



CITY OF LA PINE, OREGON

REGULAR CITY COUNCIL MEETING

Wednesday, February 11, 2026, 5:30 p.m.

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

Available online via Zoom: <https://us02web.zoom.us/j/86507111733>

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

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

PUBLIC COMMENTS

Public Comments provide an opportunity for members of the community to submit input on ongoing matters within the city.

Public Comments are limited to three (3) minutes per person; when asked to the podium, please state your name and address. This helps the City Council and staff determine if you are a city resident. 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. Any matter that warrants testimony and rebuttal may be debated only during a Public Hearing on the matter.

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 a 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.

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a. Public Comment Form – C. Scott	10.
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c. Public Comment Form – C. Scott	12.

OLD BUSINESS:

None.

NEW BUSINESS:

1. City Council Appointment	
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b. Application – Cathi Van Damme	14.
2. Election of Council President	
a. Staff Report	17.
3. City of La Pine Annual Audit	
a. Staff Report	18.
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c. Post Audit Letter	106.
d. Management Comment Letter	112.
4. Urban Renewal Agency Appointment	
a. Staff Report (PENDING)	
5. TGM IGA	
a. Staff Report	114.
b. IGA – ODOT and the City of La Pine	116.
c. Work Order Contract – Parametrix, Inc.	137.
6. Councilor Committee Assignments	
a. Staff Report	179.
b. Committee Considerations 2025-2026.....	180.
c. Committee Inventory.....	185.
7. La Pine Parks and Recreation District Project Funding Discussion	

OTHER MATTERS**PUBLIC COMMENTS**

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STAFF COMMENTS**MAYOR & COUNCIL COMMENTS**

EXECUTIVE SESSION: per ORS 192.660 if necessary

ADJOURNMENT



CITY OF LA PINE, OREGON REGULAR CITY COUNCIL MEETING

Wednesday, January 14, 2026, 5:30 p.m.

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

Available online via Zoom: <https://us02web.zoom.us/j/89833039927>

MINUTES

CALL TO ORDER

Mayor Earls called the meeting to order at 5:30 p.m.

ESTABLISH A QUORUM

Council

Mayor Earls

Council President Ignazzitto

Councilor Shields

Councilor Morse – Absent (Excused)

Councilor Curtus

Staff

Geoff Wullschlager – City Manager

Ashley Ivans – Finance Director

Brent Bybee – Community Development Director

Jason Wood – Public Works Director

Amanda Metcalf – City Recorder

PLEDGE OF ALLEGIANCE

Public Works Director Wood led the Pledge of Allegiance.

ADDED AGENDA ITEMS

Finance Director Ivans added an engineering contract to the agenda, and Council President Ignazzitto's letter of resignation.

PUBLIC COMMENTS

Colleen Scott, who lives on Murray Drive, spoke on behalf of Council President Ignazzitto's resignation and explained that they had started serving on the Council together in 2021. She stated that she was grateful to have worked with her and that she would be missed.

Daerek Merrill, who lived on Lasso Lane, made a comment on behalf of the Sunriver Observatory regarding Dark Sky Oregon. He explained that La Pine was fast growing and that it was important to preserve its' dark skies, noting that La Pine had the image of being the gateway to the outdoors. He stated that dark skies were becoming rarer and that the ability to see the stars as clearly as they could at the observatory was uncommon. He further stated that dark skies were easy to lose and that the reduction of visible stars was not in La Pine's favor. He expressed a desire to begin the conversation to ensure that La Pine maintained its dark skies as the population continued to grow.

Community Development Director Bybee stated that with the upcoming text amendments, the City would be passing a dark skies ordinance.

CONSENT AGENDA

1. 10.12.2025 City Council Meeting Minutes
 - a. Public Hearing Sign-in Sheet TA-25-0001
 - b. Public Hearing Sign-in Sheet TA-25-0002
 - c. Public Record Submittal – L. King
 - d. Public Comment Form – S. Martinez
 - e. Public Comment Form – E. Holsey
2. Financial Report
 - a. Financial Summary – November 2025
 - b. Interest Report – November 2025
3. Financial Report from the Chamber of Commerce
 - a. Letter to the City
 - b. 2025 Year End Partner Report – Craterlakecountry.com
 - c. Profit and Loss Report – 2nd Quarter

Council President Ignazzitto made a motion to approve the consent agenda. *Councilor Shields seconded the motion.*

Council President Ignazzitto – Aye

Councilor Shields – Aye

Councilor Curtis – Aye

Motion passed unanimously.

PRESENTATION:

1. Wildfire Neighborhood Coalition of DC – ORSC R327

Les Adams with the Wildfire Neighborhood Coalition of Deschutes County introduced himself as the La Pine representative and provided background information on himself and the coalition.

Robin Church with Project Wildfire presented to the Council on R327, which would require new dwellings to incorporate wildfire protection measures by mandating more wildfire-resilient homes. She listed surrounding cities that had expressed support for R327 and explained the benefits of the code, including reducing economic losses and displacement, and helping to create a more resilient community.

Director Bybee stated that R327 included building code standards and that the City did not have a building department. He went on to explain that the City could coordinate adoption of R327, and that if the Council agreed, the Planning Department could work with wildfire partners to move forward with the adoption. The Council asked Director Bybee to move forward with this process.

OLD BUSINESS:

None.

NEW BUSINESS:**1. Procurement of Vactor Trailer**

Finance Director Ivans presented a staff report for the intermediate procurement of a vactor trailer. She explained that the City's 1989 Vac Truck had experienced a mechanical failure in which the vacuum motor exploded. Due to the mechanical nature of the failure, the damage was not covered by the City's insurance. She stated that staff solicited outside repair options and determined that repairing the vehicle was too costly given its remaining value, in addition to the difficulty in locating parts due to the age of the vehicle.

She stated that the Public Works and Finance Departments initiated a search for replacement equipment and obtained two quotes for a new vactor trailer, with an unsuccessful attempt to secure a third quote. She addressed the two quotes and stated that the City had initiated an intermediate procurement under ORS 279B.070. After attempting to solicit bids as required, she presented the purchase of the quoted Ditch Witch HX50A Model for Council consideration.

Council President Ignazzitto made a motion for the city to accept the quote from Ditch Witch, for the purchase of the HX50A Model, at a cost of \$129,680. *Councilor Shields seconded the motion.* Mayor Earls asked for a roll call vote:

Councilor Curtis – Aye

Councilor Shields – Aye

Council President Ignazzitto – Aye

Motion passed unanimously.

2. 2024-2025 City of La Pine Audit Plan of Action

Finance Director Ivans presented the staff report for the FY 2024–2025 City of La Pine audit plan of action. She stated that there were findings related to internal controls that were consistent with those typically identified in a smaller agency. She explained that because the City was the recipient of federal funding for the water and wastewater expansion, the way these findings were reported differed from findings the City had encountered in the past. She stated that the City was required to report the findings as a corrective action plan within the audit report and submit a plan of action to the Secretary of State. She presented the letter to the Council for review and approval.

Council President Ignazzitto made a motion to approve the City of La Pine's Plan of Action to be submitted to the Oregon Secretary of State. *Councilor Shields seconded the motion.* Mayor Earls asked for a roll call vote:

Councilor Curtis – Aye

Councilor Shields – Aye

Council President Ignazzitto – Aye

Motion passed unanimously.

3. Planning Commissioner Appointment

Community Development Director Bybee presented to the Council the staff report regarding a Planning Commissioner appointment. He stated that one of the Planning Commissioner's terms ended on December 31, 2025, and that the City had received two applications, one from the incumbent, Anthony Accinelli, and the other from Mr. James Little. Director Bybee read each application for the Council highlighting their special skills and achievements.

Mayor Earls asked each applicant to give testimony as to their candidacy for the appointment.

Mr. Accinelli stated that he would like to be reappointed so that he could finish the projects he had started, including the text amendments, the Transportation System Update (TSP), and other ongoing business with the Commission. He stated that he had positively contributed to the Commission and that he was one of the driving forces in moving decisions forward with the Commission.

James Little explained that he had been in La Pine since 2018 and that he was working on a development project for a beer garden within the City. He stated that he was a local contractor and understood how to read development plans, which he believed would be helpful to the Planning Commission. He also stated that he would like to assist local business owners and developers in moving their plans more efficiently through the planning process, noting that it could be a lengthy process.

There was a discussion regarding the two applicants.

Council President Ignazzitto moved to appoint Anthony Accinelli for a 4-year term on the Planning Commission. *Councilor Curtis seconded the motion.* Mayor Earls asked for a roll call vote:

Councilor Curtis – Aye

Councilor Shields – Aye

Council President Ignazzitto – Aye

Motion passed unanimously.

OTHER MATTERS

Finance Director Ivans presented to the Council an engineering services agreement from Anderson Perry & Associates for improvements to 2nd Street between Huntington Road and Morson Street. She explained that the road improvements on 2nd Street would require the removal of old growth trees located on the perimeter of Heritage Park. She stated that in order to preserve these trees, which were used for shade during many community events, the City would need to hire Anderson Perry & Associates to engineer alternative plans for contractors at a cost of \$42,080.

There was a discussion regarding the condition of the trees and whether it would be cost effective to preserve them, as they were nearing the end of their life cycle. It was decided not to proceed with the contract with Anderson Perry & Associates to save the trees. It was noted that prior to the trees being

removed, public outreach would be required to inform the community of the removal and the reasons for it.

City Manager Wullschlager presented to the Council, Council President Ignazzitto's letter of resignation. He presented Council President Ignazzitto with an award in recognition of her outstanding dedication to the City.

Mayor Earls spoke highly of Council President Ignazzitto, expressed sincere appreciation for her leadership, commitment, and years of service to the City, acknowledged the positive impact she had on the Council and the community, and stated that she would be greatly missed.

PUBLIC COMMENTS

Colleen Scott, who lives on Murray Dr, thanked the Council for ensuring that public outreach would occur regarding the removal of the trees on 2nd Street.

STAFF COMMENTS

City Recorder Metcalf did not have any comments.

Finance Director Ivans thanked Council President Ignazzitto for her dedication to the City and stated that it had been amazing to work with her.

She also stated that the City had hired a new Public Works Director, Jason Wood, and that he had already begun taking on Public Works projects and had started training sessions with the Public Works Department for licensing.

She additionally reported that the audit had been completed on time for the last audit period.

Lastly, she stated that the budget session would begin soon.

Director Bybee stated that the Community Development Department had officially held a kickoff meeting for the Transportation System Plan update, which was projected for adoption in early 2027. He explained that traffic counts had already been conducted on Highway 97 and that the consultant team had begun work and was underway.

Public Works Director Wood did not have any comments.

City Manager Wullschlager provided updates on several projects. He stated that the Newberry Lift Station was expected to be completed within the next couple of months and that he was working with Anderson Perry on the project.

He stated that the Urban Renewal Agency would move forward with the archway project over 4th Street; however, the design had been sent back to Open Concept Architecture to reduce the overall cost.

He explained that the City-owned spec building was expected to break ground in early spring and was anticipated to be completed in September 2026.

He informed the Council that he and Mayor Earls would be traveling to Tigard for an award ceremony, as the City had been nominated for an award related to the water and wastewater expansion project.

He stated that due to the resignation of Council President Ignazzitto, an open Council seat was now available for appointment. He explained that the vacancy would be advertised on the City's website and that all applications would be presented to the Council.

He additionally reported that the Urban Renewal Agency also had two open seats, one due to the resignation of Agency member Scott Asla and one seat requiring appointment of a Council Member. He explained that the Agency member seat would also be advertised on the City's website.

He explained that the legislative short session would begin soon and that the State would be budgeting within the reported framework of reduced federal funding.

Lastly, he shared that in April, Republic Services would present to the Council regarding their annual fee increase request.

MAYOR & COUNCIL COMMENTS

Councilor Curtis said goodbye to Council President Ignazzitto and stated that she made a great impression and wished her luck.

Councilor Shields gave Council President Ignazzitto a heartfelt thank you.

Council President Ignazzitto stated it was an honor to serve the City of La Pine and she welcomed Public Works Director Wood.

Mayor Earls stated that with the resignation of Council President Ignazzitto, the Council would need to review its goals and Council appointments to various committees. She also stated that the Mayor's position would be up for election this year and that it would be a significant year with many changes. She thanked staff for their hard work, especially Finance Director Ivans, for her efforts on the audit.

She explained that she and City Manager Wullschlager were continuing to work diligently with other governing bodies on wildfire prevention efforts.

Lastly, she asked for an update on Starbucks. Community Development Director Bybee stated that the most recent update from the developer indicated there had been a corporate restructuring and that construction had been halted.

EXECUTIVE SESSION: per ORS 192.660 if necessary

ADJOURNMENT

Mayor Earls adjourned the meeting at 7:01 p.m.

SIGNATURE PAGE TO FOLLOW

Date:

Jeannine Earls, Mayor

ATTEST:

Date:

Amanda Metcalf, City Recorder



PUBLIC COMMENT FORM

1st ✓

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)

I would like to comment on:

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

Topic Title: _____

☒ **Non-Agenda Item** Topic (Provide brief description): _____

in support of Courtney Ignazzitto (thank you)

Name: Coleen Scott

City of La Pine Resident: ☒ YES ☐ NO Phone: 541-306-0576

Organization (if applicable): _____



PUBLIC COMMENT FORM

1st

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)

I would like to comment on:

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

Topic Title: _____

☒ **Non-Agenda Item** Topic (Provide brief description): La Pine Dark Skies

SM

Name:

Tim Merrill

City of La Pine Resident: ☒ YES ☐ NO

Phone: 541 - 342 - 3559

Organization (if applicable):

420



PUBLIC COMMENT FORM

2nd

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)

I would like to comment on:

☐ **Agenda Item** Topic #: ☐ in support of ☒ in opposition to ☐ as an interested party

Topic Title:

added tree item

☐ **Non-Agenda Item** Topic (Provide brief description):

Name:

Colleen Scott

City of La Pine Resident:

☒ YES ☐ NO

Phone:

- -

Organization (if applicable):



CITY OF LA PINE

STAFF REPORT

Meeting Date: February 11, 2026

TO: City Council

FROM: Geoff Wullschlager, City Manager 

SUBJECT: City Council Appointment(s)

- | | |
|---|--|
| <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: Please see below |
-

Councilors:

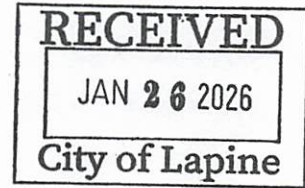
The current Council has the following vacancy:

1. Open Seat – This seat was vacated at the end of the January 2026 year and was made available with the resignation of Council President Ignazzitto. The Council is now presented with one eligible candidate meeting the requirements as established in the La Pine City Charter.

