



CITY OF LA PINE, OREGON

REGULAR CITY COUNCIL MEETING

Wednesday, May 22, 2024

La Pine City Hall: 16345 Sixth Street, La Pine, Oregon 97739

Available online via Zoom: <https://us02web.zoom.us/j/81182860851>

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to City Hall at (541-536-1432). For deaf, hearing impaired, or speech disabled dial 541-536-1432 for TTY.

The Regular City Council meeting is a business meeting of the elected members of the La Pine City Council, in which matters that have come before the City in application, or legislatively/judicially by process can be acted upon under Old and New business. Matters that are not formally before the City or have yet to be initiated by application cannot be officially acted upon. If any party would like to initiate an action through process or application, city administrative staff are available during the regularly scheduled business hours of City Hall to provide assistance.

AGENDA

CALL TO ORDER

ESTABLISH A QUORUM

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

Public Comments provide an opportunity for members of the community to submit input on ongoing matters within the city. Any matter that warrants testimony and rebuttal may be debated during a public hearing on the matter.

Public Comments are limited to three (3) minutes per person; when asked to the podium, please state your name and whether you live within La Pine city limits. The acting chair may elect to respond to comments if the matter is within the jurisdiction of the city or defer to city staff for response.

ADDED AGENDA ITEMS

Any matters added to the Agenda at this time will be discussed during the "Other Matters" portion of this Agenda or such time selected by the City Council

CONSENT AGENDA

Information concerning the matters listed within the Consent Agenda has been distributed to each member of the City Council for reading and study, is considered to be routine, and will be enacted or approved by one motion of the City Council without separate discussion. If separate discussion is desired

concerning a particular matter listed within the Consent Agenda, that matter may be removed from the Consent Agenda and placed on the regular agenda by request of any member of the City Council.

- 1. 05.08.2024 Regular City Council Minutes..... 3.
 - a. Public Comment Form10.

OLD BUSINESS:

None.

NEW BUSINESS:

- 1. Audit Services Contract
 - a. Staff Report11.
 - b. Personal Service Agreement.....12.
 - i. Exhibit A. - Request for Proposal..... 18.
 - ii. Exhibit C. – ORS Chapter 279B..... 42.
 - iii. Exhibit B. – Consultant’s Proposal..... 45.
 - iv. Exhibit D. – Scope of Work..... 78.
- 2. Republic Services – Annual Financial Information and Projection Report
 - a. Staff Report80.
 - b. Letter of Transmittal.....81.
 - c. Financial Report.....82.
 - d. Exhibit A. 90.

OTHER MATTERS

PUBLIC COMMENTS

Three (3) minutes per person; when asked to the podium, please state your name and whether you live within La Pine city limits.

STAFF COMMENTS

MAYOR & COUNCIL COMMENTS

EXECUTIVE SESSION: per ORS 192.660 if necessary

ADJOURNMENT



CITY OF LA PINE, OREGON
REGULAR CITY COUNCIL MEETING

Wednesday, May 8, 2024, immediately following the Budget Committee Meeting
La Pine City Hall: 16345 Sixth Street, La Pine, Oregon 97739

Available online via Zoom: <https://us02web.zoom.us/j/85460628413>

MINUTES

CALL TO ORDER

Mayor Richer called the meeting to order at 5:36 p.m.

ESTABLISH A QUORUM

Council

Mayor Richer

Council President Van Damme

Councilor Shields

Councilor Morse – Excused

Student Councilor Marston – Excused

Via Zoom

Councilor Ignazzitto

Staff

Geoff Wullschlager – City Manager

Ashley Ivans – Finance Director

Kelly West – Public Works Director

Brent Bybee – Principal Planner

Rachel Vickers – Associate Planner

Amanda Metcalf – City Recorder

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited during the Budget Committee Meeting held immediately prior to this meeting.

PUBLIC COMMENTS

Wes Elliott provided public comments regarding the City’s Transportation SDC fees. He presented the City of Bend’s SDC fee schedule, and he compared it to the City of La Pine’s fees.

He gave background on his situation with regards to his building project. He asked the Council to consider waiving the transportation SDC's for this project. He said that the Council should evaluate the ethics surrounding this situation. He suggested that the city update the pre-construction meetings protocol by including fee schedules so new applicants are aware of the SDC fees.

He closed by saying that if he was aware of the fees prior to starting his project he would have pursued other options. He asked the Council again to consider waiving his transportation SDC fees.

ADDED AGENDA ITEMS

None.

CONSENT AGENDA

1. ***Amended*** – 03.15.2024 Regular City Council Minutes
2. 04.10.2024 Regular City Council Minutes
 - a. Public Comment Form
3. Financials
 - a. Financial Summary – March 2024
 - b. Interest Report
4. La Pine Chamber of Commerce
 - a. Letter to the City
 - b. Profit and Loss Third Quarter

Councilor Ignazzitto made a motion to approve the consent agenda. *Councilor Shields seconded the motion.* Motion passed unanimously.

OLD BUSINESS:

None.

NEW BUSINESS:

1. USDA Water Bonds
 - a. Staff Report

Finance Director Ivans presented the staff report for both USDA Water Bonds. She stated staff have been working with Bond Council and USDA to close the loan account with the interim financier Co-Bank. She presented Resolution 2024-04 USDA Water Bond No. 1 and Resolution 2024-05 Water Bond No. 2 these will authorize USDA to provide financing for the finalization of the Water portion of the Cagle/Glenwood expansion Project.

There were no questions from the Council.

- b. Resolution 2024-04 – A Resolution for the issuance and sale of Water Revenue Bond No. 1.

Councilor Van Damme made a motion to approve Resolution 2024-04, a resolution for the issuance and sale of Water Revenue Bond No. 1. *Councilor Shields seconded the motion.* Mayor Richer asked for a roll call vote.

Councilor Ignazzitto – Aye

Councilor Shields – Aye

Councilor Van Damme – Aye

Motion passed unanimously.

- c. Resolution 2024-05 – A Resolution for the issuance and sale of Water Revenue Bond No. 2.

Councilor Ignazzitto made a motion to approve Resolution 2024-05, a resolution for the issuance and sale of Water Revenue Bond No. 2. *Councilor Shields seconded the motion.* Mayor Richer asked for a roll call vote.

Councilor Van Damme – Aye

Councilor Shields – Aye

Councilor Ignazzitto - Aye

Motion passed unanimously.

2. Budget Resolutions
 - a. Staff Report

Finance Director Ivans presented the staff report for the following resolutions.

- b. Resolution 2024-06 – A Resolution Declaring the Municipal Services Provided

Resolution 2024-06 declares that the city provides the services required to receive state shared revenues each year.

Councilor Van Damme made a motion to approve Resolution 2024-06, a Resolution declaring the municipal services provided. *Councilor Shields seconded the motion.* Mayor Richer asked for a roll call vote.

Councilor Ignazzitto - Aye

Councilor Shields – Aye

Councilor Van Damme – Aye

Motion passed unanimously.

- c. Resolution 2024-07 – A Resolution Electing to Receive State Shared Revenues

Resolution 2024-07 allows the state to send the city its portion of Gas, Liquor, Cigarette, and Marijuana Tax. In addition, the city is able to receive its quarterly apportionment which is based on population.

Councilor Ignazzitto made a motion to approve Resolution 2024-07, a Resolution Declaring the City's election to receive state shared revenues. *Councilor Van Damme seconded the motion.* Mayor Richer asked for a roll call vote.

Councilor Shields – Aye

Councilor Van Damme – Aye

Councilor Ignazzitto - Aye

Motion passed unanimously.

d. Resolution 2024-08 – A Resolution Adopting the City’s Master Fee Schedule

Resolution 2024-08 is adopting the City’s master fee schedule for FY 2024-25. She said that the fee changes are described in the staff report. Council stated they had reviewed the fee amendments.

Councilor Shields made a motion to approve Resolution 2024-08, a Resolution adopting the City’s Master Fee Schedule, effective July 1, 2024. *Councilor Van Damme seconded the motion.* Mayor Richer asked for a roll call vote.

Councilor Ignazzitto - Aye

Councilor Shields – Aye

Councilor Van Damme – Aye

Motion passed unanimously.

e. Resolution 2024-09 – A Resolution Creating a New Reserve Fund

Resolution 2024-09 creates a new fund titled *Equipment Reserve Fund*. This fund was created to house reserves for Public Works Equipment.

Councilor Shields made a motion to approve Resolution 2024-09, a Resolution creating a new reserve fund. *Councilor Ignazzitto seconded the motion.* Mayor Richer asked for a roll call vote.

Councilor Van Damme – Aye

Councilor Shields – Aye

Councilor Ignazzitto - Aye

Motion passed unanimously.

3. Memorandum of Understanding – CPAW

a. Staff Report

Principal Planner Bybee presented the staff report for the memorandum of understanding (MOU) with Community Planning Assistance for Wildfire (CPAW). He explained the duties for both the City of La Pine and CPAW.

He also provided background on SB 762, the wildfire bill, for the Council. There were no questions from Council.

b. Memorandum of Understanding

Councilor Van Damme made a motion to accept the Community Planning Assistance for Wildfire Memorandum of Understanding, as presented by staff, and recommend approval with signatures provided by the Mayor and City Manager. *Councilor Shields seconded the motion.* Motion passed unanimously.

OTHER MATTERS

None.

PUBLIC COMMENTS

Wes Elliott provided public comments regarding Transportation SDCs. He listed the overall budget of the City's SDC fund and explained different improvements that the City had made on the roadways.

He stated that in 2020 it has been decided to make more improvements on the City's roadways which has increased the price per trip calculation for transportation SDCs for new development. He asked the Council how his business would benefit from paving a dirt road in a residential neighborhood.

He listed the surrounding cities SDC fees and their price per trip calculation. He also asked how the City chooses which roads will be paved and claimed specific roads that have been chosen would have little impact for citizens. He asked that the Council consider waiving his Transportation SDC.

STAFF COMMENTS

Associate Planner Vickers gave an update on the administrative land use files for both type one and type two applications. She informed the Council of the new applications that are in the completeness phase.

Principal Planner Bybee gave an update on long range planning which includes the Comprehensive Plan Update. He also invited the Council to the Community Summit on May 21st and listed the events the Planning Department will be attending in the summer to promote the Comprehensive Plan Update.

He stated that staff applied for a Transportation System Plan (TSP) grant, and if awarded, the TSP Update will coincide with the Comprehensive Plan Update. He shared that the city is one of four applicants for this grant, and only one applicant will be awarded.

Finance Director Ivans thanked the Council for their dedication and the hard work they performed during the past week. She also thanked everyone involved for their work with the USDA Water Bonds.

City Recorder Metcalf did not have any comments.

Public Works Director West updated the Council on the lift station issues and described the issues the department has faced to keep the lift station functioning. He said that a temporary fix has been implemented until it can be replaced.

Lastly, he said that the eleventh monitoring well has been completed and water samples have been pulled and sent to DEQ.

City Manager Wullschlager also gave an update on the lift stations and the upcoming costs associated with replacing them.

He stated that 44 acres of BLM land north of Burgess that is within City limits is currently zoned for multi-family housing and could be rezoned to multi-use. He informed the Council that the city received a notice that the Bureau of Land Management (BLM) is in discussion with the Department of State Lands (DSL) for the transfer of the parcel. He gave background on the in-lieu lands act as ratified and implemented in the 19th century which stated that the federal government promised land to the state for development. He stated however, that this land was not released in accordance with the act and with respect to the state of Oregon, and these departments are in the process of correcting the situation. He stated he has been in contact with Representative Reschke and staff with Senator Merkley's office. And will give an update when he has more information.

He gave an update on the recreational immunity law amendments that was presented in past meetings. He stated that SB 1576 has been passed and defines what is considered recreation on public land for public use.

He gave an update on the Grants Pass v Johnson case regarding the ongoing conversation with respect to public places, and resting, camping, and sleeping. Depending on the decision it could pose issues in the future.

He gave an update on the Archway Project for the Urban Renewal Agency, he stated he potentially may have found a contractor that will be designing the archway.

He extended an invitation from Mayor Fitch of Redmond to Mayor Richer to a ground water summit that is associated with COCO regarding OWRD and water resource rules in Oregon.

MAYOR & COUNCIL COMMENTS

Councilor Ignazzitto thanked everyone for their hard work.

She made a comment about the community funds that are awarded every year by the Budget Committee. She stated that a limit on the amount of funds awarded should be created. In addition, she suggested that the requestors should meet criteria that further the City's goals.

Councilor Shields wanted to comment that the contractors associated with the Water and Wastewater Project have been very professional when they have been working on his road.

Council President Van Damme thanked City Staff for their hard work. In addition, she thanked the Council, and the public commenters for attending today's meeting.

Mayor Richer also thanked the public for their comments and the promotion of public engagement. He thanked everyone for coming to the Council Meeting.

EXECUTIVE SESSION: per ORS 192.660 if necessary

ADJOURNMENT

Mayor Richer adjourned the meeting at 6:19 p.m.

SIGNATURE PAGE TO FOLLOW

Date: _____

Daniel Richer, Mayor

ATTEST:

Date: _____

Amanda Metcalf, City Recorder



PUBLIC COMMENT FORM

Completed forms will be collected prior to the start of the meeting. Comments will be limited to 3 minutes and restricted to the topics indicated below. All remarks and questions must be addressed to the presiding officer, only. Comments will be respectful. Harsh and/or abusive language will not be permitted. (This document is a public record)

Name: Wes G/HA Phone Number: 941-787-9682

Address: PO Box 2357 La Pine OR 97139

Email: _____ Resident Non Resident Other

Agenda Item Topic #: _____ in support of in opposition to as an interested party

Non-Agenda Item Topic (Provide brief description): SOC'S

Organization (if applicable): _____ Would you like to be contacted for follow up?
 Yes No



CITY OF LA PINE

STAFF REPORT

Meeting Date: May 22, 2024
 TO: City Council
 FROM: Ashley Ivans, Finance Director *Ashley Ivans*
 SUBJECT: Audit Services Contract

- | | | | |
|-------------------------------------|-------------------------|--------------------------|------------------|
| <input type="checkbox"/> | Resolution | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | No Action – Report Only | <input type="checkbox"/> | Public Hearing |
| <input checked="" type="checkbox"/> | Formal Motion | <input type="checkbox"/> | Other/Direction: |

Councilmembers:

In March 2024 City staff issued a Request for Proposal (RFP) for a City Auditor. The City’s current auditor, Umpqua Valley Financial, has been the City’s auditor for the last 10 years. As you know it is important to rotate the City’s consultants for many reasons, not the least of which is cost and exposure to different procedures. This exposure helps reduce the risk of fraud.

The city received three proposals which were scored by City Manager Wullschlager and I. The score totals from the City’s Notice of Intent to Award issued May 2nd are below.

