oregon law requires the City to inform employees that if they have been aggrieved by workplace harassment, discrimination or sexual assault and want to enter into an agreement with the City regarding their experience and/or employment status, the employee should contact [Contact]. The employee's request to enter into such an agreement must be in writing (email or text is acceptable). Requests of this nature will be considered on a case-by-case basis; such agreements are not appropriate for every situation. If the City and employee do reach an agreement, the City will not require

an employee to enter into a nondisclosure agreement (which would prohibit the employee from discussing or communicating about their experiences in the workplace or the terms of the agreement) or a non-disparagement agreement (which would prohibit the employee from speaking slightly about the [Organization] or making comments that would lower the [Organization] in rank or reputation). If, however, the employee makes a request for an agreement under this paragraph, nondisclosure and non-disparagement are terms that the [Organization] and the employee may agree to. The employee will have seven days to revoke the agreement after signing it.

## **B. Workplace Accommodation Policy**

The City complies with all applicable federal, Oregon, and local laws providing for nondiscrimination in employment of individuals, and this includes providing reasonable accommodation(s) for qualified individuals in accordance with these laws, except where such an accommodation is unreasonable or would create an undue hardship on the City.

A reasonable accommodation is any change or adjustment to a job or work environment that does not cause an undue hardship on the department or unit (or, in some cases, the City) and that permits a qualified applicant or employee with a disability to participate in the job application process, to perform the essential functions of a job, or to enjoy benefits and privileges of employment equal to those enjoyed by employees without disabilities. For example, a reasonable accommodation may include providing or modifying equipment or devices, job restructuring, allowing part-time or modified work schedules, reassigning an individual, adjusting or modifying examinations or training materials, providing readers and interpreters, or making the workplace readily accessible to and usable by people with disabilities.

If you have a physical, mental, or sensory disability that affects your ability to perform any of the functions of your job and you believe you need an accommodation, or if you are pregnant or have a pregnancy-related condition that may require accommodation, discuss your circumstances with the City Manager. The City will not require pregnant employees to take leave if another reasonable accommodation can be provided that would let the employee keep working; nor will a pregnant employee be required to accept an offered accommodation without a discussion between the employee and the appropriate City designee.

Likewise, if any work-related requirement may interfere with a religious observance or personal religious belief, you should talk to the City Manager and inquire about accommodation. Employees should request an accommodation as soon as it becomes apparent that a reasonable accommodation may be necessary to enable the employee to perform the essential duties of a position. All requests for accommodation should be made with the City Manager and should specify which essential functions of the employee's job cannot be performed without a reasonable accommodation. We will treat such information as confidential, except to the extent that others need to know to evaluate your request for an accommodation or to provide accommodations.

Once a request for accommodation is made, as permitted by law, the City may request medical opinions to verify your limitations or disability, identify potential reasonable accommodations, or to determine whether your continued work would pose a safety or health risk.

The City will make decisions about reasonable accommodations on a case-by-case basis considering various factors and based on an individualized assessment in each situation. While we encourage employees to suggest the specific accommodations that they believe may be ideal, be aware that the City is not required to make the specific accommodation requested and may provide an alternative effective and reasonable accommodation, to the extent it does not pose an undue hardship to the City.

### **C. Reporting Improper or Unlawful Conduct—No Retaliation**

Employees may report reasonable concerns about the City’s compliance with any law, regulation, or policy using one of the methods identified in this policy. The City will not retaliate against employees who disclose information that the employee reasonably believes is evidence of:

- A violation of any federal, Oregon, or local law, rules, or regulations by the City;
- Mismanagement, gross waste of funds, abuse of authority, or substantial and specific danger to public health resulting from action of the City;
- A substantial and specific danger to public health and safety resulting from actions of the City;
- Unsafe or unhealth working conditions; or
- The fact that a recipient of government services is subject to a felony or misdemeanor arrest warrant.

Further, in accordance with Oregon law, the City will not prohibit an employee from discussing the activities of a public body or a person authorized to act on behalf of a public body, with a member of the Legislative Assembly, legislative committee staff acting under the direction of a member of the Legislative Assembly, any member of the elected governing body of a political subdivision, or an elected auditor of a city, county, or metropolitan service district.

#### **1. Employee Reporting Options**

In addition to the City’s **Open Door Policy** (see Section V(H) below), employees who wish to report improper or unlawful conduct should first talk to his or her supervisor. If you are not comfortable speaking with your supervisor, or you are not satisfied with your supervisor’s response, you are encouraged to speak with the City Manager. Department heads are required to inform the City Manager about reports of improper or unlawful conduct they receive from employees.

Reports of unlawful or improper conduct will be kept confidential to the extent allowed by law and consistent with the need to conduct an impartial and efficient investigation.

Employees who believe the City has violated the law may file a complaint with the Bureau of Labor and Industries (BOLI) or bring a civil action in court to enforce their rights.

#### **2. Additional Protection for Reporting Employees**

Oregon law provides that, in some circumstances, an employee who discloses a good faith and objectively reasonable belief of the City’s violation of law will have an “affirmative defense” to

any civil or criminal charges related to the disclosure. For this defense to apply, the employee's disclosure must relate to the conduct of his/her coworker or supervisor acting within the course and scope of his or her employment. The disclosure must have been made to: (1) a state or federal regulatory agency; (2) a law enforcement agency; (3) the City Manager; or (4) an Oregon-licensed attorney who represents the employee making the report/disclosure. The defense also only applies in situations where the information disclosed was lawfully accessed by the reporting employee.

### **3. Policy Against Retaliation**

The City will not retaliate against employees who make reports or disclosures of information of the type described above based on a reasonable belief that the conduct is improper or unlawful, and who lawfully accessed information related to the violation (including information that is exempt from disclosure as provided by Oregon law or by City policy).

In addition, the City prohibits retaliation against an employee because he or she participates in good faith in any investigation or proceeding resulting from a report made under this policy. Further, no City employee will be adversely affected because they refused to carry out a directive that constitutes fraud or is a violation of local, Oregon, federal, or other applicable laws and regulations. The City may take disciplinary and/or corrective action (up to and including termination) against an employee who has engaged in retaliatory conduct in violation of this policy.

This policy is not intended to protect an employee from the consequences of his or her own misconduct or inadequate performance simply by reporting the misconduct or inadequate performance. Furthermore, an employee is not entitled to protections under this policy if the City determines that the report was known to be false, or information was disclosed with reckless disregard for its truth or falsity. If such a determination is made, an employee may be subject to discipline and /or corrective action, up to and including termination.

## **II. Employment Status**

### **A. Probationary Period of Employment**

The probationary period is an integral part of the employee selection process and provides the City with the opportunity to upgrade and improve the quality of City services by observing a new employee's work, training and assisting them in adjusting to their position and by providing an opportunity to terminate any employees whose work performance fails to meet required work standards.

All new employees, including current employees who are promoted or transferred within the City, are hired into a probationary training period that generally lasts no less than six (6) months but can be up to eighteen (18) months for some positions. The probationary period is an extension of the employee selection process. During this period, you are considered to be in training and under observation and evaluation by your manager. Evaluation of your adjustment to work tasks, conduct and other work rules, attendance and job responsibilities will be considered during the probationary period. This period gives you an opportunity to demonstrate satisfactory performance for the position, and also provides an opportunity to determine if your

knowledge, skills and abilities and the requirements of the position match. It is also an opportunity for you to decide if the City meets your expectations of an employer.

At or before the end of the probationary period, a decision about your employment status will be made. The City will decide whether to: (1) extend your probationary period; (2) move you to Regular Full-time or Regular Part-time status; or (3) terminate your employment.

Employment with the City is at-will. Employees are not guaranteed any length of employment upon hire or transfer/promotion; both you and the City may terminate the employment relationship during the probationary period for any lawful reason. Further, completion of the probationary period or continuation of employment after the probationary period does not entitle you to remain employed by the City for any definite period of time. Both you and the City are free to terminate the employment relationship, at any time, with or without notice and for any reason not prohibited by law.

## **B. Employee Classification**

### **1. Classification of Personnel**

The City classifies employees as follows:

- *Regular Full-time*: Employment in an established position requiring 40 hours or more of work per week. Generally, full-time employees are eligible to participate in the City's benefit programs.
- *Regular Part-time*: Employment requiring less than 40 hours of work per week. Normally a part-time schedule, such as portions of days or weeks, will be established. Occasional workweeks of over 40 hours will not constitute a change in status from part-time to full-time. Regular part-time employees working 24 hours or more per week are eligible for insurance benefits. Regular part-time employee working less than 24 hours per week are not eligible for insurance benefits except those mandated by applicable law.
- *Temporary*: Employment in a job established for a specific purpose, for a specific period of time, or for the duration of a specific project or group of assignments. Temporary employment can either be full-time or part-time. Temporary employees are not eligible for benefits other than those mandated by applicable law.

### **2. Exempt Status**

Additionally, all employees are defined by federal and Oregon law as either "exempt" or "nonexempt," which determines whether the employee is eligible for overtime and/or compensatory, or comp time. Employees will be instructed as to whether they are exempt or non-exempt at the time of hire or when a promotion or demotion occurs. All employees, regardless of employment classification, are subject to all City rules and procedures.

## **C. The Workweek**

The workweek is a seven-day work period beginning Sunday at 12:00 a.m. through Saturday at 11:59 p.m. Typically, business hours are from Monday through Friday 8:00 a.m. through 5:00 p.m.

## **D. Meal Periods and Rest Breaks**

Nonexempt employees are required to take a paid, uninterrupted 10-minute rest break for every four-hour segment or major portion thereof in one work period, so a typical eight (8) hour shift will include two (2) ten (10) minute breaks. Ideally, the rest break should be taken in the middle of each four-hour segment. Whenever a segment exceeds two hours, the employee must take a rest break for that segment.

Nonexempt employees are required to take at least a 30-minute unpaid meal period when the work period is six (6) hours or greater. The law requires an uninterrupted period in which the employee is relieved of all duties. No meal period is required if the work period is less than six (6) hours. If, because of the nature or circumstances of the work, an employee is required to remain on duty or to perform any tasks during the meal period, the employee must inform his or her supervisor before the end of the shift, so the City may pay the employee for that work. For Police Officers, who are subject to emergency call even during their meal period, the meal period will be paid.

Meal periods and rest breaks are mandatory and are not optional. An employee's meal period and rest break(s) may not be taken together as one break. Meal periods and rest breaks may not be "skipped" to come in late or leave early. An employee who fails to abide by this policy and applicable laws may be subjected to discipline and/or corrective action, up to and including termination.

If unforeseen circumstances have prevented you from taking any scheduled breaks, the employee must notify their supervisor and/or the City Manager before the end of the shift, so that appropriate adjustments can be made.

## **E. Rest Breaks for Expression of Breast Milk**

The City will provide reasonable rest periods to accommodate an employee who needs to express milk for their child eighteen (18) months of age or younger. If possible, the employee will take the rest periods to express milk at the same time as the rest breaks or meal periods that are otherwise provided to the employee. If not possible, the employee is entitled to take reasonable time as needed to express breast milk.

The City will treat the rest breaks used by the employee for expressing milk as paid rest breaks up to the amount of time the City is required to provide as paid rest breaks and/or meal periods under applicable personnel rules. Additional time needed beyond the paid rest breaks and/or meal periods may be taken as unpaid time.

If an employee takes unpaid rest breaks, the City may, at the sole discretion of the employee's supervisor, allow the employee to work before or after the employee's normal shift to make up the amount of time used during the unpaid rest periods. The City will allow, but not require, an employee to substitute paid leave time for unpaid rest periods taken in accordance with this rule.

The City will make a reasonable effort to provide the employee with a private location within close proximity to the employee's work area to express milk. For purposes of this policy, "close

proximity” means within walking distance from the employee’s work area that does not appreciably shorten the rest or meal period. A “private location” is a place, other than a public restroom or toilet stall, in close proximity to the employee’s work area for the employee to express milk concealed from view and without intrusion by other employees or the public.

If a private location is not within close proximity to the employee’s work area, the City will identify a private location the employee can travel to. The travel time to and from the private location will not be counted as a part of the employee’s break period.

Consult with your supervisor or the City Manager for any questions about this policy or for assistance with arranging these breaks.

**1. Notice**

An employee who intends to express milk during work hours must give their supervisor reasonable oral or written notice of her intention to do so to allow the City time to make any preparations necessary for compliance with this rule.

**2. Storage**

Employees are responsible for storing expressed milk. Employees may bring a cooler or other insulated food container to work for storing the expressed milk. If an office provides access to refrigeration for personal use, an employee who expresses milk during work hours may use the available refrigeration.

**F. Overtime**

**1. Time-and-a-Half**

The City pays overtime to non-exempt employees in accordance with applicable law. This means paying one and one-half times a non-exempt employee’s hourly rate (the “overtime rate”) for all hours worked in excess of 40 hours in a single work week. See “Employee Classification,” above. However, at the request of the employee and with approval of the supervisor, an employee who may work extended hours will be permitted to adjust their schedule within the same week to maintain a 40-hour workweek even if the regular daily shift hours are exceeded on some days.

**2. Assignment of Overtime Work**

You may be required to work overtime. When overtime work is required by the City on a particular job, the non-exempt employee performing that job at the conclusion of his or her straight-time hours will normally be expected to continue to perform the job on an overtime basis. When overtime work is assigned by the City, it generally will be assigned on a predetermined schedule given to the employee with at least one-week’s notice. That said, such notice is not always possible due to the emergency nature of the need, as is often the case for Police and Water staff, in which case as much notice as possible will be provided .

**3. Supervisor Authorization**

No overtime may be worked by non-exempt employees unless specifically authorized (orally or in writing) by a supervisor or management. Although unauthorized overtime work will be paid,

employees who work unauthorized overtime may be subject to discipline and/or corrective action, up to and including termination.

#### **4. Compensatory (“Comp”) Time (Non-exempt Employees Only)**

Overtime hours are automatically paid at the next regular payroll unless the employee requests comp time in their timesheet and it is approved by their supervisor that it be accumulated as comp time, and that request is approved by the City Manager. Just as with overtime, comp time will be credited at one and ½ hour for each hour of overtime worked. No more than forty (40) hours of comp time may accrue, and any time in excess of 40 hours will automatically be paid as overtime and not accrue as additional comp time.

Nonexempt employees are encouraged to work with their manager/supervisor to schedule and use comp time within 60 days of when it is accrued. Comp time will be automatically paid out if not used within 60 days. In addition, when a nonexempt employee is separated from employment with the City, any remaining comp time will be paid to the employee.

#### **5. Flexible Scheduling (Exempt Employees Only)**

City employees are periodically asked to attend or work meetings or events on evenings and weekends, or to complete courses or training which may require extended hours beyond their traditional weekly time commitment. While such occasional additional time commitments are to be expected and are part of the employee’s responsibilities, where possible to accommodate for extreme fluctuations, an employee will be allowed to flex their schedule, with approval from their manager and provided operational needs will accommodate it. This generally means, an agreed adjustment to their regularly scheduled hours, including shortened work days in the week(s) or reduced weekly schedule, after a period of extended after hours availability. Generally speaking, schedule adjustments, should occur within the same calendar month. This is not intended to be an hour-for-hour adjustments, as exempt personnel may regularly work more than 40 hours per week, but instead a way to recognize significant or extraordinary work obligations with scheduling flexibility, where possible.

#### **G. Timekeeping Requirements**

All non-exempt employees must accurately record time worked on a time sheet for payroll purposes. Filling out another employee’s time sheet, allowing another employee to fill out your time sheet, or altering any time sheet will be grounds for discipline and/or corrective action, up to and including termination. An employee who fails to record his or her time may be subjected to discipline and /or corrective action as well.

Salaried exempt employees also may be required to record their paid and unpaid time on a time sheet. These employees will be instructed separately on this process.

#### **H. Employee-Incurred Expenses and Reimbursements**

The City will pay actual and reasonable business-related expenses you incur in the performance of your job responsibilities if they are: (1) listed below or elsewhere in this Handbook; and (2) pre-approved by your supervisor/manager before they are incurred. The City will not pay for or



reimburse the costs incurred by a spouse, registered domestic partner, or travel companion who accompanies the employee on City-approved travel.

Employees must provide a completed and signed expense report and evidence of proof of purchase (receipts) within one (1) month of the expense being incurred or the employee risks forfeiting their payment or reimbursement.