Action:

Sitting Councilmembers are directed to the attached application, questionnaire responses, and professional history of the candidate. Please review and discuss the qualifications of the applicants. If any sitting member with voting authority would like to nominate a candidate, please:

- a. Make a motion of “**I nominate _____ for appointment to the office of City Councilor, for the remainder of the 2025-2028 term.**”.
- b. This should be followed by a second of “**I second the nomination of _____ for appointment to the office of City Councilor, for the remainder of the 2025-2028 term.**”.
- c. A roll call vote should then be called by the Mayor or presiding officer.
- d. If the Council is so inclined, and the appointed member is present, the Oath of Office may be administered.



La Pine City Councilor Application

CATHERINE R. VANHAMME
Applicant's Full Name

52724 Elm Drive Lapine, OR 97739
Street Address

PO Box 382 Lapine, OR 97739
Mailing Address

503-348-4869 scvanhamme@gmail.com
Phone Email Address

Retired N/A
Current Occupation Present Employer

<u>Occupational/Educational Background</u>	<u>Degrees</u>	<u>Years in this Field</u>
<u>Public Schools - Admin. + Business Services</u>		
<u>Combined Total 30 years..</u>		
<u>City Council, Planning, + Public Works</u>		

On a separate sheet(s), please type or print legibly answers to the following questions: SEE ATTACHED

1. Why do you want to be a City Councilor?
2. What talents, skills, or abilities would you bring to the City Council?
3. What are your expectations for the City?
4. Are you willing to serve on subcommittees and/or represent the City in regional or community meetings?
5. How much time can you devote to this position on a monthly basis? _____ hours

I am a resident of the City of La Pine and will have been a resident within city limits for at least one year prior to appointment. To the best of my knowledge, the information contained in this application is true and accurate.

Date: 1/26/2026 Signature: Catto Vanhamme

Catherine (Cathi) VanDamme
52724 Elm Drive (Residence)
PO Box 382, La Pine, OR 97739 (Mailing)
503-348-4869
scvandamme@gmail.com

1. Why do I want to be a City Councilor?

City Council is where decisions are made that build upon current policy and/or create policy for enhancement of a city's safety, livability and smooth administration of services provided. It is my desire to work alongside Council Members and Mayor to continue building what the City of La Pine is and can become.

2. What talents, skills, or abilities would you bring to the City Council?

I am an experienced four-year member of City Council, two years Planning Dept. and one-year Public Works Committee. I served as Vice Chair of Central Oregon Intergovernmental Council as well as being available to represent the city in various settings.

I understand and practice the communication skills necessary to work with various personalities; including citizens who are upset, requesting monies from the city for projects or programs or those needing explanation as to why on policy, road conditions, etc.

3. What are my expectations for the City?

I expect to see the city continue to build a growing, welcoming place for those vacationing, those visiting for recreational purposes and those currently living in La Pine or planning to move here. La Pine can and should build upon bringing retail stores, businesses providing employment to keep the young remaining

and/or returning here to live and grocery stores that will help bring costs down ensuring no monopoly on the prices charged.

4. Am I willing to serve on subcommittees and/or represent the City in regional or community meetings?

Absolutely!

5. How much time can I devote to this position on a monthly basis? _____
hours

As many hours as needed and necessary!

**I am a resident of the City of La Pine and have lived here since 2015 (10+ years).
The information contained in this application is true and accurate.**



CITY OF LA PINE

STAFF REPORT

Meeting Date: February 11, 2026

TO: City Council

FROM: Geoff Wullschlager, City Manager 

SUBJECT: Election of Council President

<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: Please see below

Councilmembers:

Section 9 of the City Charter requires the election of a Council President at the first meeting of each year. The Council President presides over meetings in the absence of the mayor and acts as mayor when the mayor is unable to perform their duties. The City's last Council President was Courtney Ignazzitto who is no longer serving on the Council.

Please consider whom you feel would be best positioned to serve in this capacity. A motion is required to complete this process. The chair (Mayor) will ask if anyone has a motion to entertain with respect to a candidate they would like to put forward. If there is a motion, the chair will then ask for a second. If there is a second, the chair will then ask for a roll call vote in which each sitting/voting member will either vote in the affirmative (aye) or in opposition (nay). Three votes in the affirmative support the motion and the chair, upon receiving this vote will state that the motion passes, and the Council President will be noted for the record.

Recommended motion:

"I move that we appoint [councilor] as Council President for the calendar year of 2026." This will need to be followed by a second from a voting member of the Council, and then a roll call vote by the chair.



CITY OF LA PINE

STAFF REPORT

Meeting Date: February 11, 2026
TO: City Council
FROM: Ashley Ivans, Finance Director
SUBJECT: Findings from City's Annual Audit

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

Councilmembers:

Attached to this staff report is the City's Annual Audit. Brenda Bartlett, Sensiba LLP, will be here to present on this topic.

If you have any questions regarding this Financial Report prior to the meeting please reach out to me directly.

CITY OF LA PINE, OREGON

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2025

**TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

CITY OF LA PINE, OREGON

YEAR ENDED JUNE 30, 2025

MAYOR AND CITY COUNCIL

Jeannine Earls
Courtney Ignazzitto
Janis Curtis-Thompson
Karen Morse
Mike Shields

Mayor
Council President
Councilor
Councilor
Councilor

All council members receive mail at the address listed below.

ADMINISTRATION

Geoff Wullschlager, City Manager
Ashley Ivans, Assistant City Manager / Finance Director

City of La Pine
P.O. Box 2460
La Pine, Oregon 97739

CITY OF LA PINE, OREGON

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INDEPENDENT AUDITORS' REPORT

To the Mayor and Council members,
City of La Pine, Oregon

Report on the Audited Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the City of La Pine (the "City"), as of and for the year ended June 30, 2025, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities, each major fund, and the blended component unit of the City of La Pine as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

City of La Pine's management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAS, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City of La Pine's ability to continue as a going concern for one year after the date that the financial statements are issued, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Governmental Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of revenues, expenditures and changes in fund balances - budget and actuals, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context

We have applied certain limited procedures to the management's discussion and analysis in accordance with the auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedules of revenues, expenditures and changes in fund balances - budget and actuals for the general fund and major special revenue funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The schedules of revenues, expenditures and changes in fund balances - budget and actuals for the general, street, community development, economic and industrial development and tourism funds have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the schedules of revenues, expenditures and changes in fund balances - budget and actuals general, street, community development, economic and industrial development and tourism funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of La Pine's basic financial statements. The schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the non-major fund combining schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, the combining balance sheet and statements of revenues, expenditures and changes in fund balance – general and cemetery funds, and the combining statements of net position and statements of revenues, expenditures and changes in fund balance – water and debt reserve funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedules of revenues, expenditures and changes in fund balances - budget and actuals for the Urban Renewal Agency, cemetery, water, sewer, system development and debt reserve funds and the schedule of long-term debt transactions, but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Report on Reporting Required by Oregon Minimum Standards

In accordance with the *Minimum Standards for Audits of Oregon Municipal Standards*, we have also issued a report titled Independent Auditors' Report Required by Oregon State Regulations dated December 31, 2025, which is also not a required part of the financial statements. The purpose of that report is to address specific matters required by the State of Oregon.



Brenda Bartlett, CPA
Sensiba, LLP

December 31, 2025

CITY OF LA PINE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2025

This Management Discussion and Analysis (MD&A) is presented to facilitate financial analysis and provide an overview of the financial activities of the City of La Pine (the City) for the fiscal year ended June 30, 2025. Information in the MD&A is based on currently known facts, decisions, and conditions. Please read it in conjunction with the basic financial statements and the accompanying notes to those financial statements. It should also be noted that all amounts included in text below are rounded for ease of reading.

Financial Highlights:

Key financial highlights for the fiscal year dated June 30, 2025, are as follows:

- The City's net position was, \$41,206,414, reflecting an increase from the prior fiscal year. Much of this increase was related to grant funding received in the water and sewer funds related to the ongoing infrastructure projects.
- Total revenue for the City was \$14,266,220 which represents an increase from the previous year. General revenue accounted for \$3,100,744 of total revenue. Program revenues of \$11,166,949 included federal grant funding of \$7,271,958.
- The City incurred \$4,033,268 in program expense, which were offset by program revenues and capital grants.
- Among the governmental funds, the General Fund has \$1,149,842 in revenues, which primarily consisted of property taxes, intergovernmental revenues, franchise taxes, and grants.
- The Street Fund had \$617,596 in revenues, which primarily consisted of franchise fees and intergovernmental revenue.
- Among the proprietary funds, the Water Fund had \$4,328,461 in revenue, which primarily consisted of grants in the amount of \$3,069,991 and user fees of \$1,147,756. The Sewer Fund had \$5,573,914 in revenue, which primarily consisted of grants in the amount \$4,201,967 and user fees of 1,199,388.

Overview of the Financial Statements: The discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's financial statements are comprised of: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

The accompanying notes to the basic financial statements are an integral part of this statement

CITY OF LA PINE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2025

Government-wide Financial Statements: The government-wide financial statements are designed to present the financial picture of the City in a manner similar to a private-sector business, i.e. from the economic resources measurement focus using the accrual basis of accounting.

The Statement of Net Position includes all assets (including infrastructure) and deferred outflows of resources of the City, as well as all liabilities (including long-term debt) and deferred inflows of resources. Net position is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, which is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position may be an indicator of whether its financial health is improving or deteriorating. Evaluation of the overall economic health of the City would extend to other non-financial factors such as the condition of the buildings, and water and sewer system facilities.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are included regardless of when cash is received or paid. An important purpose of the design of the Statement of Activities is to show the financial reliance of the City's distinct activities or functions of the City that are principally supported by user fee revenues, intergovernmental revenues from grants, and property tax revenues. The governmental activities of the City include general government activities, street maintenance, contracted police services, and providing resources for cultural, tourism, and economic development activities. The proprietary activities of the City include water and sewer utilities.

The government-wide financial statements distinguish programs/functions of the City that are governmental (principally supported by taxes and intergovernmental revenues) to those that are business-type (intended to recover all or a significant portion of their costs through user fees and charges).

Fund Financial Statements: A fund is an accountability unit that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, Fund Financial Statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all other are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the forms of combining statements and individual fund statements in a later section of the report.

Governmental Funds: Governmental funds focus on how money flows into and out of those funds and the balances left at year-end available for spending in future period. Unlike government-wide financial statements, these statements report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the fiscal year.

The accompanying notes to the basic financial statements are an integral part of this statement

CITY OF LA PINE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2025

Since the government-wide includes the long-term view, comparison between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to government-wide statements to assist in understanding the differences between the two perspectives.

Budgetary comparison schedules of major funds are included as required supplementary information following the Notes to the Financial Statements.

Proprietary Funds: Proprietary funds are used to report the functions presented as business-type activities in the government-wide financial statement, only in more detail. The City maintains one type of proprietary fund – enterprise funds. The City uses enterprise funds to account for water and sewer operations. The proprietary fund financial statements provide separate information for the Water fund, the Sewer Fund, the Water/Sewer Reserve Fund, and the SDC Fund.

The governmental fund statements emphasize available financial resources rather than net income. They are prepared using the current financial resources measurement focus and modified accrual basis of accounting. A reconciliation of the fund balance reported in the governmental funds Balance Sheet to the net position reported on the government-wide Statement of Net Position, and a reconciliation of the change in fund balances reported in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances to the change in net position reported in the government-wide Statement of Activities are provided to facilitate a comparison between governmental funds and governmental activities.

The City has three governmental funds, all of which are considered major funds and presented separately in the governmental fund financial statements. These funds are the General Fund, Street Fund, and Governmental Debt Service Fund.

Notes to the Basic Financial Statements the accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin immediately following the basic financial statements.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents as required supplementary information budgetary comparison statements for the General Fund, the Street Fund, the Community Development Fund, and the La Pine Urban Renewal Agency Fund. The required supplementary information immediately follows the Notes to the Financial Statements.

Government-Wide Overall Financial Analysis:

Recall that the Statement of Net Position provides the perspective of the City as a whole. Net position may serve over time as a useful indicator of a government's financial position. The City's net position at fiscal year-end is \$44,248,504. This reflects an increase of \$10,062,459 over prior year, primarily related to federal grant revenue funding for the water and sewer infrastructure projects.

The accompanying notes to the basic financial statements are an integral part of this statement

CITY OF LA PINE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2025

A portion of the City's net position reflects its investment in capital assets (e.g. land and improvements, buildings and improvements, improvements other than building, vehicles, and machinery and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending.

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City's financial position is the product of several financial transaction including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table provides a summary of the City's net position for the current and prior year.