Final Scores

Proposer / Firm	Aldrich CPAs & Advisors LLP	Sensiba LLP	Pauly, Rogers and Co., P.C.
Staff Member:			
Geoff Wullschlager	91.16	91.32	53.83
Ashley Ivans	90	96	66.75
Totals	181.16	187.32	120.58

Sensiba, LLP received the highest marks, however there was a close second for Aldrich CPA’s & Advisors. Ultimately, the decision came down to price, which Sensiba was lower than Aldrich. This contract is for 5 fiscal years, with the final audited year being Fiscal Year 2028. The contract will be reviewed at that time.

I am requesting a formal motion, outlined below, for the City Manager to sign this contract.

Motion Recommendation: I move that we authorize City Manager Wullschlager to enter into a contract with Sensiba, LLP to conduct City audits through Fiscal Year 2028. This should be followed by a second and roll call vote.

CITY OF LA PINE

PERSONAL SERVICE AGREEMENT FOR AUDITING SERVICES

BASED UPON the proposals submitted in response to the Request for Proposals for Municipal Audit Services (RFP) issued by City of La Pine (City), City and Sensiba, LLP (Consultant) hereby enter into an agreement for the provision of personal services in accordance with the RFP and Consultant's Proposal.

All terms of the following exhibits are hereby incorporated by reference into this Agreement, and Consultant agrees to comply with each:

- (1) Exhibit A – Request for Proposals
- (2) Exhibit B – Consultant's Proposal
- (3) Exhibit C – ORS 279B requirements for Personal Service Contracts
- (4) Exhibit D – Scope of Work

In the event of any conflict, the terms of this Agreement shall control, followed by Exhibits A, C, D, then B, in that order.

1. Term. The term of this Agreement shall extend from May 1, 2024, to December 31, 2029, unless extended for up to one additional five-year term by City.
2. Scope of Work. Consultant agrees to perform during the term of this Agreement, the following services:
 - 2.1 Generally, Consultant shall provide all materials and services associated with providing auditing services to City (City Services) as set forth in City's RFP for Auditing Services dated March 15, 2024, and Consultant's proposal dated April 10, 2024, incorporated herein as Exhibits A and B, respectively.
 - 2.2 Specifically, Consultant shall perform the services set forth in the Scope of Work incorporated herein as Exhibit D.
 - 2.3 Consultant shall not perform and City shall not pay for Consultant's services which are outside the work described in this Section 2, unless City provides prior written consent for such work. Consultant's services which are outside of the Scope of Work and approved by City shall be charged as provided in Exhibit B.
 - 2.4 Consultant agrees that it will complete work under this Agreement in accordance with the schedule established in Section 2.7 of Exhibit A. If Consultant does not complete and provide the reports required in Exhibit D by December 15 of the year following the fiscal year being audited, City will charge a penalty of \$100 for each day that the reports are late, unless the delays are attributable to City or the parties mutually agree to a later submission date. If December 15 falls on a Saturday or Sunday, the following Monday shall become the due date for reports.
 - 2.5 Ownership of the audit report belongs to City and it is expressly understood that publication of the audit, in whole or in part, or reference to the audit, will be at the sole discretion of City.
3. Compensation.
 - 3.1 Compensation. For the services described and performed by Consultant, City agrees to pay, and the Consultant agrees to accept, compensation up to the maximum not to exceed amount of:

Fiscal Year Ending 6/30/2024 (including Single Audit)	\$39,800
Fiscal Year Ending 6/30/2025	\$41,900
Fiscal Year Ending 6/30/2026	\$43,900
Fiscal Year Ending 6/30/2027	\$46,000
Fiscal Year Ending 6/30/2028	\$48,800

3.2 Invoices. Invoices for Consultant’s services shall be based upon Consultant’s fees and hourly rates as set forth in Exhibit B, up to the maximum amounts, above. These amounts shall be billed to City in summary form, detailing the previous month’s fees and costs and the percentage of the project completed to date, on or about the 1st day of each month for all services performed through the last day of the prior month. Backup invoices, supporting documentation, and records evidencing the progress made on the project to date shall be provided by Consultant at City’s request.

3.3 Payments.

(A) City will review Consultant’s invoice and within ten (10) days of receipt notify Consultant in writing if there is a disagreement or dispute with the invoice. If there are no such disputes, City shall pay the invoice amount in full within thirty (30) days of invoice date.

(B) If City fails to make any payment due Consultant for services and expenses within thirty (30) days of the date on Consultant’s invoice therefore, late fees will be added to amounts due Consultant at the rate of 1.0 percent (1%) per month from original invoice date. In addition, Consultant may, after giving seven (7) days’ written notice to City, suspend services under this Agreement until Consultant has been paid in full all amounts due for services, expenses, and charges, except any invoices in dispute. Invoices in dispute are not subject to such late fees until such time as they are no longer in dispute.

(C) City shall reimburse Consultant for pre-approved expenses reasonably incurred by Consultant in furtherance of its duties under this Agreement. Such expenses may include mileage, meals, or hotel accommodations. City shall not reimburse for any expense unless Consultant first obtains City’s prior written authorization before incurring such expense. Consultant will provide appropriate documentation and receipts of such expenditures when submitting them for reimbursement.

4. Covenants. Consultant agrees to faithfully and diligently perform the duties required by this Agreement and will not engage in any activity that is or may be contrary to the welfare, interest, or benefit of City.

5. City Responsibilities. In addition to City’s payment obligations, as set forth in Section 3.3 above, City shall report the total amount of all payments to Consultant, including any expenses, in accordance with federal Internal Revenue Services and State of Oregon Department of Revenue Regulations.

6. Termination.

6.1 Termination for Convenience. This Agreement may be terminated by either party upon thirty (30) days’ written notice to the other or at any time upon mutual written consent to parties. If terminated for default, the notice of termination shall set forth the manner in which the other is in

default. The consultant shall be paid the agreement price only for services performed in accordance with the manner of performance as set forth in this Agreement.

Upon termination under this Section, unless terminated for breach, Consultant shall be entitled to payment in accordance with the terms of this Agreement for work completed and accepted before termination less previous amounts paid and any claim(s) City has against Consultant. Pursuant to this Section, Consultant shall submit an itemized invoice for all unreimbursed work completed before termination and all Agreement closeout costs actually incurred by Consultant. City shall not be liable for any costs invoiced later than thirty (30) days after termination unless Consultant can show good cause beyond its control for the delay.

7. **Disengagement Agreement.** Upon receiving a notice of termination, and except as otherwise directed in writing by City, Consultant will continue to perform Auditing Services to the date agreed upon as the termination date.
8. **Standard of Care.** The standard of care applicable to Consultant's service will be the degree of skill and diligence normally employed by professionals performing the same or similar services at the time such services are performed. Consultant will re-perform any services not meeting this standard without additional compensation and shall perform such additional work as may be necessary to correct errors in the Auditing Services required under this Agreement without undue delay and without additional costs.
9. **Remedies.** In the event of breach of this Agreement, the parties shall have the following remedies:
 - 9.1 If terminated by City due to a breach by Consultant, City may complete the work either itself, by agreement with another consultant, or by a combination thereof. If the cost of completing the work exceeds the compensation to Consultant as provided under this Agreement, then Consultant shall pay to City the amount of the reasonable excess.
 - 9.2 In addition to the above remedies for a breach by Consultant, City also shall be entitled to any other equitable and legal remedies that are available.
 - 9.3 If City breaches this Agreement, Consultant's remedy shall be limited to termination of the Agreement and receipt of Agreement payments to which Consultant is entitled.
 - 9.4 City shall not be liable for any indirect, incidental, consequential, or special damages under the Agreement or any damages arising solely from terminating the Agreement in accordance with its terms.
10. **Confidentiality.** Consultant shall maintain the confidentiality, both external and internal, of any confidential information to which it is exposed by reason of this Agreement. Consultant warrants that its employees assigned to this Agreement shall maintain necessary confidentiality. Consultant shall require similar agreements from any Consultant subcontractors to maintain the confidentiality of City information.
11. **Notice.** Any required or permitted notices hereunder must be given in writing at the address of each party set forth below, or to such other address as either party may substitute by written notice to the other in the manner contemplated herein, by one of the following methods: hand delivery; registered, express, or certified mail, return receipt requested, postage prepaid; or nationally-recognized private express courier:

City: City of La Pine

Attn: Ashley Ivans, Finance Director
PO Box 2460
La Pine, OR 97739

Contractor: Sensiba, LLP
Attn: Brenda Bartlett
499 Southwest Upper Terrace Drive, Suite A
Bend, OR 97702

12. Insurance. Consultant shall maintain the following limits of insurance with a carrier(s) rated A- or better by A.M. Best:

12.1 General Commercial liability insurance -- \$2,000,000 aggregate

12.2 Professional liability insurance -- \$3,000,000 aggregate

12.3 Workers' Compensation insurance -- Statutory workers' compensation and employer's liability insurance for the State of Oregon

12.4 Automobile Liability Insurance -- \$1,000,000 each accident

Consultant shall: (a) provide City with a copy of a current Certificate of Insurance with the coverages listed above; (b) include City as an additional insured for General Commercial Liability (subject to the terms and conditions of the applicable Consultant insurance policy). The Certificate of Insurance shall include an "Additional Insured" endorsement in favor of the City of La Pine. This endorsement must be in compliance with state laws and regulations; and (c) provide City with 30-day notice prior to cancellation. (d) The Contractor, its subcontractors, if any, and all employers providing work, labor or materials under this Contract who are subject employers under the Oregon Workers' Compensation Law shall comply with ORS 656.017, which requires them to provide workers' compensation coverage that satisfies Oregon law for all their subject workers. Out-of-state employers must provide workers' compensation coverage for their workers that comply with ORS 656.126. Employers' Liability Insurance with coverage limits of not less than \$500,000 each accident shall be included.

13. Access to Records. The Consultant shall maintain, and the City and its duly authorized representatives shall have access to the books, documents, papers, and records of the Consultant which are directly pertinent to this specific contract for the purpose of making audit, examination, excerpts, and transcripts for a period of seven (7) years following audit completion, unless City sets a longer period by written notice. Copies of applicable records shall be made available upon request. Payment for cost of copies is reimbursable by City.
14. Indemnity. To the extent permitted by law, Consultant shall protect, defend, indemnify and hold City harmless from and against all claims, demands, damages, costs, actions and causes of actions, liabilities, fines, penalties, judgments, expenses and attorney fees, resulting from the injury or death of any person or the damage to or destruction of property, or the infringement of any patent, copyright, trademark or trade secret, arising out of the work performed or goods provided under this Agreement or Consultant's violation of any law, ordinance or regulation, contract provision or term, or condition of regulatory authorization or permit, except for damages resulting from the sole negligence of City.
15. Force Majeure. Consultant shall not be deemed in default hereof nor liable for damages arising from its failure to perform its duties or obligations hereunder if such failure is due to causes beyond its reasonable control, including, but not limited to, acts of God, acts of civil or military

authorities, fires, floods, windstorms, earthquakes, strikes or other labor disturbances, civil commotion or war.

16. Independent Contractor. Consultant is an independent contractor for all purposes and is not entitled to any compensation other than the compensation provided for under this Agreement. While City reserves the right to set various schedules and evaluate the quality of Consultant's completed work, City cannot and will not control the means and manner of Consultant's performance. Consultant is responsible for determining the appropriate means and manner of performing the work provided for under this Agreement. Consultant is responsible for all federal and state taxes applicable to compensation and payment paid to Consultant under this Agreement and will not have any amounts withheld by City to cover Consultant's tax obligations. Consultant is not eligible for any City fringe benefit plans. It is recognized that Consultant may or will be performing work during the term for other parties and that City is not the exclusive user of the services that Consultant provides.
17. Federal Funds. f payment under this Agreement is to be charged against federal funds, Consultant is not currently employed by the federal government and the amount charged does not exceed Consultant's normal charge for the type of service provided.
18. No Benefits. Consultant will not be eligible for any federal Social Security, state Worker's Compensation, unemployment insurance or Public Employees Retirement System benefits from payments made pursuant to this Agreement, except as a self-employed individual.
19. PERS. Consultant is not a member of the Oregon Public Employees Retirement System and is not employed for a total of 600 hours or more in the calendar year by any public employer participating in the Retirement System.
20. Assignment. Consultant shall not assign or subcontract any of its obligations under this Agreement without City's prior written consent, which may be granted or withheld in City's sole discretion. Any subcontract made by Consultant shall incorporate by reference all the terms of this Agreement. City's consent to any assignment or subcontract shall not release Consultant from liability under this Agreement or from any obligation to be performed under this Agreement, whether occurring before or after such consent, assignment, or subcontract, and City shall incur no obligation other than its obligations under this Agreement. The Consultant agrees that if subcontractors are employed in the performance of this Agreement, the Consultant and its subcontractors are subject to the requirements and sanctions of ORS Chapter 656, Workers' Compensation.
21. Public Contracting Requirements. Consultant shall comply with all federal, state, and local laws and ordinances applicable to the work under this Agreement, including, without limitation, applicable provisions of the Oregon Public Contracting Code including ORS 279B.020, 279B.220, 279B.230, and 279B.235, as more particularly set forth in Exhibit C.
22. Governing Law. This Agreement is to be governed by and under the laws of the State of Oregon.
23. Consent to Jurisdiction. The parties hereby consent to jurisdiction of the Deschutes County Circuit Court, Deschutes County, Oregon, over all legal matters pertaining to this Agreement, including, but not limited to, its enforcement, interpretation, or rescission.
24. Arbitration. If any disputes, disagreements, or controversies arise between the parties pertaining to the interpretation, validity, rescission, or enforcement of this Agreement, the parties shall, upon the request of City, submit such dispute to binding arbitration under the Oregon Uniform Arbitration Act, ORS 36.600 *et seq.* Arbitration shall be requested by delivering to the other party a written request for arbitration. Within five (5) days of receipt of such request, the parties shall

select a mutually agreeable arbitrator and designate mutually agreeable rules of arbitration. If the parties cannot agree upon an arbitrator within five (5) days, an arbitrator may be appointed by the presiding judge of the Deschutes County Circuit Court, upon the request of either party submitted in accordance with ORS 36.645. If the parties have not designated mutually agreeable rules of arbitration at such time as the arbitrator is appointed, the arbitrator shall adopt rules for the arbitration. The arbitrator's decision shall be binding upon the parties.

25. Continuation During Disputes. Notwithstanding any dispute under this Agreement, whether before or during arbitration, the Consultant shall continue to perform its work pending resolution of a dispute and City shall make payments as required by the Agreement for undisputed portions of work.
26. Attorney Fees. If suit, action, or arbitration is brought either directly or indirectly to rescind, reform, interpret or enforce the terms of this Agreement, the prevailing party shall recover and the losing party hereby agrees to pay reasonable attorney's fees incurred in such proceeding, in both the trial and appellate courts, as well as the costs and disbursements. Further, if it becomes necessary for City to incur the services of an attorney to enforce any provision of this Agreement without initiating litigation, Consultant agrees to pay City's attorney's fees so incurred. Such costs and fees shall bear interest at the maximum legal rate from the date incurred until the date paid by losing party.
27. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement shall continue in full force and effect and shall in no way be impaired or invalidated.
28. Facsimile Signatures. The delivery of signatures to this Agreement by facsimile or other electronic transmission shall be binding as original signatures.
29. Entire Agreement. This Agreement shall be the exclusive agreement between the parties for the Auditing Services. No modification of this Agreement shall be effective unless in writing and signed by an authorized representative of both parties, except as otherwise authorized herein.
30. Signatures. This Agreement is not effective unless and until it is approved, signed, and dated by an authorized representative of each party.