Some examples of actual and reasonable business-related expenses that the City will reimburse/pay for are:

- *Conferences or Workshops:* Includes registration fees and charges. Conference materials not included in the registration fee may be obtained with pre-approval of the Department Head or City Manager.
- *Lodging:* A room rate at an official conference hotel will be considered a reasonable rate. Otherwise, a room rate similar to the conference hotel room rate within a reasonable distance of the conference hotel will be considered a reasonable rate. A non-conference hotel room must be approved by the City Manager
- *Meals:* The current federal per diem rates plus up to a 20% gratuity will be considered the maximum to be reimbursed for employee meal expenses. If a meal is provided as part of a conference registration, you may not seek reimbursement for that meal.
- *Mileage and Parking:* Employees will be reimbursed for authorized use of their personal vehicles at a rate using the federal mileage rate valid at the time of travel. Reasonable parking costs are also reimbursed upon submission of receipts on an expense report. Any traffic citations or court-ordered fees relating to driving or parking offenses (including parking tickets) are the responsibility of the employee and will not be reimbursed by the City.

## **I. Payroll Schedule**

You will be in accordance with the City's regular payroll schedule, which is currently bi-weekly every other Friday.

If a payday falls on a City-recognized holiday, employees will receive their checks on the last workday before the holiday.

If an employee requests to pick up his/her check from City, only the employee named on the paycheck will be allowed to do so unless the employee provides written permission to the City for someone else to receive the check.

## **J. Payroll Deductions**

The City makes the deductions from employees' paychecks that are required by law. Among these deductions are your federal, state and local income taxes and your contributions to Social Security, Medicare, applicable retirement programs, and worker's compensation insurance, as required by law. The amount of the deductions may depend on an employee's earnings and on the information an employee furnishes on his or her W-4 form regarding the number of dependent/exemptions claimed as required by law. Any change in your name, address,

telephone number, marital status or number of exemptions must be reported to the Accounting Manager immediately, to ensure proper withholdings for tax purposes. Other deductions may be made from the employee's paycheck with the employee's written request, including but not limited to:

- Retirement plan contributions;
- Insurance payments; and
- Any other deduction of general interest to the City employee authorized by the employee in writing, with approval of the Accounting Manager

Employees will be notified of any other mandatory deductions to be made from their paycheck, such as court-ordered wage garnishments, whenever the City is ordered to make such deductions. See the Accounting Manager for details and other deductible options.

### **K. Errors in Pay**

Every effort is made to avoid errors in employee paychecks. Employees are expected to review their paystubs, including their deductions and benefits accruals. If you believe an error has been made, inform the Accounting Manager immediately. The City will take the appropriate steps to research the problem and to assure that any necessary correction is made properly and promptly.

The City will comply with applicable Oregon and federal wage and hour laws, including laws regarding deductions from paychecks such as garnishment. In the event you believe that the City has made any improper deductions, has failed to pay you for all hours worked or for overtime, or has failed to properly calculate your wages in any way, you must immediately report the error to the Accounting Manager or the City Manager. The City will investigate all reports of improper pay practices and will make payments to employees accordingly. No employee will suffer retaliation or discrimination because he or she has reported any errors or complaints regarding the City's pay practices.

### **L. Personnel Records**

Personnel records are considered confidential. Occasionally, the City receives requests for information for personnel records as part of court proceedings or government activities. It is our policy to respond to all such requests to the extent we are required to do so by law. In all other situations, we generally will provide only your job title, current status, and verification of employment dates, unless you specifically authorize us in writing to release additional information.

When you move, change your telephone number, have a marital or dependent change, or have other changes in your personal information that may impact benefits or tax reporting, please keep the Accounting Manager informed of such changes so we may keep your personnel records and insurance accurate and up-to-date. It is your responsibility to see that we have your current address and phone number, so that we can communicate with you as needed.

Examination of personnel files will generally be limited to normal business hours. A reasonable charge, not to exceed the actual cost to the City, may be required for any copies requested by a team member.

While employed, you may review your personnel file at any mutually convenient time generally limited to business hours. If you wish to do so, please notify the City Manager, so that a specific time may be scheduled when appropriate personnel will be available to answer your questions. Following employment, access to personnel files will be handled in accordance with applicable law. A reasonable charge, not to exceed the actual cost to the City, may be required for any copies requested by a former employee.

### **M. Reporting Changes to an Employee's Personal Data**

Because personnel records are used to administer pay and benefits, and other employment decisions, employees are responsible for keeping information current regarding changes in name, address, phone number, exemptions, dependents, beneficiary, etc. Keeping your personnel records current can be important to you with regard to pay, deductions, benefits, and other matters. If you have changes in any of the following items, please notify the Administration Office to ensure that the proper updates/paperwork are completed as quickly as possible:

- Name;
- Address and telephone number;
- W-4 deductions;
- Dependents;
- Person to be notified in case of emergency;
- Changes to employee benefits status; and
- Other information having a bearing on your employment.

Employees may not intentionally withhold information from the City as a means to abuse City policy. Upon request, the City may require employees to provide proof of marital status/domestic partnership status for purposes of employee benefits only. Employees who violate this policy may be subject to discipline and/or corrective action, up to and including termination.

### **N. Performance Reviews**

All City employees will receive periodic performance reviews. Performance reviews serve as one factor in decisions related to employment, such as training, pay increases, job assignments, employee development, promotions, retention, and discipline/corrective action/termination. Any employee who fails to satisfactorily perform the duties of his/her position is subject to disciplinary action, up to and including termination. Performance reviews and salary increases do not alter the at-will employment relationship.

The City's goal is to provide an employee with his/her first formal performance evaluation within six (6) months after hire or promotion. After the initial evaluation, the City will strive to provide periodic formal performance reviews.

Reviews will generally include the following:

- An evaluation of the employee's quality and quantity of work
- A review of exceptional employee accomplishments
- Establishment of goals for career development and job enrichment
- A review of areas needing improvement
- Setting of performance goals for the employee for the following year.

Employees who disagree with a performance evaluation may submit a written response with reasons for disagreement. The employee's response shall be filed with the employee's performance evaluation in the employee's personnel file. Such response must be filed not later than 30 days following the date the performance evaluation was received.

Supervisors and managers are encouraged to provide employees with informal evaluations of their employees' work on an as-needed basis.

### **III. Time Off and Leaves of Absence**

#### **A. Attendance, Punctuality, and Reporting Absences**

Each employee is important to the overall success of operations. When one employee is absent, someone else must do the job. Employees are expected to report to work as scheduled, on time and be prepared to start work. Employees are also expected to remain at work for their entire work schedule, except for unpaid break periods or when required to leave on authorized City business, and perform the work assigned to or requested of them. Late arrivals, early departures, or other absences from scheduled hours are disruptive and must be avoided. Regular attendance is important for the efficient operations of each department, and is an essential function of your job. Regular and on-time attendance is a strong factor in your success at the City and will be carefully examined during performance reviews. Absences protected by applicable Oregon or federal leave laws are not considered when evaluating the employee's attendance.

Unless specified otherwise in an applicable policy below, employees who will be unexpectedly absent or tardy for any reason must inform their supervisor via telephone no later than one (1) hour before the start of the employee's shift/work day. If the employee's supervisor is not available by phone, then contact the City Manager as soon as possible. Not reporting to work and not calling to report the absence is a no-call/no-show and is a serious matter. The first instance of a no-call/no-show will result in a final written warning. The second separate offense may result in termination of employment with no additional disciplinary steps. A no-call/no-show lasting three days may be considered job abandonment and may be deemed an employee's voluntary resignation of employment.

#### **B. Vacation**

The City provides paid vacation for each full-time employee who has completed his or her probationary period. The amount of vacation to which an employee becomes entitled is determined by the employee's length of service as of his or her employment anniversary date.

For Regular Full-time employees, vacation accrues as follows:

<b>Length of continuous service</b>	<b>Vacation accrual per month</b>	<b>Vacation hours per year</b>
0-4 years	6.66 hours	80 (10 days)
5-9 years	8.66 hours	104 (13 days)
10-14 years	10.66 hours	128 (16 days)
15 -19 years	13.33 hours	160 (20 days)
20 or more years	16.66 hours	200 (25 days)

Regular Part-time employees earn vacation in the proportion that their normally scheduled number of hours compares to 40 per week. For example, a Regular Part-time employee who usually works 20 hours per week would earn 40 hours of vacation upon completing his or her first year of service.

Vacation leave accrues on a monthly basis from date of hire, but vacation leave may not be taken during an employee's probationary period unless prior arrangements have been made with the Department Head prior to employment.

Vacation leave may be carried over from year-to-year, although employees are strongly encouraged to take at least one-half of their vacation leave in the year in which it is earned.

Vacation must be scheduled with one's supervisor at least two (2) weeks in advance of the date(s) the employee wishes to take as vacation to determine whether or not the time off can be allowed.

Employees are not entitled to pay in lieu of taking time off for vacation. Upon termination of employment for any reason, an employee will be paid for up to 120 hours of unused earned vacation with any remaining accrual being automatically forfeited.

### **C. Sick Leave**

The City provides eligible employees with sick leave in accordance with Oregon's Paid Sick Leave Law. This policy will be updated as necessary to reflect changes in and to ensure compliance with Oregon law.

Employees with questions about this policy may contact their supervisor or the Administration Office. Please also refer to the Oregon Sick Leave Law poster that is posted in City Hall and is incorporated here by reference.

#### **1. Eligibility and Accrual of Paid Sick Leave**

Under Oregon's Paid Sick Leave Law and this policy, "employee" includes part-time, full-time, hourly, salaried, exempt, and non-exempt employees. Sick leave runs concurrently with other leave where allowed by law.

Employees begin to accrue paid sick leave on the first day of employment, but may not use paid sick leave until the 91st day of employment. After the 91st day of employment, paid sick leave may be used as it is accrued.

For regular full-time employees, paid sick leave shall accrue at the rate of eight (8) hours for every month worked until the 720 hour accrual cap is reached. Regular part-time employees and temporary employees shall accrue paid sick leave in the proportion that their normally scheduled number of hours compares to 40 per week. For example, a regular part-time employee who usually works 20 hours per week would accrue paid sick leave at the rate of four hours per month until the 720 hour accrual cap is reached. Paid sick leave shall be taken in hourly increments.

## **2. Pay Rate and Carryover**

Paid sick leave will be paid at the employee's regular rate of pay. Exempt employees are presumed to work 40 hours in each workweek for purposes of their sick leave accrual unless their normal workweek is less than 40 hours, in which case sick leave is accrued based on the employee's normal workweek. Generally, sick leave pay will be included in the paycheck for the next payroll period after sick leave is used. The employee may be required to provide adequate documentation verifying that the absence was for a qualifying reason as defined in the "Use of Sick Leave" section below.

Sick leave is meant to be used or carried over; any unused sick leave will not be cashed out upon separation from employment. If an employee leaves employment and is rehired within 180 days, the employee's sick leave balance will be restored.

Employees may carry over accrued and unused sick leave for use in a subsequent calendar year. Sick leave accrual is capped at 720 hours.

## **3. Use of Sick Leave**

Accrued paid sick leave may be used for the following reasons:

- For an employee's mental or physical illness, injury, or health condition; need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or need for preventive medical care.
  - This is available for the employee or their covered family member.
  - "Family member" means the eligible employee's spouse or domestic partner, child or the child's spouse or domestic partner, parent or the parent's spouse or domestic partner, sibling or stepsibling or the sibling's or stepsibling's spouse or domestic partner, grandparent or the grandparent's spouse or domestic partner, grandchild or the grandchild's spouse or domestic partner, or any individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship.
- . To care for an infant or newly adopted child under 18 years of age, or for a newly placed foster child under 18 years of age, or for an adopted or foster child older than 18 years of age if the child is incapable of self-care because of a mental or physical disability, completed within 12 months after birth or placement of the child
- Absences associated with the death of a family member (see definition above) by:
  - Attending the funeral or alternative to a funeral of the family member
  - Making arrangements necessitated by the death of the family member

- Grieving the death of the family member
- If the employee, or the employee's minor child or dependent, is a victim of domestic violence, harassment, sexual assault or stalking as defined by Oregon law and requires leave for any of the purposes under Oregon's domestic violence leave law (ORS 659A.272).
- In the event of certain public health emergencies or other reasons specified under Oregon's sick leave law. including but not limited to:
  - Closure of the City's offices or facilities, or the school or place of care of an employee's child, by order of a public official due to a public health emergency;
  - A determination by a lawful public health authority or a health care provider that the presence of the employee or their family member in the community would jeopardize the health of others; or
  - When the City is required by law or rule to exclude the employee from the workplace for health reasons; or
  - When an employee who is not a first responder is unable to work due to certain evacuation, air quality index, and/or heat index orders.

Employees absent from work for a qualifying reason must use accrued sick time hours for that reason and on each subsequent day of absence.

#### **4. Employee Notice of Need for Sick Leave**

*Foreseeable Sick Leave:* If the need for sick leave is foreseeable, an employee must notify the supervisor/manager as soon as practicable before the leave. Generally, an employee must provide at least 10 days' advance notice for foreseeable sick leave. The request shall include the anticipated duration of the sick leave, if possible. Employees must make a reasonable effort to schedule foreseeable sick time in a manner that minimally disrupts the City's operations. Employees must notify their supervisor/manager of any change in the expected duration of sick leave as soon as is practicable.

*Unforeseeable Sick Leave:* If the need for sick leave is unforeseeable, the employee must notify the department head as soon as practicable. Generally, an employee should notify his/her immediate supervisor of unforeseeable sick leave at least 30 minutes before the beginning of his/her shift, unless physically unable to do so, at which time notice should be given as soon as possible.

An employee must contact his/her supervisor daily while on sick leave, unless an extended period of sick leave has been prearranged with the supervisor or when on protected leave. The employee shall inform his/her supervisor of any change in the duration of sick leave as soon as practicable. The employee should make a reasonable attempt to schedule the use of sick time in a manner that does not unduly disrupt the City's operations.

#### **5. Sick Leave Verification**

The City may require medical verification or certification showing that the employee was absent for an approved reason in the following circumstances:

- The need for sick time is foreseeable and is projected to last more than three consecutively scheduled workdays;
- The City has sufficient evidence to suspect that the employee is abusing sick time (see below).

When requested to provide such verification/certification, it must generally be provided within 15 days of the City's request or sick pay may be withheld until it is provided. Medical verification includes documentation signed by a healthcare provider, or alternative acceptable documentation for victims of domestic violence, harassment, sexual assault or stalking; provided however, such verification need not explain the nature of the illness or details related to domestic violence, sexual assault, harassment, or stalking that necessitates the use of sick time.

The City will reimburse employees for any out-of-pocket costs for providing associated medical verification or certification, including lost wages that are not paid under a health benefit plan in which you are enrolled.

## **6. Sick Leave Abuse**

If the City suspects sick leave abuse, including but not limited to repeated use of unscheduled sick leave or repeated use of sick leave adjacent to weekends, holidays, vacations, and paydays, the City may require verification from a healthcare provider. Employees found to have abused sick leave as described here may also be subject to discipline and/or corrective action, up to and including termination.

### **D. Holidays**

The City recognizes thirteen (13) holidays each year. All full-time employees will receive their regular straight-time compensation for each holiday. Regular part-time employees receive pay for each designated holiday for the number of hours proportional to their normally scheduled number of hours per week compared to 40 hours per week. The holidays observed are:

- New Year's Day—January 1
- Martin Luther King Jr. Day—3rd Monday in January
- Presidents' Day—3rd Monday in February
- Memorial Day—last Monday in May
- Independence Day—July 4
- Labor Day—1st Monday in September
- Veterans' Day—November 11
- Thanksgiving Day—4th Thursday in November
- Day after Thanksgiving Day
- Christmas Day—December 25
- Christmas Eve – December 24
- Day before New Year's Day - December 31
- One (1) floating holiday

If a holiday listed above falls on a Sunday, the following Monday will be given as a holiday unless Monday is already a holiday; then the preceding Friday will be given as a holiday. If a holiday



listed above falls on a Saturday, the preceding Friday will be given as a holiday. Likewise, where there are back-to-back holidays such as Christmas Eve and Christmas, or New Year's Eve and New Year's Day, where the preceding holiday falls on a Friday, then the holiday would be observed on the preceding Thursday.