SUMMARY OF NET POSITION						
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
ASSETS:						
Current and other assets	\$ 9,846,927	\$ 9,896,597	\$ 11,342,950	\$ 10,827,514	\$ 21,189,877	\$ 20,724,111
Non-current assets	142,339	155,495	972,567	199,895	1,114,906	355,390
Capital assets	3,512,153	3,135,126	45,221,017	39,173,156	48,733,170	42,308,282
Total assets	13,501,419	13,187,218	57,536,534	50,200,565	71,037,953	63,387,783
LIABILITIES:						
Current liabilities	\$ 1,657,708	\$ 2,652,983	\$ 979,465	\$ 15,490,205	\$ 2,637,173	\$ 18,143,188
Long-term liabilities	185,000	215,000	23,597,587	10,688,055	23,782,587	10,903,055
Total liabilities	1,842,708	2,867,983	24,577,052	26,178,260	26,419,760	29,046,243
Deferred inflows of resources	142,339	5,435	-	-	142,339	5,435
NET POSITION						
Net investment in capital assets	3,297,153	2,890,126	21,110,618	24,409,765	24,407,771	27,299,891
Restricted	4,337,977	3,653,701	7,523,083	708,999	11,861,060	4,362,700
Unrestricted	3,881,242	3,619,913	4,325,781	(1,096,459)	8,207,023	2,523,454
TOTAL NET POSTION	\$ 11,516,372	\$ 10,163,740	\$ 32,959,482	\$ 24,022,305	\$ 44,475,854	\$ 34,186,045

Changes in Net Position: The City's total revenue for the fiscal year ended June 30, 2025 \$14,267,693 which represents a 18% increase from the previous year, primarily related to grant financing for the infrastructure projects in the water and sewer funds. The following table shows a comparative analysis of government-wide revenues, expenses, and changes in net position.

The accompanying notes to the basic financial statements are an integral part of this statement

CITY OF LA PINE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2025

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Revenues						
Program revenues						
Charges for services	\$ 316,471	\$ 244,366	\$ 3,320,330	\$ 3,406,239	\$ 3,636,801	\$ 3,650,605
Operating grants and contributions	258,190	-	-	-	258,190	-
Capital grants and contributions	-	-	7,271,958	5,484,368	7,271,958	5,484,368
Total program revenues	574,661	244,366	10,592,288	8,890,607	11,166,949	9,134,973
General revenues						
Taxes	1,522,670	1,392,497	-	-	1,522,670	1,392,497
Intergovernmental	448,321	459,761	-	-	448,321	459,761
Interest & investment earnings	417,964	332,828	458,290	323,294	876,254	656,122
Other revenues	141,488	225,407	112,011	83,701	253,499	309,108
Total general revenues	2,530,443	2,410,493	570,301	406,995	3,100,744	2,817,488
Total revenues	3,105,104	2,654,859	11,162,589	9,297,602	14,267,693	11,952,461
Program expenses						
General government	674,975	636,925	-	-	674,975	636,925
Highways and streets	556,430	453,036	-	-	556,430	453,036
Cemetery services	5,442	10,519	-	-	5,442	10,519
Planning	462,447	420,813	-	-	462,447	420,813
Tourism	93,864	90,013	-	-	93,864	90,013
Urban renewal	96,406	31,428	-	-	96,406	31,428
Interest expense	12,908	14,483	406,225	126,436	419,133	140,919
Utility services	-	-	1,669,187	1,496,309	1,669,187	1,496,309
Total program expenses	1,902,472	1,657,217	2,075,412	1,622,745	3,977,884	3,279,962
Transfers	150,000	(400,000)	(150,000)	400,000	-	-
Change in net position	<u>\$ 1,352,632</u>	<u>\$ 597,642</u>	<u>\$ 8,937,177</u>	<u>\$ 8,074,857</u>	<u>\$ 10,289,809</u>	<u>\$ 8,672,499</u>

The Statement of Activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table shows, for governmental activity, the total cost of the four major functional activities of the City/ The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

For the current year, business-type activities increased the City's net position by \$8,937,177. Business-type revenues totaled \$11,012,589 and consisted primarily of charges for services (approximately 30 %) and capital grants and contributions (approximately 66%).

The accompanying notes to the basic financial statements are an integral part of this statement

CITY OF LA PINE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2025

Financial Analysis of the City's Funds:

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. An unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

Governmental Funds: As the City completed the year, its governmental funds reported a combined fund balance of \$8,246,938, an increase of \$956,768. The fund balance constitutes nonspendable, restricted, committed, assigned, and unassigned amounts. Of the current fund balances, \$2,856 is nonspendable, \$4,337,977 is restricted, \$646,643 is committed to community development projects and cemetery projects, \$683,605 is assigned, and \$2,575,857 is unassigned and available for spending at the City's discretion.

The General Fund is the principal operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$2,575,857. The total fund balance of the General Fund increased by \$315,297 during the fiscal year, ending at \$3,352,000.

Proprietary Funds: The City's enterprise funds ended the fiscal year with a net position of \$32,959,482. The enterprise funds report \$7,523,083 in restricted net position. The enterprise net position includes \$21,110,618 invested in capital assets, net of the related debt.

Budgetary Highlights: General Fund expenditures of \$754,386 were less than the amount budgeted by \$793,419.

Capital Assets: As of June 30, 2025, the City had invested, net of accumulated depreciation, \$56,276,881 in capital assets, including buildings, land, machinery and equipment, water and sewer utility systems, construction in progress, and other intangible assets. This amount represents an increase of approximately \$6.0 million from the prior year, reflecting the ongoing water and sewer infrastructure project, which were both placed in service during the year.

Additional information on the City's capital assets can be found in the Capital Asset Note of the Notes to the Basic Financial Statements section of this report.

Long-Term Debt:

As of June 30, 2025, the City refinanced its remaining interim DEQ financing debt with an issue of \$13.0 million in revenue bonds. \$548,000 in additions for the infrastructure project was offset by regularly scheduled principal payments.

Additional information on the City's long-term debt can be found in the Long-Term Debt Note of the Notes to the Basic Financial Statements.

The accompanying notes to the basic financial statements are an integral part of this statement

CITY OF LA PINE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2025

Economic Factors and Next Year's Budget:

The budget process is governed by the City Charter, City Ordinances, and State of Oregon Budget Laws. The City's budget for the fiscal year ending on June 30, 2026, has been set at \$31,093,184, reflecting an increase of \$843,191 from the previous year's budget. Out of the total budget, \$18,451,928 has been appropriated for various purposes. Among the appropriated funds, \$1,780,194 has been allocated to the General Fund, \$1,647,904 to the Streets Fund, \$3,351,225 to the Water Fund, \$5,549,356 to the Sewer Fund and \$3,000,000 to the SDC Fund. The remaining \$3,123,249 has been allocated to the Cemetery Fund, Tourism Fund, Community Development Fund and Economic Development Fund. The remaining budget of \$12,641,256 has been allocated to unappropriated and reserved amounts

The permanent rate levy was \$1.98 per \$1,000 of assessed value.

Major Capital Projects for the 2025-26 Budget include: conclusion of work on the City's Water and Wastewater expansion into the Cagle and Glenwood subdivisions, enhanced police force services, safety improvements throughout city facilities, maintenance of unimproved city streets, construction of the city spec building in the Industrial Park, the Newberry Lift Station upgrade and design on the Urban Renewal Agency's archway; and System Development planning.

Requests for Information

The City's financial statements are designed to present users with a general overview of the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to City of La Pine, Attention: City Manager, PO Box 2460, La Pine, Oregon 97739.

The accompanying notes to the basic financial statements are an integral part of this statement

BASIC FINANCIALS STATEMENTS

GOVERNMENT – WIDE FINANCIAL STATEMENTS

CITY OF LA PINE
STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
ASSETS:			
Current assets:			
Cash and investments	\$ 9,623,594	\$ 10,715,654	\$ 20,339,248
Accounts receivable - net	202,948	514,038	716,986
Property taxes receivable	17,529	-	17,529
Prepaid expenses	714	1,428	2,142
Inventory	<u>2,142</u>	<u>111,830</u>	<u>113,972</u>
Total current assets	9,846,927	11,342,950	21,189,877
Non-current Assets:			
Tower lease receivable	142,339	-	142,339
Restricted cash	<u>-</u>	<u>972,567</u>	<u>972,567</u>
Total other assets	142,339	972,567	1,114,906
Capital assets, not being depreciated			
Land	321,528	879,252	1,200,780
Construction in progress	225,475	151,835	377,310
Capital assets			
Infrastructure	7,046,088	54,018,767	61,064,855
Buildings & improvements	1,708,563	376,265	2,084,828
Equipment & vehicles	266,503	783,248	1,049,751
Other capital assets	-	43,000	43,000
Intangible assets	103,961	24,514	128,475
Less: accumulated depreciation	<u>(6,159,965)</u>	<u>(11,055,864)</u>	<u>(17,215,829)</u>
Total capital assets	<u>3,512,153</u>	<u>45,221,017</u>	<u>48,733,170</u>
Total assets	<u>\$ 13,501,419</u>	<u>\$ 57,536,534</u>	<u>\$ 71,037,953</u>
LIABILITIES:			
Current liabilities:			
Accounts payable	\$ 118,560	\$ 163,687	\$ 282,247
Customer deposits	33,900	56,685	90,585
Compensated absences	38,273	38,079	76,352
Payroll liabilities	3,265	4,898	8,163
Unearned revenue	1,433,710	-	1,433,710
Interest payable	-	203,304	203,304
Current portion of long-term debt	<u>30,000</u>	<u>512,812</u>	<u>542,812</u>
Total current liabilities	1,657,708	979,465	2,637,173
Long-term debt	<u>185,000</u>	<u>23,597,587</u>	<u>23,782,587</u>
Total liabilities	<u>1,842,708</u>	<u>24,577,052</u>	<u>26,419,760</u>
DEFERRED INFLOW OF RESOURCES:			
Deferred tower lease revenue	<u>142,339</u>	<u>-</u>	<u>142,339</u>
Total deferred inflows of resources	<u>\$ 142,339</u>	<u>\$ -</u>	<u>\$ 142,339</u>
NET POSITION:			
Net investment in capital assets	\$ 3,297,153	\$ 21,110,618	24,407,771
Restricted for:			
Highways & streets	1,876,982	-	1,876,982
Economic and industrial	849,826	-	849,826
Urban renewal	1,135,716	-	1,135,716
Tourism	475,453	-	475,453
Capital projects	-	6,550,516	6,550,516
Debt service	-	972,567	972,567
Unrestricted	<u>3,881,242</u>	<u>4,325,781</u>	<u>8,207,023</u>
Total net position	<u>\$ 11,516,372</u>	<u>\$ 32,959,482</u>	<u>\$ 44,475,854</u>

See accompanying notes to basic financial statements

CITY OF LA PINE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

		Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
	(Expenses)				
Governmental Activities:					
General government	675,233	\$ 131,134	\$ 258,190	\$ -	\$ (285,909)
Cemetery services	5,442	-	-	-	(5,442)
Highways and streets	556,430	-	-	-	(556,430)
Tourism	93,864	-	-	-	(93,864)
Planning	462,447	185,337	-	-	(277,110)
Urban renewal	96,406	-	-	-	(96,406)
Interest on long-term debt	12,908	-	-	-	(12,908)
Total governmental activities	1,902,472	316,471	258,190	-	(1,327,811)
Business-type activities:					
Water utilities	773,975	2,347,144	-	3,069,991	\$ 4,643,160
Sewer utilities	895,212	973,186	-	4,201,967	4,279,941
Interest on long-term debt	406,225	-	-	-	(406,225)
Total business-type activities	2,075,412	3,320,330	-	7,271,958	8,516,876
Total primary government	\$ 3,977,884	\$ 3,636,801	\$ 258,190	\$ 7,271,958	\$ 7,189,065
			Governmental Activities	Business-Type Activities	Total
CHANGES IN NET POSITION:					
Net (expense) revenue			\$ (1,327,811)	\$ 8,516,876	\$ 7,189,065
General Revenues:					
Property taxes, levied for general purposes			868,725	-	868,725
Transient room tax			210,906	-	210,906
Intergovernmental tax turnovers			448,321	-	448,321
Franchise taxes			443,039	-	443,039
Interest and investment earnings			417,964	458,290	876,254
Licenses and permits			33,275	-	33,275
Other revenue			108,213	112,011	220,224
Interfund transfers			150,000	(150,000)	-
Total general revenue and transfers			2,680,443	420,301	3,100,744
Change in net position			1,352,632	8,937,177	10,289,809
Beginning net position balance			10,163,740	24,022,305	34,186,045
Net position - ending			\$ 11,516,372	\$ 32,959,482	\$ 44,475,854

See accompanying notes to basic financial statements

BASIC FINANCIAL STATEMENTS

GOVERNMENTAL FUND

FINANCIAL STATEMENTS

CITY OF LA PINE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	Component Unit						
	General Fund	Street Fund	Community Development Fund	Urban Renewal Agency Fund	Economic Industrial Fund	Tourism Fund Governmental Funds	Total Governmental Funds
ASSETS:							
Cash and investments	\$ 3,351,885	\$ 1,816,718	\$ 585,612	\$ 1,134,184	\$ 2,269,272	\$ 465,923	\$ 9,623,594
Receivables:							
Business license	10,160	-	-	-	-	-	10,160
Other receivables	80,230	84,385	12,447	-	-	15,726	192,788
Property tax	10,372	-	-	7,157	-	-	17,529
Lease receivable	142,339	-	-	-	-	-	142,339
Prepaid expenses	714	-	-	-	-	-	714
Inventory	-	2,142	-	-	-	-	2,142
Total Assets	\$ 3,595,700	\$ 1,903,245	\$ 598,059	\$ 1,141,341	\$ 2,269,272	\$ 481,649	\$ 9,989,266
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:							
Liabilities:							
Accounts payable	\$ 68,853	\$ 23,367	\$ 10,080	\$ 17	\$ 10,046	\$ 6,196	\$ 118,559
Payroll payable	816	754	1,350	345	-	-	3,265
Deposits payable	4,500	-	-	-	29,400	-	33,900
Unearned revenue	21,900	-	-	-	1,411,810	-	1,433,710
Total liabilities	96,069	24,121	11,430	362	1,451,256	6,196	1,589,434
Deferred inflows of resources:							
Unavailable property taxes	5,292	-	-	5,263	-	-	10,555
Unearned lease payments	142,339	-	-	-	-	-	142,339
Total deferred inflows of resources	147,631	-	-	5,263	-	-	152,894
Fund Balances:							
Nonspendable	714	2,142	-	-	-	-	2,856
Restricted for							
Highways and streets	-	1,876,982	-	-	-	-	1,876,982
Urban renewal	-	-	-	1,135,716	-	-	1,135,716
Economic and industrial	31,810	-	-	-	818,016	-	849,826
Tourism	-	-	-	-	-	475,453	475,453
Committed for:							
Cemetery maintenance	60,014	-	-	-	-	-	60,014
Community development	-	-	586,629	-	-	-	586,629
Assigned for:							
Appropriated ending fund balance	683,605	-	-	-	-	-	683,605
Unassigned	2,575,857	-	-	-	-	-	2,575,857
Total fund balances	3,352,000	1,879,124	586,629	1,135,716	818,016	475,453	8,246,938
Total liabilities, deferred inflows of resources & fund balances	\$ 3,595,700	\$ 1,903,245	\$ 598,059	\$ 1,141,341	\$ 2,269,272	\$ 481,649	\$ 9,989,266