CITY:

CONSULTANT:

City of La Pine

[INSERT CONSULTANT NAME]

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

EXHIBIT A
REQUEST FOR PROPOSALS



L A P I N E

O R E G O N

**Request for Proposals (RFP)
for
Municipal Audit Services**

**Closing Deadline: April 15, 2024
Time Due: 4:00 p.m.**

Mailing Address:

City of La Pine

Attn: Ashley Ivans, Finance Director

PO Box 2460

La Pine, OR 97739

Hand Delivery:

City of La Pine

Attn: Ashley Ivans, Finance Director

16345 Sixth Street

La Pine, OR 97739

SCHEDULE

REQUEST FOR PROPOSAL ISSUED.....	March 15, 2024
LAST DATE FOR SOLICITATION CLARIFICATIONS.....	April 10, 2024
PROPOSALS DEADLINE.....	April 15, 2024
INTERVIEWS (TENTATIVE).....	April 22, 2024
NOTICE OF INTENT TO AWARD.....	April 24, 2024
LAST DATE TO PROTEST AWARD.....	May 1, 2024
CONTRACT SIGNED.....	May 8, 2024

SECTION 1

INTRODUCTION

The City of La Pine (City) is accepting proposals from qualified firms of certified public accountants to provide financial consulting and audit services to the City beginning with the fiscal year ending June 30, 2024, with the option of continuing consulting and auditing services for the four (4) subsequent fiscal years.

OVERVIEW OF LA PINE

The City of La Pine is Oregon's newest, and second fastest growing, city. Incorporated in late-2006, the City is located in Deschutes County, Oregon, south of Bend and Sunriver. La Pine is a rural community nestled along the Little Deschutes River, surrounded by the Deschutes National Forest, Newberry National Volcanic Monument, and countless Cascade Lakes. With a population of approximately 3,100 within City and over 12,000 residents nearby, La Pine has significant commercial and industrial activity. The City provides sewer, water, public works, finance, planning, economic development, and code enforcement services.

The City has a City Manager as head administrative officer, and a Finance Director to administer its accounting functions. The Finance Director carries out various duties including monthly bank reconciliations, completing the City's bi-monthly payroll, payroll tax reporting, fixed asset accounting, entering adjusting entries, handling the City's investments, and preparing monthly financial reports. The Finance Director also collaborates with the auditor through the audit process.

Two other administrative staff handle many day-to-day accounting functions, including receiving and recording payments, preparing and mailing utility bills, processing the City's accounts payable, and other duties.

The City's accounting software is Caselle. The City prepares its financial statements using a modified accrual basis of accounting. Under this basis of accounting, the City recognizes assets, liabilities, net position/fund equity, revenues and expenditures when they result from cash transactions with a provision for capital assets and depreciation, recognition of long-term debts, and utility deposits.

The most recent audited annual financial statement and budget documents are available upon request.

Selected financial indicators and workload measures.

Adopted budget for FY 2023-2024	\$38,209,269
Adopted budget for FY 2022-2023	\$58,060,469
# bank and cash management accounts	7
# checks processed in FY 2022-2023 from check register	601

# cash receipts processed in FY 2022-2023 from cash receipt register	11,068
# full-time equivalent employees in FY 2023-2024	11
# utility (water/sewer) customers	1340
# funds in FY 2023-2024	12

EXHIBIT A

SECTION 2

SCOPE OF SERVICES BEING REQUESTED

The primary services being requested are listed in one of two categories below. As applicable, the services being requested are for the City of La Pine.

Specific Services.

1. A thorough examination in accordance with generally accepted auditing standards of the financial information and supplemental schedules for all City funds. The City requires at least two Single Audits for the FY 2023-2024, and 2024-2025, and potentially more.
2. Year-end fund account combinations, government wide, and governmental fund and proprietary fund financial statements.
3. Drafting of the Annual Financial Reports in accordance with all applicable GASB and/or FASB pronouncements.
4. An examination, if applicable, in accordance with the laws of Oregon and the Single Audit Act Amendments of 1996 and OMB Circular A-133.
5. Assistance with and review of Management Discussion and Analysis (MD&A) and incorporating the MD&A in reports.
6. Consulting services throughout the term of the contract on financial related issues including, but not limited to budgeting, internal controls, best practices, pronouncement interpretations, and guidance on compliance issues.
7. A pre-audit meeting between the auditing firm, the City Manager and the Finance Director will be conducted prior to the audit each year. During this meeting, items to be discussed include: audit schedule, working paper standards and requirements, and deadlines. A list shall be presented by the auditor at this time indicating the information required from City staff.
8. An exit conference is required of the auditing firm on completion of all fieldwork as to inform the Finance Director and City Manager of pertinent findings. Formal report presentation by the auditing firm may be required before a regular session of the La Pine City Council, preferably before each annual report is submitted to the Secretary of State, Audit's Division.
9. A letter expressing an opinion on the financial statements. Written notice to the City in advance if the opinion is less than unqualified along with justification of the opinion.
10. The firm will issue two separate written letters of recommendation to City management after completion of the audit, covering the firm's review of the adequacy of internal accounting controls and other audit investigations. The firm shall assist management in advice and counsel in implementing those recommendations as required.

11. The auditing firm shall submit an electronic version of the reports to the State Division of Audits and to the City no later than December 31st of each year.

General Services.

1. All funds and accounts of the City are to be covered by the audit examination.
2. The City is often subject to the additional audit requirements imposed by the Single Audit Act Amendments of 1996 and OMB Circular A-133, Audits of State and Local Governments. The audit firm is expected to prepare and deliver its report on the single audit no later than November for the preceding fiscal year.
3. The audit examination shall be made in accordance with generally accepted governmental procedures as prescribed in the AICPA Industry Audit Guide – Audits of State and Local Governmental Units and in GAAFR.
4. Report any unusual conditions encountered during the course of the audit.
5. Examine other reports or perform other services as required.

INFORMATION TO BE PROVIDED BY CITY

City staff will complete and balance all accounts at year-end, and will furnish, at a minimum, the following information and work-papers in conjunction with the audit engagement:

1. Staff will prepare the final closing of the books. The City will provide the auditors with a trial balance by fund and all accounting detail necessary to perform the audit.
2. Staff will prepare all work papers requested by the Auditor prior to the start of interim and/or final fieldwork.
3. Staff will generate the necessary confirmation letters based on templates provided by the auditors.
4. Staff will be available during the audit to assist in providing information, documentation and explanations as needed as well as access to the financial system to view records and print reports.
5. The City will provide the auditor with reasonable workspace including access to the internet and a photocopier.
6. The City Administrator will provide the auditor with a signed Representation Letter at the conclusion of the audit.

GENERAL PROVISIONS

1. The intent of the City of La Pine is to negotiate a five (5) year contract with the second - fifth year contingent upon successful completion of the first year as determined by the City. The contract would cover fiscal years ending June 30, 2024, 2025, 2026, 2027, 2028 and 2029.
2. If the contract is satisfactorily carried through for five (5) years, the engagement may be renewed for another five (5) years at the option of the City.

3. Either party may cancel the written contract by giving notice, in writing, to the other party at least ninety (90) days prior to July 1 of each year.
4. Ownership of the financial statements and audit reports shall belong to the City of La Pine and it is expressly understood that publication of the audit report (in whole or in part) or reference to such audit report shall be at the sole discretion of the City of La Pine.
5. Services of the auditing firm that extend beyond the normal work anticipated are contingent upon Contractor's prior written notification to the City Finance Director, and written City approval. Fees for such additional services will be negotiated in advance.
6. Performance under any resulting audit contract may commence as soon after contract execution as is agreeable to both parties. Contract terms shall include that, for the fiscal year ending June 30, 2024, the field audit work shall be completed no later than October 31, 2024. A draft of the financial and audit reports for the 2023/24 fiscal year shall be submitted to the City no later than November 15, in order for City staff to review and use those reports in preparation of the final report MD&A. The final Annual Financial Statements and Audit Report for the fiscal year ending June 30, 2025, shall be completed by December 15, 2025. The financial audit services for the fiscal year ending June 30, 2026 will conclude with a final report presentation by the auditor at a regular session of the La Pine City Council on or before December 15, 2026. A similar timeline for each subsequent audited fiscal year will be established by the Finance Director and the auditing firm.

INFORMATION TO BE PROVIDED BY PROPOSERS

To be considered by the City, please provide the following information in the exact order listed:

1. Describe how your firm will approach the audit, including the manner in which you intend to use computer-assisted auditing procedures, statistical sampling techniques, specialized governmental audit programs, and technical review of the reports prior to issuance. Three or fewer example audit(s) may be provided and will not count against page limitations but are not required.
2. Describe the communication process used by the firm to discuss issues with the management and council.
3. Identify the local office partners, manager and key staff members who would be assigned to the audit. Describe their roles and provide a brief description of their professional experience.
4. Discuss commitments you will make to staff continuity, including your staff turnover experience in the last three years.
5. Explain how you would propose to use city personnel, if at all, to assist you during the audit, and indicate the approximate time requirement.

6. Describe your firm's personnel development program and your continuing professional educational requirements. Identify specialized programs in the area of municipal accounting and auditing.
7. Describe your firm's capability and experience in providing financial-related consulting services to local government units and identify your local office consultants who would provide such services.
8. Submit an example of constructive suggestions your firm has provided to other local government units for improving internal accounting controls and administrative procedures.
9. Identify your firm's current municipal auditing engagements and indicate the number of years your firm has provided services to them. Provide the names and contact information for other similarly sized clients of the partner and/or manager that will be assigned to our organization.
10. Estimate the hours associated with providing the required services including, but not limited to examination of the financial records, preparation of all the financial statements and supplemental information and creation of the City's and Agency's Annual Financial Statements and Audit Report. Estimate of the hours associated with a typical examination in accordance with the Single Audit Act. Also estimate the percentage of this work that will be performed on-site.
11. Describe the method you would use in charging for any technical assistance on accounting and/or reporting questions, other special requests, reports or broadening of the scope – i.e., how such a request would be handled, rates, etc.
12. Submit two samples of recent management reports that you have issued regarding an audit, preferably of an Oregon municipality, which has similar services and is of comparative size with the City of La Pine.
13. Provide details and outcome of any complaints against your firm or staff members or any disciplinary action imposed on your firm or staff members by the Oregon State Board of Accountancy or Oregon Secretary of State, Audits Division.
14. Comment on your firm's participation in peer review programs. Include a copy of the audit firm's latest peer review report and letter of comments.
15. Describe how and why your firm is different from other firms being considered, and why our selection of your firm as our external consultant and auditor is in the City's best interest. Include any other information that you believe will assist the City in making its selection.
16. Provide the following fees:
 - a) Estimate of the maximum fee for providing above-described services to the City of La Pine and maximum hours the fee would include.
 - b) Billing rates for all applicable classifications of professional personnel for financial related consulting or additional billable services.
 - c) State whether your fees include travel and out-of-pocket expenses, or whether such costs are billed separately.

- d) Projection of a maximum annual percentage of increase that can be expected in subsequent fiscal years. Include method used each year to adjust fees.

SUBMISSION REQUIREMENTS AND PROVISIONS

1. Three (3) copies of sealed proposals are required. One should be marked “Original.”
2. Proposals shall not exceed 10 pages (excluding the title page, letter of transmittal, and required attachments) and shall include:
 - a) A cover sheet indicating an interest in providing consulting and auditing services to the City of La Pine, and providing the following:
 - i) Full legal name of proposing business entity
 - ii) Structure or type of business entity
 - iii) Name(s) of the person(s) authorized to represent the Proposer in any negotiations
 - iv) Name(s) of the person(s) authorized to sign any contract that may result
 - v) Contact person’s name, mailing or street addresses, phone, and email address
 - vi) Statement that no redactions are requested, if applicable
 - vii) Oregon Board of Accountancy license number as municipal auditor
 - viii) Statement as to Proposer’s standing with the Oregon Board of Accountancy
 - ix) Signature of Proposer representative, authorized to bind Proposer
 - b) Firm Qualifications and Experience: Provide a brief overview of the firm’s experience performing municipal audits. Include the results of the audit firm’s most recent external quality review, any findings discovered as part of that review and actions taken to correct those findings. The audit firm must also disclose information on the circumstances and status of any disciplinary action taken or pending against the audit firm during the past three (3) years with state regulatory bodies or professional organizations, as well as any pending or settled litigation within the past three (3) years.
 - c) Outline Project Team:
 - i) Experience and Qualifications of Key Personnel: Identify all key personnel who will be assigned to work on this project including names, CPA license numbers, and Oregon Municipal Audit Roster numbers. Include a summary of their background and experience in auditing similar organizations as well as their roles and assigned responsibilities under the proposal.
 - ii) Identify one senior project manager who will be responsible for the day-to-day management of personnel and serve as the primary contact for City’s project manager.

- iii) Describe the role and responsibility of personnel that will be assigned to this project, including the percent of time that each individual will spend on the project in relation to their overall work hours.
 - iv) Describe your firm's policy and practices related to rotating audit staff.
- d) References: Provide contact information for three (3) of the firm's current municipal auditing clients in Oregon. Contact information should include the name of the public agency, name and title of contact person, telephone number, and email address.
 - e) A signed attestation form, which is enclosed with this solicitation document, providing written assurances of the proposer's ability to meet the City's required criteria for selection.
 - f) Differentiators. Describe what makes your firm different from other firms providing the same service and describe how that will translate to the level of services received.
- 3. Proposals must be **received** no later than **4:00 p.m. on April 15, 2024**. Proposals received after this deadline will not be considered.
 - 4. Proposals must be in a sealed envelope marked "Audit Services Proposal" and mailed to:

City of La Pine
Attn: Ashley Ivans, Finance Director
PO Box 2460
La Pine, OR 97739

or delivered to:

City of La Pine
Attn: Ashley Ivans, Finance Director
16345 Sixth Street
La Pine, OR 97739

- 5. If any person contemplating submitting a proposal for the contract has a question concerning any provision of the proposal documents, the question should be submitted to the City's Finance Director. The person submitting the request will be responsible for its prompt delivery. Oral interpretations or statements cannot modify the provisions of the proposal documents. Any interpretation of the proposal documents will be made only by a written addendum, duly issued and a copy of the addendum will be mailed or delivered to each person receiving a set of proposal documents from the City. Receipt of an addendum must be acknowledged by signing and returning a copy of the addendum with the proposal.