Holidays listed above which occur during vacation or sick leave shall not be charged against such leave.

Floating holidays may only be used in full-day increments; partial days are not allowed. The floating holiday must be used in the calendar year it was accrued.

Employees must coordinate requests for floating holidays with their manager.

*Holidays for Police Personnel:* In lieu of the holidays listed above, employees working in the Police Chief and Police Officer positions shall accrue one regular shift of holiday leave at the beginning of the year and then one more per month thereafter. Such leave must be taken within two (2) months of when the leave was accrued. Holiday leave may be used in conjunction with other paid leave with the approval of the City Manager. Upon termination of employment, an employee shall be paid for all unused earned holiday leave.

In addition, any police personnel who are veterans are permitted to take 1 day of leave on Veteran's Day, provided that the employee: (1) would otherwise be required to work on that day and (2) requests the day off at least 21 days in advance. Within 14 days after receiving a timely request, the City will let the employee know whether that individual will be allowed to take Veteran's Day off. If taking leave on that day would be an undue hardship for the City (for example, if it determines the public safety requires additional staffing), the employee will be allowed to take a different day off of work, provided this time is unpaid unless the employee elects to use a floating holiday.

## **E. Family and Medical Leave**

City employees are not eligible to take leave under the federal Family and Medical Leave Act or the Oregon Family Leave Act because the City has fewer than 25 employees.

One exception is that the City will honor requests from eligible employees to take a leave of absence under the Oregon Military Family Leave Act. Thus, during a period of military conflict, as defined by law, eligible employees with a spouse or registered domestic partner who is a member of the Armed Forces, National Guard, or military reserve forces ("Military Spouse"), and who has been notified of an impending call or order to active duty (or who has been deployed) is entitled to a total of 14 days of unpaid leave per deployment after the Military Spouse has been notified of an impending call or order to active duty and before deployment and when the Military Spouse is on leave from deployment. To be an eligible employee and entitled to this leave, the employee must have worked an average of 20 hours per week prior to beginning the requested leave.

Paid Leave Oregon (PLO)

Paid Leave Oregon a state-run program, administered by the Oregon Employment Department (OED), that allows eligible employees to take up to 12-weeks of paid leave in a 52-week period starting the Sunday before the date leave begins, for the following reasons:

- **Family leave** – for an employee to care for an eligible family member with a serious illness or injury, to bond with a new child after birth, adoption, or foster care placement, *or to effectuate the legal process required for placement of a foster child or the adoption of a child. (eff 1/1/25)*
- **Medical leave** – for an employee experiencing their own serious health condition or disability due to pregnancy.
- **Safe leave** – for an employee or eligible child dependent experiencing issues related to sexual assault, domestic violence, harassment, bias, or stalking.

The Paid Leave program also allows employees to take an additional two (2) weeks of Paid Leave for pregnancy, childbirth, or related medical conditions.

Detailed information is available at [www.paidleave.oregon.gov](http://www.paidleave.oregon.gov). Below is some additional information about what you can expect, and how those benefits will work with your existing leave and benefits through the City.

### **1. Applying for Benefits and Notice to the City**

Although the Paid Leave Oregon program is administered by the Oregon Employment Department, employees are required to notify the City Manager when they have applied for leave. If the need for leave is foreseeable, you should provide notice at least thirty (30) days prior to beginning leave, or as soon in advance as you know that you will need leave. If an emergency prevents prior notice, then you must provide verbal notice within 24 hours and written notice within 3 days of starting PLO leave.

Regardless of the reason for leave, or whether the need for leave is foreseeable, employees are expected to comply with the City's normal call-in procedures.

***Under Oregon law, an employee who fails to follow these notification requirements may receive reduced PLO benefits; specifically, the first weekly benefit amount will be reduced by 25 percent (the penalty calculated for leaves that are taken in increments of less than a full work week differs). See OAR 471-070-1310(9) and (10).***

### **2. Continuation of Health Benefits**

If an employee is receiving Paid Leave benefits, the City will continue the employee's benefits on the same terms as if the employee had continued to work. An employee wishing to maintain coverage when on Paid Leave is responsible for paying their share of premiums, the same as when premiums were paid by the employee, prior to receiving Paid Leave benefits.

If the City chooses to pay the employee's portion of the insurance coverage during the period of Paid Leave, employees are expected to repay the City for those premiums. Upon return to work, the City

will deduct those premiums from an employee's pay, up to 10% of an employee's gross pay, each period, until the City has been paid back.

If an employee cannot or will not pay their share of premiums, the City may discontinue coverage until the employee returns from leave. Additionally, if an employee fails to return to work from leave under PLO, then the City may use any legal means available to collect any amount the employee owes to the City for covering the employee's share of the premiums while the employee was on leave under PLO.

### **3. Supplementing PLO Benefits**

Generally, PLO wage replacement benefits will be less than your regular weekly wages. Employees are permitted to use accrued sick and/or vacation to supplement their PLO wage replacement benefits (that is, to cover the difference between the weekly wage benefits they receive under the program and their regular, straight-time weekly wage) while taking paid leave while taking PLO, provided it is accrued and available.

### **4. Job Protection and Return to Work**

Employees taking PLO will be entitled to job protection (i.e. reinstatement) if they have been employed for at least 90 calendar days. If the position no longer exists, the employee is entitled to be restored to any available position equivalent to their previous position before they took leave.

### **5. Interplay with Other Leaves**

Employees cannot receive PLO wage replacement benefits at the same time that they are receiving workers' compensation or unemployment insurance benefits.

### **6. Retaliation Prohibited**

Retaliation against any employee applying for inquiring about or taking PLO is prohibited. Any and all concerns about potential retaliation should be reported to the City Manager.

## **F. Bereavement Leave**

Up to 40 hours of bereavement leave will be granted to full-time employees who have worked for the City for 90 or more days. This leave is provided to employees who have experienced the death of a family member. Employees will be paid during the first 24 working hours of bereavement leave, and the balance of this leave is unpaid. Employees, however, may use accrued sick leave during the bereavement leave period. "Family Member" for purposes of this policy is defined to include the employee's spouse, same-sex domestic partner (registered), biological, step-, or foster child or parent, parent-in-law, grandparent, or grandchild, or any person with whom the employee has an in loco parentis (i.e., in place of parents) relationship. Requests for bereavement leave must be made to the employee's immediate supervisor before the leave is to begin.

Bereavement leave may be used to attend the funeral or alternative to a funeral of the family member, to make arrangements necessitated by the death of the family member, or to grieve the death of the family member. The 40 hours of bereavement leave must be taken in the 60-day period following notice of death of a family member.

Employees who wish to take bereavement leave must inform their supervisor as soon as possible after receiving notification of a Family Member's death. Although prior notice is not required, oral notice must be provided within 24 hours of beginning leave. Written notice must be provided to the employer within three days of returning to work.

## **G. Jury and Witness Duty**

### **1. Jury Duty**

The City will grant employees time off for mandatory jury duty and/or jury duty orientation. A copy of the court notice must be submitted to the employee's manager to verify the need for such leave. Jury duty leave is treated as time worked for pay purposes, but the employee must turn over any jury duty pay above \$50.00 he or she receives.

The employee is expected to report for work when doing so does not conflict with court obligations. It is the employee's responsibility to keep his or her supervisor or manager informed about the amount of time required for jury duty.

### **2. Witness Duty**

Time spent serving as a witness in a work-related, legal proceeding will be treated as time worked for pay purposes, provided the time served occurs during regularly scheduled hours, the employee is subpoenaed to testify, and the employee submits witness fees to the Administration office upon receipt.

Except for employee absences covered under the City's "Crime Victim Leave Policy" or "Domestic Violence Leave and Accommodation Policy," employees who are subpoenaed to testify in non-work-related legal proceedings must use any available vacation or comp time to cover their absence from work. If the employee does not have any available vacation or comp time, the employee's absences will be unpaid. Employees must present a copy of the subpoena served on them to their supervisor for scheduling and verification purposes no later than one business day after being served.

## **H. Religious Observances Leave and Accommodation Policy**

The City respects the religious beliefs and practices of all employees. The City will make, upon request, an accommodation for such observances when a reasonable accommodation is available that does not create an undue hardship on the City's operations. Employees may use vacation or unpaid time for religious holy days or to participate in a religious observance or practice; if accrued leave is not available, then an employee may request to take unpaid leave. Requests for religious leave or accommodation should be made to the City Manager.

## **I. Crime Victim Leave Policy**

Any employee who has worked an average of at least 25 hours per week for 180 days is eligible for reasonable, unpaid leave to attend criminal proceedings if the employee or his or her immediate family member (defined below) has suffered financial, social, psychological or physical harm as a result of being a victim of certain felonies, such as kidnapping, rape, arson, and assault.

The leave may be reasonably limited if it creates an undue hardship to the City. Accrued but unused sick or vacation time may be used during the leave period.

“Immediate family member” includes a spouse, registered same-sex domestic partner, father, mother, sibling, child, stepchild or grandparent.

Employees who are eligible for crime victim leave must:

- Provide as much advance notice as is practicable of his/her intention to take leave (unless giving advance notice is not feasible); and
- Submit a request for the leave in writing to the City Manager as far in advance as possible, indicating the amount of time needed, when the time will be needed, and the reason for the leave.

In all circumstances, the City may require certification of the need for leave, including police reports, court orders or evidence from a court, or be provided by an attorney or other professional servicing the victim as outlined in Oregon regulations.

## **J. Domestic Violence Leave and Accommodation Policy**

All employees are eligible for reasonable unpaid leave to address domestic violence, harassment, sexual assault, or stalking of the employee or his or her minor dependents.

Reasons for taking leave include the employee’s (or the employee’s dependent’s) need to:

- seek legal or law enforcement assistance or remedies including involvement in a judicial action or proceeding;
- secure medical treatment for or time off to recover from injuries;
- seek counseling from a licensed mental health professional;
- obtain services from a victim services provider; or
- relocate or to take steps to secure an existing home.

Leave is generally unpaid, but the employee may use any accrued vacation or sick leave while on this type of leave.

When seeking this type of leave, the employee should provide as much advance notice as is practicable of his or her intention to take leave, unless giving advance notice is not feasible.

Notice of need to take leave should be provided by submitting a request for leave in writing to the City Manager as far in advance as possible, indicating the time needed, when the time will be needed, and the reason for the leave. All documents will be kept confidential. The City will then generally require certification of the need for the leave, including without limitation:

Certification for this type of leave may include, but is not limited to:

- A copy of a police report indicating that the employee or the employee’s minor child or dependent was a victim of domestic violence, sexual assault, or stalking.

- A copy of a protective order or other evidence from a court or attorney that the eligible employee appeared in or was preparing for a civil or criminal proceeding related to domestic violence, sexual assault, or stalking.
- Documentation from an attorney, law enforcement officer, health care professional, licensed mental health professional or counselor, member of the clergy, or victim services provider that the eligible employee or the employee’s minor child or dependent was undergoing treatment or counseling, obtaining services or relocating as a result of domestic violence, sexual assault, or stalking.

If more leave than originally authorized needs to be taken, the employee should give the City notice as soon as is practicable before the end of the authorized leave. When taking leave in an unanticipated or emergency situation, the employee must give oral or written notice as soon as is practicable. When leave is unanticipated, this notice may be given by any person on the employee’s behalf.

Finally, employees who are victims of domestic violence, harassment, sexual assault, or stalking may be entitled to a “reasonable safety accommodation” that will allow the employee to more safely continue to work, unless such an accommodation would impose an “undue hardship” on the City. Please contact the City Manager immediately with requests for reasonable safety accommodations.

#### **K. Military Service Leave**

Employees who wish to serve in the Armed Forces, Military Reserves, National Guard, or other military service and take military leave should contact the City Manager for information about their rights before and after such leave. Employees are entitled to reinstatement upon completion of military service, provided the employee returns or applies for reinstatement within the time allowed by law.

*Oregon Public Employee Temporary Active Duty Leave:* In addition to the above, employees who have worked for the City for six (6) months are entitled to military service leave with pay not to exceed 21 work days in any one training year for annual active duty for training as a member of the National Guard, National Guard Reserves, or any reserve component of the U.S. Armed Forces, or the U.S. Public Health Services.

A “training year” means the federal fiscal year (October 1 through September 30) for any unit of the National Guard or a reserve component. Such leaves are granted without loss of other leave and without impairment of other pay, rights, or benefits, providing the employees receives bona fide orders to training duty for a temporary period and providing they return to their position immediately upon expiration of the period of ordered duty as provided for under ORS 408.290.

#### **L. Oregon Military Family Leave**

During a period of military conflict, as defined by State statute, eligible employees with a spouse or registered same-sex domestic partner who is a member of the Armed Forces, National Guard, or military reserve forces (“Military Spouse”), and who has been notified of an impending call or order to active duty (or who has been deployed) is entitled to a total of 14 days of unpaid leave

per deployment after the Military Spouse has been notified of an impending call or order to active duty and before deployment and when the Military Spouse is on leave from deployment. An employee is expected to provide at least five (5) days' notice of a need for Military Family Leave, and the leave will be unpaid unless the employee elects to use any available sick leave or vacation in advance of leave.

#### **IV. Employee Benefits**

##### **A. Healthcare Benefits**

Employees who meet the definition of "benefit eligible" under both the City policy and that of its health insurance provider are entitled to the benefit options offered by the City. Generally, that means the City offers medical, dental, and vision insurance for all of its Regular Full-time employees and their dependents unless otherwise established by law.

Currently the City pays 94% of the monthly premium costs for medical, dental, and vision coverage with employees paying 6% of the premium costs as monthly payroll deductions. Regular Part-time employees who work 96 hours or more per month are eligible for medical, dental and vision insurance coverage, and the City pays a percentage of the premium equal to the proportion of full time hours worked. These percentages are reviewed by the City periodically.

The group insurance policies and the summary plan descriptions issued to employees set out the terms and conditions of the medical, dental and vision insurance plans offered by the City. These documents govern all issues relating to employee health insurance. As other employee benefits are offered by the City, employees will be advised and provided with copies of relevant plan documents. Copies are available from the City Administration office.

##### **B. Life Insurance**

As of January 1, 2023, City employees who enroll in the City's group health plan are also eligible for a life insurance benefit of up to \$50,0000, paid for by the City.

##### **C. Employee Assistance Program (EAP)**

This free, confidential service is provided to all employees covered by our medical insurance benefits, and their covered dependents who may be experiencing life problems. Information regarding this service can be obtained by contacting the City Administration Office.

##### **D. Workers' Compensation and Safety on the Job**

Employees are protected by workers' compensation insurance under Oregon law. This insurance covers employees in case of occupational injury or illness by providing, among other things, medical care and compensation and temporary or other disability benefits. Employees are expected to work safely and in a safe environment.

###### **1. Steps to Take if You are Injured on the Job**

If you are injured on the job, the City wants to know about it and expects to learn about it as soon as possible after your injury; you must report all work-related injuries to the your supervisor.

If you seek treatment for your work-related injury and want to apply for workers' compensation benefits, you must do all of the following:

- Report in writing any work-related injury to your supervisor as soon as possible following the injury;
- Seek medical treatment and follow-up care if required; and
- Promptly complete a written Employee's Claim Form (Form 801), which may be obtained from your Department Head, and initiate a claim by calling CIS directly. Injuries must be reported in this manner within 24 hours if medical treatment is sought, and within 3 days if no medical care is obtained.

*Failure to follow these steps in a timely manner may negatively affect your ability to receive benefits.*

## **2. Return to Work**

When an employee who sustained an injury is able to return to the employee's regular employment, the City will strive to reinstate the employee to the employee's former position if it exists, or to a vacant and suitable position existing position. However, the employee must first submit documentation from a physician or nurse practitioner authorized to provide compensable medical services certifying that the employee is able to perform the essential functions of his or her position.

When returning from a workers' compensation leave you have no greater right to reinstatement than if you had been continuously employed rather than on leave. For example, if you would have been laid off had you not been on leave, or if your position is eliminated, and no equivalent or comparable positions are available, then you may not be entitled to reinstatement. The City does not discriminate against employees who suffer a workplace injury or illness.

## **3. Early Return-to-Work Program**

Our Return-to-Work program provides guidelines for returning you to work at the earliest possible time after you have suffered an on-the-job injury or illness that results in time loss. This program is not intended as a substitute for reasonable accommodation when an injured employee also qualifies as an individual with a disability. The Return-to-Work Program is intended to be transitional work, to enable you to return to your regular job in a reasonable period of time.