The accompanying notes to the basic financial statements are an integral part of this statement

CITY OF LA PINE
RECONCILIATION OF THE BALANCE SHEET TO
THE STATEMENT OF NET POSITION – GOVERNMENTAL FUNDS
JUNE 30, 2025

Total Fund Balances - Governmental Funds		\$ 8,246,938
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	\$ 9,672,118	
Accumulated depreciation	<u>(6,159,965)</u>	3,512,153
Certain receivables that will not be available to pay for current-period expenditures are deferred in the governmental funds:		
Property taxes		10,554
Long-term liabilities are not due or payable in the current period and therefore are not reported in the governmental funds.		(215,000)
Accrued compensated absences		<u>(38,273)</u>
Net Position of Governmental Activities		<u>\$ 11,516,372</u>

The accompanying notes to the basic financial statements are an integral part of this statement

CITY OF LA PINE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	Component Unit						
	General Fund	Street Fund	Community Development Fund	Urban Renewal Agency	Economic Industrial Fund	Tourism Fund	Total Governmental Funds
Revenues:							
Taxes and assessments	\$ 495,511	\$ -	\$ -	\$ 371,742	\$ -	\$ -	\$ 867,253
Intergovernmental	215,544	232,777	-	-	-	-	448,321
Franchise fees	134,942	308,097	-	-	-	-	443,039
Licenses & permits	8,625	-	-	-	24,650	-	33,275
Transient room tax	63,277	-	-	-	-	147,629	210,906
Charges for service	900	-	185,337	-	130,234	-	316,471
Investment revenue	169,590	71,846	23,169	45,241	89,701	18,417	417,964
Grants	-	-	50,000	-	208,190	-	258,190
Miscellaneous and other revenue	64,903	4,876	6,575	-	31,859	-	108,213
Total Revenues	1,153,292	617,596	265,081	416,983	484,634	166,046	3,103,632
Expenditures:							
Current:							
General government	635,279	-	-	-	-	-	635,279
Cemetery services	3,468	-	-	-	-	-	3,468
Highway and streets	-	365,628	-	-	-	-	365,628
Tourism	-	-	-	-	-	91,763	91,763
Community development	-	-	352,853	-	92,722	-	445,575
Urban renewal	-	-	-	91,030	-	-	91,030
Debt service	42,908	-	-	-	-	-	42,908
Capital outlay	76,340	330,848	78,032	48,103	88,190	-	621,513
Total expenditures	757,995	696,476	430,885	139,133	180,912	91,763	2,297,164
Other financing sources (uses):							
Transfers in	400,000	325,000	155,000	-	-	-	880,000
Transfers out	(480,000)	(250,000)	-	-	-	-	(730,000)
Total other financing sources (uses)	(80,000)	75,000	155,000	-	-	-	150,000
Net change in fund balances	315,297	(3,880)	(10,804)	277,850	303,722	74,283	956,468
Fund balance - July 1, 2024	3,036,703	1,883,004	597,433	857,866	514,294	401,170	7,290,470
Fund balance - June 30, 2025	\$ 3,352,000	\$ 1,879,124	\$ 586,629	\$ 1,135,716	\$ 818,016	\$ 475,453	\$ 8,246,938

The accompanying notes to the basic financial statements are an integral part of this statement

CITY OF LA PINE
**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
JUNE 30, 2025

CITY OF LA PINE
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2025

Net Changes in Fund Balances - Total Governmental Funds		\$ 956,468
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for capitalized assets	\$ 621,771	
Less current year depreciation	<u>(244,744)</u>	377,027
Change in accrued compensated absences not recognized in the governmental funds		(12,335)
Certain receivables that will not be available to pay for current-period expenditures are not recognized in the governmental funds:		
Property taxes		1,472
Principal repayments are on expenditure in the governmental fund presentation. In the Statement of Activities, these debt repayments are reclassified to the statement of net activities as a reduction of debt.		
Principal repayments		<u>30,000</u>
Change in Net Position of Governmental Activities		<u>\$ 1,352,632</u>

The accompanying notes to the basic financial statements are an integral part of this statement

BASIC FINANCIAL STATEMENTS

PROPRIETARY FUND
FINANCIAL STATEMENTS

CITY OF LA PINE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Water Fund	Sewer Fund	Sewer Reserve Fund	SDC Fund	Total Proprietary Funds
ASSETS:					
Current assets:					
Cash and investments	\$ 2,139,667	\$ 2,597,848	\$ 946,519	\$ 5,031,620	\$ 10,715,654
Accounts receivable, net	117,142	121,248	-	275,648	514,038
Inventory	94,571	17,259	-	-	111,830
Prepaid expense	714	714	-	-	1,428
Total current assets	<u>2,352,094</u>	<u>2,737,069</u>	<u>946,519</u>	<u>5,307,268</u>	<u>11,342,950</u>
Non-current assets:					
Restricted cash	972,567	-	-	-	972,567
Capital Assets:					
Land	33,500	845,752	-	-	879,252
Intangible assets	24,514	-	-	-	24,514
Construction in progress	-	151,835	-	-	151,835
Infrastructure	24,848,771	29,169,996	-	-	54,018,767
Buildings & improvements	219,953	156,312	-	-	376,265
Equipment & vehicles	212,601	570,647	-	-	783,248
Other capital assets	22,500	20,500	-	-	43,000
Less: accumulated depreciation	<u>(5,942,448)</u>	<u>(5,113,416)</u>	<u>-</u>	<u>-</u>	<u>(11,055,864)</u>
Total capital assets	<u>19,419,391</u>	<u>25,801,626</u>	<u>-</u>	<u>-</u>	<u>45,221,017</u>
Total assets	<u>\$ 22,744,052</u>	<u>\$ 28,538,695</u>	<u>\$ 946,519</u>	<u>\$ 5,307,268</u>	<u>\$ 57,536,534</u>
LIABILITIES:					
Current liabilities:					
Accounts payable	11,455	152,232	-	0	163,687
Interest payable	41,720	161,584	-	-	203,304
Compensated absences	19,515	18,564	-	-	38,079
Customer deposits	56,685	-	-	-	56,685
Payroll liabilities	2,480	2,418	-	-	4,898
Current portion of long-term debt	<u>282,312</u>	<u>230,500</u>	<u>-</u>	<u>-</u>	<u>512,812</u>
Total current liabilities	<u>414,167</u>	<u>565,298</u>	<u>-</u>	<u>-</u>	<u>979,465</u>
Long-term debt, net of current portion	<u>9,578,086</u>	<u>14,019,501</u>	<u>-</u>	<u>-</u>	<u>23,597,587</u>
Total liabilities	<u>9,992,253</u>	<u>14,584,799</u>	<u>-</u>	<u>-</u>	<u>24,577,052</u>
NET POSITION:					
Net investment in capital assets	9,558,993	11,551,625	-	-	21,110,618
Restricted for:					
Capital projects	-	296,729	946,519	5,307,268	6,550,516
Debt service	972,567	-	-	-	972,567
Unrestricted	<u>2,220,239</u>	<u>2,105,542</u>	<u>-</u>	<u>-</u>	<u>4,325,781</u>
Total net position	<u>\$ 12,751,799</u>	<u>\$ 13,953,896</u>	<u>\$ 946,519</u>	<u>\$ 5,307,268</u>	<u>\$ 32,959,482</u>

The accompanying notes to the basic financial statements are an integral part of this statement

CITY OF LA PINE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025

	Water Fund	Sewer Fund	Water/ Sewer Reserve Fund	SDC Fund	Total Proprietary Funds
Operating revenues:					
Charges for services & fees	\$ 1,147,756	\$ 1,199,388	\$ -	\$ -	\$ 2,347,144
SDC income	-	-	-	973,186	973,186
Miscellaneous & other income	26,033	85,978	-	-	112,011
Total revenues	1,173,789	1,285,366	-	973,186	3,432,341
Operating expenses:					
Personnel services	440,880	423,697	-	-	864,577
Materials and supplies	258,236	334,274	-	-	592,510
Depreciation expense	74,859	137,241	-	-	212,100
Total operating expenses	773,975	895,212	-	-	1,669,187
Income (loss) from operations	399,814	390,154	-	973,186	1,763,154
Non-operating revenues (expenses):					
Investment revenue	123,125	98,310	37,415	199,439	458,289
Intergovernmental - grants	3,069,991	4,201,967	-	-	7,271,958
Interest expense	(215,680)	(190,545)	-	-	(406,225)
Total non-operating rev. (exp.)	2,977,436	4,109,732	37,415	199,439	7,324,022
Income before other financing sources	3,377,250	4,499,886	37,415	1,172,625	9,087,176
Other financing sources (uses):					
Transfers from other funds	734,228	285,000	400,000	-	1,419,228
Transfers to other funds	(1,113,987)	(318,407)	-	(136,833)	(1,569,227)
Changes in net position	2,997,491	4,466,479	437,415	1,035,792	8,937,177
Net position - June 30, 2024	9,754,308	9,487,417	509,104	4,271,476	24,022,305
Net position - June 30, 2025	\$ 12,751,799	\$ 13,953,896	\$ 946,519	\$ 5,307,268	\$ 32,959,482

The accompanying notes to the basic financial statements are an integral part of this statement

CITY OF LA PINE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
JUNE 30, 2025

	Water Fund	Sewer Fund	Water/Sewer Reserve Fund	SDC Fund	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from user charges	\$ 1,344,426	\$ 1,533,263	\$ -	\$ 740,968	\$ 3,618,657
Cash payments for employee services	(445,255)	(429,085)	-	-	(874,340)
Cash payments to suppliers	(389,507)	(474,225)	-	-	(863,732)
Net cash provided (used) by operating activities	509,664	629,953	-	740,968	1,880,585
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Transfer from other funds	734,228	285,000	400,000	-	1,419,228
Interest income	123,124	98,310	37,415	199,439	458,288
Transfer to other funds	(1,113,987)	(318,407)	-	(136,833)	(1,569,227)
Net cash provided (used) by non-capital financing activities	(256,635)	64,903	437,415	62,606	308,289
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Debt proceeds	150,000	398,934			548,934
Grant funding	3,069,991	4,201,967			7,271,958
Acquisition of capital assets	(3,219,362)	(4,658,754)	-	-	(7,878,116)
Principal paid on long term debt	(271,827)	-	-	-	(271,827)
Interest paid on long term debt	(208,769)	(99,707)	-	-	(308,476)
Net cash provided (used) by capital and related financing activities	(479,967)	(157,560)	-	-	(637,527)
CASH AND INVESTMENTS at July 1, 2024	3,339,171	2,060,551	509,104	4,228,046	10,136,872
CASH AND INVESTMENTS at June 30, 2025	\$ 3,112,233	\$ 2,597,847	\$ 946,519	\$ 5,031,620	\$ 11,688,219
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Income from operations	\$ 399,814	\$ 390,154	\$ -	\$ 973,186	\$ 1,763,154
Adjustments to reconcile income from operations to net cash provided by operating activities:					
Depreciation	74,859	137,241	-	-	212,100
Change in assets and liabilities:					
Decrease (increase) in accounts receivable	171,468	331,673	-	(232,218)	270,923
Decrease (increase) in inventory	(9,708)	2,032	-	-	(7,676)
Increase (decrease) in accounts payable	(121,563)	(141,983)	-	-	(263,546)
Increase (decrease) in payroll liabilities	(4,375)	(5,388)	-	-	(9,763)
Increase (decrease) in customer deposits	(831)	(83,776)	-	-	(84,607)
Net cash provided (used) by operating activities	\$ 509,664	\$ 629,953	\$ -	\$ 740,968	\$ 1,880,585
NON-CASH TRANSACTIONS					
Refinancing of interim construction loans		\$ 13,000,000	\$ -	\$ -	\$ 13,000,000

The accompanying notes to the basic financial statements are an integral part of this statement

NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF LA PINE
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025

Note 1: Summary of Significant Accounting Policies

The City of La Pine, Oregon (City) is a municipal corporation incorporated under the laws of the State of Oregon. The City is governed by an elected Mayor and an elected council. Administrative functions are delegated to the City Manager who reports to and is responsible to the mayor and council. The chief administrative officer is the City Manager.

The financial statements of the City of La Pine, Oregon (the City) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The more significant of the City's accounting policies are described below.

The financial reporting entity: In determining the financial reporting entity, the City of La Pine includes La Pine Urban Renewal Agency (Agency) as a blended component unit in its financial statements. The Agency is a legally separate entity, which is governed by a board comprised of one member of the La Pine City Council and four members of the Public at large as stipulated in the Agency's bylaws. The City Council has the ability to impose its will on the Agency as determined based on budget adoption, taxing authority, and funding for the Agency. Complete financial statements for the Agency can be obtained from the Finance Department of the City.