6. After the scheduled closing time for the receipt of proposals and before acceptance of a proposal, no proposer will be permitted to withdraw the proposal unless said acceptance is delayed for a period exceeding thirty (30) days. Any proposals received after the scheduled closing time shall be returned to the proposers. Withdrawal of a proposal shall not disqualify the proposer from submitting another proposal provided the time for receipt of proposals has not expired. Any request for withdrawal of a proposal shall be executed and signed by an authorized agent of the proposer.
7. Any exceptions to the specifications of this RFP must be clearly identified in writing in the proposal and referenced in the cover sheet.
8. Any proposer who believes any of the proposed specifications may limit competition among potential proposers must submit written comments or objections on the proposed specifications to the City of La Pine, Attn: Ashley Ivans, Finance Director, PO Box 2460, La Pine, Oregon 97739. The comments must specify why the proposed specification limits competition, and must be received no later than five (5) calendar days before closing.

EVALUATION CRITERIA

Evaluation consideration will include the following:

Evaluation Criteria	Scoring
Firm's municipal audit expertise and experience and qualifications of key personnel	30%
Audit approach and schedule	20%
References	20%
Fees for service	20%
Differentiators	10%

AWARD / REJECTION

Award of the contract in the form attached will be made to the proposer whose proposal is, in the opinion of the City Manager and Finance Director, in the best interest of the City, price and other factors considered. The City reserves the right to reject all proposals or to reject any proposal not in accordance with this solicitation. Submittal of a proposal indicates proposer's intent to be bound to the form contract attached. The City reserves the right to make changes and complete this contract in its sole discretion.

When an item that is proposed is not the same as the item specified in the RFP documents, the City shall determine whether or not the proposed item shall be considered as an approved equal. If the item is not determined to be an approved equal, that proposal item shall be rejected. This determination shall be made prior to contract award.

An evaluation committee will be responsible for initially reviewing the competing proposals, based upon the criteria set forth in this Request for Proposals. Selection may be made directly from the proposals submitted, or the City may conduct interviews with potential finalists. The

committee will select the proposer determined to meet the best interest of the City, and the committee's recommendation will be forwarded to City Council. The City Council shall make the final contract award determination.

Attachments:

Attachment A – Fee Proposal

Attachment B - Authorized Signatures and Attestation

Attachment C - Personal Service Agreement for Auditing Services

EXHIBIT A

**ATTACHMENT A
FEE PROPOSAL**

In accordance with the Request for Proposals for Professional Auditing Services, the firm referenced below submits the following hourly fee quotation and hours proposed for all positions to be assigned to the audit:

Fee for Fiscal Year End June 30, 2024:

<i>Key Personnel</i>	<i>Audit Hours</i>	<i>Hourly Rate</i>	<i>Total</i>
Engagement Partner			
Engagement Manager			
Engagement Senior			
Engagement Staff			
Clerical/Support Staff			
Other			

In accordance with the Request for Proposals for Professional Auditing Services the firm referenced below submits the following cost proposal for the term of the contract:

Fee proposal for Fiscal Years Ending June 30:

	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>
Financial Statement Audit					
Single Audit (if required)					
Cost of Supplies and Materials					
Additional Fees (if applicable*)					
Total					

*Technical assistance, as needed, is expected from the audit firm throughout the fiscal year that may include inquiries regarding accounting, reporting and internal control issues. If fees related to this technical assistance are not included in the firm’s financial statement audit fee, please include them here.

Attachment A: Fee Proposal (continued)

I hereby certify that the undersigned is authorized to represent the firm stated below, and empowered to submit this bid, and if selected, authorized to sign a contract for the services identified in the RFP.

Firm Name:	
Signature:	
Printed Name:	
Title:	
Date:	
Email Address:	

**ATTACHMENT B
AUTHORIZED SIGNATURES AND ATTESTATION**

I/we, the undersigned, an authorized representative of

_____, whose address is: _____

have read and thoroughly understand the specifications, instructions and all other conditions of the Request for Proposal issued by the City of La Pine for Municipal Audit Services for fiscal years ended June 30, 2024, 2025, 2026, 2027, and 2028.

Acting on behalf of my/our firm, which is listed above, I/we do attest that the services offered by my/our firm meet the City of La Pine specifications in every respect, (check one) _____ without exceptions or _____ with exceptions (provide detailed explanation on a separate sheet).

The proposal in its entirety shall be valid for 90 days from the proposal due date.

The proposal has been created independently and without collusion designed to limit independent bidding or competition.

I/we therefore offer and make this proposal to furnish to the City of La Pine the audit and consulting services detailed in my/our proposal at the prices indicated.

Firm Name: _____

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Signature: _____

Printed Name: _____

Title: _____

Date: _____

ATTACHMENT C

CITY OF LA PINE

PERSONAL SERVICE AGREEMENT FOR AUDITING SERVICES

BASED UPON the proposals submitted in response to the Request for Proposals for Municipal Audit Services (RFP) issued by City of La Pine (City), City and _____ (Consultant) hereby enter into an agreement for the provision of personal services in accordance with the RFP and Consultant's Proposal.

All terms of the following exhibits are hereby incorporated by reference into this Agreement, and Consultant agrees to comply with each:

- (1) Exhibit A – Request for Proposals
- (2) Exhibit B – Consultant's Proposal
- (3) Exhibit C – ORS 279B requirements for Personal Service Contracts
- (4) Exhibit D – Scope of Work

In the event of any conflict, the terms of this Agreement shall control, followed by Exhibits A, C, D, then B, in that order.

1. Term. The term of this Agreement shall extend from May 1, 2024, to December 31, 2029, unless extended for up to one additional five-year term by City.
2. Scope of Work. Consultant agrees to perform during the term of this Agreement, the following services:
 - 2.1 Generally, Consultant shall provide all materials and services associated with providing auditing services to City (City Services) as set forth in City's RFP for Auditing Services dated _____, 2024, and Consultant's proposal dated _____, 2024, incorporated herein as Exhibits A and B, respectively.
 - 2.2 Specifically, Consultant shall perform the services set forth in the Scope of Work incorporated herein as Exhibit D.
 - 2.3 Consultant shall not perform and City shall not pay for Consultant's services which are outside the work described in this Section 2, unless City provides prior written consent for such work. Consultant's services which are outside of the Scope of Work and approved by City shall be charged as provided in Exhibit B.
 - 2.4 Consultant agrees that it will complete work under this Agreement in accordance with the schedule established in Section 2.7 of Exhibit A. If Consultant does not complete and provide the reports required in Exhibit D by December 15 of the year following the fiscal year being audited, City will charge a penalty of \$100 for each day that the reports are late, unless the delays are attributable to City or the parties mutually agree to a later submission date. If December 15 falls on a Saturday or Sunday, the following Monday shall become the due date for reports.
 - 2.5 Ownership of the audit report belongs to City and it is expressly understood that publication of the audit, in whole or in part, or reference to the audit, will be at the sole discretion of City.

3. Compensation.

3.1 Compensation. For the services described and performed by Consultant, City agrees to pay, and the Consultant agrees to accept, compensation up to the maximum not to exceed amount of:

Fiscal Year Ending 6/30/2024 (including Single Audit)	\$ _____
Fiscal Year Ending 6/30/2025	\$ _____
Fiscal Year Ending 6/30/2026	\$ _____
Fiscal Year Ending 6/30/2027	\$ _____
Fiscal Year Ending 6/30/2028	\$ _____

3.2 Invoices. Invoices for Consultant's services shall be based upon Consultant's fees and hourly rates as set forth in Exhibit B, up to the maximum amounts, above. These amounts shall be billed to City in summary form, detailing the previous month's fees and costs and the percentage of the project completed to date, on or about the 1st day of each month for all services performed through the last day of the prior month. Backup invoices, supporting documentation, and records evidencing the progress made on the project to date shall be provided by Consultant at City's request.

3.3 Payments.

(A) City will review Consultant's invoice and within ten (10) days of receipt notify Consultant in writing if there is a disagreement or dispute with the invoice. If there are no such disputes, City shall pay the invoice amount in full within thirty (30) days of invoice date.

(B) If City fails to make any payment due Consultant for services and expenses within thirty (30) days of the date on Consultant's invoice therefore, late fees will be added to amounts due Consultant at the rate of 1.0 percent (1%) per month from original invoice date. In addition, Consultant may, after giving seven (7) days' written notice to City, suspend services under this Agreement until Consultant has been paid in full all amounts due for services, expenses, and charges, except any invoices in dispute. Invoices in dispute are not subject to such late fees until such time as they are no longer in dispute.

(C) City shall reimburse Consultant for pre-approved expenses reasonably incurred by Consultant in furtherance of its duties under this Agreement. Such expenses may include mileage, meals, or hotel accommodations. City shall not reimburse for any expense unless Consultant first obtains City's prior written authorization before incurring such expense. Consultant will provide appropriate documentation and receipts of such expenditures when submitting them for reimbursement.

4. Covenants. Consultant agrees to faithfully and diligently perform the duties required by this Agreement and will not engage in any activity that is or may be contrary to the welfare, interest, or benefit of City.

5. City Responsibilities. In addition to City's payment obligations, as set forth in Section 3.3 above, City shall report the total amount of all payments to Consultant, including any expenses, in accordance with federal Internal Revenue Services and State of Oregon Department of Revenue Regulations.

6. Termination.

6.1 Termination for Convenience. This Agreement may be terminated by either party upon thirty (30) days' written notice to the other or at any time upon mutual written consent to parties. If terminated for default, the notice of termination shall set forth the manner in which the other is in default. The consultant shall be paid the agreement price only for services performed in accordance with the manner of performance as set forth in this Agreement.

Upon termination under this Section, unless terminated for breach, Consultant shall be entitled to payment in accordance with the terms of this Agreement for work completed and accepted before termination less previous amounts paid and any claim(s) City has against Consultant. Pursuant to this Section, Consultant shall submit an itemized invoice for all unreimbursed work completed before termination and all Agreement closeout costs actually incurred by Consultant. City shall not be liable for any costs invoiced later than thirty (30) days after termination unless Consultant can show good cause beyond its control for the delay.

7. Disengagement Agreement. Upon receiving a notice of termination, and except as otherwise directed in writing by City, Consultant will continue to perform Auditing Services to the date agreed upon as the termination date.

8. Standard of Care. The standard of care applicable to Consultant's service will be the degree of skill and diligence normally employed by professionals performing the same or similar services at the time such services are performed. Consultant will re-perform any services not meeting this standard without additional compensation and shall perform such additional work as may be necessary to correct errors in the Auditing Services required under this Agreement without undue delay and without additional costs.

9. Remedies. In the event of breach of this Agreement, the parties shall have the following remedies:

9.1 If terminated by City due to a breach by Consultant, City may complete the work either itself, by agreement with another consultant, or by a combination thereof. If the cost of completing the work exceeds the compensation to Consultant as provided under this Agreement, then Consultant shall pay to City the amount of the reasonable excess.

9.2 In addition to the above remedies for a breach by Consultant, City also shall be entitled to any other equitable and legal remedies that are available.

9.3 If City breaches this Agreement, Consultant's remedy shall be limited to termination of the Agreement and receipt of Agreement payments to which Consultant is entitled.

9.4 City shall not be liable for any indirect, incidental, consequential, or special damages under the Agreement or any damages arising solely from terminating the Agreement in accordance with its terms.

10. Confidentiality. Consultant shall maintain the confidentiality, both external and internal, of any confidential information to which it is exposed by reason of this Agreement. Consultant warrants that its employees assigned to this Agreement shall maintain necessary confidentiality. Consultant shall require similar agreements from any Consultant subcontractors to maintain the confidentiality of City information.

11. Notice. Any required or permitted notices hereunder must be given in writing at the address of each party set forth below, or to such other address as either party may substitute by written notice to the other in the manner contemplated herein, by one of the following methods: hand delivery; registered, express, or certified mail, return receipt requested, postage prepaid; or nationally-recognized private express courier:

City: City of La Pine
Attn: Ashley Ivans, Finance Director
PO Box 2460
La Pine, OR 97739

Contractor: _____

12. Insurance. Consultant shall maintain the following limits of insurance with a carrier(s) rated A- or better by A.M. Best:

12.1 General Commercial liability insurance -- \$2,000,000 aggregate

12.2 Professional liability insurance -- \$3,000,000 aggregate

12.3 Workers' Compensation insurance -- Statutory workers' compensation and employer's liability insurance for the State of Oregon

12.4 Automobile Liability Insurance -- \$1,000,000 each accident

Consultant shall: (a) provide City with a copy of a current Certificate of Insurance with the coverages listed above; (b) include City as an additional insured for General Commercial Liability (subject to the terms and conditions of the applicable Consultant insurance policy). The Certificate of Insurance shall include an "Additional Insured" endorsement in favor of the City of La Pine. This endorsement must be in compliance with state laws and regulations; and (c) provide City with 30-day notice prior to cancellation. (d) The Contractor, its subcontractors, if any, and all employers providing work, labor or materials under this Contract who are subject employers under the Oregon Workers' Compensation Law shall comply with ORS 656.017, which requires them to provide workers' compensation coverage that satisfies Oregon law for all their subject workers. Out-of-state employers must provide workers' compensation coverage for their workers that comply with ORS 656.126. Employers' Liability Insurance with coverage limits of not less than \$500,000 each accident shall be included.

13. Access to Records. The Consultant shall maintain, and the City and its duly authorized representatives shall have access to the books, documents, papers, and records of the Consultant which are directly pertinent to this specific contract for the purpose of making audit, examination, excerpts, and transcripts for a period of seven (7) years following audit completion, unless City sets a longer period by written notice. Copies of applicable records shall be made available upon request. Payment for cost of copies is reimbursable by City.

14. Indemnity. To the extent permitted by law, Consultant shall protect, defend, indemnify and hold City harmless from and against all claims, demands, damages, costs, actions and causes of actions, liabilities, fines, penalties, judgments, expenses and attorney fees, resulting from the injury or death of any person or the damage to or destruction of property, or the infringement of any patent, copyright, trademark or trade secret, arising out of the work performed or goods

provided under this Agreement or Consultant's violation of any law, ordinance or regulation, contract provision or term, or condition of regulatory authorization or permit, except for damages resulting from the sole negligence of City.