The Return-to-Work program for job-related injuries consists of a team effort by the City, injured employees and their treating physicians, and our workers' compensation insurance carrier claims staff. The goal is to return our employees to full employment at the earliest possible date that is consistent with their medical condition and the advice of the treating physician.

If your doctor determines that you are able to perform modified work, the City will attempt to provide you with a temporary job assignment for a reasonable period of time until you can resume your regular duties (except where provided as an accommodation for a disability). If, due to a work-related injury, you are offered a modified position that has been medically approved, failure to phone in or report at the designated time and place may affect your compensation and



employment with the City. While you are on modified or transitional work, you are still subject to all other City rules and procedures.

#### **4. Overlap with Other Laws**

The City will administer Workers' Compensation laws and regulations in compliance with all other applicable federal, Oregon, and local laws.

##### **E. PERS (Public Employees' Retirement System) Benefits**

The City participates in the Public Employees Retirement System (PERS); therefore, your designation as a Tier I, Tier II, or Oregon Public Service Retirement Plan (OPSRP) member will depend on your prior PERS service and PERS rules. An employee's designation and eligibility for participation in PERS or the OPSRP are determined by law. For more information about these plans, please contact PERS at 1-888-320-7377 or visit their website at [www.oregon.gov/PERS](http://www.oregon.gov/PERS). For information about the City's contributions to employee PERS or OPSRP plans, please see the Administration office.

##### **F. Longevity Pay**

The City provides additional pay to recognize employees who have worked for the City for many years. A longevity pay premium is paid monthly to employees who have reached Step E on the salary schedule and have completed 10 or more years of uninterrupted service with the City. One of the following percentages is added to the Step E base pay depending on the number of years the employee has been with the City:

- Step E and completion of 10 years of service: 1.5% of Step E base pay
- Step E and completion of 15 years of service: 2.5% of Step E base pay
- Step E and completion of 20 years of service: 3.5% of Step E base pay

##### **G. Certification Premium Pay**

The City encourages its employees to seek professional certifications above what are required to hold certain positions.

*For employees in the Police Officer classification, certification premium pay is awarded for attainment of the following certifications from the Oregon Department of Public Safety Standards and Training:*

- DPSST Intermediate Certification = 2% of base pay per month; or
- DPSST Advanced Certification = 5% of base pay per month.

*For employees in the Utility Worker and Senior Utility Worker classifications, certification premium pay is awarded for attainment of the following certifications from the State of Oregon:*

- Water Distribution II = 2% of base pay per month
- Water Treatment II = 2% of base pay per month

Total eligibility for certification pay is 4% for attainment of both Water Distribution II and Water Treatment II certifications.

## **V. Miscellaneous Policies**

### **A. Alcohol/Drug Use, Abuse and Testing**

The City works to maintain a safe and efficient work environment. Employees who misuse controlled substances, prescription or illegal drugs, or alcoholic beverages pose a risk both to themselves and to everyone who comes into contact with or depends upon them and risks damage to the City's reputation.

The City expects employees to report to work in a condition that is conducive to performing their duties in a safe, effective and efficient manner. An employee's off-the-job as well as on-the-job involvement with drugs and alcohol can have a significant impact on the workplace and can present a substantial risk to the employee who is using alcohol and drugs, to coworkers and others.

This policy applies to all employees (except where noted in this policy or where it is inconsistent with applicable law principles). This policy revises and supersedes all previous drug and alcohol testing policies and practices.

#### **1. Prohibited Conduct**

The following examples of prohibited conduct do not apply to law enforcement employees who possess drugs, alcohol or other items identified in this policy in connection with law enforcement work.

- Possession, transfer, use or being under the influence of any alcohol while on City property, on City time, while driving City vehicles (or personal vehicles while on City business), or in other circumstances which adversely affect City operations or safety of City employees or others.

The conduct prohibited by this rule includes consumption of any intoxicating liquor within four hours of reporting to work or during rest breaks or meal periods. If use of alcoholic liquor or an alcohol "hangover" adversely affects an employee's physical or mental faculties while at work to any perceptible degree, or the employee's blood alcohol content exceeds .02 percent, the employee will be deemed "under the influence" for purposes of this rule.

As a limited exception, law enforcement employees may possess or transfer alcohol during the performance of their law enforcement duties, *e.g.*, collecting evidence.

- Possession, distribution, dispensing, sale, attempted sale, use, manufacture or being under the influence of any narcotic, hallucinogen, stimulant, sedative, drug or other controlled substance while on City property, on City scheduled or unscheduled working time, while driving City vehicles (or personal vehicles while on City business), or in other circumstances which adversely affect City operations or safety of City employees or citizens. Employees may not have any detectable amount of narcotic, hallucinogen,

stimulant, sedative, drug or other controlled substance in their system while on City property or on City scheduled or unscheduled working time.

- Law enforcement employees may possess narcotics, drugs or other controlled substances while engaging in law enforcement duties, e.g., collecting or transporting evidence.
  - The conduct prohibited by this rule includes consumption of any such substance prior to reporting to work or during rest breaks or meal periods. If use of such substances or withdrawal symptoms adversely affects an employee's physical or mental faculties while at work to any perceptible degree, or the employee tests "positive" for any such substances by screening and confirmation tests, the employee will be deemed "under the influence" for purposes of this rule.
  - As used in this policy, "controlled substance" includes, but is not limited to, any controlled substance listed in Schedules I through V of the Federal Controlled Substances Act, including marijuana that is otherwise lawful to use under Oregon or any other state's law.
- Bringing to City property, or possessing, items or objects on City property that contain any "controlled substance," including, for example, "pot brownies" and candy containing marijuana. This prohibition does not apply to law enforcement employees who bring or possess such items in connection with law-enforcement work. No employee, regardless of position held, may knowingly serve items containing marijuana or any other "controlled substance" to co-workers, members of the public, or elected officials during the employee's working hours or on/in City property.
  - Bringing marijuana-related equipment or any devices marketed for use or designed specifically for use in ingesting, inhaling or otherwise introducing marijuana (among other drugs), such as pipes, bongs, "vape" pens, smoking masks, roach clips, and or other drug paraphernalia. This prohibition does not apply to employees who possess such items in connection with law enforcement work.
  - Bringing equipment, products or materials that are marketed for use or designed for use in planting, propagating, cultivating, growing, or manufacturing marijuana, including live or dried marijuana plants to City property. This prohibition does not apply to employees who possess such items in connection with law enforcement work.

## **2. Prescription Drugs and Medical Marijuana**

With the exception of medical marijuana, nothing in this rule is intended to prohibit the use of a drug taken under supervision by a licensed health care professional, where its use does not present a safety hazard or otherwise adversely impact an employee's performance or City operations.

The City is an employer that affects public safety and strives to provide a safe environment for its employees and its citizens. As such, the City adheres to the EEOC guidelines regarding prescription drugs. Employees who are in a position affecting public safety must inform their supervisor about any prescription drugs that they take or use that affects the employee's ability

to perform their essential functions, resulting in a direct threat to the public. If an employee's use of such prescription drugs could adversely affect City operations or safety of City employees or other persons, the City may reassign the employee using the prescription drugs to other work or take other appropriate action to accommodate the physical or mental effects of the medication. Failure to report use of prescription drugs covered by this rule will subject an employee to disciplinary action, up to and including termination. (Although an employee is not required to provide the City with the name(s) of the prescription medication(s) taken, medical verification of the prescription may be required.)

The use of marijuana, which is a Schedule 1 controlled substance under federal law, is expressly prohibited under this policy, even if its medical use is authorized under state law. Employees who use medical marijuana in connection with a disability should discuss with their Supervisor other means of accommodating the disability in the workplace, as the City will not agree to allow an employee to use marijuana when working, during meal or rest breaks, or anywhere on City property. (See "Disability Accommodation Policy," above.)

### **3. Reasonable Cause Testing**

If there is reasonable cause to suspect that an employee is under the influence of controlled substances or alcohol during work hours, before work, or during a meal or rest break, or has used drugs or alcohol in violation of this policy, the City may require the employee to undergo testing for controlled substances or alcohol.

As used in this policy, unless the context indicates otherwise:

- The terms "test" and "testing" shall be construed to mean job impairment field tests, laboratory tests, breathalyzer tests, and other tests of saliva, blood and urine. No testing shall be performed under this rule without the approval of the City Manager or the City Manager's designee.
- "Reasonable cause" as used in this policy means an articulable belief based on specific facts and reasonable inferences drawn from those facts that an employee is more likely than not under the influence of controlled substances or alcohol, or has used drugs or alcohol in violation of this policy. Circumstances which can constitute a basis for determining "reasonable cause" may include, but are not limited to:
  - a pattern of abnormal or erratic behavior;
  - information provided by a reliable and credible source;
  - direct observation of drug or alcohol use;
  - presence of the physical symptoms of drug or alcohol use (*i.e.*, glassy or bloodshot eyes, alcohol odor on breath, slurred speech, poor coordination and/or reflexes);
  - unexplained significant deterioration in individual job performance;
  - unexplained or suspicious absenteeism or tardiness;
  - employee admissions regarding drug or alcohol use; and

- unexplained absences from normal work areas where there is reason to suspect drug or alcohol related activity.

Supervisors should detail in writing the specific facts, symptoms or observations that form the basis for their determination that reasonable cause exists to warrant alcohol or controlled substance testing of an employee or a search. This documentation shall be forwarded to the City Manager. Whenever possible, supervisors should locate a second employee or witness to corroborate his/her “reasonable cause” assessment.

An employee whose initial laboratory screening test for controlled substances yields a positive result shall be given a second test. The second test shall use a portion of the same test sample used in the initial screening test. If the second test confirms the initial positive test result, the employee shall be notified of the results in writing within one business day after the test result is received. The letter of notification shall state the particular substance identified by the laboratory tests. The employee may request a third test of the sample within 24 hours of receiving the letter of notification, but such testing will be paid for by the employee.

#### **4. Post-Accident Testing**

Employees are subject to testing when they: (a) cause or contribute to accidents that seriously damage a City vehicle, machinery, equipment or property; or (b) result in an injury to themselves or another employee requiring offsite medical attention; or (c) when the City has reasonable cause to believe that the accident or injury may have been caused by drug or alcohol use.

#### **5. Search of Property**

When reasonable cause exists to believe an employee possesses alcohol or a controlled substance on City property, or has otherwise violated provisions of this rule regarding possession, sale or use of controlled substances or alcohol, the City may search the employee’s possessions located on City property, including but not limited to, clothes, locker, lunchbox, toolbox, and desk. Employees should have no expectation of privacy in any items they bring on to City property, or in property, equipment or supplies provided by the City to employee.

#### **6. Employee Refusal to Test/Search**

An employee who refuses to consent to a test or a search when there is reasonable cause to suspect that the employee has violated this policy is subject to disciplinary action up to and including termination. The reasons for the refusal shall be considered in determining the appropriate disciplinary action.

An employee who refuses to cooperate with any tests required by this policy is also subject to discipline and/or corrective action, up to and including termination. This includes, but is not limited to, tampering with, or attempting to tamper with, a specimen sample, using chemicals or other ingredients to mask or otherwise cover up the presence of metabolites, drugs or alcohol in a specimen, or providing a blood or urine specimen that was produced by anyone or anything other than the employee being tested.

#### **7. Crimes Involving Drugs and/or Alcohol**

Employees shall report:

- Any criminal arrest or conviction for drug- or alcohol-related activity within five (5) calendar days of the arrest or conviction;
- Entry into a drug court or diversion program; or
- Loss or limitation of driving privileges when the employee’s job is identified as requiring a valid driver’s license (regular or CDL).

Failure to report as required will result in disciplinary action up to and including termination.

## **8. Drug and Alcohol Treatment**

The City recognizes that alcohol and drug use may be a sign of chemical dependency and that employees with alcohol and drug problems can be successfully treated. The City is willing to help such employees obtain appropriate treatment.

An employee who believes that he or she has a problem involving the use of alcohol or drugs should ask a supervisor or the City Manager for assistance.

The City will work with an employee to identify all benefits and benefit programs that may be available to help deal with the problem. Attendance at any rehabilitation or treatment program will be a shared financial responsibility of the employee and the City to the extent its existing benefits package covers some or all of the program costs.

Although the City recognizes that alcohol and drug abuse can be successfully treated and is willing to work with employees who may suffer from such problems, it is the employee’s responsibility to seek assistance *before* drug or alcohol problems lead to disciplinary action. Once a violation of City policy is discovered, the employee’s willingness to seek or outside assistance will not “excuse” the violation and generally will have no bearing on the determination of appropriate disciplinary action.

## **9. Discipline/Corrective Action and Consequences of Prohibited Conduct**

An employee who tests positive for drugs or alcohol in accordance with this policy will be subject to either termination or a last-chance agreement.

A last-chance agreement is an agreement whereby an employee who would otherwise be terminated is provided an opportunity to address the problem. The last-chance agreement will inform the employee of the problems noted with their performance and to specify the performance required for the employee to achieve in order to continue to be employed by the City. Violation of the provisions of a last-chance agreement shall result in immediate termination of the employee, notwithstanding the provisions of any other personnel rule.

## **10. Confidentiality**

All information from an employee’s drug and alcohol evaluation is confidential and only those with a need to know are to be informed of test results. Disclosure of such information to any other person, agency, or the City is prohibited unless written authorization is obtained from the employee.

## **B. Media Contact**

Press/News releases are to be made only by the City Manager and/or designees in his or her absence. Inquiries by the media should be directed to the City Manager immediately.

## **C. Cellular Devices Policy**

This policy applies to employee use of cell phones, smart phones (including iPhones, “smartphones” and similar devices), tablets and similar devices, all of which are referred to as “cellular devices” in the Cellular Devices Policy.

### **1. Cell Phones and Cellular Devices in General**

Employees are allowed to bring personal cell phones and cellular devices to work with them. During working hours, however, employees should refrain from using them except in an emergency or during a meal period or rest break. The City will not be responsible for any damage to personal cell phones and cellular devices that employees bring to work with them.

Employees who use personal or City-provided cell phones/cellular devices may not violate the City’s policies against harassment and discrimination. Thus, employees who use a personal or City-provided cell phone/cellular device to send a text or instant message to another employee (or to a citizen or someone not employed by the City) that is harassing or otherwise in violation of the City’s no-harassment and no-discrimination policies will be subject to discipline and/or corrective action, up to and including termination.

Nonexempt employees may not use their personal or City-provided cell phone/cellular device for work purposes outside of their normal work schedule without written authorization in advance from their supervisor. This includes, but is not limited to, reviewing, sending and responding to emails or text messages, use of data, and responding to calls or making calls. Employees who violate this policy may be subject to discipline, up to and including termination.

### **2. Employee Use of City-Provided Cell Phones/Cellular Devices**

Cell phones/cellular devices are made available to City employees on a limited basis to conduct the City’s business. Determinations as to which employees receive City-provided cell phones will be made on a case-by-case basis; employees are not guaranteed a cell phone or cellular device.

Employees who receive a cell phone or cellular device from the City must agree to not use the cell phone/cellular device for personal use except in emergency situations and must abide by all aspects of the Cellular Devices Policy. Further, employees who receive a cell phone or cellular device from the City must acknowledge and understand that because the cell phone/cellular device is paid for and provided by the City, any use of data, any communications (including text messages) received by or sent from the cell phone/cellular device may be subject to inspection and review if the City has reasonable grounds to believe that the employee’s use of the cell phone violates any aspect of the Cellular Device Policy or any other City policy. An employee who refuses to provide the City access to his/her personal cell phone/cellular device in connection with an investigation and after reasonable notice may be subject to discipline and/or corrective action, up to and including termination.

Employees may not use City-provided cell phones or cellular devices to call 1-900, 1-976 or similar “pay per minute” services. Further, family and friends may not use an employee’s City-provided cell phone/cellular device.

### **3. Cell Phones/Cellular Devices and Public Records**

City-related business conducted on City-provided or personal cell phones/cellular devices may be subject to disclosure and production under Oregon’s Public Records laws or in connection with litigation filed against the City.