Basis of Presentation:

Government-wide financial statements: The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the overall City. Eliminations have been made to minimize the double counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Direct expenses are those that are specifically associated with a program of function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the City.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. The City does not allocate indirect expenses. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

CITY OF LA PINE
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025

Net Position is reported as restricted when constraints placed on net asset use are either externally restricted, imposed by creditors (such as through grantors, contributors, or laws) or through constitutional provisions or enabling resolutions.

Fund financial statements: The fund financial statements provide information about the city's funds including those of a fiduciary nature, if applicable. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

Governmental Funds: Governmental Funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses, and balance of current financial resources. The City reports the following major governmental funds:

General fund: The General Fund is the main operating fund of the City. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other funds are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund. Within the Balance Sheet and Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position, the General Fund is combined with the Cemetery Fund. The cemetery fund is utilized to account for cemetery activities.

Street fund: This Fund provides for street and bridge repairs and maintenance within the City. The primary source of revenue is from state gas tax turnovers and franchise fees collected by the City.

Community Development Fund: The purpose of this fund is to provide Public Planning/Land Use Services both in terms of current development and shaping the future of La Pine through long-range planning efforts.

Urban Renewal Agency Fund: This fund accounts for the General Fund revenues and expenditures of the Urban Renewal Agency.

Additionally, the City also reports non-major funds within the governmental fund type.

Special revenue funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Non-major special revenue funds include the Tourism Fund and the Industrial/Economic Development Fund.

CITY OF LA PINE
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025

Proprietary Funds - Enterprise Funds: Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flow. All assets and liabilities are included in the Statement of Net Position. The City has presented the following major proprietary funds:

Water Fund: The Water Fund is used to account for the provision of water services to the residents of the City. Activities of the fund include administration, operations, and maintenance of the water system and billing and collection activities. Within the Statement of Net Position – Proprietary Funds and the Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds, the Water Fund is combined with the Debt Reserve Fund – Water. The Debt Reserve Fund – Water is utilized to hold the long-term debt service reserve required by the USDA on the Water Fund revenue bonds.

Sewer Fund: The Sewer Fund is used to account for the provision of sewer services to the residents of the City. Activities of the fund include administration, operations, and maintenance of the sewer system and billing and collection activities.

Water/Sewer Reserve Fund: The Water/Sewer Reserve Fund is used to account for the acquisition or construction of sewer and water utility projects.

Capital Reserve Fund: The Capital Reserve Fund is used to account for future capital expenditures of the Sewer Fund.

SDC Fund: Water/Sewer/Transportation: The SDC fund is used to account for the water, sewer system, and transportation development charges which have been collected over the years. As capital projects and other qualifying expenditures are incurred that can legally be paid with SDC funds, the City will pay the expenditure directly from the fund.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

CITY OF LA PINE
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025

Measurement Focus/Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the city receives value without giving equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis of accounting revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the city funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the city's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they are measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The city considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when the obligations are expected to be liquidated with expendable available financial resources. Property taxes, interest, and special assessments are susceptible to accrual. Other receipts and taxes become measurable and available when the cash is received by the government and is recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if the "susceptible to accrual" criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred, and all other grant requirements have been met. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the city's Sewer and Water Funds are charges to customers for sales and services. These funds also recognize fees intended to recover the cost of connecting new customers to the city's utility systems as operating revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

CITY OF LA PINE
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025

Budgeting: A budget is prepared for each city fund in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon local budget law. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total personnel services, materials and services, capital outlay, contingencies, and debt service by the fund are the levels of control. The detailed budget document, however, is required to contain more specific, detailed information for the above-mentioned expenditure categories. Appropriations lapse at June 30. Unexpected additional resources may be added to the budget by a supplemental budget and appropriations resolution. A supplemental budget may require hearings before the public, publications in newspapers, and approval by the city council. Original and supplemental budgets may be modified by using appropriations transfers between the levels of control. Such transfers require approval by the city council. The city does not utilize encumbrance accounting for budgeted funds.

Cash and cash equivalents: For purposes of the statement of cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts and any short-term, highly liquid investments with initial maturity dates of three months or less.

The City does not have an investment policy. However, Oregon statutes authorize that the City's investments may consist of time certificates of deposit, banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The City's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings.

Receivables: Amounts due from individuals, organizations or other governmental units are recorded as receivables at year-end. These amounts include charges for services rendered, or for goods and material provided by the City. All receivables are expected to be collected. Accordingly, receivables are reported at the gross amount without an allowance for uncollectible accounts. Receivables are also recognized for property taxes and intergovernmental grants. Property taxes receivable consist of uncollected taxes levied and payable at the end of the fiscal year. All taxes are considered collectible. Consequently, no allowance for uncollectible taxes has been established. In the governmental fund financial statements, property taxes not collected within sixty days of the end of the fiscal year are reported as a deferred inflow of resources.

Long-term lease receivable: The City leases land for a cellular phone tower in a long-term, non-cancelable leasing arrangement. The City reports a receivable related to the lease, measured at its net present value based on cash flows expected to be received during the lease term, and a discount equal to the City's estimated borrowing rate.

Deferred outflows/inflows of resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has no deferred outflows at year end.

CITY OF LA PINE
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category, rent income and other income not available. In the governmental funds balance sheet, a different category of deferred inflow of resources, delinquent property tax revenue not available, is reported. Property taxes levied and considered receivable at the end of the fiscal year, but not collected within sixty days of the end of the fiscal year are reported in this category. These amounts are recognized as an inflow of resources (revenue) in the period that the amounts become available.

Inventory: Inventories are valued at cost, which approximates market value, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased. The costs of proprietary fund type inventories are recorded as expenditures when consumed rather than when purchased.

Capital assets: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Purchased or constructed capital assets are reported at cost, or estimated cost when the original cost is not available. Donated capital assets are valued at their estimated fair market value on the date received. Maintenance and repairs of capital assets that do not significantly extend the useful life of an asset are not capitalized, but rather are charged to expenditures in the funds.

Assets capitalized have an original cost of \$5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method over the following estimated useful lives:

Buildings and improvements	5-50 years
Equipment and vehicles	3-15 years
Water and wastewater systems	30-50 years
Infrastructure	5-20 years
Master plan	10 years

CITY OF LA PINE
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025

Compensated absences: Employee leave is reported in accordance with GASB Statement No 101 – Compensated Absences. In the government-wide statements, leave that is attributable to services already rendered, accumulates, and is more likely than not to be used or paid is included in the liability. The liability is measured based on the number of hours available to the employee at the financial statement date, multiplied by their current pay rate, and includes salary-related costs such as payroll taxes.

In the governmental fund statements, only the portion of the accrued leave that is due and payable at year end or is expected to be paid out in cash in the near term, is recognized.

Long-term debt: All bonds to be paid from governmental and business-type resources are reported as liabilities in the government-wide financial statements. Amounts of the long-term debt due within the following fiscal year are included in the current liabilities section of the Statement of Net Position. Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as it is in the government-wide statements.

Equity classifications: Government-wide Statements: Equity is classified as net position, which represents the difference between assets and liabilities, and deferred accounts. Net position is displayed in three components:

- a. Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantor, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The City’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

CITY OF LA PINE
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025

Fund financial statements: The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. The City's nonspendable resources may include inventory and prepaid expenses.
- **Restricted:** This classification includes fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The City has restricted funds for various projects that are to be used for governmental purposes.
- **Committed:** This classification includes fund balance amounts that are constrained for specific purpose that are internally imposed by the government through resolution of the highest level of decision-making authority, the City Council, and does not lapse at year-end. The City has committed resources for various projects and purposes.
- **Assigned:** This classification includes fund balance amounts that are intended to be used for specific purposes that are neither restricted nor committed. This intent can be expressed by the City Council or through delegating this responsibility to selected staff members or through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- **Unassigned:** This classification includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories, and negative fund balances of other governmental funds.

The City's policy is to use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of the constrained fund balances.

Property taxes: The assessment date for the tax year is July 1. Personal and real property taxes are a lien on July 1. Total personal property tax becomes due and is delinquent when any installment is not paid by its due date. Real property tax is due and payable on November 15. However, a taxpayer may pay real property taxes in three equal installments, due the 15th day of November, February and May. Real property taxes become delinquent if not paid by May 15.

Inter-fund transactions: Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers in the fund financial statements. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating

CITY OF LA PINE
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025

transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

Use of estimates: The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as well as disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Risks and uncertainties: The City has evaluated its operations for concentrations and constraints under GASB Statement No. 102, Certain Risk Disclosures. As of the date of these financial statements, no events have occurred, begun to occur, or are more likely than not to occur within the next 12 months that would result in substantial impact due to such concentrations or constraints.

Note 2: Cash and cash equivalents

The City follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by state statutes. These restrictions are summarized in the Cash and Cash Equivalents note under the Summary of Significant Accounting Policies.

Deposits: All cash is deposited in compliance with Oregon statutes. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. ORS 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Oregon Public Funds Collateralization Program (PFCP). Where balances continually exceed \$250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's website.

Custodial Credit Risk for Deposits: Custodial credit risk for deposits exists when, in the event of a depository failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of June 30, 2025, the reported amount of the City's deposits was \$21,311,815 and the bank balance was \$21,380,649. Of the bank balance, the entire amount was insured by the FDIC or covered by the collateral held in a multiple financial institutions collateral pool administered by the Oregon State Treasurer.

Investments: Oregon statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, banker's acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Governmental Investment Pool. The City has no credit risk policy or investment policy that would further limit its investment choices.

CITY OF LA PINE
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025

Credit Risk : Credit risk exists when there is a possibility the issuer or other counterparty to an Investment may be unable to fulfill its obligations. As of June 30, 2025, the City had no investments.

Concentration of Credit Risk: An increased risk of loss occurs as more investments are acquired from one issuer. This results in a concentration of credit risk. The City places no limit on the amount that may be invested in any one issuer. There were no investments as of June 30, 2025.

Note 3: Lease Receivable

The City is the lessor in a noncancellable agreement to lease land in a site ground agreement with lease terms through 2034. For the year ending June 30, 2025, the City recognized \$13,156 in lease revenue released from the deferred inflows or resources related to the hangar leases.

CITY OF LA PINE
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025

Note 4: Capital Assets

The following is a summary of capital asset activity for governmental activities for the fiscal year ended June 30, 2025:

Depreciable Assets Schedule				
For the Fiscal Year Ended June 30, 2025				
Governmental Activities:	Balance June 30, 2024	Additions	Disposals	Balance June 30, 2025
Capital assets not being depreciated:				
Land	\$ 321,528	\$ -	\$ -	\$ 321,528
Construction in progress	89,182	422,881	(375,770)	136,293
Total capital assets not being depreciated	410,710	422,881	(375,770)	457,821
Capital assets being depreciated:				
Buildings & improvements	1,708,563	-	-	1,708,563
Machinery & equipment	137,486	129,017	-	266,503
Infrastructure	6,759,500	375,770	-	7,135,270
Intangible assets	34,088	69,873	-	103,961
Total capital assets being depreciated	8,639,637	574,660	-	9,214,297
Less accumulated depreciation for:				
Buildings & improvements	205,378	43,474	-	248,852
Machinery & equipment	87,849	34,364	-	122,213
Infrastructure	5,621,994	166,906	-	5,788,900
Total accumulated depreciation	5,915,221	244,744	-	6,159,965
Total capital assets being depreciated, net	2,724,416	329,916	-	3,054,332
Total capital assets governmental activities, net	<u>\$ 3,135,126</u>	<u>\$ 752,797</u>	<u>\$ (375,770)</u>	<u>\$ 3,512,153</u>

Depreciation expense was charged to the functions of governmental activities as follows:

General government	\$ 48,798
Cemetery Fund	1,974
Street	190,802
Tourism	2,101
Community development	1,069
Total Depreciation Expense	<u>\$ 244,744</u>

CITY OF LA PINE
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025

The following is a summary of capital asset activity for business-type activities for the fiscal year ended June 30, 2025:

Depreciable Assets Schedule				
For the Fiscal Year Ended June 30, 2025				
Business-type Activities:	Balance June 30, 2024	Additions	Disposals	Balance June 30, 2025
Capital assets not being depreciated:				
Land	\$ 879,252	\$ -	\$ -	\$ 879,252
Construction in progress	36,874,996	6,117,591	(42,840,756)	151,831
Water rights	24,514	-	-	24,514
Total capital assets not being depreciated	37,778,762	6,117,591	(42,840,756)	1,055,597
Capital assets being depreciated:				
Utility systems	11,178,014	42,840,756	-	54,018,770
Building and improvements	376,265	-	-	376,265
Machinery and equipment	640,879	142,370	-	783,249
Master plan	43,000	-	-	43,000
Total capital assets being depreciated	12,238,158	42,983,126	-	55,221,284
Less accumulated depreciation for:				
Utility systems	10,054,809	148,966	-	10,203,775
Building and improvements	283,901	15,148	-	299,049
Machinery and equipment	471,112	43,686	-	514,798
Master plan	33,942	4,300	-	38,242
Total accumulated depreciation	10,843,764	212,100	-	11,055,864
Total capital assets being depreciated, net	1,394,394	42,771,026	-	44,165,420
Total capital assets business-type activities, net	\$ 39,173,156	\$ 48,888,617	\$ (42,840,756)	\$ 45,221,017

Depreciation expense was charged to the functions of business-type activities as follows:

Water fund	\$ 84,859
Wastewater fund	137,241
Total deprecation expense	\$ 222,100

CITY OF LA PINE
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025

Note 5: Long-Term Debt

A summary of debt transactions for the year ended June 30, 2025, is as follows:

Bank of New York Mellon Certificate of Participation, Series 2011: A Bank of New York Mellon Certificate of Participation Series 2011A dated 2011, for the amount of \$520,000 for the purchase and improvements to a building for use as a new City Hall. Fixed interest rates vary on outstanding bonds from 3.0% to 5.7%.