15. Force Majeure. Consultant shall not be deemed in default hereof nor liable for damages arising from its failure to perform its duties or obligations hereunder if such failure is due to causes beyond its reasonable control, including, but not limited to, acts of God, acts of civil or military authorities, fires, floods, windstorms, earthquakes, strikes or other labor disturbances, civil commotion or war.
16. Independent Contractor. Consultant is an independent contractor for all purposes and is not entitled to any compensation other than the compensation provided for under this Agreement. While City reserves the right to set various schedules and evaluate the quality of Consultant's completed work, City cannot and will not control the means and manner of Consultant's performance. Consultant is responsible for determining the appropriate means and manner of performing the work provided for under this Agreement. Consultant is responsible for all federal and state taxes applicable to compensation and payment paid to Consultant under this Agreement and will not have any amounts withheld by City to cover Consultant's tax obligations. Consultant is not eligible for any City fringe benefit plans. It is recognized that Consultant may or will be performing work during the term for other parties and that City is not the exclusive user of the services that Consultant provides.
17. Federal Funds. If payment under this Agreement is to be charged against federal funds, Consultant is not currently employed by the federal government and the amount charged does not exceed Consultant's normal charge for the type of service provided.
18. No Benefits. Consultant will not be eligible for any federal Social Security, state Worker's Compensation, unemployment insurance or Public Employees Retirement System benefits from payments made pursuant to this Agreement, except as a self-employed individual.
19. PERS. Consultant is not a member of the Oregon Public Employees Retirement System and is not employed for a total of 600 hours or more in the calendar year by any public employer participating in the Retirement System.
20. Assignment. Consultant shall not assign or subcontract any of its obligations under this Agreement without City's prior written consent, which may be granted or withheld in City's sole discretion. Any subcontract made by Consultant shall incorporate by reference all the terms of this Agreement. City's consent to any assignment or subcontract shall not release Consultant from liability under this Agreement or from any obligation to be performed under this Agreement, whether occurring before or after such consent, assignment, or subcontract, and City shall incur no obligation other than its obligations under this Agreement. The Consultant agrees that if subcontractors are employed in the performance of this Agreement, the Consultant and its subcontractors are subject to the requirements and sanctions of ORS Chapter 656, Workers' Compensation.
21. Public Contracting Requirements. Consultant shall comply with all federal, state, and local laws and ordinances applicable to the work under this Agreement, including, without limitation, applicable provisions of the Oregon Public Contracting Code including ORS 279B.020, 279B.220, 279B.230, and 279B.235, as more particularly set forth in Exhibit C.
22. Governing Law. This Agreement is to be governed by and under the laws of the State of Oregon.

23. Consent to Jurisdiction. The parties hereby consent to jurisdiction of the Deschutes County Circuit Court, Deschutes County, Oregon, over all legal matters pertaining to this Agreement, including, but not limited to, its enforcement, interpretation, or rescission.
24. Arbitration. If any disputes, disagreements, or controversies arise between the parties pertaining to the interpretation, validity, rescission, or enforcement of this Agreement, the parties shall, upon the request of City, submit such dispute to binding arbitration under the Oregon Uniform Arbitration Act, ORS 36.600 *et seq.* Arbitration shall be requested by delivering to the other party a written request for arbitration. Within five (5) days of receipt of such request, the parties shall select a mutually agreeable arbitrator and designate mutually agreeable rules of arbitration. If the parties cannot agree upon an arbitrator within five (5) days, an arbitrator may be appointed by the presiding judge of the Deschutes County Circuit Court, upon the request of either party submitted in accordance with ORS 36.645. If the parties have not designated mutually agreeable rules of arbitration at such time as the arbitrator is appointed, the arbitrator shall adopt rules for the arbitration. The arbitrator's decision shall be binding upon the parties.
25. Continuation During Disputes. Notwithstanding any dispute under this Agreement, whether before or during arbitration, the Consultant shall continue to perform its work pending resolution of a dispute and City shall make payments as required by the Agreement for undisputed portions of work.
26. Attorney Fees. If suit, action, or arbitration is brought either directly or indirectly to rescind, reform, interpret or enforce the terms of this Agreement, the prevailing party shall recover and the losing party hereby agrees to pay reasonable attorney's fees incurred in such proceeding, in both the trial and appellate courts, as well as the costs and disbursements. Further, if it becomes necessary for City to incur the services of an attorney to enforce any provision of this Agreement without initiating litigation, Consultant agrees to pay City's attorney's fees so incurred. Such costs and fees shall bear interest at the maximum legal rate from the date incurred until the date paid by losing party.
27. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement shall continue in full force and effect and shall in no way be impaired or invalidated.
28. Facsimile Signatures. The delivery of signatures to this Agreement by facsimile or other electronic transmission shall be binding as original signatures.
29. Entire Agreement. This Agreement shall be the exclusive agreement between the parties for the Auditing Services. No modification of this Agreement shall be effective unless in writing and signed by an authorized representative of both parties, except as otherwise authorized herein.
30. Signatures. This Agreement is not effective unless and until it is approved, signed, and dated by an authorized representative of each party.

CITY:

CONSULTANT:

City of La Pine

[INSERT CONSULTANT NAME]

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

EXHIBIT A

EXHIBIT A
REQUEST FOR PROPOSALS

EXHIBIT A

EXHIBIT B
CONSULTANT'S PROPOSAL

EXHIBIT A

EXHIBIT C

ORS CHAPTER 279B PUBLIC CONTRACTING REQUIREMENTS PERSONAL SERVICES

- (1) Contractor shall pay promptly, as due, all persons supplying labor or materials for the prosecution of the work provided for in the contract, and shall be responsible for such payment of all persons supplying such labor or material to any Subcontractor. ORS 279B.220(1).
- (2) Contractor shall promptly pay all contributions or amounts due the Industrial Accident Fund from such Contractor or Subcontractor incurred in the performance of the contract. ORS 279B.220(2).
- (3) Contractor shall not permit any lien or claim to be filed or prosecuted against City on account of any labor or material furnished and agrees to assume responsibility for satisfaction of any such lien so filed or prosecuted. ORS 279B.220(3).
- (4) Contractor and any Subcontractor shall pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.617. ORS 279B.220(4).
- (5) Contractor agrees that if Contractor fails, neglects or refuses to make prompt payment of any claim for labor or materials furnished to the Contractor or a Subcontractor by any person in connection with the contract as such claim becomes due, City may pay such claim to the persons furnishing the labor or material and charge the amount of payment against funds due or to become due Contractor by reason of the contract. The payment of a claim in the manner authorized hereby shall not relieve the Contractor or his surety from his or its obligation with respect to any unpaid claim. If City is unable to determine the validity of any claim for labor or material furnished, City may withhold from any current payment due Contractor an amount equal to said claim until its validity is determined and the claim, if valid, is paid.
- (6) Contractor shall promptly, as due, make payment to any person, copartnership, association, or corporation, furnishing medical, surgical and hospital care or other needed care and attention, incident to sickness or injury, to employees of such Contractor, of all sums which the Contractor agrees to pay for such services and all monies and sums which the Contractor collected or deducted from the wages of employees pursuant to any law, contract or agreement for the purpose of providing or paying for such service. ORS 279B.230(1).
- (7) All subject employers working under the contractor are either employers that will comply with ORS 656.017, or employers that are exempt under ORS 656.126. ORS 279B.230(2).
- (8) Contractor shall pay employees for overtime work performed under the contract in accordance with ORS 653.010 to 653.261 and the Fair Labor Standards Act of 1938 (29 USC 201, *et seq*). ORS 279B.235(3).
- (9) The Contractor must give notice to employees who work on this contract in writing, either at the time of hire or before commencement of work on the contract, or by posting a notice in a location

frequented by employees, of the number of hours per day and the days per week that the employees may be required to work. ORS 279B.235(2).

- (10) All sums due the State Unemployment Compensation Fund from the Contractor or any Subcontractor in connection with the performance of the contract shall be promptly so paid. ORS 701.430.
- (11) Consultant shall, to the maximum extent economically feasible in the performance of this Agreement, use recycled paper or other products as defined in ORS 279A.010.
- (12) Consultant certifies its compliance with all applicable state and local tax laws, including but not limited to ORS 305.385, ORS 305.620, ORS chapters 316, 317 and 318. Consultant certifies it will continue to comply with all such tax laws during the term of this contract. Consultant's failure to comply with such state and local tax laws prior to executing this contract or during the term of this contract constitutes a default for which City may terminate this contract and seek damages and other relief available under the terms of this contract or applicable law. ORS 279B.045.
- (13) Contractor certifies that it has not discriminated and will not discriminate against minorities, women, emerging small business enterprises or a business enterprise that is controlled by or that employs a veteran as defined in ORS 408.225 in obtaining any required subcontractors. ORS 279A.110.
- (14) As used in this section, "nonresident contractor" means a contractor that has not paid unemployment taxes or income taxes in the state of Oregon during the 12 calendar months immediately preceding submission of the bid for the contract, does not have a business address in this state, and stated in the bid for the contract that it was not a "resident bidder" under ORS 279A.120. When a public contract is awarded to a nonresident contractor and the contract price exceeds \$10,000, the contractor shall promptly report to the Department of Revenue on forms to be provided by the department the total contract price, terms of payment, length of contract and such other information as the department may require before the bidder may receive final payment on the public contract. ORS 279A.120.

EXHIBIT D
SCOPE OF WORK
[TO BE FILLED IN]

EXHIBIT A

EXHIBIT B
CONSULTANT'S PROPOSAL



PROPOSAL FOR

Audit Services - Original

April 10, 2024

Prepared for

Ashley Ivans

Finance Director, City of La Pine

Prepared by

Brenda Bartlett, CPA

Municipal Auditor License #1512

Audit Partner, Sensiba LLP

bbartlett@sensiba.com | 541-388-7888

499 Southwest Upper Terrace Drive, Suite A
Bend, OR 97702

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City of La Pine
Ashley Ivans
P.O. Box 2460
La Pine, OR 97739

Dear Ms. Ivans,

Thank you for the opportunity to present our proposal to provide professional auditing services to the City of La Pine and the Urban Renewal Agency ("City") in response to the City's request for proposal. This proposal provides information on our experience, qualifications, and ability to address your financial and federal program audit needs. We request no redactions.

Sensiba LLP ("Sensiba") is independent of the City under both Generally Accepted Auditing Standards ("GAAS") and Generally Accepted Governmental Auditing Standards ("GAGAS"), also known as Yellow Book, independence standards.

Our audit work will be performed in accordance with GAAS, Oregon Minimum Standards for Audits of Oregon Municipal Corporations, the Uniform Guidance and GAGAS, including required reporting under these standards.

Our firm is properly licensed and in good standing with the Oregon Board of Accountancy to conduct municipal audits. We are confident you will find our firm has the expertise to provide you with excellent auditing and advisory services.

Brenda Bartlett, Oregon Municipal Auditor and Municipal Audit Partner, is authorized to represent, negotiate and bind the firm in relation to this proposal. She is authorized to sign the resulting contract should Sensiba be the successful bidder. Brenda's contact information is on the title page of this document.

Thank you for considering Sensiba for your auditing service needs. Should you have any questions or comments, please contact us.

Sincerely,

Brenda Bartlett

Brenda Bartlett CPA, Partner

Proposer Information

1. Audit Approach

Transitioning to Sensiba – upon contract signing

It's our first step in welcoming you as a new client, and it's an important one. Our goal is to have minimum disruption to your staff and make the transition as smooth as possible. Our focus will be on building a relationship with a transition tailored to your needs. Our team will begin with an in-depth review of your financial statements and operating environment, as well as meetings with your team to create a communication plan with clear expectations and timing for both of us.

Transition activities include:

- ◆ Planning sessions to discuss risks, expectations, the audit process, and timelines.
- ◆ Examination of your prior auditor's working papers to determine any additional procedures our team will perform on opening balances.
- ◆ Devising an efficient and effective audit plan.

Interim Work – June 2024

We will schedule the timing for interim work at a time that is convenient for the City's finance team. 2-3 weeks prior to the scheduled work, we will provide an interim document request list to guide the finance team in preparation for the work. We hold a kickoff meeting with the City's finance team and our core audit team on the first day of interim work to discuss current year operating results and potential changes in the City's resources or requirements compared to the prior year which may impact our audit plan.

Our interim work focuses on internal control walkthroughs, Oregon Minimum Standard compliance work, and general audit inquiries designed to assist us in our audit planning. We will also gain an understanding of the City's federal funding sources to begin planning the single audit.

At the conclusion of interim work, we will send the required communication to the governing body with details about the planning and timing of our audit and will provide the fall fieldwork request list to management.

Fieldwork and the Single Audit – Week of September 30

Fieldwork will be scheduled for one full week. We generally plan our audits to be conducted remotely, however, we have flexibility to travel and can arrange with management for one or more of our team members to be on site if that is more convenient. On the first day of fieldwork we focus on putting together sample requests to give the finance team time to gather the documents.

Our governmental audit programs are customized to each client based on our assessment of the significant risk areas, using our knowledge of the City's operating environment.

In sampling for the financial statement audit, we avoid statistical sampling in favor of risk-based sampling. For example, our accounts payable cut off testing is more efficient when we focus on high-risk disbursements rather than statistical methods.

In the Single Audit, we use statistical sampling methods in our testing of compliance and controls over compliance. In this way, each transaction has an equal chance of being selected regardless of risk or dollar amount. We spend significant time in this area defining the population to be tested so that we are able to select a truly representative sample.

Computer assisted technologies are used on large populations when we determine it's a more efficient using the technologies to obtain audit evidence.

Exit Conference - October 4

On the last day of fieldwork, we will hold an exit conference with management to review the audit fieldwork, potential management comments and internal control findings, and any open issues or items to be cleared prior to report issuance. At this time, we will also review any proposed audit adjustments and discuss with management whether they wish to record the adjustments or pass on those considered immaterial.

Quality Technical Review – October 31

Once the Audit Partner has reviewed the work and is satisfied that we have obtained sufficient audit evidence to our support our opinion, the file is turned over to the Concurring Partner for a second technical review specific to high-risk audit areas, including the Single Audit.

Financial Statement Preparation – To management review, November 4

Once management has approved audit adjustments if applicable, Sensiba will provide assistance with drafting the basic financial statements and footnotes. Because the City needs a Single Audit, this work will be assigned to an associate experienced in governmental accounting and reporting who is not part of the City's assigned audit team. The associate will work directly with City management on this project and it will be reviewed by an audit partner outside of the audit team to provide further independence safeguards as required by GAGAS/Yellow Book standards.

Completion and Reporting Phase - Week of November 11

Once the draft statements are completed and approved by management, we will request a signed management representation letter ("MRL") and prepare the required audit reports, including those required for the Single Audit. We will also prepare our final written communications to the City Council, including discussion of all required matters in accordance with professional standards.

At conclusion of the audit, we will submit the financial statements and Summary of Revenue and Expenditures to the Secretary of State. Finally, within Uniform Guidance established due dates, we will work with management to ensure the single audit reporting package is submitted to the Federal Audit Clearinghouse.

2. Communication with management and the council.

Immediately upon identifying a potential finding or internal control deficiency, we discuss the situation as a team to make sure we thoroughly understand the context and brainstorm solutions to share with management. During our exit conference, we will discuss our observation, and assist management in coming up with solutions to avoid any future findings or adjustments.

Findings and internal control deficiencies are discussed with council at the conclusion of the audit during our final presentation of the audit, which also gives City staff the opportunity to present mitigation strategies already in place to address any findings.

3. Identify the local key staff members assigned to the audit.

We do not rotate audit staff once assigned to a client as we believe a consistent team is critical to a successful audit.