### **4. Cell Phone/Cellular Device Use While Driving**

The use of a cell phone or cellular device while driving may present a hazard to the driver, other employees and the general public. Subject to a few narrow exceptions for emergency or public safety purposes, Oregon law also prohibits the use of handheld cell phones while driving, even if the driving is for work-related reasons. This policy is meant to ensure the safe operation of City vehicles and the operation of private vehicles while an employee is on work time. It applies equally to the usage of employee-owned cell phones and phones provided by the City.

Employees are prohibited from using handheld cell phones for any purpose while driving on City-authorized or City-related business. This policy also prohibits employees from using a cell phone or other cellular device to send or receive text or “instant” messages while driving while conducting City business (other than those employees engaged in law enforcement work). Should an employee need to make a business call while driving, the employee must locate a lawfully designated area to park and make the call, unless the employee uses a hands-free cell phone or cellular device for the call. In either situation, such calls should be kept short and should the circumstances warrant (for example, heavy traffic, bad weather), the employee should locate a lawfully designated area to park to continue or make the call, even if the employee is using a hands-free device. Violation of this policy will subject the employee to discipline and /or corrective action, up to and including termination.

### **5. Use of City-Provided Cell/Phone/Cellular Devices Required During Working Hours**

Employees who have been issued cell phones/cellular devices by the City must carry their City-provided cell phone/cellular device during working hours and keep them turned on. Upon written notice to the employee, the location of the cell phone/cellular device may be tracked during the employee’s working hours using the GPS locator within the cell phone/cellular device. The locator is used primarily to quickly identify the location of employees working outside of City offices so that unanticipated work tasks can be assigned more efficiently. Such tracking will not be done outside of the employee’s working hours to protect the employee’s privacy. Employees may not turn off location services on the phone while on duty during working hours. Employees may not add, remove, or modify the use of applications on the cell phone/cellular device unless approved by their department head.

## **D. Use of City Email and Electronic Equipment, Facilities, and Services**



The City uses multiple types of electronic equipment, facilities and services for producing documents, research and communication including, but not limited to, computers, software, email, copiers, telephones, voicemail, fax machines, online services, cell phones (including text messaging), the Internet and any new technologies used in the future. This policy governs the use of such City property.

### **1. Ownership**

All information and communications in any format, stored by any means on or received via the City's electronic equipment, facilities or services is the sole property of the City.

### **2. Use**

All of the City's electronic equipment, facilities, and services are provided and intended primarily for City business purposes only and not for personal matters, communications, or entertainment. Access to the Internet, websites and other electronic services paid for by the City are to be used for City business only. This means, for example, that employees may not use the City-provided Internet, or City electronic equipment, facilities and services to:

- Display or store any sexually explicit images or documents, or any images or documents that would violate the City's no-harassment, no-discrimination or bullying policies;
- Play games (including social media games) or to use apps of any kind;
- Engage in any activity that violates the rights of any person or the City, and that is protected by copyright, trade secrets, patent or other intellectual property (or similar laws or regulations);
- Engage in any activity that violates the rights to privacy of protected healthcare information or other City-specific confidential information;
- Engage in any activity that would introduce malicious software purposefully into a workstation or network (e.g., viruses, worms, Trojan horses); or
- Download or view streaming video for personal use. This includes, without limitation, YouTube videos, movies, and TV shows. Streaming audio is allowed, provided it does not contain explicit material, adversely affect network speed, or interfere with others' ability to work.

Further, employees may not use City-provided email addresses to create or manage personal accounts (e.g., shopping websites, personal bank accounts, and social media accounts). City email addresses for professional-based social media accounts such as LinkedIn may be allowed with the approval of the employee's supervisor.

### **3. Inspection and Monitoring**

Employee communications, both business and personal, made using City electronic equipment, facilities, and services are not private to the employee. Any data created, received or transmitted using City equipment, facilities or services are the property of the City and usually can be recovered even though deleted by the user.

All information and communications in any format, stored by any means on the City's electronic equipment, facilities, or services, are subject to inspection at any time without notice. Personal passwords may be used for purposes of security, but the use of a personal password does not affect the City's ownership of the electronic information, electronic equipment, facilities, or services, or the City's right to inspect such information. The City reserves the right to access and review electronic files, documents, archived material, messages, email, voicemail and other such material to monitor the use of all of the City's electronic equipment, facilities and services, including all communications and internet usage and websites visited. The City will override all personal passwords if it becomes necessary to do so for any reason.

#### **4. Personal Hardware and Software**

Employees may not install personal hardware or software on the City's computer systems without approval from the City Manager. All software installed on the City's computer systems must be licensed. Copying or transferring of City-owned software may be done only with the written authorization of the City Manager.

#### **5. Unauthorized Access**

Employees are not permitted unauthorized access to the electronic communications of other employees or third parties unless directed to do so by City management. No employee can examine, change or use another person's files, output or user name unless they have explicit written authorization from the City Manager to do so.

#### **6. Security**

Many forms of electronic communication are not secure. Employees who use cell phones, cordless phones, fax communications or email sent over the Internet should be aware that such forms of communication are subject to interception and these methods of communicating should not be used for privileged, confidential, or sensitive information unless appropriate encryption measures are implemented.

#### **7. Inappropriate Web Sites**

The City's electronic equipment, facilities or services must not be used to visit Internet sites that contain obscene, hateful, or other objectionable materials, or that would otherwise violate the City's policies on harassment and discrimination.

#### **E. Social Media**

The City recognizes that many employees engage in social media activity while off duty. For purposes of this policy, "social media" includes all means of communicating or posting information or content of any sort on the Internet, including to your own or someone else's web log or blog; journal or diary; personal or commercial website; social networking web site (such as Facebook, LinkedIn, Snapchat, TikTok, etc.); web bulletin board or chat room; microblogging (such as Twitter); and media –sharing sites (such as Instagram, Tumblr, YouTube, Flickr, etc.), whether or not associated or affiliated with the City, as well as any other form of electronic communication. "Social media activity" also includes permitting, or failing to remove, posts by

others where the employee can control the content or visibility of posts, such as on a personal page or blog.

The City respects the legal rights of its employees and understands that their time outside of work is their own. However, employees who engage in social media activity should be mindful that their social media activity, even if done off premises and while off-duty, could affect the City's legitimate interests. For example, some readers may mistakenly view you as a de facto spokesperson for the City. Given these and other risks, this policy applies to all City employees using social media activity when on or off duty, while using the City's or personal electronic resources or internet access, and whether or not an employee or volunteer posts anonymously or uses a pseudonym.

Ultimately, you are solely responsible for what you post online. Before creating online content, consider some of the risks and rewards that are involved. Keep in mind that any of your conduct that adversely affects your job performance, the performance of co-workers, or otherwise adversely affects our citizens or people who work on behalf of the City or the City's legitimate business interests may result in disciplinary and/ or corrective action, up to and including termination.

### **1. Prohibited Postings**

Employees will be subject to discipline and/or corrective action, up to and including termination, if they create and post any text, images or other media that violate any City policies, including the City's no-harassment and no-discrimination and workplace violence policies. Similarly, postings that include threats of violence, that are physically threatening or intimidating, bullying or harassing, will not be tolerated and may subject an employee to discipline and/or corrective action, up to and including termination.

Do not create a link from your blog, website, or other social networking site to a City-owned or City-maintained website without identifying yourself as a City employee.

Express only your personal opinions. Never represent yourself as a spokesperson for the City, unless you receive written authorization by your manager/supervisor to do so. If the City is a subject of the content you are creating, be clear and open about the fact that you are a City employee, and make it clear that your views do not represent those of the City or its employees or elected officials.

Employees should not use City's names, logos, trademarks, or proprietary graphics in a way which suggests that the employee is representing the City or any of its affiliated operations, or while engaging in conduct that is unlawful or violates City policy.

Employees should not post photographs or video of the non-public areas of the City's premises, or of any volunteers or employees, even if in public areas, without the City's prior written approval.

### **2. Encouraged Conduct**

Always be fair and courteous to co-workers, the citizens we serve, the City's employees and elected officials, and suppliers or other third parties who do business with the City.

Also, keep in mind that you are more likely to resolve work-related complaints by speaking directly with your co-workers, or by utilizing our Open Door Policy, than by posting complaints to a social media outlet. If you decide to post complaints or criticism, avoid using statements, photographs, video, or audio that reasonably could be viewed as malicious, obscene, threatening, or intimidating; disparage citizens, co-workers, City employees, or elected officials; might constitute harassment or bullying, and/or that violate City policies. Examples of such conduct might include without limitation offensive posts that a reasonable person would perceive as calculated to intentionally harm an individual's personal or professional reputation, or posts that could contribute to a hostile work environment on the basis of race, sex, disability, religion, or any other protected class by law or City policy.

Maintain the confidentiality of the City's confidential information. Do not post internal reports, policies, procedures or other internal, City-related confidential communications, or information. (See "Confidential City of Manzanita Information" policy, below.)

Nothing in this policy is meant to prevent an employee from exercising his or her right to make a complaint of discrimination or other workplace misconduct, to address working conditions in concert with other employees, or to express an opinion on a matter of public concern that does not unduly disrupt City operations. Employees are free to express themselves as private citizens on social media sites, but an employee's exercise of expression is balanced against the City's interest in the effective and efficient fulfillment of its responsibilities to the public.

### **3. Request for Employee Social Media Passwords**

The City's supervisors and managers are prohibited by law from requiring or requesting an employee or an applicant for employment to disclose or to provide access through the employee's or applicant's user name and password, password or other means of authentication that provides access to a personal social media account. This includes, without limitation, a user name and password that would otherwise allow a supervisor/manager to access a private email account not provided by the City.

Nothing in this policy prohibits the City from receiving specific information about activity of an employee on a personal online account or service, or from requiring an employee to share content from his or her social media or internet account that has been reported to the employer that is necessary for the employer to make a factual determination about an investigation into potential misconduct, unlawful or unethical behavior, or policy or rule violations.

### **F. Confidential City of Manzanita Information**

Employees must not access, use or disclose sensitive or confidential information or data except in accordance with City policies, practices, and procedures, and as authorized by state or federal laws or regulations. Employees with access to confidential information, including but not limited to customer or employee financial, medical, or personal information (including, without limitation, Social Security numbers), are responsible for the safekeeping and handling of that information to prevent unauthorized disclosure. Employees who access, use, or disclose confidential information contrary to Oregon or federal laws or for personal use or financial gain

may be subject to civil or criminal penalties under those laws, in addition to appropriate disciplinary and/or corrective action for violating this policy.

Examples of inappropriate disclosures include without limitation discussing or revealing confidential information to friends or family members or attempting to use confidential information for personal gain or the gain of others.

No records or information including (without limitation) protected medical data, documents, files, records, computer files, or similar materials (except in the ordinary course of performing duties on behalf of the City) may be removed from our premises without permission from the City Manager. Likewise, any materials developed by the City's employees in the performance of their jobs is the property of the City and may not be used for personal or financial gain. Additionally, the contents of records or information otherwise obtained in regard to the City's business may not be disclosed to anyone, except where required for a legitimate business purpose or when required by law.

## **G. Ethics**

At the City, we believe in treating people with respect and adhering to ethical and fair business practices. We expect employees to avoid situations that may compromise their reputation or integrity, or that might cause their personal interests to conflict with the interests of the City or the City's citizens.

We at the City are public employees, and as such, are also subject to the State of Oregon's ethics laws. The employees of the City must adhere to all applicable Oregon and local ethics laws. In some cases, these laws provide additional limitations on employees, such as prohibitions on gifts and strict definitions of conflict of interest. If you are coming to the City from work in the private sector, you may find that some activities that are common business practices in the private sector are prohibited in the public sector. Information on these laws is available at the Oregon Government Ethics Commission website: <http://www.oregon.gov/OGEC>.

In particular, the City expects the following:

- Personal Interests Avoided. City employees may not use City property, time, equipment, or services for personal interest or gain, unless that use is part of the employee's compensation package in or City's benefits package.
- Gifts and Gratuities. Employees shall not accept any special favors, gifts, or gratuities resulting from or related to employment with the City. Notwithstanding the foregoing and in accordance with Oregon ethics rules, Department Heads may allow acceptance of non-monetary gifts of nominal value at holidays or special occasions which are available to be shared by all employees.

If you have questions about whether an activity meets the City's or Oregon's ethical standards, please talk with your supervisor or the City Manager. Employees who violate the Ethics Policy, or who violate Oregon ethics laws, may be subject to discipline and/or corrective action, up to and including termination.

## **H. Open-Door Policy**

The City's Open Door Policy is based on our belief that open, honest communication between managers and employees should be a common business practice. The City's managers and supervisors are responsible for creating a work environment where employee input is welcomed, and where issues are identified early and shared without the fear of unlawful retaliation. If you have a complaint, suggestion, or question about your job, working conditions, or the treatment you are receiving from anyone in the City, please raise them first with your immediate supervisor. If you are not satisfied with the response from your immediate supervisor, or if your issue involves your immediate supervisor, request to have the facts/situation reviewed by the City Manager.

## **I. Outside Employment**

Generally, employees may obtain employment with an employer other than the City or engage in private income-producing activity of their own so long as that activity is not otherwise prohibited by these rules. Employees are responsible for assuring that their outside employment does not conflict with the City's operations or these rules and policies.

An employee is prohibited from, directly or indirectly, soliciting or accepting the promise of future employment based on the understanding that the offer is influenced by the employee's official action.

Employees may not accept outside employment that involves:

- The use of City time (including the employee's work time), City facilities, equipment and supplies, or the prestige or influence of the employee's position with the City. In other words, the employee may not engage in private business interests or other employment activities during the City's operational hours using the City's property;
- The performance of an act that may later be subject to control, inspection, review or audit by the department for whom the employee works (or by a State agency); or
- Receipt of money or anything of value for performance of duties that the employee is required to perform for the City.

The City requires employees to report outside employment to their department head before the outside employment begins. Thereafter, an employee must provide an update to their department head on an annual basis, or sooner if any changes in outside employment occurs. Employees who accept outside employment in violation of this policy may be subject to discipline and/or corrective action, up to and including termination.

## **J. Criminal Arrests and Convictions**

Employees must promptly and fully disclose to their supervisor, or other manager if the employee's supervisor is unavailable, on the next working day:

1. All drug- or alcohol-related arrests, citations, convictions, guilty pleas, no contest pleas or diversions that result from conduct which occurred while on duty, on City property, or in a City vehicle (see "Alcohol/Drug Use, Abuse and Testing" policy above);

2. All arrests, citations, convictions, guilty pleas or no contest pleas that result from crimes involving the theft or misappropriation of property, including money; or
3. If you are arrested, cited or convicted of a violation of any law that will prevent you from performing the essential functions of your position.

Reporting an arrest or conviction will not automatically result in termination of employment. All criminal arrests and convictions will be evaluated on a case-by-case basis.

Employees who are unavailable to report for work because they are incarcerated may not use sick leave or vacation time to cover the absence, and may be subject to disciplinary and/or corrective action, including termination.

## **K. Political Activity**

### **1. Official Position—Campaigning**

Employees may not use their official authority or position with the City to further the cause of any political party or candidate for nomination or election to any political office.

### **2. On-Duty Activity**

Employees may engage in political activity except to the extent prohibited by Oregon law when on the job during working hours. This means that employees cannot:

- Be required to give money or services to aid any political committee or any political campaign;
- Solicit money or services (including signatures) to aid or oppose any political committee, nomination or election of a candidate, ballot measure or referendum, or political campaign while on the job during working hours (this is not intended to restrict the right of City employees to express their personal political views); or
- Be disciplined or rewarded in any manner for either giving or withholding money or services for any political committee or campaign.

### **3. Off—Duty Activity**

During the term of employment, a City employee may not hold any elective office that creates a conflict of interest between the duties of that employee and the prospective duties of the elective office holder. An employee must obtain a prior written approval from the City Manager before filing as a candidate for an elective office. Failure to obtain prior written approval may be deemed by the City to constitute a voluntary resignation if the employee is elected and the City determines that the elected position creates a conflict of interest with the employee's position with the City.

Nothing in this rule is intended to restrict the political actions or activities of employee outside of their regular working hours.

## **L. Appearance/Dress Code**

You are a part of the image visitors and constituents have of our City and your personal neatness, dress, grooming, and conduct will greatly influence the opinion others have of the City. That means the professional presentation of all employees is important to maintaining the trust and respect of our constituents and visitors. The purpose of this dress code policy is not to be restrictive, but to ensure a sanitary, professional atmosphere in all areas of the facilities and represents the high quality of service offered at and by the City.