Full Faith and Credit Series 2024: In 2024 the City refunded the outstanding balance of the Water Revenue Refunding Bond, Series 2016. The obligation is payable in semi-annual installments of approximately \$98,000, including interest at 5.86% per annum, with a final payment of \$54,931 due at maturity on June 2, 2031.

DEQ Wastewater Improvement Loan: On March 2, 2020, the City entered into a loan agreement with Oregon Department of Environmental Quality for wastewater improvements. The loan balance was \$500,000 on June 30, 2025, and carries an interest rate of 1.10% with a .5% service fee. The City must set up a reserve of \$10,049. \$500,000 of this loan was forgiven during the year ended June 30, 2023. The loan was finalized in October 2025 with the first payment of \$9,947 due August 1, 2026. The loan matures on August 1, 2055.

Oregon Business Development Loans: The City entered into a loan agreement with Oregon Business Development Department for water and wastewater improvements. The loans had new issuance of \$268,729 and 150,000 for the current fiscal year. The loans bear interest at a rate of 1.0% once the repayment term commences. The loans include a forgivable amount upon project completion. Neither loan has been closed out as of the end of the fiscal year.

Water Revenue Refunding Bond #1: On May 14th, 2024, the City refinanced the outstanding interim loan agreement with the USDA / CoBank for water system improvements with issuance of water revenue bonds in the amount of \$5,286,000. The bonds are payable in annual installments of \$193,257, including interest 2.0% per annum. The bonds mature on May 17, 2064. The loan agreement with USDA requires the establishment of debt service reserves in the amount of \$193,257, deposited monthly in the amount of \$1,610 until the reserve amount has accumulated. Additionally, the loan agreement requires the establishment of a short-lived asset reserve, requiring annual deposits of \$10,933 for the life of the loan to fund repairs and/or replacement of major system assets. Prior written consent is not required before funds may be withdrawn from the account.

Water Revenue Refunding Bond #2: On May 14th, 2024, the City refinanced the outstanding interim loan agreement with the USDA / CoBank for water system improvements with issuance of water revenue bonds in the amount of \$2,714,000. The bonds are payable in annual installments of \$90,730, including interest 1.5% per annum. The bonds mature on May 17, 2064. The loan agreement with USDA requires the establishment of debt service reserves in the amount of \$90,730, deposited monthly in the amount of \$756 until the reserve amount has accumulated.

CITY OF LA PINE
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025

Wastewater Revenue Bond #1: On October 23, 2024, the City entered into a loan agreement with the USDA, Rural Utilities Service for wastewater improvements with the issuance of wastewater revenue bonds in the amount of \$5,000,000. The bonds are payable in annual installments of \$182,800, including interest 2.0% per annum. The bonds mature on November 14, 2064. The loan with the USDA required the establishment of debt services reserves in the amount of \$182,800, deposited monthly in the amount of \$1,524 until the reserve amount has accumulated. Additionally, the loan agreement requires the establishment of a short-lived asset reserve, requiring annual deposits of \$17,100 for the life of the loan to fund repairs and/or replacement of major system assets. Prior written consent is not required before funds may be withdrawn from the account.

Wastewater Revenue Bond #2: On October 23, 2024, the City entered into a loan agreement with the USDA, Rural Utilities Service for wastewater improvements with the issuance of wastewater revenue bonds in the amount of \$8,000,000. The bonds are payable in annual installments of \$267,440, including interest 1.5% per annum. The bonds mature on November 14, 2064. The loan with the USDA required the establishment of debt services reserves in the amount of \$267,440, deposited monthly in the amount of \$2,229 until the reserve amount has accumulated. Additionally, the loan agreement requires the establishment of a short-lived asset reserve, requiring annual deposits of \$17,100 for the life of the loan to fund repairs and/or replacement of major system assets. Prior written consent is not required before funds may be withdrawn from the account.

The table below presents the current year's changes in long-term obligations. Governmental and business-type activities are shown separately:

	Outstanding Balance July 1, 2024	New Issues	Principal Paid	Outstanding Balance June 30, 2025	Due Within One Year
Governmental long-term debt					
Bonds payable:					
Bank of New York Mellon certificate of participation, Series 2011 A	\$ 245,000	\$ -	\$ 30,000	\$ 215,000	\$ 30,000
Total bonds payable	245,000	-	30,000	215,000	30,000
Total governmental long-term debt	<u>\$ 245,000</u>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 215,000</u>	<u>\$ 30,000</u>
Business-type long-term debt					
Bonds payable:					
Water Revenue Bond #1	\$ 2,714,000	\$ -	\$ 50,020	\$ 2,663,980	\$ 50,770
Water Revenue Bond #2	5,286,000	-	87,537	5,198,463	89,288
Wastewater Revenue Bond #1	-	5,000,000	-	5,000,000	82,800
Wastewater Revenue Bond #2	-	8,000,000	-	8,000,000	147,000
Total Bonds Payable	<u>8,000,000</u>	<u>13,000,000</u>	<u>137,557</u>	<u>20,862,443</u>	<u>369,858</u>
Direct borrowings:					
DEQ Wastewater Improvement Loan	500,000	-	-	500,000	-
RD Wastewater Loan - USDA/DEQ - In Drawdown	12,869,795	130,205	13,000,000	-	-
FFC Refunding, Series 2024 (FIB)	1,082,225	-	134,271	947,954	142,254
Business Oregon Sewer Loan	481,271	268,729	-	750,000	-
Business Oregon Water Loan	900,000	150,000	-	1,050,000	-
Total notes from direct borrowings	<u>15,833,291</u>	<u>548,934</u>	<u>13,134,271</u>	<u>3,247,954</u>	<u>142,254</u>
Total business-type long-term debt	<u>\$ 23,833,291</u>	<u>\$ 13,548,934</u>	<u>\$ 13,271,828</u>	<u>\$ 24,110,397</u>	<u>\$ 512,112</u>

CITY OF LA PINE
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025

Debt service to maturity requirements for governmental activities are as follows:

Certificate of Participation, Series 2011

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 30,000	\$ 12,908	\$ 42,908
2027	30,000	11,333	41,333
2028	30,000	9,548	39,548
2029	30,000	7,553	37,553
2030	30,000	5,558	35,558
2031-2033	65,000	4,560	69,560
Total	\$ <u>215,000</u>	\$ <u>51,460</u>	\$ <u>266,460</u>

CITY OF LA PINE
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025

Debt service to maturity requirements for business-type activities are as follows:

Water Revenue Bond #2			
Year Ending June 30,	Principal	Interest	Total
2026	89,288	103,969	193,257
2027	91,073	102,184	193,257
2028	92,895	100,362	193,257
2029	94,753	98,504	193,257
2030	96,648	96,609	193,257
2031-2035	513,019	453,266	966,285
2036-2040	566,414	399,871	966,285
2041-2045	625,367	340,918	966,285
2046-2050	690,456	275,829	966,285
2051-2055	762,319	203,966	966,285
2056-2060	841,662	124,623	966,285
2061-2064	734,569	37,051	771,620
Total	<u>\$ 5,198,463</u>	<u>\$ 2,337,152</u>	<u>\$ 7,535,615</u>

Water Revenue Bond #1			
Year Ending June 30,	Principal	Interest	Total
2026	50,770	39,960	90,730
2027	51,532	39,198	90,730
2028	52,305	38,425	90,730
2029	53,089	37,641	90,730
2030	53,886	36,844	90,730
2031-2035	281,798	171,852	453,650
2036-2040	303,577	150,073	453,650
2041-2045	327,038	126,612	453,650
2046-2050	352,313	101,337	453,650
2051-2055	379,541	74,109	453,650
2056-2060	408,874	44,776	453,650
2061-2064	349,256	13,184	362,440
Total	<u>\$ 2,663,980</u>	<u>\$ 874,010</u>	<u>\$ 3,537,990</u>

CITY OF LA PINE
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025

Wastewater Revenue Bond #1

Year Ending June 30,	Principal	Interest	Total
2026	82,800	100,000	182,800
2027	84,456	98,344	182,800
2028	86,145	96,655	182,800
2029	87,868	94,932	182,800
2030	89,625	93,175	182,800
2031-2035	475,742	438,258	914,000
2036-2040	525,258	388,742	914,000
2041-2045	579,927	334,073	914,000
2046-2050	640,287	273,713	914,000
2051-2055	706,928	207,072	914,000
2056-2060	780,506	133,494	914,000
2061-2065	860,457	52,259	912,716
Total	<u>\$ 5,000,000</u>	<u>\$ 2,310,716</u>	<u>\$ 7,310,716</u>

Wastewater Revenue Bond #2

Year Ending June 30,	Principal	Interest	Total
2026	147,440	120,000	267,440
2027	149,652	117,788	267,440
2028	151,896	115,544	267,440
2029	154,175	113,265	267,440
2030	156,487	110,953	267,440
2031-2035	818,359	518,841	1,337,200
2036-2040	881,605	455,595	1,337,200
2041-2045	949,739	387,461	1,337,200
2046-2050	1,023,139	314,061	1,337,200
2051-2055	1,102,211	234,989	1,337,200
2056-2060	1,187,394	149,806	1,337,200
2061-2065	1,277,903	58,039	1,335,942
Total	<u>\$ 8,000,000</u>	<u>\$ 2,696,342</u>	<u>\$ 10,696,342</u>

CITY OF LA PINE
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025

Note 6: Deferred Compensation and Defined Contribution Plans

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees with at least three months of continuous employment, permits them to defer a portion of their salary until future years. The City also offers its employees retirement benefits under Internal Revenue Code Section 401 (a). The Plan, available to all City employees with at least three months of continuous employment and upon completion of 1,000 hours of service, provides for employer contributions up to 6% of employee wages.

The assets for both of these plans are held in trust for the exclusive benefit of the Plan participants and their beneficiaries. The plans are administered by AIG. The assets cannot be diverted for any other purpose. The City has little administrative involvement and does not perform the investing functions for these plans.

Employer contributions to the plan for the year ended June 30, 2025 were \$53,171. Employee contributions to the plan were \$26,127.

Note 7: Compensated Absences

The City adopted Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, for the fiscal year ended June 30, 2025. GASB Statement No. 101 establishes a single recognition and measurement model for all types of compensated absences, including vacation, sick leave, paid time off, holidays, parental leave, bereavement leave, and certain types of sabbatical leave. The Statement requires that a liability for compensated absences be recognized for leave that has been earned based on services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability is measured using the pay or salary rates in effect as of the financial statement date and includes salary-related payments directly and incrementally associated with payments for compensated absences.

The City's policy is to permit employees to accumulate earned but unused vacation and sick pay benefits, subject to certain limitations. The liability for compensated absences is reported in the government-wide financial statements. In governmental funds, only the portion of the liability that is expected to be liquidated with expendable available financial resources is reported. As of June 30, 2025, no part of the liability was recognized in the governmental fund statements.

CITY OF LA PINE
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025

The following table summarizes the changes in the District's compensated absences liability for the year ended June 30, 2025:

	<u>June 30, 2024</u>	<u>Net Change</u>	<u>June 30, 2025</u>
Governmental activities	\$ 25,938	\$ 12,335	\$ 38,273
Water fund	10,494	9,021	19,515
Sewer fund	10,494	8,070	18,564
	<u>\$ 46,926</u>	<u>\$ 29,426</u>	<u>\$ 76,352</u>

Note 8: Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to review and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amount, if any, to be immaterial.

Note 9: Risk Management

There is exposure to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters.

In 1981 the League of Oregon Cities joined together with the Association of Oregon Counties to form City County Insurance Services (CCIS), a public entity risk pool currently operating as a common risk management and insurance program for approximately 265 municipal corporations and associated entities in the State of Oregon. An annual premium is paid to CCIS for general insurance coverage and to SAIF for workers' compensation insurance coverage. CCIS and SAIF are self-sustaining through member premiums.