Key team members assigned to the City's audit team will include:

- Brenda Bartlett, CPA, municipal audit partner. Oregon CPA license #9442, municipal license #1512. Brenda has over 25 years' experience consulting and auditing local governments and is a licensed Oregon municipal auditor. She has served as a contract finance manager for several local governments, including cities. Brenda will assume overall responsibility for the audit, including reviewing and executing the team's plan in accordance with Government Auditing Standards, reviewing the financial statements, and providing technical assistance to the team as needed. During the time scheduled for audit fieldwork, Brenda is expected to spend about 12% of her overall work week dedicated to the City's audit.
- Justin Scripps, CPA, audit partner. California CPA license #124605. Justin will serve as the concurring partner on the engagement, ensuring our internal system of internal quality control. He will conduct a second partner review of the audit plan, significant risk areas of fieldwork and financial statements and audit reports issued. Justin is highly experienced in review of Oregon governmental single audit engagements.
- Kristen Barrett, CPA, audit manager. Oregon CPA license #16376. Kristen has been with our firm for over eight years auditing and consulting with local governments. As audit manager, Kristen will work with the City and is authorized to make recommendations and decisions. She is responsible for helping to make sure audit deliverables are provided to the City in a timely manner. She will oversee planning and reporting on the single audit, which carries with it higher risks and requires a higher level of experience. During the time scheduled for audit fieldwork, Kristen is expected to spend about 15% of her overall work week dedicated to the City's audit.

- Katrina Kaypiaghan, CPA, senior in-charge. California CPA license #134671. Katrina will serve as the senior project manager and will be the primary point of contact for the City's project manager. Katrina has more than eight years' experience as an auditor having worked for a big four accounting firm prior to joining Sensiba. Katrina works exclusively with the Oregon municipal audit team, serving as the in-charge auditor on many of our clients. Katrina will be responsible for day-to-day supervision of the audit team and will work closely with Kristen on the complex areas of the audit, including the single audit. During the weeks scheduled for audit fieldwork, Katrina is expected to spend about 50% of her overall work week dedicated to the City's audit.
- John Toal, CPA candidate, experienced associate. John has been a member of our Oregon governmental audit team for three years with extensive experience auditing local governments. During the weeks scheduled for audit fieldwork, John is expected to spend about 50% of his overall work week dedicated to the City's audit.
- Evie Figueroa, experienced associate. Evie resides in La Pine and works with our local office in both auditing and consulting for the past four years. Because the City requires a single audit, the audit team is not able to draft financial statements without adding sufficient "safeguards" as required by Yellow Book/GAGAS rules. To assure the required safeguards, Evie will not be part of the audit team, and will work with the City directly in drafting the financial statements. The work to draft the URA and City financial statements is expected to take about 85% of Evie's time over the span of a week.

4. Discuss commitments you will make to staff continuity.

Sensiba cultivates a culture of kindness. Our leaders work hard to ensure team members have engaging work balanced with plenty of time to spend with family and serve their communities. Our emphasis on family, community, firm, *in that order*, has resulted in extremely low staff turnover. Our team has added members over the past year due to the growth in our municipal audit practice. In the past three years, our team has had only one member leave our firm.

Because our turnover rate remains low, our team is able to maintain an ongoing relationship with our clients' finance teams so that they know who and what to expect from us each year. The partner and manager work closely in the field with the senior in-charge associate and we assign the same core audit team each year to each of our audits, assuring a smooth and efficient process.

5. Explain how you would propose to use City personnel during the audit.

Management personnel will prepare the requested documents communicated in our request list. During fieldwork, personnel will provide documentation (invoices, checks, etc.) related to sample requests related to testing of various account balances and the single audit.

During the planning phase of the audit, we meet with management, grant managers and various other City personnel for inquiry and assistance with internal control walkthroughs and single audit procedures. The meetings are generally limited to 30 minutes each. Walkthroughs of internal controls are dependent on the City's internal policies, but tend to range between two and four hours each year.

Many of our requests are related to support for year-end balance sheet amounts and are likely to already exist within the City's internal monthly closing process. We are flexible as to format and will strive to use documents that have been prepared for internal use rather than requiring special format documentation. The time commitment for this work is dependent on how much of the request list has already been generated within the City's internal processes.

6. Firm's development program and continuing professional education.

Sensiba subscribes to a variety of continuing professional education ("CPE") program offerings through Becker and the American Institute of Certified Public Accountants ("AICPA"). The subscriptions include governmental auditing and accounting, Yellow Book, and Uniform Guidance updates and training programs and may be accessed on demand by our professional staff. Each of our team members assigned to the City's audit receives the required number of hours CPE as specified by Governmental Auditing Standards, which all include a required 24-hours direct governmental CPE every biennium.

The Audit Partner attends the 2-day Oregon Governmental Audit conference and the 3-day AICPA Governmental Audit Conference annually to stay up to date on upcoming GASB implementation standards and recent events and issues related to Oregon municipal audit law.

Additionally, Sensiba uses the information gleaned in the Oregon municipal conferences to develop internal trainings for the Oregon municipal auditors related to performance of the audit procedures required under the Oregon Minimum Standards. These are required trainings for all seniors and associates who are assigned to one of our core governmental audit teams.

7. Describe your firm's experience in providing consulting services.

Sensiba has extensive capability and experience in providing a variety of management consulting services to our local government clients. Often, consulting services can be assigned to different teams and departments in our firm to ensure that our client's are getting the best of our firm's expertise and also to preserve the audit independence of the core audit team.

For example, one of our clients employs an exchange teacher who requires an annual federal income tax return to be filed. Our tax team has done a great job in working with the client's finance team and the teacher to ensure the return is filed timely and accurate.

As a certified B corporation, we've invested heavily in ensuring we meet high standards of performance, accountability and transparency. We have a separate sustainability consulting practice, which is available to our clients to address emerging sustainability and Environmental, Social and Governance ("ESG") considerations.

Our governmental auditing and accounting team has consulted on numerous occasions for engagements related to strengthening internal controls, especially those related to federal grant compliance oversight.

8. Submit an example of constructive suggestions your firm has provided.

We recently worked with a school district who maintained more than 15 legally budgeted funds. While cities such as La Pine often need a significant number of funds, most special districts do not, and the number of funds made it cumbersome and time consuming for their finance team to manage budget monitoring and created requirements for supplemental budgets mid-year because they had little flexibility with so many legal appropriations to consider. We recommended they revise their budgeting policies to maintain just four legal funds and employ the use of sub-funds to track the activity they needed to monitor. This change to internal policy simplified the annual budget process, vastly reduced supplemental budgets, and simplified governing body monitoring of spending.

During the course of an audit of a client who reported on the cash basis, we discovered they weren't collecting all amounts due to because people who didn't pay the monthly charge weren't being tracked. Management and the Council weren't aware they were not receiving all service charges that they should have been, and the loss of funds was in the thousands of dollars. We provided a recommendation of two cost-beneficial ways that they could track those to aid in collection efforts. They ultimately implemented an online billing and payment system that was not expensive and allowed them to track by customer name when amounts were not paid each month.

9. Identify your firm's current municipal auditing engagements.

The following is a list of municipal auditing engagements we currently perform from our Bend, Oregon local office. As requested in the RFP, we have provided contact information for three of our audit clients that are of a similar size to the City and/or require single audit services. We are happy to provide additional contact information in the event one or more of the clients listed below is not able to be reached in a timely manner due to vacations, etc.

Audit Client	Number of Years	Contact Information
Jefferson County Education Service City	25+	
Bend-La Pine Schools	8	
Redmond School District	8	
Desert Sky Montessori School	6	
Deschutes Public Library	6	Robert Guzzo, Finance Manager 541-312-1036 robertg@dpls.lib.or.us
Crescent Sanitary District	5	

Audit Client	Number of Years	Contact Information
La Pine Parks and Recreation District	5	Karen Miller, Executive Director 541-536-2223 karen.miller@lapineparks.org
Madras Aquatic Center	4	
Oregon Family School	4	
Bend International School	3	
High Desert Education Service District	3	
Culver School District (Single Audit Services)	3	Megan VerVaecke, Business Manager, 541-546-7504 mvervaecke@culver.k12.or.us
North Wasco School District	1	
Crook County Parks and Recreation	1	
Wamic Rural Fire Protection District	1	

In addition to our current audit clients, we have provided the following reference who has worked with us on City consulting services:

Summer Sears, CPA
summer@searscpa.com
541.350.2056

10. Estimate the hours associated with providing the required services.

The following table includes estimated number of hours to complete the audit and financial statement draft by service level:

Service Description	Audit Hours
Financial statement audit - City	128
Financial statement audit - URA	18
Single audit – per major program	24
Financial statement preparation assistance - City	28
Financial statement preparation assistance - URA	6
Total	204

We perform much of our audit work remotely, which has been a preference for many of our clients. We prefer to be on site for at least one day, particularly in the first year, to document and walk through internal controls and perform our audit inquiries with management. Because our office is local to Central Oregon, we can be flexible in working with management on whether they have a preference for remote or on-site work.

11. Charging for technical assistance.

General questions relating to accounting and reporting are included in our audit fee and we encourage our clients to ask for assistance with issues related to internal controls, accounting standards, and reporting. Assistance of this type often results in a smoother, more efficient audit when we can address it before the audit begins.

Special requests, reports, and broadening of scope will be billed at our standard hourly rates times hours incurred. Prior to incurring such costs, we would discuss with management our estimate of the total number of hours that we expect to incur in delivering the additional services.

We are sensitive to the need for the City to control its costs for public accountability and will make every effort to ensure any additional services provided are cost beneficial to the City, by using our extensive expertise to reduce overall hours needed to provide the additional services.

12. Submit two samples of recent management reports that you have issued.

We have included two standard audit communications to the governing bodies of audit clients in Attachment C.

13. Complaints against firm or staff members.

Sensiba has no disciplinary action taken or pending against it by Oregon Board of Accountancy or Oregon Secretary of State, including during the past three years. We have had no pending or settled litigation in the past three years. The Oregon Board of Accountancy disciplinary action report for all Oregon CPA firms may be accessed at this link:

<https://www.oregon.gov/BOA/Pages/Disciplinary-Action-Report.aspx>

14. Comment on your firm's participation in peer review programs.

Every third year, we undergo a review process performed by an independent firm through the AICPA peer review program. Our peer reviewer issues a written report regarding our compliance with professional standards, including those applicable to Governmental Auditing Standards. The peer reviewer did not identify any findings or matters for further consideration (FFC, MFD), and accordingly, no letter of comments was issued. A copy of our most recent Peer Review Letter can be found in Attachment D.

As part of your due diligence process, we understand the importance of a successful peer review in evaluating potential providers and the quality of their work. We're proud to have a passing grade on our latest review, and invite you to investigate the most recent reports of Sensiba and other responding firms here: <https://peerreview.aicpa.org/>

15. Differentiators.

Building on relationships and partnerships. We build on existing client relationships to ensure we have a deep understanding of how City finance operates and the unique challenges that come with running organizations dedicated to properly managing scarce resources and serving their various stakeholders. In our role as auditor, we consider ourselves to be partners with the City in meeting its various financial accounting and reporting obligations.

Experience and attention to detail. Our clients describe us as thorough, which is a point of pride for us. Local governments have a multitude of stakeholders, and often these stakeholders, particularly federal funding agencies, monitor how their funding is spent. We invest our time in the audit to ensure management employs strong financial practices and internal controls, so that future state and federal funding is not at risk.

Smooth transition. Our team is continually improving processes intended to ensure a smooth transition to our firm. First-year audits can be stressful and involve several hours of work. Our procedures are designed to avoid these stressors as much as possible, as we recognize the value of your team's time.

We are enthusiastic about working with you. We truly enjoy working with City finance teams and look forward to discussing the enclosed proposal with you. Thank you for this opportunity and your consideration. Should you have any questions or comments, please contact us.

16. Provide the following fees:

- a.) See Attachment A.
- b.) See Section 10.
- c.) Our fees outlined in Attachment A include travel and out of pocket costs.
- d.) Our annual percentage increase is expected to be 5% to cover increases in employee wages and benefits. The methodology used is to increase the prior year fee by 5%, generally rounding up or down to the nearest thousand. See Attachment A for illustration of this methodology.

Attachment A - Fee Proposal

In accordance with the Request for Proposals for Professional Auditing Services, the firm referenced below submits the following hourly fee quotation and hours proposed for all positions to be assigned to the audit. Fee for Fiscal Year Ending June 30, 2024:

Key Personnel	Audit Hours	Hourly Rate	Total
Engagement Partner	24	\$350	\$8,400
Manager	20	\$250	\$5,000
Senior Associates	72	\$195	\$14,000
Associates	88	\$145-165	\$12,400
	204		39,800

In accordance with the Request for Proposals for Professional Auditing Services, the firm referenced below submits the following cost proposal for the term of the contract. Fee for Fiscal Years Ending June 30:

Service Description	2024	2025	2026	2027	2028
Financial Statement Audit - City	\$26,000	\$27,300	\$28,700	\$30,000	\$32,000
Financial Statement Audit - URA	\$3,800	\$4,000	\$4,200	\$4,400	\$4,600
Single Audit – Per Major Program*	\$5,000	\$5,300	\$5,500	\$5,800	\$6,100
Financial Statement Draft - City	\$4,000	\$4,200	\$4,400	\$4,600	\$4,900
Financial Statement Draft - URA	\$1,000	\$1,100	\$1,100	\$1,200	\$1,200
Total	\$39,800	\$41,900	\$43,900	\$46,000	\$48,800

*Single Audit Fee

Our single audit fee is based on the number of federal programs we are required to audit using the required selection methodology required by the Uniform Guidance, which is entirely dependent on the City's federal programs for each year. Our current standard fee is \$5,000 per major program that is audited. Development and reporting of significant federal program findings will result in additional charges of 2-3 hours which would be discussed with management prior to incurring such costs and billed for actual time incurred at the conclusion of our audit.

I hereby certify that the undersigned is authorized to represent the firm stated below, and empowered to submit this bid, and if selected, authorized to sign a contract for the services identified in the RFP.

Firm Name:	Sensiba LLP
Signature:	<i>Brenda Bartlett</i>
Printed Name:	Brenda Bartlett
Title:	Audit Partner
Date:	March 27th, 2024
Email Address:	bbartlett@sensiba.com

Attachment B – Authorized Signatures and Attestation

ATTACHMENT B AUTHORIZED SIGNATURES AND ATTESTATION

I/we, the undersigned, an authorized representative of

Sensiba LLP, whose address is: 499 Southwest Upper Terrace, Suite A, Bend, OR, 97702
have read and thoroughly understand the specifications, instructions and all other conditions of the Request for Proposal issued by the City of La Pine for Municipal Audit Services for fiscal years ended June 30, 2024, 2025, 2026, 2027, and 2028.

Acting on behalf of my/our firm, which is listed above, I/we do attest that the services offered by my/our firm meet the City of La Pine specifications in every respect, (check one) X without exceptions or _____ with exceptions (provide detailed explanation on a separate sheet).

The proposal in its entirety shall be valid for 90 days from the proposal due date.

The proposal has been created independently and without collusion designed to limit independent bidding or competition.