- Clothing and other attire must be clean, free of visible holes, rips or tears, and not revealing.
- Clothing should not include language or images that could be considered offensive to community members, employees, or others in the workplace based on racial, sexual, religious, political, ethnic or other characteristics or attributes of a sensitive or legally protected nature.
- Employees are further requested and expected to abide by more specific requirements or expectations applicable to their location or department.
- Piercings or gauges are permitted in the ear and nose, provided they do not present a safety or other hazard while on duty.
- Tattoos may be visible, provided they are not offensive to community members, employees, or others in the workplace based on racial, sexual, religious, ethnic, or other characteristics or attributes of a sensitive or legally protected nature.

#### **M. Bad Weather/Emergency Closing**

Except for regularly scheduled holidays identified by the City (see “Holidays” section, above), the City is open for business on Mondays through Fridays during normal business hours. If there are circumstances beyond the City’s control, such as inclement weather, a national crisis, or other emergencies that make one or more of our office locations inaccessible for all or part of a regularly scheduled workday, the City Manager (or his/her designee) will decide whether to and to what extent the City offices and/or operations will close. Information about a closure will be transmitted to employees by the City Manager or his/her designee via phone or email.

In the event of extreme bad weather, we recognize that each employee’s ability to safely reach work may be different. If you cannot safely report to work in such circumstances, you should contact your manager. If staff cannot reach the office and are able to serve the City from home, you should do so subject to approval by your manager or supervisor. Safety and a trustworthy approach are your guides. If you elect to not report for work when others in your department have reported for work, you must use accrued comp time (if you’re a nonexempt employee) or vacation time for that day.

#### **N. Driving While on Business**

Employees using a private vehicle to conduct the City’s business must possess a valid driver’s license and must carry auto liability insurance. Employees who use their own vehicles for authorized City business use should make any necessary arrangements with their insurance carriers.



The City may verify the validity of your driver's license and/or your driving record at the time of hire and at any point during your employment.

While on City business, drivers are expected to make every reasonable effort to operate their vehicle safely, with due regard for potential hazards, weather, and road conditions. Drivers are to obey all traffic laws, posted signs and signals, and requirements applicable to the vehicle operated. Seatbelts are to be used in all vehicles while on City business. Drivers are to ensure that the use of prescribed or over the counter drugs does not interfere with their ability to drive while on City business; operating a vehicle under the influence of alcohol or controlled substances is prohibited. Employees are responsible for notifying their manager of any subsequent restrictions, limitations, or other change in their driving status within 72 hours of the change or new restrictions/limitations. See also, "Cell Phone Use While Driving" policy, above.

Employees who receive a ticket or citation while driving a City-owned vehicle or while on City business will be responsible for paying the fine (if any) associated with the ticket or citation, and may face discipline and /or corrective action, up to and including termination.

### **O. Workplace Violence**

The City recognizes the importance of a safe workplace for employees, customers, vendors, contractors, and the general public. A work environment that is safe and comfortable enhances employee satisfaction as well as productivity. Therefore, threats and acts of violence made by an employee against another employee, volunteer, elected official, or member of the public with respect to that person's life, health, well-being, family, or property will be dealt with in a zero-tolerance manner by the City.

All employees have an obligation to report any incidents that pose a real or potential risk of harm to employees or others associated with the City, or that threaten the safety, security or financial interests of the City. Employees are also strongly encouraged to report threats or acts of violence by non-employees, such as vendors or citizens, against any employee, volunteer, or elected official. Employees should make such reports directly to their supervisor.

The City also may conduct an investigation of a current employee where the employee's behavior raises concern about work performance, reliability, honesty, or potentially threatens the safety of co-workers or others. See policy on "Workplace Inspections."

### **P. Workplace Inspections — No Right to Privacy or Confidentiality**

This policy applies to inspections and investigations conducted by the City under policy or law unless otherwise modified by a different policy in this Handbook.

An employee investigation may include, but is not limited to, investigation of criminal records; it may also include a search of desks, work areas, file cabinets, voicemail systems, and computer systems. Employees are strongly discouraged from storing personal items in the desks, lockers, work areas, file cabinets, and other office equipment or furniture, as well as voicemail and computer systems assigned to them by the City; these areas are not private.

All information related to reports generated from inspections and investigations, including the name of the reporting employee(s), will be kept as confidential as possible under the circumstances.

## **Q. Smoke-Free Workplace**

The City provides a tobacco-free environment for all employees and visitors. For purposes of this policy, “tobacco” includes the smoking of any tobacco-based product, smoking in any form (including, without limitation, cigars, and e-cigarettes), and the use of oral tobacco products or “chew/spit” tobacco. Marijuana is also prohibited under this policy. This policy applies to employees, volunteers, and any visitors to City property, vehicles, or facilities/buildings.

City buildings and vehicles are tobacco- and marijuana-free areas. Tobacco/marijuana use is prohibited during working hours. Further, the City prohibits tobacco/marijuana use in or around City vehicles and equipment or machinery. In addition, Oregon law prohibits smoking within 10 feet of building entrances, exits, windows that open, and ventilation intakes that serve an enclosed area.

## **R. City Property**

You are expected to exercise care in the use of City property. Negligence in the care and use of City property and unauthorized removal or personal use of City property may be cause for discipline, and/or corrective action, up to and including termination. City property issued to you, including, but not limited to, software, manuals, and proprietary information, must be returned if your employment with the City is terminated, either voluntarily or involuntarily. If City property is not returned, you will be responsible for the value of the property.

Removal of property from the premises without written authorization from the supervisor or City Manager responsible for the property in question will be treated as theft. Employees are required to report to City Manager any information or evidence regarding property theft or damage. Failure to do so will result in termination. Examples of the kind of property subject to this policy are:

- Materials, equipment and tools.
- Personal property owned by City or other employees.
- Confidential literature.
- Files, computer disks, tape, and other storage media.
- Information identified as proprietary.

The City is not responsible for stolen items, including personal items.

### **1. Equipment and Supplies**

Supplies and equipment represent an enormous cost to the City. Proper job performance requires care and good judgment in the operation of equipment and use of supplies. Each Department Head and his/her employees shall be responsible for the safety, maintenance, and upkeep of the department’s supplies and equipment.

## **2. Automobiles**

The City provides parking facilities for the use of City employees. Employees may not park in areas designated as visitor or emergency vehicle. The City assumes no responsibility for damage to vehicles or theft of articles from vehicles while on City property.

Certain team members are required to use City-owned vehicles to carry out their duties. When the vehicles are not being used for business, they will be kept on City owned or leased property.

An employee who operates a City-owned vehicle must follow the additional expectations outlined in the “Driving While on Business” policy above.

### **S. Remote Work**

Employees are not to work from home or away from the office without prior permission from their supervisor, and all time spent working offsite must be appropriately reported. Failure to obtain prior approval and/or report work time spent working remotely may result in disciplinary and/or corrective action, up to and including termination.

Where remote work is requested, the City will determine in its sole discretion whether the employee’s job is appropriate for a telecommuting arrangement, including equipment needs, workspace design considerations, and scheduling issues. If approved, the arrangement will be subject to a remote work agreement that outlines the scope of the approval and requirements applicable to the circumstances.

Any approved telework arrangements are a privilege and not an expectation of employment. The City has the right to refuse to make teleworking available to an employee and to terminate a telework arrangement at any time.

## **VI. Termination of Employment**

### **A. Workplace Rules and Prohibited Conduct**

Any violation of the rules or prohibited conduct in this policy may result in discipline and/or corrective action, up to and including termination. This list of prohibited conduct is illustrative only; other types of conduct injurious to security, personal safety, employee welfare and the City’s operations, some of which are described elsewhere in this Handbook, may also be grounds for discipline and /or corrective action, up to and including termination.

- Falsification of employment or other City records.
- Recording of work time of another employee or allowing any other employee to record your work time, or allowing falsification of any time sheets (your own or another employee’s).
- Theft or the deliberate or careless damage or destruction of any City property, or the property of any other employee, citizen, vendor or third party.
- Unauthorized use of City equipment, materials or facilities.
- Provoking a fight or fighting during work hours or on City property.

- Engaging in criminal or other unlawful conduct while at work.
- Causing, creating or participating in a significant or substantial disruption of work during working hours on City property.
- Insubordination, including but not limited to failure or refusal to obey the orders or instructions of a supervisor or member of management, or the use of abusive or threatening language toward another City employee, customer, or vendor.
- Failure to notify a supervisor when unable to report to work, or when leaving work during normal working hours without permission from a supervisor to do so.
- Failure to observe work schedules, including rest breaks and meal periods.
- Sleeping or malingering on the job.
- Excessive personal telephone calls during working hours.
- Unprofessional appearance during normal business hours.
- Failing to attend scheduled work sessions and related activities at conferences, workshops, or educational events that are paid for by the City.
- Misrepresentation of City policies, practices, procedures, or your status or authority to enter into agreements on behalf of the City. Employees may not use the City's name, logo, likeness, facilities, assets or other resources of the City for personal gain or private interests.
- Violations of the Ethics Policy or Oregon's Ethics laws.
- Violation of any safety, health, security or City policy, rule, or procedure. Employees are expected to act in accordance with all appropriate codes, laws, regulations, and policies, regardless of whether they are set by the City or outside regulatory or legislative bodies.
- Failing to timely pay water/sewer/tax accounts with the City on time, and/or whose City-provided services are disconnected. This includes, without limitation, situations where the employee writes a check to the City that is refused for payment due to non-sufficient funds.
- Harassment or discrimination that violates City policy.

This statement of prohibited conduct does not alter the City's policy of at-will employment. Except for employees subject to a contract of employment, the City remains free to terminate the employment relationship at any time, with or without cause or notice.

## **B. Corrective Action/Discipline Policy**

Employees are expected to perform to the best of their abilities at all times. There will be occasions, however, where employees perform at an unsatisfactory level, violate a policy, or law, or commit an act that is inappropriate. When performance or conduct does not meet City standards, the City will determine whether it will terminate the employee's employment or provide the employee a reasonable opportunity to correct the deficiency through progressive discipline (such as, in no particular order, verbal warnings, written warnings, suspensions without

pay, and demotions). The corrective action process will not always commence with a verbal counseling or include a sequence of steps. Some acts, particularly those that are intentional or serious, warrant more severe action (including termination) on the first or subsequent offense.

In lieu of terminating the employment of an employee for serious violations of City policies, procedures and rules and for other inappropriate behavior or conduct, the City may choose to provide the employee a final opportunity to continue employment in the form of a last-chance agreement. The City may also choose to send the employee to training or an education opportunity.

In all cases, the City will determine the nature and extent of any discipline based upon the circumstances of each individual case. The City may proceed directly to a written warning, demotion, last chance agreement, or termination for misconduct or performance deficiency, without any prior disciplinary steps, when the City deems such action appropriate. The City retains the right to terminate any employee's employment at any time and for any reason, with or without advance notice or other prior disciplinary action (other than those employees who are subject to a contract of employment).

### **C. Retirement or Resignation from Employment**

If you choose to resign or retire, it is anticipated that you will give the City as much notice as possible—preferably a minimum of two (2) weeks. When giving your two weeks' notice, vacation, personal, or sick days should not be used in lieu of notice. If you do not give two weeks' notice of your intent to leave the City, you will not be eligible for re-employment at a later date.

If the employee's decision to resign is based on a situation that could be corrected, the employee is encouraged to discuss it with the City Manager before making a final decision.

Employees must return all City property, including phones, computers, identification cards, credit cards, keys, and manuals, to the Administration Office on or before their last day of work.

### **D. References**

All requests for references or recommendations must be directed to the City Manager. No manager, supervisor or employee is authorized to release references for current or former employees. Managers and supervisors are expressly prohibited from providing LinkedIn "recommendations" or using a website on the internet to discuss a current or former employee's performance or termination of employment.

By policy, the City discloses only the dates of employment and position(s) held of former employees. Former employees who authorize additional disclosures must make a request to do so in writing.

## **Acknowledgment of Receipt of 2024 Employee Handbook of Personnel Policies**

I acknowledge that I have received a copy of the City of Manzanita's (the "City") 2023 Employee Handbook of Personnel Policies (the "Handbook"). I also understand that a copy of the Handbook is available to me at any time to review in the Administration Office and that an electronic copy will be provided to me upon request. I understand that it is my responsibility to read, familiarize myself with, and abide by the policies, procedures, and rules contained in this Handbook. I also agree that if there is any policy or provision in the Handbook or supplements that I do not understand, I will ask my supervisor, manager, or the City Manager for clarification.

I also understand and acknowledge that:

- I understand that the City has adopted the Handbook only as a general guide about policies, work rules and the work environment, and that its rules and policies, including but not limited to wages and working conditions, are subject to change at any time in the City's sole discretion.
- I understand that the Handbook control over any other contradictory statements, and it supersedes any Handbook previously issued.
- I acknowledge that the Handbook is not an employment contract and is not intended to give me any express or implied contract of employment or right to continued employment or to any other term or condition of employment.
- I understand that either the City or I may terminate my employment relationship at any time, for any lawful reason, with or without cause, and with or without notice. I acknowledge that no promises have been made to me that are inconsistent with this "at will" statement.
- I have reviewed or will review the City's policies regarding equal employment opportunities, anti-harassment, anti-discrimination, and anti-retaliation and that the City aims to provide a workplace free of harassment and discrimination. I will bring any questions or concerns I have regarding equal employment opportunities, discrimination, retaliation or harassment to the City Manager or any trusted manager or supervisor. I understand that any employee who engages in conduct prohibited by these policies will be subject to discipline and/or corrective action, up to and including termination of employment.
- I understand that my use of the City's property, equipment, and technology constitutes my consent to all the terms of conditions related to its policies regarding those areas. I understand that I have no expectation of privacy in connection with City computers and devices, and that I should not use such equipment for personal use.
- During my employment with the City, I understand that it is my responsibility to remain informed about the policies as revisions, updates and new policies as issued, and to ask questions about any interpretation of any of the policies.

- I understand that this Handbook and the policies contained herein are not intended to limit or prevent me from exercising any rights I may have under federal and/or equivalent Oregon law, including the right to discuss or disclose what I may in good faith believe to be discrimination, harassment, or retaliation.
- I have read this acknowledgement carefully before signing.

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Employee Signature

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Date

The original of this document will be kept in the Employee's personnel file. A copy will be provided to the Employee upon request.

## Memorandum of Understanding

This Memorandum of Understanding (MOU) is to document and provide a mechanism for the City of Manzanita and the Emergency Volunteer Corps of Nehalem Bay to collaborate for the purpose of preparing for, and responding to, the safety of residents and visitors in the event of a natural or man-made disaster.

WHEREAS, the City of Manzanita supports the goal of preparing for the safety of residents and visitors following a natural or man-made disaster, and

WHEREAS, the City of Manzanita has identified goals associated with identifying and structuring its relationship with Emergency Volunteer Corps of Nehalem Bay (EVCNB) and

WHEREAS, the mission of the Emergency Volunteer Corps of Nehalem Bay (hereafter referred to as EVCNB) is to teach and encourage personal preparedness; demonstrate, promote and measure community emergency preparedness; support our region with technical expertise focused on evaluation of best practices for community resilience; actively support our community's emergency responders; and

WHEREAS, the EVCNB supports preparedness and community resilience in collaboration with governments and other local agencies and organizations in the Nehalem Bay region and offers leadership, knowledge, and expertise; training and education for residents; and assistance in planning for a regional community emergency response, and

WHEREAS, the City of Manzanita recognizes the value of EVCNB's mission because the mission directly benefits City of Manzanita and its mission,

WHEREAS, it is the shared goal of the City of Manzanita and EVCNB to collaborate.

BE IT HEREBY RESOLVED that the City of Manzanita enters into an agreement with EVCNB to:

- Provide use of City Hall meeting rooms for meetings on a space available basis during regular business hours
- Allow use of the Assembly Area where City Hall is located for trainings, including setting up temporary shelter, setting up food preparation and distribution equipment and other such facilities necessary with prior authorization from the City Manager
- Contribute funding to EVCNB to support EVCNB's mission and provide other support services to City of Manzanita
- Provide, upon activation, Volunteer Insurance Coverage, which includes General Liability and Accident Medical, and provide EVCNB with a Certificate of Liability Insurance annually and with any changes.