The City has obtained commercial insurance for risks of loss, including employee health and accident insurance, and for errors and omissions insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

CITY OF LA PINE
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2025

Note 10: Interfund Transfers

Interfund transfers for the year ended June 30, 2025, were as follows:

Fund	Transfers Out	Transfers In
General Fund	480,000	400,000
Streets Fund	250,000	325,000
Community Development Fund	-	155,000
SDC Fund	136,833	-
Sewer Fund	318,408	-
Water Fund	1,113,987	-
Debt Reserve Fund	-	734,228
Capital Reserve Fund	-	285,000
Water & Sewer Reserve Fund	-	400,000
Total	<u>\$ 2,299,228</u>	<u>\$ 2,299,228</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LA PINE
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Property taxes and assessments	\$ 457,500	\$ 457,500	\$ 495,511	\$ 38,011
Transient room tax	56,000	56,000	63,277	7,277
Charges for service	-	-	-	-
State revenue sharing	85,000	85,000	215,544	130,544
Franchise taxes	105,075	105,075	134,942	29,867
Licenses, permits and fees	16,375	16,375	8,625	(7,750)
Investment revenue	25,000	25,000	167,040	142,040
Grants	-	-	-	-
Rents	42,000	42,000	35,314	(6,686)
Miscellaneous revenue	2,500	2,500	29,589	27,089
Total revenues	789,450	789,450	1,149,842	360,392
Expenditures:				
General administration	1,104,897	1,104,897	711,478	(393,419)
Debt service	42,908	42,908	42,908	-
Contingency	400,000	400,000	-	(400,000)
Total expenditures	1,547,805	1,547,805	754,386	(793,419)
Other financing sources (uses):				
Operating transfers in	554,750	554,750	400,000	(154,750)
Operating transfers out	(480,000)	(480,000)	(480,000)	-
Total other financing sources (uses)	(480,000)	(480,000)	(80,000)	(154,750)
Net change in fund balance	(1,238,355)	(1,238,355)	315,456	999,061
Fund balance -July 1, 2024	2,870,326	2,870,326	2,976,530	106,204
Fund balance - June 30, 2025	\$ 1,631,971	\$ 1,631,971	\$ 3,291,986	\$ 1,105,265
Reconciliation to governmental fund balance				
Cemetery fund balance			60,014	
General fund balance			\$ 3,352,000	

CITY OF LA PINE
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
STREET FUND
YEAR ENDED JUNE 30, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Adopted</u>	<u>Final</u>		
Revenues:				
State gas funds	\$ 195,000	\$ 195,000	\$ 232,777	\$ 37,777
Grant revenue	450,000	450,000	-	(450,000)
Franchise fees	223,150	223,150	308,097	84,947
Investment revenue	15,000	15,000	71,846	56,846
Other revenue	<u>2,000</u>	<u>2,000</u>	<u>4,876</u>	<u>2,876</u>
Total revenues	<u>883,150</u>	<u>883,150</u>	<u>617,596</u>	<u>(270,430)</u>
Expenditures:				
Streets program	1,536,825	1,536,825	365,628	(1,171,197)
Capital outlay	-	-	330,848	330,848
Contingency	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Total expenditures	<u>1,736,825</u>	<u>1,736,825</u>	<u>696,476</u>	<u>(1,040,349)</u>
Other financing sources (uses):				
Operating transfers in	325,000	325,000	325,000	-
Operating transfers out	<u>(261,750)</u>	<u>(261,750)</u>	<u>(250,000)</u>	<u>(11,750)</u>
Total other financing sources (uses)	<u>(261,750)</u>	<u>(261,750)</u>	<u>(250,000)</u>	<u>(11,750)</u>
Net change in fund balance	<u>(853,675)</u>	<u>(853,675)</u>	<u>(3,880)</u>	<u>1,094,919</u>
Fund balance - July 1, 2024	<u>1,681,883</u>	<u>1,681,883</u>	<u>1,883,004</u>	<u>523,458</u>
Fund balance - June 30, 2025	<u>\$ 828,208</u>	<u>\$ 828,208</u>	<u>\$ 1,879,124</u>	<u>\$ 1,618,377</u>

CITY OF LA PINE
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
INDUSTRIAL AND ECONOMIC DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2025

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Revenues:				
Industrial site leases	\$ 2,500	\$ 2,500	\$ 24,650	\$ 22,150
Industrial site sales & options	15,000	15,000	130,234	115,234
Luncheon sponsorship	12,000	12,000	31,859	19,859
Investment income	6,000	6,000	89,701	83,701
Deschutes County annual support	29,771	29,771	-	(29,771)
Grants	-	-	208,190	208,190
Sled annual dues	12,000	12,000	-	(12,000)
Total revenues	77,271	77,271	484,634	407,363
Expenditures:				
Economic development	1,720,900	1,720,900	92,722	(1,628,178)
Capital outlay	-	-	88,190	88,190
Contingency	50,000	50,000	-	(50,000)
Total expenditures	1,770,900	1,770,900	180,912	(1,589,988)
Other financing sources (uses):				
Operating transfers out	(31,750)	(31,750)	-	31,750
Total other financing sources (uses)	(31,750)	(31,750)	-	31,750
Net change in fund balance	(1,725,379)	(1,725,379)	303,722	1,997,351
Fund balance - July 1, 2024	1,924,327	1,924,327	514,294	(1,410,033)
Fund balance - June 30, 2025	\$ 198,948	\$ 198,948	\$ 818,016	\$ 587,318

CITY OF LA PINE
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2025

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Adopted</u>	<u>Final</u>		
Revenues:				
Planning fees	\$ 85,000	\$ 85,000	\$ 241,912	\$ 156,912
Grant revenue	45,000	45,000	-	(45,000)
Interest income	6,000	6,000	23,169	17,169
Total revenues	<u>136,000</u>	<u>136,000</u>	<u>265,081</u>	<u>129,081</u>
Expenditures:				
Community development program	468,627	468,627	352,853	(115,774)
Capital outlay	199,700	199,700	78,032	(121,668)
Contingency	-	-	-	-
Total expenditures	<u>668,327</u>	<u>668,327</u>	<u>430,885</u>	<u>(237,442)</u>
Other financing sources (uses):				
Operating transfers in	155,000	155,000	155,000	-
Operating transfers out	<u>(38,750)</u>	<u>(38,750)</u>	<u>-</u>	<u>38,750</u>
Total other financing sources (uses)	<u>116,250</u>	<u>116,250</u>	<u>155,000</u>	<u>38,750</u>
Net change in fund balance	<u>(493,577)</u>	<u>(493,577)</u>	<u>(10,804)</u>	<u>366,523</u>
Fund balance - July 1, 2024	<u>510,293</u>	<u>510,293</u>	<u>597,433</u>	<u>87,140</u>
Fund balance - June 30, 2025	<u>\$ 16,716</u>	<u>\$ 16,716</u>	<u>\$ 586,629</u>	<u>\$ (143,770)</u>

CITY OF LA PINE
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
TOURISM FUND
YEAR ENDED JUNE 30, 2025

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Adopted</u>	<u>Final</u>		
Revenues:				
Motel tax revenue	\$ 100,000	\$ 100,000	\$ 147,629	\$ 47,629
Investment revenue	<u>3,500</u>	<u>3,500</u>	<u>18,417</u>	<u>14,917</u>
Total revenues	<u>103,500</u>	<u>103,500</u>	<u>166,046</u>	<u>62,546</u>
Expenditures:				
Tourism program	200,650	200,650	91,763	(108,887)
Contingency	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Total expenditures	<u>250,650</u>	<u>250,650</u>	<u>91,763</u>	<u>(158,887)</u>
Other financing sources (uses):				
Operating transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>	<u>25,000</u>
Total other financing sources (uses)	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>	<u>25,000</u>
Net change in fund balance	(122,150)	(122,150)	74,283	221,433
Fund balance -July 1, 2024	<u>360,557</u>	<u>360,557</u>	<u>401,170</u>	<u>40,613</u>
Fund balance - June 30, 2025	<u>\$ 238,407</u>	<u>\$ 238,407</u>	<u>\$ 475,453</u>	<u>\$ 262,046</u>

SUPPLEMENTARY INFORMATION

GOVERNMENTAL FUNDS

CITY OF LA PINE
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
URBAN RENEWAL AGENCY
YEAR ENDED JUNE 30, 2025

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Adopted</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 312,000	\$ 312,000	\$ 371,742	\$ 59,742
Investment revenue	<u>5,000</u>	<u>5,000</u>	<u>45,241</u>	<u>40,241</u>
Total revenues	<u>317,000</u>	<u>317,000</u>	<u>416,983</u>	<u>99,983</u>
Expenditures				
Materials and services	201,388	201,388	91,030	(110,358)
Capital outlay	<u>250,000</u>	<u>250,000</u>	<u>48,103</u>	<u>(201,897)</u>
Total expenditures	<u>451,388</u>	<u>451,388</u>	<u>139,133</u>	<u>(312,255)</u>
Net change in fund balance	(134,388)	(134,388)	277,850	412,238
Fund balance - beginning of year	<u>815,421</u>	<u>815,421</u>	<u>857,866</u>	<u>35,548</u>
Fund balance - end of year	\$ <u>681,033</u>	\$ <u>681,033</u>	\$ <u>1,135,716</u>	\$ <u>447,786</u>

CITY OF LA PINE
COMBINING BALANCE SHEET
GENERAL AND CEMETERY FUNDS
YEAR ENDED JUNE 30, 2025

	<u>General Fund</u>	<u>Cemetery Fund</u>	<u>Totals</u>
Assets:			
Cash and investments	\$ 3,287,371	\$ 64,514	\$ 3,351,885
Receivables:			
Business license	10,160	-	10,160
Other receivables	80,230	-	80,230
Lease receivable	142,339	-	142,339
Property tax	10,372	-	10,372
Prepaid expenses	714	-	714
Total assets	<u>3,531,186</u>	<u>64,514</u>	<u>3,595,700</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE:			
Liabilities:			
Accounts payable	68,853.00	-	68,853
Payroll payable	816	-	816
Deposits payable	-	4,500	4,500
Unearned revenue	21,900	-	21,900
Total liabilities	<u>91,569</u>	<u>4,500</u>	<u>96,069</u>
Deferred inflows of resources:			
Delinquent property tax revenue	5,292	-	5,292
Unearned lease payments	142,339	-	142,339
Total deferred inflows of resources	<u>147,631</u>	<u>-</u>	<u>147,631</u>
Fund Balances:			
Nonspendable	714	-	714
Committed for:			
Cemetery maintenance	-	60,014	60,014
Appropriated ending fund balance	683,605	-	683,605
Unassigned	2,575,857	-	2,575,857
Total fund balances	<u>3,260,176</u>	<u>60,014</u>	<u>3,320,190</u>
Total liabilities, deferred inflows of resources & fund balances	<u>\$ 3,499,376</u>	<u>\$ 64,514</u>	<u>\$ 3,563,890</u>

CITY OF LA PINE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE
GENERAL AND CEMETERY FUNDS
YEAR ENDED JUNE 30, 2025

	General Fund	Cemetery Fund	Totals
Revenues:			
Property taxes and assessments	\$ 495,511	\$ -	\$ 495,511
Transient room tax	63,277	-	63,277
Intergovernmental	215,544	-	215,544
Franchise taxes	134,942	-	134,942
Licenses, permits and fees	8,625	-	8,625
Charges for services	-	900	900
Investment revenue	167,040	2,550	169,590
Miscellaneous revenue	64,903	-	64,903
Total revenues	<u>1,149,842</u>	<u>3,450</u>	<u>1,153,292</u>
Expenditures:			
Current operating:			
General government	635,138	141	635,279
Cemetery services	-	3,468	3,468
Debt services	42,908	-	42,908
Capital outlay	76,340	-	76,340
Total expenditures	<u>754,386</u>	<u>3,609</u>	<u>757,995</u>
Excess (deficiency) of			
Revenues over expenditures	395,456	(159)	395,297
Other Financing Sources (Uses):			
Operating transfer in	400,000	-	400,000
Operating transfer (out)	<u>(480,000)</u>	<u>-</u>	<u>(480,000)</u>
Total other financing			
Sources (uses)	<u>(80,000)</u>	<u>-</u>	<u>(80,000)</u>
Change in fund balance	315,456	(159)	315,297
Fund balance, July 1, 2024	<u>2,976,530</u>	<u>60,173</u>	<u>3,036,703</u>
Fund balance - June 30, 2025	\$ <u><u>3,291,986</u></u>	\$ <u><u>60,014</u></u>	\$ <u><u>3,352,000</u></u>

CITY OF LA PINE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CEMETERY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Budget</u>			<u>Variance with</u>
	<u>Adopted</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues:				
Cemetery plot sales	\$ 1,200	\$ 1,200	\$ 900	\$ (300)
Interest income	700	700	2,550	1,850
Total revenues	<u>1,900</u>	<u>1,900</u>	<u>3,450</u>	<u>1,550</u>
Expenditures:				
Cemetery program	29,100	29,100	3,609	(25,491)
Contingency	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Total expenditures	<u>34,100</u>	<u>34,100</u>	<u>3,609</u>	<u>(30,491)</u>
Excess (deficiency) of Revenues Over expenditures	<u>(32,200)</u>	<u>(32,200)</u>	<u>(159)</u>	<u>32,041</u>
Other financing sources (uses):				
Operating transfer in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(32,200)</u>	<u>(32,200)</u>	<u>(159)</u>	<u>32,041</u>
Fund balance - July 1, 2024	<u>42,013</u>	<u>42,013</u>	<u>60,173</u>	<u>32,041</u>
Fund balance - June 30, 2025	<u>\$ 9,813</u>	<u>\$ 9,813</u>	<u>\$ 60,014</u>	<u>\$ 64,082</u>

SUPPLEMENTARY INFORMATION

PROPRIETARY FUNDS

CITY OF LA PINE
COMBINING STATEMENT OF NET POSITION
WATER AND DEBT RESERVE FUND
JUNE 30, 2025

	Water Fund	Debt Reserve Fund	Total Water Funds
ASSETS:			
Current assets:			
Cash and investments	\$ 2,139,667	\$ -	\$ 2,139,667
Accounts receivable, net	117,142	-	117,142
Inventory	94,571	-	94,571
Prepaid expense	714	-	714
Total current assets	2,352,094	-	2,352,094
Non-current assets:			
Restricted cash	-	972,567	972,567
Capital assets:			
Land	33,500	-	33,500
Intangible assets	24,514	-	24,514
Construction in progress	-	-	-
Infrastructure	24,848,771	-	24,848,771
Buildings & improvements	219,953	-	219,953
Equipment & vehicles	212,601	-	212,601
Other capital assets	22,500	-	22,500
Less: accumulated depreciation	(5,942,448)	-	(5,942,448)
Total capital assets	19,419,391	-	19,419,391
Total assets	21,771,485	972,567	22,744,052
LIABILITIES:			
Current liabilities:			
Accounts payable	11,455	-	11,455
Interest payable	41,720	-	41,720
Compensated absences	19,515	-	19,515
Customer deposits	56,685	-	56,685
Payroll liabilities	2,480	-	2,480
Current portion of long-term obligations	282,312	-	282,312
Total current liabilities	414,167	-	414,167
Long-term obligations:			
Long-term debt, net of current portion	9,578,086	-	9,578,086
Total long-term liabilities	9,578,086	-	9,578,086
Total liabilities	9,992,253	-	9,992,253
NET POSITION:			
Net investment in capital assets	9,558,993	-	9,558,993
Restricted for:			
Debt service	-	972,567	972,567
Unrestricted	2,220,239	-	2,220,239
Total net position	\$ 11,779,232	\$ 972,567	\$ 12,751,799

CITY OF LA PINE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
WATER AND DEBT RESERVE FUND
June 30, 2025