I/we therefore offer and make this proposal to furnish to the City of La Pine the audit and consulting services detailed in my/our proposal at the prices indicated.

Firm Name: Sensiba LLP
Signature: Brenda Bartlett
Printed Name: Brenda Bartlett
Title: Audit Partner
Date: March 27th, 2024

Attachment C – Management Report Examples



December 21, 2023

Board of Directors
XXXX School District

We have audited the financial statements of XXXX School District as of and for the year ended June 30, 2023, and have issued our report thereon dated December 21, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated April 12, 2023, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (GAAP). Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

Planned Scope and Timing of the Audit

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

We obtained an understanding of internal controls to assess the impact on determining the nature, timing and extent of audit procedures, and we have established an overall materiality limit for audit purposes. We conducted formal discussions among engagement team members to consider how and where the financial statements might be susceptible to material misstatement due to fraud or error.

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We used this knowledge and understanding, together with other factors, to first assess the risk that errors or fraud may cause a material misstatement at the financial statement level. The assessment of the risks of material misstatement at the financial statement level provided us with parameters within which to design the audit procedures for specific account balances and classes of transactions. Our risk assessment process at the account-balance or class-of-transactions level consisted of:

- An assessment of inherent risk (the susceptibility of an assertion relating to an account balance or class of transactions to a material misstatement, assuming there are no related controls); and
- An evaluation of the design effectiveness of internal control over financial reporting and our assessment of control risk (the risk that a material misstatement could occur in an assertion and not be prevented or detected on a timely basis by the company's internal control).

We then determined the nature, timing and extent of tests of controls and substantive procedures necessary given the risks identified and the controls as we understand them.

In planning the audit, the materiality limit is viewed as the maximum aggregate misstatements, which if detected and not corrected, would cause us to modify our opinion on the financial statements. The materiality limit is an allowance not only for misstatements that will be detected and not corrected but also for misstatements that may not be detected by the audit. Our assessment of materiality throughout the audit was based on both quantitative and qualitative considerations. Because of the interaction of quantitative and qualitative considerations, misstatements of a relatively small amount could have a material effect on the current financial statements as well as financial statements of future periods.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence. Our independence policies and procedures are designed to provide reasonable assurance that our firm and its personnel comply with applicable professional independence standards. Our policies address financial interests, business and family relationships, and non-audit services that may be thought to bear on independence. For example, without our permission no partner or professional employee of Sensiba LLP is permitted to own any direct financial interest or a material indirect financial interest in a client or any affiliates of a client. Also, if an immediate family member or close relative of a partner or professional employee is employed by a client in a key position, the incident must be reported and resolved in accordance with Firm policy. In addition, our policies restrict certain non-audit services that may be provided by Sensiba LLP and requires audit clients to accept certain responsibilities in connection with the provision of permitted non-attest services.

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Significant Risks Identified

We have identified the following significant risks:

- Implementation and analysis of GASB 96- Subscription-based technology arrangements
- Federal and state grant compliance and its impact on revenue recognition and related receivables and unearned revenue
- Payroll expenditures and related liabilities

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District are included in Note 1 to the financial statements. During the year, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 96 – *subscription based technology arrangements*. There have been no other changes in significant accounting policies or their application during the year. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

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

The most sensitive accounting estimates affecting the financial statements are:

- The proportionate share of the net pension obligation unfunded actuarial liability related to the District's participation in the Oregon PERS system, including estimated deferred inflows and outflows expected to be included in pension expense in future periods.
- The estimated actuarial liability related to the District's other post-employment benefits related to the implicit health insurance rate subsidy.
- Net present value of information technology contracts and leases

Management's estimate of the pension obligation is based on an actuarial valuation provided by Oregon PERS and audited by independent auditors engaged by Oregon PERS. Management's estimate of the implicit health insurance subsidy liability is based on an actuarial valuation by an actuarial firm engaged by the District. We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

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Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to the Oregon PERS unfunded pension liability, as described above, and the leasing standard implementation, which resulted in presentation of a new category of capital assets and an increase in total long-term obligations on the statement of net position.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. We identified no significant unusual transactions as a result of our audit procedures.

Identified or Suspected Fraud

We did not identify any instances of suspected fraud during the course of our audit procedures.

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. We identified no uncorrected misstatements during the course of our audit procedures.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We identified no material misstatements during the course of our audit procedures.

Disagreements with Management

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

Circumstances that Affect the Form and Content of the Auditors' Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. No such circumstances were identified.

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Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated December 21, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management contracted with a local certified public accountant to assist in preparing its financial statements in accordance with GAAP.

Other Significant Matters, Findings, or Issues

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

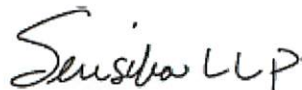
Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the District's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information, and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Board of Directors, and management of XXXX School District and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,



Sensiba LLP
Bend, OR

Sensiba.com



September 29, 2023

Board of Directors, XXXX
Madras, Oregon

We have audited the financial statements of XXXX as of and for the year ended June 30, 2023 and have issued our report thereon dated September 27, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated April 5, 2023 our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

Planned Scope and Timing of the Audit

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

We obtained an understanding of internal controls to assess the impact on determining the nature, timing and extent of audit procedures, and we have established an overall materiality limit for audit purposes. We conducted formal discussions among engagement team members to consider how and where the financial statements might be susceptible to material misstatement due to fraud or error.

We used this knowledge and understanding, together with other factors, to first assess the risk that errors or fraud may cause a material misstatement at the financial statement level. The assessment of the risks of material misstatement at the financial statement level provided us with parameters within which to design the audit procedures for specific account balances and classes of transactions. Our risk assessment process at the account-balance or class-of-transactions level consisted of:

- An assessment of inherent risk (the susceptibility of an assertion relating to an account balance or class of transactions to a material misstatement, assuming there are no related controls); and
- An evaluation of the design effectiveness of internal control over financial reporting and our assessment of control risk (the risk that a material misstatement could occur in an assertion and not be prevented or detected on a timely basis by the company's internal control).

We then determined the nature, timing and extent of tests of controls and substantive procedures necessary given the risks identified and the controls as we understand them.

In planning the audit, the materiality limit is viewed as the maximum aggregate misstatements, which if detected and not corrected, would cause us to modify our opinion on the financial statements. The materiality limit is an allowance not only for misstatements that will be detected and not corrected but also for misstatements that may not be detected by the audit. Our assessment of materiality throughout the audit was based on both quantitative and qualitative considerations. Because of the interaction of quantitative and qualitative considerations, misstatements of a relatively small amount could have a material effect on the current financial statements as well as financial statements of future periods.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence. Our independence policies and procedures are designed to provide reasonable assurance that our firm and its personnel comply with applicable professional independence standards. Our policies address financial interests, business and family relationships, and non-audit services that may be thought to bear on independence. For example, without our permission no partner or professional employee of Sensiba LLP is permitted to own any direct financial interest or a material indirect financial interest in a client or any affiliates of a client. Also, if an immediate family member or close relative of a partner or professional employee is employed by a client in a key position, the incident must be reported and resolved in accordance with Firm policy. In addition, our policies restrict certain non-audit services that may be provided by Sensiba LLP and requires audit clients to accept certain responsibilities in connection with the provision of permitted non-attest services.

Significant Risks Identified

Under auditing standards, a significant risk is defined as an identified and assessed risk of material misstatement that, in the auditors' professional judgment, requires special audit consideration. As part of the risk assessment process, we are required to determine whether any risks identified are significant risks. In exercising this judgment, we exclude the effects of identified controls related to the risk, and consider the following area: risk of fraud; whether the risk is related to recent significant economic, accounting, or other developments and, therefore,

requires specific attention; the complexity of transactions; whether the risk involves significant transactions with related parties; the degree of subjectivity in the measurement of financial information related to the risk, especially those measurements involving a wide range of measurement uncertainty; and whether the risk involves significant unusual transactions

We have identified the following significant risks:

- Payroll and related benefits
- Federal and state grant compliance and its impact on revenue recognition and related receivables.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by XXXX is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

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

The most sensitive accounting estimates are the districts proportionate share of the net pension system liability.

Management's estimate of its net unfunded actuarial pension obligation is based on assumptions and methodologies set forth in GASB No. 68 – *Accounting and Financial Reporting for Pensions*. The amounts reported were calculated by an actuary and audited by an independent auditor engaged by Oregon PERS. We evaluated the key factors and assumptions used to develop the obligation and related deferrals and concluded on the expertise of the actuary and auditor, and determined that the amounts reported are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting XXXX's financial statements relate to the unfunded pension obligation, as the estimate is likely to change in the near-term and may be volatile in a rapidly changing market environment.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. We are pleased to report we identified no significant, unusual transactions during our audit.

Identified or Suspected Fraud and Significant Difficulties Encountered during the Audit

We have not found any fraud involving senior management or other fraud that causes a material misstatement of the financial statements, no illegal acts came to our attention and there were no disagreements with management or other serious difficulties encountered in performing the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management:

- Reclassification of non-instructional professional services of \$36,073 from general administrative support function to student support function
- Reclassification of non-allowable grant indirect charges of \$1,895 for the XXXX grant.
- Reclassification of the government wide allocation to expense of prior year XXXX relative to the net pension obligation of \$2,295,505

Disagreements with Management

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

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated September 27, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management contracts with a third party CPA to draft statements and advise on presentation and disclosures.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with XXXX we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as XXX's auditors.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in XXXX's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have:

- Inquired of management about the methods of preparing the information,
- Compared the information for consistency with management's responses to our inquiry, the basic financial statements, and other knowledge obtained during the audit, and
- Obtained the required written representations from management with regard to the required supplementary information.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Board of Directors and management of XXXX and is not intended to be and should not be used by anyone other than these specified parties.

Sensiba LLP

Sensiba LLP
Bend, OR

Attachment D – Peer Review Report



Report on the Firm's System of Quality Control

December 21, 2022

To the Partners of Sensiba San Filippo LLP and the National Peer Review Committee.

We have reviewed the system of quality control for the accounting and auditing practice of Sensiba San Filippo LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included an engagement performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act, audits of employee benefit plans and examinations of service organizations (SOC 1 and SOC 2 engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Sensiba San Filippo LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Sensiba San Filippo LLP has received a peer review rating of *pass*.

Olsen Thielen & Co., Ltd.

Olsen Thielen & Co., Ltd.

2675 Long Lake Road | Roseville, Minnesota | 55113-1117 | 651-483-4521 | 651-483-2467 FAX | otcpas.com
300 Prairie Center Drive, Suite 300 | Eden Prairie, Minnesota | 55344-7908 | 952-941-9242 | 952-941-0577 FAX

Sensiba

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CITY OF LA PINE

AUDIT SERVICES PROPOSAL

EXHIBIT C

ORS CHAPTER 279B PUBLIC CONTRACTING REQUIREMENTS PERSONAL SERVICES

- (1) Contractor shall pay promptly, as due, all persons supplying labor or materials for the prosecution of the work provided for in the contract, and shall be responsible for such payment of all persons supplying such labor or material to any Subcontractor. ORS 279B.220(1).
- (2) Contractor shall promptly pay all contributions or amounts due the Industrial Accident Fund from such Contractor or Subcontractor incurred in the performance of the contract. ORS 279B.220(2).
- (3) Contractor shall not permit any lien or claim to be filed or prosecuted against City on account of any labor or material furnished and agrees to assume responsibility for satisfaction of any such lien so filed or prosecuted. ORS 279B.220(3).
- (4) Contractor and any Subcontractor shall pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.617. ORS 279B.220(4).
- (5) Contractor agrees that if Contractor fails, neglects or refuses to make prompt payment of any claim for labor or materials furnished to the Contractor or a Subcontractor by any person in connection with the contract as such claim becomes due, City may pay such claim to the persons furnishing the labor or material and charge the amount of payment against funds due or to become due Contractor by reason of the contract. The payment of a claim in the manner authorized hereby shall not relieve the Contractor or his surety from his or its obligation with respect to any unpaid claim. If City is unable to determine the validity of any claim for labor or material furnished, City may withhold from any current payment due Contractor an amount equal to said claim until its validity is determined and the claim, if valid, is paid.
- (6) Contractor shall promptly, as due, make payment to any person, co-partnership, association, or corporation, furnishing medical, surgical and hospital care or other needed care and attention, incident to sickness or injury, to employees of such Contractor, of all sums which the Contractor agrees to pay for such services and all monies and sums which the Contractor collected or deducted from the wages of employees pursuant to any law, contract or agreement for the purpose of providing or paying for such service. ORS 279B.230(1).
- (7) All subject employers working under the contractor are either employers that will comply with ORS 656.017, or employers that are exempt under ORS 656.126. ORS 279B.230(2).
- (8) Contractor shall pay employees for overtime work performed under the contract in accordance with ORS 653.010 to 653.261 and the Fair Labor Standards Act of 1938 (29 USC 201, *et seq*). ORS 279B.235(3).
- (9) The Contractor must give notice to employees who work on this contract in writing, either at the time of hire or before commencement of work on the contract, or by posting a notice in a location frequented by employees, of the number of hours per day and the days per week that the employees may be required to work. ORS 279B.235(2).

- (10) All sums due the State Unemployment Compensation Fund from the Contractor or any Subcontractor in connection with the performance of the contract shall be promptly so paid. ORS 701.430.
- (11) Consultant shall, to the maximum extent economically feasible in the performance of this Agreement, use recycled paper or other products as defined in ORS 279A.010.
- (12) Consultant certifies its compliance with all applicable state and local tax laws, including but not limited to ORS 305.385, ORS 305.620, ORS chapters 316, 317 and 318. Consultant certifies it will continue to comply with all such tax laws during the term of this contract. Consultant's failure to comply with such state and local tax laws prior to executing this contract or during the term of this contract constitutes a default for which City may terminate this contract and seek damages and other relief available under the terms of this contract or applicable law. ORS 279B.045.
- (13) Contractor certifies that it has not discriminated and will not discriminate against minorities, women, emerging small business enterprises or a business enterprise that is controlled by or that employs a veteran as defined in ORS 408.225 in obtaining any required subcontractors. ORS 279A.110.
- (14) As used in this section, "nonresident contractor" means a contractor that has not paid unemployment taxes or income taxes in the state of Oregon during the 12 calendar months immediately preceding submission of the bid for the contract, does not have a business address in this state, and stated in the bid for the contract that it was not a "resident bidder" under ORS 279A.120. When a public contract is awarded to a nonresident contractor and the contract price exceeds \$10,000, the contractor shall promptly report to the Department of Revenue on forms to be provided by the department the total contract price, terms of payment, length of contract and such other information as the department may require before the bidder may receive final payment on the public contract. ORS 279A.120.

EXHIBIT D

SCOPE OF WORK

Specific Services.