BE IT HEREBY RESOLVED that during an emergency:



- The City may request the activation of EVCNB volunteers to help the City in their emergency response. When activated, the City agrees that all EVCNB volunteers will fall under the City's direction and responsibility. The volunteers will follow the Incident Command System structure during a declared emergency.
- When activated, the City agrees to provide either worker's compensation or Accidental Medical Coverage that satisfies Oregon law AND liability coverage to activated response volunteers while they are acting in the course and scope of their duties for the City as the commanding agency during an Emergency.
  - The Medical Reserve Corps (MRC) ALSO has an additional layer of "Professional Liability" covered by an entity such as the Tillamook County Community Health Center (TCCHC)."
- The City will, upon request by the EVCNB, share the appropriate insurance coverage language in its insurance policies with EVCNB.
- The City will inform EVCNB of required Activation procedures or protocols.
- Insurance Coverages:
  - Liability and Worker's Comp or other Accident Medical protections for the volunteer Changes Hands to the Activating Entity the moment volunteers are activated.
  - The Volunteer MUST Sign In and Sign-Out.
  - Liability coverage follows the Activated Volunteer on Assignment wherever they deploy.

BE IT HEREBY RESOLVED that the EVCNB agrees to provide the following:

#### METHODS of Cooperation

- On-going communication will continue between the Manzanita City Manager or designee and the EVCNB leadership
- Each organization will explore joint training courses, exercises, drills, and other cooperative efforts, such as regional disaster preparedness planning
- The City of Manzanita may request assistance on projects and/or EVCNB may provide proof of concept of a variety of disaster response/mitigation efforts as requested by the City of Manzanita
- Annually, or as requested, the City of Manzanita and EVCNB will review priorities for emergency preparedness for the purpose of setting specific objectives based upon the capacity of both entities
- During disaster situations, the EVCNB will support City of Manzanita efforts to the extent possible and will report under the City of Manzanita direction and responsibility after having been activated by an authorized City of Manzanita representative.
- EVCNB shall provide a certificate of insurance to the City for general liability and property damage coverage in the amount of \$2,000,000. The City of Manzanita must be listed as an additional insured on this policy.

- For any events held on the City Hall Property or within City Hall EVCNB shall made advance arrangement with staff and shall make advanced arrangements for any traffic cones or barricades, or other needed equipment and shall be responsible for picking up and retuning equipment.
- For any events held on City Hal Property or within City Hall EVCNB shall be responsible for cleaning up and disposing of and trash or debris immediately following the event. Any markings or signage on the street or city property must be washed off or cleared within one day.

TERMS of the Memorandum of Understanding

This MOU is effective from the date that the parties fully execute and sign the agreement until December 30, 2028. Each party will meet three (3) months prior to expiration to review the progress and success of the cooperative effort. Annual financial contributions and insurance coverage, as approved in the City of Manzanita budget, will be issued after the annual renewal of this agreement. The parties may extend this MOU for additional periods by amendment. The MOU may be terminated by written notification from either party to the other at any time for any reason.

THIS MEMORANDUM OF UNDERSTANDING IS ACCEPTED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MANZANITA AND THE BOARD OF DIRECTORS OF THE EMERGENCY VOLUNTEER CORPS ON NEHALEM BAY ON THE DATE SPECIFIED BELOW.

CITY OF MANZANITA

EMERGENCY VOLUNTEER CORPS OF NEHALEM BAY

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

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

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



City of Manzanita

**COUNCIL ORDINANCE No. 24-04**

**AN ORDINANCE OF THE CITY OF MANZANITA, OREGON, ANNEXING AND ZONING PROPERTY FOLLOWING CONSENT FILED WITH THE CITY COUNCIL BY LANDOWNERS IN SAID AREA PURSUANT TO ORS 222.120 AND ORS 222.170; PINE GROVE PROPERTIES, INC., AND ESTABLISHING THE SPECIAL RESIDENTIAL-RECREATIONAL (SR-R) ZONE ON THE ANNEXED PROPERTY.**

**WHEREAS**, the City of Manzanita received a submission by written request for annexation of real property to the City of Manzanita, herein described in Exhibit "A"; and

**WHEREAS**, the submission for annexation of real property to the City of Manzanita, herein described in Exhibit "A" included a concurrent zone change to establish the Special Residential – Recreational (SR-R) Zone; and

**WHEREAS**, on March 11, 2024, the Planning Commission for the City of Manzanita conducted a hearing on said application submitted by Pine Grove Properties, Inc., making findings recommending annexation of the subject property and establishment of the Special Residential – Recreational (SR-R) Zone; and

**WHEREAS**, after conducting the hearing and considering all objections or remonstrance with reference to the proposed annexation and zone change, and further considering the recommendation of the Manzanita Planning Commission, the City Council finds that this annexation and zone change requests are in the best interest of the City and of the contiguous territory.

**Now, Therefore, the City of Manzanita does ordain as follows:**

**Section 1. Findings.** In addition to the findings referred to above, the City Council further adopts and finds those matters contained in Exhibit "B," which is incorporated herein by this reference as if fully set forth at this point.

**Section 2. Annexation Area.** Based upon the findings contained above and in Exhibit "B", the contiguous territory described in Exhibit "A" and incorporated herein by this reference as if fully set forth at this point is hereby proclaimed to be annexed to the City of Manzanita and zoned in accordance with the Manzanita Ordinance 95-4 and assigned the zoning of Special Residential – Recreational (SR-R).

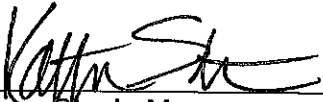
**Section 3. Record.** The City Recorder shall submit to the Oregon Secretary of State a copy of this Ordinance. The City Recorder shall also send a description by metes and bounds, or legal subdivision, and a map depicting the new boundaries of the City of Manzanita within ten (10) days of the effective date of this annexation ordinance to the Tillamook County Assessor, Tillamook County Clerk, and the Oregon State Department of Revenue.

**Section 4: Emergency Declaration.** It is hereby adjudged and declared that existing conditions are such that this Ordinance is necessary for the immediate preservation of the public peace, health and safety and an emergency is hereby declared to exist. This Ordinance shall take effect and be in full force and effect from and after its passage.

Read the first time on June 5, 2024 and moved to second reading by Unanimous vote of the City Council.

Read the second time and adopted by the City Council on July 10, 2024

Signed by the Mayor on July 10, 2024

  
\_\_\_\_\_  
Kathryn Stock, Mayor

ATTEST:

  
\_\_\_\_\_  
Leila Aman, City Manager/Recorder

# EXHIBIT A

## PROPERTY DESCRIPTION



11460 Evergreen Way Nehalem OR 97131

Ph. 503-440-4403

**APRIL 8, 2024  
LEGAL DESCRIPTION  
FOR  
ENCORE INVESTMENTS, LLC  
FOR  
ZONE CHANGE**

A portion of that tract of land as described in Deed Book 346, Page 194, Tillamook County Deed Records, situated in the Northwest one-quarter of the Southwest one-quarter of Section 28, Township 3 North, Range 10 West of the Willamette Meridian, Tillamook County, Oregon, further described as follows:

Beginning at the Northeast corner of said Deed Book 346, Page 194, said point also being the East one-quarter corner of Section 28, Township 3 North, Range 10 West of the Willamette Meridian;

Thence along the exterior boundary of said Book 314, Page 194 the following courses and distances:

Thence South  $01^{\circ}08'58''$  West 677.58 feet;

Thence North  $88^{\circ}51'02''$  West 87.76 feet;

Thence North  $01^{\circ}08'58''$  East 21.85 feet;

Thence North  $88^{\circ}51'02''$  West 40.00 feet;

Thence South  $01^{\circ}08'58''$  West 5.00 feet;

Thence Southwesterly along the arc of a 20.00 foot radius curve to the right through a central angle of  $90^{\circ}00'00''$  a distance of 31.42 feet (chord bears South  $46^{\circ}08'58''$  West 28.28 feet);

Thence North  $88^{\circ}51'02''$  West 30.00 feet;

Thence South  $01^{\circ}08'58''$  West 40.00 feet;

Thence North  $88^{\circ}51'02''$  West 40.86 feet;

Thence South  $01^{\circ}08'58''$  West 398.57 feet to the North right-of-way of Necarney City County Road;

Thence Southwesterly along said right-of-way along the arc of a 230.00 foot radius non-tangent curve to the left (radius bears South  $15^{\circ}23'27''$  West) through a central angle of  $51^{\circ}57'22''$  a distance of 208.57 feet (chord bears South  $74^{\circ}21'33''$  West 237.14 feet);

Thence South  $43^{\circ}22'19''$  West 41.02 feet along said right-of-way;

Thence North  $46^{\circ}37'29''$  West 86.10 feet;

Thence South  $63^{\circ}54'55''$  West 122.72 feet;

Thence South  $68^{\circ}13'38''$  West 116.31 feet;

Thence South  $70^{\circ}39'59''$  West 89.30 feet;

Thence South  $80^{\circ}14'38''$  West 63.12 feet;

Thence leaving the exterior boundary of said Book 346, Page 194, North  $02^{\circ}23'39''$  East 154.57 feet;

Thence North  $60^{\circ}19'24''$  East 517.14 feet;

Thence North  $01^{\circ}02'31''$  East 136.21 feet;

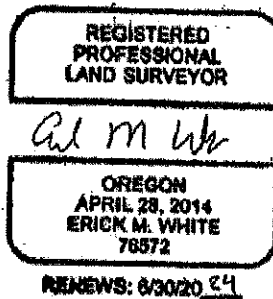
Thence North  $57^{\circ}23'07''$  East 99.35 feet;

Thence North  $00^{\circ}25'53''$  East 243.46 feet;

Thence Northwesterly along the arc of a 100.00 foot radius curve to the left through a central angle of  $90^{\circ}41'21''$  a distance of 158.28 feet (chord bears North  $44^{\circ}54'48''$  West 142.27 feet);

Thence North 20°04'05" East 117.92 feet;  
Thence North 90°00'00" West 28.10 feet;  
Thence Northwesterly along the arc of a 270.00 foot radius curve to the right through a central angle of 21°01'17" a distance of 99.06 feet (chord bears North 79°29'21" West 98.51 feet);  
Thence North 68°58'43" West 15.14 feet;  
Thence North 21°01'17" East 40.00 feet;  
Thence North 68°58'43" West 105.44 feet;  
Thence Northwesterly along the arc of a 530.00 foot radius curve to the left through a central angle of 01°08'10" a distance of 10.51 feet (chord bears North 69°32'48" West 10.51 feet);  
Thence Northeasterly along the arc of a 25.00 foot radius non-tangent curve to the left (radius bears North 19°53'07" East) through a central angle of 105°38'54" a distance of 46.10 feet (chord bears North 57°03'40" East 39.84 feet);  
Thence North 04°14'13" East 111.12 feet to the North boundary of said Book 346, Page 194;  
Thence North 89°47'18" East 714.75 feet along said boundary to the **Point of Beginning**.  
Containing 12.54 Acres.

*The purpose of this legal description is not create a separate tax lot.*



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## EXHIBIT B

### I. BACKGROUND

1. APPLICANT: Pine Grove Properties, Inc. (Owner - James P. Pentz).
2. PROPERTY LOCATION: The property is located at the east end of Meadows Drive. Necarney City County Road borders the site along the south. There is no site address, and the County Assessor places the property within a portion of Township 3 North; Range 10 West; Section 28; Tax Lot #1401.
3. SUBJECT AREA: 12.54 acres.
4. EXISTING DEVELOPMENT: The vacant subject area fronts two public streets and public services are available.
5. ZONING: The Comprehensive Plan designates the land as Medium Density Residential (R-2).
6. ADJACENT ZONING AND LAND USE: Property to the east and south is in Tillamook County and designated RMD. To north lies C-1 zoned land located along US Highway 101 and containing a mix of commercial uses. All remaining adjacent property is zoned SR-R and contains a mix of open space and residential development.
7. REQUEST: Application to Annex 12.54 acres into the City limits of Manzanita, and a Zone Change from Medium Density Residential Zone (R-2) to Special Residential-Recreation Zone (SR-R).
8. DECISION CRITERIA: Annexation - Oregon Revised Statute Chapter 222; Zone Change - Sections 9.010 to 9.050 of Ordinance 95-5.

### II. APPLICATION SUMMARY

- A. The applicant wishes to annex approximately 12.54 acres of R-2 designated land. The subject area is located along the east side of the property and extends south to Necarney City County Road. Upon annexation, the property normally would be zoned R-2, consistent with the Comprehensive Plan designation. However, in addition to the annexation, the applicant wishes to change the zoning from R-2 to SR-R on the entire 12.54 acres. While the applicant intends to develop the site for residential uses, the application does not include a concurrent development proposal.
- B. The City development regulations do not include annexation provisions. By default, the City is subject to provisions in Oregon Revised Statutes Chapter 222, Sections 222.111 to 222.177. The City Council has the option to conduct a public hearing on the request or refer the annexation to the voters. In addition, the Zoning

Ordinance does not contain specific criteria for a Zone Change. Only Article 9, Amendments includes provisions applicable to the amendment process.

### III. ANNEXATION

- A. ORS Chapter 222 contains annexation procedures (a copy of the material is included as Attachment "A"). The statute does not specifically require (nor prohibit) the Planning Commission's review of a request. City Legal Counsel previously concurred with this approach (Highlands 4 & 5 Subdivision), suggesting the Commission's role is to provide a recommendation to the Council. This is entirely consistent with other legislative-type actions - such as zone changes or code amendments - that require a Commission recommendation as part of the legislative process. As noted in ORS 222.120 to ORS 222.177, the City Council has options on how to make a final determination, including providing an opportunity for a public vote on matter.
- B. ORS 222.111 Authority and procedure for annexation; specifying tax rate in annexed territory. This Section allows extending the boundaries of any city by the annexation of territory that is not within a city, and that is contiguous to the city or separated from it only by a public right of way or a stream, bay, lake, or other body of water. Such territory may lie either wholly or partially within or without the same county in which the city lies. Further, an annexation may be initiated by the legislative body of the city, on its own motion, or by a petition to the legislative body of the city by owners of real property in the territory to be annexed.
- C. ORS 222.170. Annexation by consent before public hearing. This Section allows for annexation by ordinance after a public hearing, if the City receives written consent from "more than half of the owners of land in the territory, who also own more than half of the land in the contiguous territory and of real property therein representing more than half of the assessed value of all real property in the contiguous territory."

FINDINGS: The property owner submitted a request to annex the property prior to the public hearings. The applicant represents a majority of the electors and owns more than half of the land in the territory proposed to be annexed and has filed a statement of consent to be annexed on or before the date of the public hearing. The subject property (Tax Lot 1401) is located within the City's Urban Growth Boundary and adjacent and contiguous to the City limits to the west (Highlands 4 & 5 Subdivision). Existing service districts (fire and sanitary sewer) will continue to serve the site as water and sanitary services were extended to the Highlands Subdivision located to the west. In summary, this portion of Tax Lot 1401 is available for urban uses and meets the statutory requirements for annexation.

### IV. ZONE CHANGE

- A. As noted, the Zoning Ordinance does not contain specific review provisions for a zone change. The only available guidelines were provisions on processing amendments (Article 9, Amendments). The following findings address these



provisions:

1. Section 9.010 Authorization to Initiate Amendments. An amendment to the text of this Ordinance or to the zoning map may be initiated by the City Council, the Planning Commission or by application of a property owner. The request by a property owner for an amendment shall be accomplished by filing an application with the City Manager.

FINDINGS: The property owner initiated the zone change, filing the necessary application and supporting documents.

2. Section 9.020 Public Hearings on Amendments. The Planning Commission shall conduct a public hearing on the proposed amendment at its earliest practicable meeting after the amendment is proposed and shall, within 40 days after the hearing, recommend to the City Council approval, disapproval, or modified approval of the proposed amendment. After receiving the recommendation of the Planning Commission, the City Council shall hold a public hearing on the proposed amendment, and approve, disapprove, or modify the proposed amendment.

FINDINGS: The hearing before the Commission (on March 11, 2024) and Council (on June 5, 2024) comply with the requirements in the Section. On March 11, 2024 the Planning Commission made a recommendation to the City Council to approve the zone change, if the annexation is accepted.

3. Section 9.030 Record of Amendments. The City Manager shall maintain records of amendments to the text and zoning map of the Ordinance.

FINDINGS: This Section establishes an administrative requirement for the City.

4. Section 9.040 Limitations on Reapplication. No application of a property owner for an amendment to the text of this Ordinance or to the zoning map shall be considered by the Planning Commission within the one-year period immediately following a previous denial of such request, except the Planning Commission may permit a new application if, in the opinion of the Planning Commission, new evidence or a change of circumstances warrant it.

FINDINGS: This Section does not apply as this is the applicant's first request for this specific zone change.

5. Section 9.050 Amendments Affecting Manufactured Dwelling Parks. If an application would change the zone of property which includes all or part of a manufactured dwelling park as defined by ORS 446.003, the governing body shall give written notice by first class mail to each existing mailing address for tenants of the manufactured dwelling park at least 20 days but not more than 40 days before the date of the first hearing on the application.

The failure of a tenant to receive a notice which was mailed shall not invalidate any zone change.

FINDINGS: This Section does not apply as the request does not involve property containing a manufactured dwelling park.

B. The Amendment Article addresses the process but does not provide any decision criteria. As the zone change applies to residential zones (Ordinance Section 2.020), the Manzanita Comprehensive Plan provides guidance on "Residential Land Uses." The Land Use Goal states the following: *"To maintain and create residential living areas which are safe and convenient, which make a positive contribution to the quality of life, and which are harmonious with the coastal environment."* Five policies support this Goal; the following reviews the policies and supporting findings:

1. Policy #1 - Protect living qualities by requiring landscape screening or buffering between dwellings and commercial uses.

FINDINGS: The Zoning Ordinance allows the City to require screening or buffering as part of residential development projects. Specific examples in the Zoning Ordinance include Section 4.060 for multi-family projects, Section 4.156(3) for site design review, and Section 5.031(g) for conditional uses. These provisions are applicable to specific development projects but not directly applicable to the zone change.

2. Policy #2 - Require that subdivisions include adequate public street access for each house and lot, paved streets, adequate water and sewer systems, storm drainage, underground telephone, TV Cable, and electrical lines. Street plantings and trees are desirable. Improvements should be of good quality.

FINDINGS: Several sections of the Manzanita Subdivision Ordinance 95-5, specifically related to streets and utilities, implement these provisions.

3. Policy #3 - Permit a variety of dwellings and flexibility in densities and site design for large, planned developments. Density standards established in the vicinity will generally serve as the basis for the overall density of such planned developments. Special review and approval by the Planning Commission will be required. Projects will be expected to provide usable open space, community facilities and other special amenities. The clustering of dwelling units in order to leave a greater amount of land for open space is encouraged.

FINDINGS: Provisions in the existing R-2 zone effectively limit residential development to the creation of individual lots for either single family homes or duplexes [Section 3.010(1)]. The SR-R zone not only permits single family homes and duplexes [Section 3.030(2)] but permits multi-family homes and townhouses (same Section). In addition, Section 3.030(4)

allows higher densities and design flexibility in the SR-R zone, including clustering of homes.

4. Policy #4 - Require minimum lot sizes for single-family homes which adequately accommodate contemporary dwellings; separate structures for adequate light, air, fire-fighting access, and prevention of the spread of fire; provide space for two family automobiles per single-family dwelling. Pre-existing lots of sub-standard size may be developed under special conditions.

FINDINGS: As noted, both the R-2 and SR-R zones allow single-family and duplex residences. Since residential development in the SR-R zone must conform to the R-3 zone standards [Section 3.030(4)(b)], both the existing R-2 zone [Section 3.010(3)] and proposed SR-R zone contain similar lot size and dimension requirements [Section 3.020(3)]. Therefore, the zone change to SR-R will not reduce the ability of the City to provide single family homes in a manner consistent with this policy.

5. Policy #5 - Require, in areas without urban services, minimum lot sizes which will assure that no danger to the public health will result from water supply or sewage disposal into the ground.

FINDINGS: This is not directly applicable, as urban services are available to the property regardless of zoning.

- C. A further issue is whether the loss of R-2 zoning will impact the City's overall ability to provide housing. The 2019 Buildable Lands Inventory conducted a survey of available, developable residential land within the City's Urban Growth Boundary. The report concluded with the following summary:

Summary of Residential Buildable Lands Inventory

*Approximately 96 acres of land are available in the residential BLI. It may seem surprising that most of the land available falls under high density residential zoning (roughly 94%), but this is partially explained by the fact that R-2 medium density residential (the most populous zone) is technically classified as high density residential as it allows more than 8 units per acre given a minimum lot size of 5,000 square feet per unit. In fact, there are no zones classified as low density residential given our criteria. Medium density residential and commercial / mixed-use make up 5.6% and 0.5% of the residential BLI respectively.*

*Vacant land represents by far the largest opportunity for development, comprising almost 99% of the land available in the buildable lands inventory. While less partially vacant and redevelopable land is available, the location of specific parcels are important as they may represent geographies where development is highly desired (i.e., areas close to commercial cores) or where infrastructure (water and sewer) is available.*

Table 9: Summary of Residential Buildable Lands Inventory, Manzanita UGB, 2019

Housing Category	Vacant (acres)	Partially Vacant (acres)	Redevelopable (acres)	Total Buildable (acres)
Low Density Residential	-	-	-	-
Medium Density Residential	5.40	-	-	5.40
High Density Residential	89.14	1.00	0.02	90.16
Commercial / Mixed-use	0.44	0.06	-	0.49
<b>Total:</b>	<b>94.97</b>	<b>1.06</b>	<b>0.02</b>	<b>96.05</b>

Both the R-2 and SR-R zones allow single-family and duplex residences and developed to similar standards. The only significant difference between the two zones is that the SR-R zone allows multi-family residences. Therefore, the zone change does not eliminate housing opportunities permitted in the R-2 zone but increases overall housing opportunities by allowing multi-family units. On balance, the zone change will not reduce or inhibit the City's ability to provide needed housing.

- D. While this application does not contain a concurrent development proposal, the applicant made it clear during public testimony the sole purpose of the request is to create moderate income/workforce housing for the community. Also, during public testimony the applicant was willing to accept a condition, including deed restriction, to ensure only construction of this type of housing, and the use of the property for short-term rentals is prohibited. The Council concurs with the need for such housing options, noting findings in Policy #3, above. Therefore, the City Council finds it appropriate to place conditions on the zone change that will ensure the site is developed as intended by the applicant, thereby meeting the needs of the community.

**V. CITY COUNCIL DECISION – ANNEXATION**

Based on the above findings the Manzanita City Council finds the proposed Annexation is consistent with the relevant provisions in ORS Chapter 222.

**VI. CITY COUNCIL DECISION – ZONE CHANGE**

Based on the above findings the Manzanita City Council finds the proposed Zone Change establishing the Special Residential-Recreation zone is consistent with the relevant provisions in the Manzanita Zoning Ordinance, subject to the following conditions:

- A. Development of the newly annexed property shall be limited to moderate income housing or below as defined in Oregon Revised Statutes 456.270 and subsequent legislative amendments. This limitation shall be placed as a deed restriction and evidence of the restriction shall be provided prior to submittal of any applications or permits to develop the newly annexed property.

- B. Establishment of short-term rentals as defined by the Nehalem Zoning Ordinance shall be prohibited.

Recording Requested by  
and When Recorded, Return to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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## RESTRICTIVE COVENANT

This Restrictive Covenant (this "Restriction") is entered into as of this \_\_\_ day of \_\_\_\_\_ 2024, by and between Pine Grove Properties, Inc., an Oregon corporation ("Grantor"), and the City of Manzanita, an Oregon municipal corporation (the "City").

This Restriction, supported by consideration is made pursuant to the City land use decision under File No. \_\_\_\_\_ (the "Decision"). Pursuant to the Decision, Grantor intends that the property described on the attached **Exhibit A** (the "Property") be developed for workforce and/or affordable housing. To assure that the Property is developed for such uses, Grantor has agreed to provide this Restriction.

Accordingly, Grantor hereby subjects the Property to the following terms:

A. Restrictive Covenants.

1. Grantor agrees that the Property shall be developed with no fewer than 128 residential Affordable Units (as defined below) that shall be restricted for households that qualify as Moderate Income Households or Low Income Households (defined below), and used, operated, and maintained as moderate or low income housing for so long as this Restriction remains in effect. Grantor shall use commercially reasonable efforts to confirm, or to cause the owner and operator of the Affordable Units to confirm, that the income of each prospective household qualifies them as a Moderate Income Household or Low Income Household prior to leasing a Moderate Income Unit (as defined below) or Low Income Unit (as defined below) to such household. Every calendar year, Grantor must submit to the City a completed Certificate, using the form attached as **Exhibit B**, verifying the continued use, operation and maintenance of the Property in accordance with this Restriction. Grantor will also provide additional documents reasonably requested by the City to confirm compliance with the Restriction, which may include copies of tenant recertification records provided to the State of Oregon's Department of Housing and Community Services or other governmental agencies. Notwithstanding the foregoing, Grantor shall not be in default hereunder if it is unable to certify a sufficient number of households on the Property in any calendar year as Moderate Income or Low Income because previously-qualified tenants no longer qualify for Affordable Units, but eviction of such tenants is prohibited by Oregon law.

2. No portion of the Property may be used as a Short Term Rental.

B. Definitions. As used herein:

1. "Affordable Units" shall exclusively consist of Low Income Units and Moderate Income Units.

2. "Low Income Household" shall be as defined by ORS 456.270. Notwithstanding the foregoing, in the event that ORS 456.270 (or any successor statute) is amended to change the definition of Low Income Household, this Restriction shall be deemed amended to incorporate such change.

3. "Low Income Units" shall mean residential units that are leased solely to "Low Income Households".

4. "Moderate Income Household" shall be as defined by ORS 456.270. Notwithstanding the foregoing, in the event that ORS 456.270 (or any successor statute) is amended to change the definition of Moderate Income Household, this Restriction shall be deemed amended to incorporate such change.

5. "Moderate Income Units" shall mean residential units that are leased solely to "Moderate Income Households".

6. "Short Term Rental" shall have the meaning given to it by the City of Manzanita Code.

C. Heirs, Successors, and Assigns; Expiration of Restriction. This Restriction and all of the terms and restrictions contained herein shall be perpetual, shall run with the land, and shall be binding upon Grantor's heirs, successors, and assigns and any person or entity acquiring any interest in the Property through any means until its termination. This Restriction and the terms hereof shall run in perpetuity from the date of recordation of this Restriction in the Official Records of Tillamook County, Oregon, unless sooner released by the written agreement of the City. If the City agrees to release this Restriction, then the City will execute such reasonably acceptable instruments as are necessary to remove this Restriction as an encumbrance upon the Property. Such instruments shall be prepared at Grantor's sole cost and expense, and Grantor shall promptly reimburse the City for the City's reasonable attorney fees in reviewing such instruments.

D. Covenants Benefit City. This Restriction is for the benefit of the City, and the City shall have the right to enforce the terms hereof.

E. Enforcement. In the event the Property ceases to be used for low or moderate income housing consistent with Section A(1), or if use of the Property violates the use restrictions contained in Sections A(1) or A(2), City will have the right to seek injunctive relief to enforce the terms of the Restriction, together with all other rights and remedies available at law or in equity. Such remedies include the right to recover damages including, but not limited to, all costs, fees, expenses, and reasonable attorney fees incurred by City. Non-exercise of City's rights or remedies under this Restriction for any period shall not be deemed a waiver or abandonment of such rights or remedies.

F. Amendments; Termination. This Restriction and the terms hereof may only be amended or terminated through a recorded amendment evidencing the written consent of the City, which may be granted or withheld in the City's sole discretion. If such amendment or termination is at the request of Grantor, the amendment or termination shall be prepared at Grantor's sole cost and expense, and Grantor shall promptly reimburse the City for the City's reasonable attorney fees in reviewing such instrument.

G. Attorneys' Fees. In the event any suit or action is instituted to enforce any of the terms of this Restriction, the prevailing party shall be entitled to recover from the non-prevailing party its reasonable attorneys' fees whether incurred at trial, on appeal, on any petition for review, in any arbitration or bankruptcy proceeding, or otherwise, in addition to all other sums provided by law.

H. Choice of Law. This Restriction shall be governed by the law of the State of Oregon.

I. Headings. Paragraph and Section headings, where used in this Restriction, are inserted for convenience only and are not intended to be a part hereof or in any way to define, limit or describe the scope and intent of the particular provisions to which they refer.

J. Severability; Construction. Any provision of this Restriction that is deemed invalid or unenforceable shall be ineffective to the extent of such invalidity or unenforceability, and shall be severed from the remaining provisions without rendering invalid or unenforceable the remaining provisions of this Restriction. In the case of any uncertainty or ambiguity regarding any part of this Restriction, the language shall be construed in accordance with its fair meaning rather than being interpreted against the party who caused the uncertainty to exist. Time is of the essence of each provision of this Restriction wherein time is a factor.

K. Counterparts. This Restriction may be executed in several counterparts and all such executed counterparts shall constitute a single agreement, binding on all of the parties hereto, their heirs, successors, and their assigns.

Whereas, Grantor and City have executed this Restrictive Covenant to be effective as of its recording in the real property records of Tillamook County, Oregon.

"Grantor":

PINE GROVE PROPERTIES, INC.  
an Oregon corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF OREGON            )  
  ) ss.  
COUNTY OF TILLAMOOK    )

On this \_\_\_ day of \_\_\_\_\_ 2024, before me, a Notary Public, personally appeared \_\_\_\_\_, as \_\_\_\_\_ of Pine Grove Properties, Inc., an Oregon corporation, on behalf of the company.

\_\_\_\_\_  
Notary Public for Oregon  
My commission expires: \_\_\_\_\_



"City":

CITY OF MANZANITA  
an Oregon municipal corporation

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF OREGON            )  
  ) ss.  
COUNTY OF TILLAMOOK    )

On this \_\_\_ day of \_\_\_\_\_ 2024, before me, a Notary Public, personally appeared \_\_\_\_\_, as \_\_\_\_\_ of the City of Manzanita, an Oregon municipal corporation, on its behalf.

\_\_\_\_\_  
Notary Public for Oregon  
My commission expires: \_\_\_\_\_

**EXHIBIT A**  
**Legal Description of Property**

**EXHIBIT B**  
**City Affordability Certificate**

**CITY OF MANZANITA  
AFFORDABLE UNIT ANNUAL CERTIFICATION**

Building Name: \_\_\_\_\_ (the \_\_\_\_\_ Property Owner Name: \_\_\_\_\_  
"Building") \_\_\_\_\_

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

Complete the blanks provided below and submit by June 30th each calendar year to:

City of Manzanita  
PO Box 129  
Manzanita, Oregon 97130  
Attn: \_\_\_\_\_

Total Number of Residential Units in Building \_\_\_\_\_

Total Number of Low Income Units (residential units leased to Low  
Income Households as defined by ORS 456.270) \_\_\_\_\_

Total Number of Moderate Income Units (residential units leased to  
Moderate Income Households as defined by ORS 456.270) \_\_\_\_\_

Range of Monthly Unit Rents Charged During Prior 12 Months for  
Low Income Units Studio: \$ \_\_\_\_\_  
1BR: \$ \_\_\_\_\_

2BR: \$ \_\_\_\_\_

3BR: \$ \_\_\_\_\_  
\_\_\_\_\_

Range of Monthly Unit Rents Charged During Prior 12 Months for  
Moderate Income Units Studio: \$ \_\_\_\_\_  
1BR: \$ \_\_\_\_\_

2BR: \$ \_\_\_\_\_

3BR: \$ \_\_\_\_\_  
\_\_\_\_\_

The Property Owner represents and warrants that the above information is accurate and complete. Property Owner also represents that within the 12 months immediately preceding the date of this Certification, Property Owner has certified or recertified the incomes of all households living in the Building and confirmed that each household qualifies as a Low Income Household or Moderate Income Household as defined by ORS 456.270.

The undersigned certifies, under penalty of perjury, that they are an authorized representative of the Property Owner who, acting alone, is authorized to execute this Certificate on behalf of the Property Owner.

Date of this Certification:

\_\_\_\_\_

**PROPERTY OWNER NAME:**

\_\_\_\_\_

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_