1. A thorough examination in accordance with generally accepted auditing standards of the financial information and supplemental schedules for all City funds. The City requires at least two Single Audits for the FY 2023-2024, and 2024-2025, and potentially more.
2. Year-end fund account combinations, government wide, and governmental fund and proprietary fund financial statements.
3. Drafting of the Annual Financial Reports in accordance with all applicable GASB and/or FASB pronouncements.
4. An examination, if applicable, in accordance with the laws of Oregon and the Single Audit Act Amendments of 1996 and OMB Circular A-133.
5. Assistance with and review of Management Discussion and Analysis (MD&A) and incorporating the MD&A in reports.
6. Consulting services throughout the term of the contract on financial related issues including, but not limited to budgeting, internal controls, best practices, pronouncement interpretations, and guidance on compliance issues.
7. A pre-audit meeting between the auditing firm, the City Manager and the Finance Director will be conducted prior to the audit each year. During this meeting, items to be discussed include: audit schedule, working paper standards and requirements, and deadlines. A list shall be presented by the auditor at this time indicating the information required from City staff.
8. An exit conference is required of the auditing firm on completion of all fieldwork as to inform the Finance Director and City Manager of pertinent findings. Formal report presentation by the auditing firm may be required before a regular session of the La Pine City Council, preferably before each annual report is submitted to the Secretary of State, Audit's Division.
9. A letter expressing an opinion on the financial statements. Written notice to the City in advance if the opinion is less than unqualified along with justification of the opinion.
10. The firm will issue two separate written letters of recommendation to City management after completion of the audit, covering the firm's review of the adequacy of internal accounting controls and other audit investigations. The firm shall assist management in advice and counsel in implementing those recommendations as required.
11. The auditing firm shall submit an electronic version of the reports to the State Division of Audits and to the City no later than December 31st of each year.

General Services.

1. All funds and accounts of the City are to be covered by the audit examination.
2. The City is often subject to the additional audit requirements imposed by the Single Audit Act Amendments of 1996 and OMB Circular A-133, Audits of State and Local Governments. The audit firm is expected to prepare and deliver its report on the single audit no later than November for the preceding fiscal year.

3. The audit examination shall be made in accordance with generally accepted governmental procedures as prescribed in the AICPA Industry Audit Guide – Audits of State and Local Governmental Units and in GAAFR.
4. Report any unusual conditions encountered during the course of the audit.
5. Examine other reports or perform other services as required.




CITY OF LA PINE

STAFF REPORT

Meeting Date: May 22, 2024

TO: City Council

FROM: Geoff Wullschlager, City Manager 

SUBJECT: Rate Adjustments (Solid Waste) & Expansion of Services

<input type="checkbox"/>	Resolution	<input type="checkbox"/>	Ordinance
<input type="checkbox"/>	No Action – Report Only	<input type="checkbox"/>	Public Hearing
<input type="checkbox"/>	Formal Motion	<input checked="" type="checkbox"/>	Other/Direction: Please see below

Councilmembers:

As proposed in presentation by Republic Services, please find attached a proposal of a 3% rate increase for waste management. This proposal draws upon the original franchise agreement as implemented by Ordinance No. 2007-3 (sic) which granted exclusive Franchise to La Pine Disposal & Recycling, Inc. (“Wilderness”) and outlined the terms and conditions of said franchise. It also references Ordinance No. 2020-06 which recognized the transfer of this exclusive franchise to Allied Waste Transfer Services of Oregon, LLC. (“Republic”) and observes all the terms and conditions of both legislative actions as they relate to rate increases.

The proposal, if passed, will implement a 3% rate increase, as requested by Allied Waste Transfer Services of Oregon, LLC. (“Republic”), across all services made available to the public in the City of La Pine.

Some items to consider in this proposal:

- The “agreement(s)” as legislatively adopted requires the franchisee to provide their proposal by written notice sixty (60) days ahead of proposed rate changes, we received notice on May 6, 2024.
- The “agreement(s)” as legislatively adopted requires applications shall be filed by franchisee prior to May 1st, of any given year, we received application on May 6, 2024.

Analysis: While the City received this notice and application at less than the agreed upon notification and application period, City Administration does not have objection to consideration based on this contractual element.

- At the time of this report, it is unknown if Allied Waste Transfer Services of Oregon, LLC. (“Republic”) has provided a rate adjustment notification letter draft as in years past for service recipients which would assist the city in conveying this rate request/adjustment by the vendor (see Exhibit A.). City staff has not been provided with a draft or final letter designated for constituents.

Analysis: Council should request the disbursement of a rate adjustment notification letter prior to the consideration of said action.

- Service Expansion Request – City Council should consider the request regarding the proposal of expansion of services (curbside residential comingled recycling), namely, that the service provides no opt-out to the service user. The rates being proposed may cause a financial hardship to our constituents if the services are not optional.

Staff Recommendation:

At the time of this report, outstanding questions have been presented. If by the meeting date of June 25, 2024, further information is provided by the vendor, there can be cause for the consideration and passage of a resolution by the Council, in the best interests of the community and its citizens.

It is recommended that there be ongoing discussion with Allied Waste Transfer Services of Oregon, LLC. (“Republic”) with regard to the Service Expansion Request, which can then be addressed by additional legislative or administrative action of the Council.



Geoff Wullschlager
16345 Sixth Street
La Pine, OR 97739

Dear Mr. Wullschlager:

Please find enclosed Republic Services' 2023 annual financial information and projected information for 2024.

Detailed information can be reviewed in the attached financial information. Significant line items on the revenue and expense lines are noted below.

Revenue:

In 2023, collection revenue increased by \$92,549 or 11.8% compared to 2022 due to growth Collection and Recycling Material Sales revenues.

Expenses:

In 2023, expenses increased by \$112,436 or 52.3% due to growth in revenue along with other impacts. Below are details highlighting the significant increases by category.

2023 expense increases compared to 2022 by category: Wages, payroll taxes, and benefits by \$17,445; Franchise Fees increased by \$5,566 due to an increase in revenue; Disposal costs increased by \$36,601 due to an increase in volume and the gate rate per ton increasing at the landfill; and, Insurance increasing by \$95,167 due to premium rates increasing along with a claim.

2023 Net Income was at \$95,317 with a margin of 10.9%.

Please be advised, Republic Services will be requesting a rate increase of 3% effective July 1, 2024. With an 3% increase to rates, Revenue is expected to increase by \$44,435 or 5.1%. This includes a 2% volume growth factor added.

Expenses are expected to increase by \$39,911 or 4.3%. Expenses were increased by CPI W/S/T index of 5.55%; however, there were some categories that are expected to increase at a higher rate. Those categories include: Labor is expected to increase by \$18,363 or 8.3% as a result of volume growth along with additional wages associated with a market adjustment and an annual merit adjustment; Disposal is expected to increase by \$27,436 or 18.2% as a result of volume growth and an increase of the gate rate at the landfill; Depreciation is expected to increase by \$7,541 or 13.3% for new trucks; Franchise Fees are expected to increase by \$3,592 or 5.9% as a result of an increase in revenue; and Management Fees are expected to increase by \$10,885 or 17.8% as a result of an increase in costs associated with IT systems, accounting, environmental responsibility, sustainability initiatives, area and corporate management, system infrastructure, and legal support.

In 2024, we anticipate Net Income to be projected at \$105,841 with a margin of 11.5%.

We believe the price increase is necessary to cover these costs and maintain the quality and sustainability of our franchise operations within the jurisdiction. We understand the price increases can be challenging for the franchise and our customers; however, we believe the increase is necessary to ensure the long-term viability of our operations. We remain committed to providing our customers with high-quality services while working hard to manage costs.

Thank you for your consideration of our request. If you have any questions or concerns, please do not hesitate to contact us.

Sincerely,

Erica Lindberg
General Manager
Republic Services



City of La Pine, Oregon

2023 Financial Report and 2024 Forecast
Service Expansion Proposal



2023 Financial Results and 2024 Financial Forecast – La Pine

2023 Results:

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2024 Forecast:

3% rate increase requested

Revenue:

Projected to increase by \$44,435 or 5.1%. This assumes a 2% volume growth factor.

Expenses:

Projected to increase by \$39,911 or 4.3%.

- Labor is expected to increase by \$18,363 or 8.3%
- Disposal is expected to increase by \$27,436 or 18.2%
- Depreciation is expected to increase by \$7,541 or 13.3%
- Franchise Fees are expected to increase by \$3,592 or 5.9%
- Management Fees are expected to increase by \$10,885 or 17.8%

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2023 Financial Results and 2024 Financial Forecast – La Pine

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In 2024, we anticipate Net Income to be projected at \$105,841 with a margin of 11.5%.

Republic Services of Oregon (Wilderness Garbage & Recycling)
 (Reporting Periods - January 1st through December 31st)
SOLID WASTE COLLECTION ANNUAL REPORT FORM
CITY OF LA PINE
CURRENT YEAR FISCAL INFORMATION

		<u>2023</u> <u>Actual</u>
REVENUES		
Collection	\$	872,866
Recycling Material Sales	\$	2,491
Other Revenue	\$	-
TOTAL REVENUES	\$	875,357

OPERATING COSTS
COLLECTION COSTS

Wages	\$	147,042
Payroll Taxes	\$	16,023
Employee Benefits	\$	24,052
Fuel and Oil	\$	39,877
Repairs and Maintenance - Trucks	\$	11,172
Depreciation	\$	56,894
Disposal Costs	\$	150,496
Other Operating Costs	\$	7,200
TOTAL COLLECTION COSTS	\$	452,757

GENERAL AND ADMINISTRATIVE COSTS

Administrative salaries	\$	25,247
Payroll taxes	\$	4,208
Employee benefits	\$	5,611
Advertising and promotion	\$	978
Professional Fees	\$	32
Telephone and Utilities	\$	2,473
Taxes and Licenses	\$	9,754
Dues and Subscriptions	\$	581
Rent	\$	23,015
Office Expenses	\$	2,343
Meals, Travel and Entertainment	\$	1,140
Management Fees	\$	61,039
Miscellaneous	\$	12,491
Depreciation	\$	221
Insurance	\$	112,581
Bad Debts	\$	4,774

		<u>2023</u> <u>Actual</u>
Franchise Fees	\$	60,793
TOTAL GENERAL AND ADMINISTRATIVE COSTS	\$	327,282
TOTAL OPERATING COSTS	\$	780,040
NET OPERATING INCOME (LOSS)	\$	95,317
OTHER INCOME		
Gain on Sale of Assets	\$	-
NET INCOME (LOSS)	\$	95,317

Republic Services of Oregon (Wilderness Garbage & Recycling)
 (Reporting Periods - January 1st through December 31st)
 SOLID WASTE COLLECTION ANNUAL REPORT FORM
 CITY OF LA PINE
 CURRENT YEAR FISCAL INFORMATION

	2024 Projection
REVENUES	
Collection	\$ 953,627
Recycling Material Sales	\$ 2,491
Other Revenue	\$ -
TOTAL REVENUES	\$ 956,119
OPERATING COSTS	
COLLECTION COSTS	
Wages	\$ 160,426
Payroll Taxes	\$ 16,843
Employee Benefits	\$ 25,655
Fuel and Oil	\$ 42,822
Repairs and Maintenance - Trucks	\$ 11,916
Depreciation	\$ 64,435
Disposal Costs	\$ 177,933
Other Operating Costs	\$ 7,600
TOTAL COLLECTION COSTS	\$ 507,629
GENERAL AND ADMINISTRATIVE COSTS	
Administrative salaries	\$ 27,088
Payroll taxes	\$ 4,515
Employee benefits	\$ 6,020
Advertising and promotion	\$ 1,033
Professional Fees	\$ 34
Telephone and Utilities	\$ 2,611
Taxes and Licenses	\$ 10,295
Dues and Subscriptions	\$ 613
Rent	\$ 24,293
Office Expenses	\$ 2,473
Meals, Travel and Entertainment	\$ 1,203
Management Fees	\$ 71,924
Miscellaneous	\$ 15,073
Depreciation	\$ 221
Insurance	\$ 118,829
Bad Debts	\$ 5,039

Republic Services of Oregon (Wilderness Garbage & Recycling)
 (Reporting Periods - January 1st through December 31st)
 SOLID WASTE COLLECTION ANNUAL REPORT FORM
 CITY OF LA PINE
 CURRENT YEAR FISCAL INFORMATION

	2024 Projection
Franchise Fees	\$ 66,928
TOTAL GENERAL AND ADMINISTRATIVE COSTS	\$ 358,192
TOTAL OPERATING COSTS	\$ 865,822
NET OPERATING INCOME (LOSS)	\$ 90,297
OTHER INCOME	
Gain on Sale of Assets	\$ -
NET INCOME (LOSS)	\$ 90,297

Residential Comingled Recycling

Proposal: Republic Services is seeking authorization to provide curbside residential comingled recycling service for all City of La Pine Customers.

- \$9.79 per month
- Every other week service
- 95-gallon roll cart
- Serviced by automated side load collection vehicle
- Mandatory service (No Opt-Out)

Program Benefits

- Convenience at an affordable rate
- Meeting customer demand

Program Timeline

- Council Approval by July 1, 2024
- Republic Services to order truck and carts. Trucks can take up to a year to be manufactured and delivered due to global supply chain constraints.
- Carts delivered / service beginning in 2025.
 - Customers will not be charged for the program until service begins.

Carryout/Up the Drive Rate

Proposal: Republic Services is seeking addition of a flat rate for Residential Up the Drive or Carryout Services for customers in the City of La Pine.

- \$10 per month unless customer has a disability that impacts their ability to move their cart(s) to the curb (in which case service will be offered at no charge).
- Opt-in/optional service.
- Flat charge covers the cost of service for all carts on a residential customer's property and is an additional to base rate service charge.

Program Benefits

- Ratepayer fairness

Program Timeline

- Council Approval by July 1, 2024
- July 2024: Republic to notify existing Up the Drive/Carry Out customers of requirement to opt in to new program at new rate. New charge to apply effective September 1. Customers will be unenrolled unless they opt in.

RESIDENTIAL RATES			
	7/1/2023	7/1/2024	WITH RECYCLE
35 GAL ROLL CART	19.10	19.67	29.46
35 GAL ROLL CART UTD	21.62		
65 GAL ROLL CART	31.58	32.53	42.32
65 GAL ROLL CART UTD	36.41		
95 GAL ROLL CART	39.86	41.06	50.85
95 GAL ROLL CART UTD	42.91		
UP THE DRIVE (UTD)	0.00	10.00	10.00
UP THE DRIVE (UTD) - DISABLED	0.00	0.00	0.00



July 30, 2021

Dear Valued Customer,

Due to an increase in franchise fees, effective July 1, 2021, your collection rates will increase 2%, averaging between \$0.36 and \$0.76 per month depending on your cart size. The commercial rate increase will depend on your container size and frequency.

We consistently strive to provide the most cost-effective service while maintaining the highest standards of reliability and safety. You will see this adjustment on your July billing cycle. The new rates were approved by the La Pine City Council in June, and will be used for the continued support of public infrastructure.

Republic Services is dedicated to service excellence and our mission is to exceed our customers' highest expectations. For more information regarding this rate increase and how it will affect your bill, please contact our customer service team at (541) 536.1194. Thank you for your business.

Sincerely,

Joseph Dear
General Manager