	Water Fund	Debt Reserve Fund	Total Water Funds
OPERATING REVENUES:			
Charges for services & fees	\$ 1,147,756	\$ -	\$ 1,147,756
Miscellaneous & other income	26,033	-	26,033
Total revenues	<u>1,173,789</u>	<u>-</u>	<u>1,173,789</u>
OPERATING EXPENSES:			
Personnel services	440,880	-	440,880
Materials and supplies	258,236	-	258,236
Depreciation expense	74,859	-	74,859
Total operating expenses	<u>773,975</u>	<u>-</u>	<u>773,975</u>
Income (loss) from operations	399,814	-	399,814
NON-OPERATING REVENUES (EXPENSES):			
Intergovernmental - grants	3,069,991	-	3,069,991
Investment revenue	84,681	38,444	123,125
Interest expense	(215,680)	-	(215,680)
Total non-operating revenue (expense)	<u>2,938,992</u>	<u>38,444</u>	<u>2,977,436</u>
Income before transfers	3,338,806	38,444	3,377,250
Other financing sources (uses):			
Transfers from other funds	-	734,228	734,228
Transfers (to) other funds	(1,113,987)	-	(1,113,987)
Changes in net position	<u>2,224,819</u>	<u>772,672</u>	<u>2,997,491</u>
Beginning net position balance	<u>9,554,413</u>	<u>199,895</u>	<u>9,754,308</u>
Net position - June 30, 2025	<u>\$ 11,779,232</u>	<u>\$ 972,567</u>	<u>\$ 12,751,799</u>

CITY OF LA PINE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
WATER FUND
June 30, 2025

	<u>Budget</u>		<u>Budgetary</u>	<u>Variance with</u>
	<u>Adopted</u>	<u>Final</u>	<u>Basis</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Charges for services	\$ 1,041,000	\$ 1,041,000	\$ 1,147,756	\$ 106,756
Investment revenue	10,000	10,000	84,681	74,681
Other revenue	1,500	1,500	26,033	24,533
Total revenues	1,052,500	1,052,500	1,258,470	205,970
Expenditures:				
Water utility services program	\$ 2,734,649	\$ 4,352,354	3,199,003	(1,153,351)
Debt service	500,000	500,000	487,508	(12,492)
Contingency	300,000	300,000	-	(300,000)
Total expenditures	3,534,649	5,152,354	3,686,511	(1,465,843)
Other financing sources (uses):				
Transfers	(1,387,737)	(1,387,737)	(1,113,987)	(273,750)
Interim financing	1,547,526	3,165,231	3,219,991	(54,760)
Total other financing sources (uses)	159,789	1,777,494	2,106,004	(328,510)
Net change in fund balance	(2,322,360)	(2,322,360)	(322,037)	2,000,323
Fund balance - July 1, 2024	3,251,078	3,251,078	9,554,413	1,325,430
Fund balance - June 30, 2025	\$ 928,718	\$ 928,718	\$ 9,232,376	\$ 3,325,753
Reconciliation to generally accepted accounting principles basis ending net position:				
Debt repayment - principal			271,828	
Capital asset additions			2,499,887	
Depreciation expense			(74,859)	
Proceeds from debt			(150,000)	
Net position			\$ 11,779,232	

CITY OF LA PINE
COMBINING STATEMENT OF NET POSITION
SEWER AND CAPITAL RESERVE FUND
JUNE 30, 2025

	Sewer Fund	Capital Reserve Fund	Total Sewer Funds
ASSETS:			
Current assets:			
Cash and investments	2,301,119	296,729	\$ 2,597,848
Accounts receivable, net	121,248	-	121,248
Inventory	17,259	-	17,259
Prepaid expense	714	-	714
Total current assets	2,440,340	296,729	2,737,069
Capital assets:			
Land	845,752	-	845,752
Intangible assets	-	-	-
Construction in progress	151,835	-	151,835
Infrastructure	29,169,996	-	29,169,996
Buildings & improvements	156,312	-	156,312
Equipment & vehicles	570,647	-	570,647
Other capital assets	20,500	-	20,500
Less: accumulated depreciation	(5,113,416)	-	(5,113,416)
Total capital assets	25,801,626	-	25,801,626
Total assets	28,241,966	296,729	28,538,695
LIABILITIES:			
Current liabilities:			
Accounts payable	152,232	-	152,232
Interest payable	161,584	-	161,584
Compensated absences	18,564	-	18,564
Customer deposits	-	-	-
Payroll liabilities	2,418	-	2,418
Current portion of long-term obligations	282,312	-	282,312
Total current liabilities	617,110	-	617,110
Long-term obligations:			
Long-term debt, net of current portion	14,019,501	-	14,019,501
Total long-term liabilities	14,019,501	-	14,019,501
Total liabilities	14,636,611	-	14,636,611
NET POSITION:			
Net investment in capital assets	11,551,625	-	11,551,625
Restricted for:			
Capital projects	-	296,729	296,729
Unrestricted	2,105,542	-	2,105,542
Total net position	\$ 13,657,167	\$ 296,729	\$ 13,953,896

CITY OF LA PINE
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
SEWER AND CAPITAL RESERVE FUND
JUNE 30, 2025

	Sewer Fund	Capital Reserve Fund	Total Sewer Funds
OPERATING REVENUES:			
Charges for services & fees	\$ 1,199,388	\$ -	\$ 1,199,388
Miscellaneous & other income	85,978	-	85,978
Total revenues	1,285,366	-	1,285,366
OPERATING EXPENSES:			
Personnel services	423,697	-	423,697
Materials and supplies	334,274	-	334,274
Depreciation expense	137,241	-	137,241
Total operating expenses	895,212	-	895,212
Income (loss) from operations	390,154	-	390,154
NON-OPERATING REVENUES (EXPENSES):			
Intergovernmental - grants	4,201,967	-	4,201,967
Investment revenue	86,581	11,729	98,310
Interest expense	(190,545)	-	(190,545)
Total non-operating revenue (expense)	4,098,003	11,729	4,109,732
Income before transfers	4,488,157	11,729	4,499,886
Other financing sources (uses):			
Transfers from other funds	-	285,000	285,000
Transfers (to) other funds	(318,407)	-	(318,407)
Changes in net position	4,169,750	296,729	4,466,479
Beginning net position balance	9,487,417	-	9,487,417
Net position - June 30, 2025	\$ 13,657,167	\$ 296,729	\$ 13,953,896

CITY OF LA PINE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
SEWER FUND
JUNE 30, 2025

	<u>Budget</u>		<u>Budgetary</u>	<u>Variance with</u>
	<u>Adopted</u>	<u>Final</u>	<u>Basis</u>	<u>Final Budget</u>
Revenues:				
Charges for services	\$ 1,117,500	\$ 1,117,500	\$ 1,199,388	\$ 81,888
Investment revenue	10,000	10,000	86,581	76,581
Other revenue	500	500	85,978	85,478
Total revenues	<u>1,128,000</u>	<u>1,128,000</u>	<u>1,371,947</u>	<u>243,947</u>
Expenditures:				
Sewer utility services program	4,468,383	8,470,267	4,708,294	(3,761,973)
Debt service	650,000	650,000	-	(650,000)
Contingency	150,000	150,000	-	(150,000)
Total expenditures	<u>5,268,383</u>	<u>9,270,267</u>	<u>4,708,294</u>	<u>(4,561,973)</u>
Other financing sources (uses):				
Operating transfers out	(478,990)	(478,990)	(318,407)	160,583
Interim financing	3,302,500	7,304,384	4,600,901	(2,703,483)
Total other financing sources	<u>2,823,510</u>	<u>6,825,394</u>	<u>4,282,494</u>	<u>(2,542,900)</u>
Net change in fund balance	(1,316,873)	(1,316,873)	946,147	2,263,020
Fund balance - July 1, 2024	<u>1,635,428</u>	<u>1,635,428</u>	<u>9,487,417</u>	<u>7,851,989</u>
Fund balance - June 30, 2025	\$ <u>318,555</u>	\$ <u>318,555</u>	\$ <u>10,433,564</u>	\$ <u>10,115,009</u>
Reconciliation to generally accepted accounting principles basis ending net position:				
Capital asset additions			3,759,778	
Depreciation expense			(137,241)	
Proceeds from debt			(398,934)	
Net position			<u>\$ 13,657,167</u>	

CITY OF LA PINE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
SDC FUND
JUNE 30, 2025

	<u>Budget</u>			<u>Variance with</u>
	<u>Adopted</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues:				
SDC income - water	\$ 300,000	\$ 300,000	\$ 212,906	\$ (87,094)
SDC income - transportation	300,000	300,000	369,147	69,147
SDC income - sewer	300,000	300,000	359,803	59,803
SDC income -lift stations	20,000	20,000	31,330	11,330
Investment revenue	<u>15,000</u>	<u>15,000</u>	<u>199,439</u>	<u>184,439</u>
Total revenues	<u>935,000</u>	<u>935,000</u>	<u>1,172,625</u>	<u>237,625</u>
Expenditures:				
Materials and services	1,050,000	1,050,000	-	(1,050,000)
Capital outlay	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>	<u>(1,500,000)</u>
Total expenditures	<u>2,550,000</u>	<u>2,550,000</u>	<u>-</u>	<u>(1,500,000)</u>
Other financing sources (uses):				
Operating transfers in	<u>250,000</u>	<u>250,000</u>	<u>136,833</u>	<u>(113,167)</u>
Net change in fund balance	(1,365,000)	1,185,000	1,035,792	1,624,458
Fund balance - July 1, 2024	<u>4,665,141</u>	<u>4,665,141</u>	<u>4,271,476</u>	<u>936,708</u>
Fund balance - June 30, 2025	\$ <u>3,300,141</u>	\$ <u>5,850,141</u>	\$ <u>5,307,268</u>	\$ <u>2,561,166</u>

CITY OF LA PINE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
WATER DEBT RESERVE FUND
JUNE 30, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Adopted</u>	<u>Final</u>		<u>Final Budget</u>
Revenues:				
Interest income	\$ -	\$ -	\$ 38,444	\$ 38,444
Total revenues	-	-	38,444	38,444
Other financing sources (uses):				
Operating transfers in	734,227	734,227	734,228	
Total other financing sources	734,227	734,227	734,228	-
Net change in fund balance	734,227	734,227	772,672	38,445
Fund balance - July 1, 2024	193,503	193,503	199,895	-
Fund balance - June 30, 2025	<u>\$ 927,730</u>	<u>\$ 927,730</u>	<u>\$ 972,567</u>	<u>\$ 38,445</u>

CITY OF LA PINE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
WATER AND SEWER RESERVE FUND
JUNE 30, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
Revenues:				
Investment revenue	\$ <u> - </u>	\$ <u> - </u>	\$ <u> 37,415 </u>	\$ <u> 37,415 </u>
Total revenues	<u> - </u>	<u> - </u>	<u> 37,415 </u>	<u> 37,415 </u>
Other financing sources (uses)				
Transfers in	<u> 400,000 </u>	<u> 400,000 </u>	<u> 400,000 </u>	<u> - </u>
Net change in fund balance	400,000	400,000	437,415	37,415
Fund balance - July 1, 2024	<u> 452,670 </u>	\$ <u> 452,670 </u>	<u> 509,104 </u>	<u> 56,434 </u>
Fund balance - June 30, 2025	\$ <u> 852,670 </u>	\$ <u> 852,670 </u>	\$ <u> 946,519 </u>	\$ <u> 93,849 </u>



INDEPENDENT AUDITORS' REPORT

To the Governing Body
City of La Pine La Pine, Oregon

We have audited the basic financial statements of the City of La Pine as of and for the year ended June 30, 2025 and have issued our report thereon dated December 31, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

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

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

OAR 162-10-0230 Internal Control

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

We identified certain deficiencies we consider to be material weaknesses which we communicated to the governing body in our Report on Internal Control Over Financial Statement Reporting, dated December 31, 2025.

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

Respectfully,

A handwritten signature in black ink that reads "Brenda Bartlett". The signature is written in a cursive, flowing style.

Sensiba LLP
Bend, OR
December 31, 2025

CITY OF LA PINE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

<u>Federal Grantor and Pass-through Agency</u>	<u>Assistance Listing Number</u>	<u>Pass-through Agency Number</u>	<u>Federal Expenditures</u>
US Environmental Protection Agency			
State of Oregon Business Development Department			
Capitalization Grants for Drinking Water State			
Revolving Funds	66.468		\$ 200,000
US Department of Agriculture			
State of Oregon Business Development Department			
Capitalization Grants for Drinking Water State			
Revolving Funds	10.760		5,962,177
Oregon Department of Administrative Services			
COVID-19 Coronavirus State and Local Fiscal			
Recovery Funds	21.027	8239	<u>286,588</u>
Total federal financial assistance			\$ <u>6,448,765</u>

CITY OF LA PINE
NOTES TO THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (SEFA) includes federal awards activity of the City of La Pine (City) under programs of the federal government for the year ended June 30, 2025. The information presented in this schedule is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, change in net position, or cash flows of the City.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the SEFA are reported as federal loan proceeds are disbursed. For expenditures related to grant revenue, expenditures on the SEFA are reported in the year in which they are incurred. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement.

NOTE 3: INDIRECT COST RATE

The City has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4: LOAN PROGRAMS

The balance of federal loans as of June 30, 2025 was \$21,912,443.



INDEPENDENT AUDITOR'S REPORT

City Council and Management
City of La Pine, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of La Pine, Oregon (City) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated December 31, 2025.

Report on Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of City's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described as items 2025-001 and 2025-002 in the accompanying schedule of findings and questioned costs to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. No significant deficiencies were reported.

Report on Compliance and Other Matters

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

City of La Pine, Oregon's Response to Findings

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

Purpose of This Report

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

Respectfully,

A handwritten signature in black ink that reads "Sensiba LLP". The signature is written in a cursive, flowing style.

Sensiba LLP
Bend, OR
December 31, 2025



INDEPENDENT AUDITOR'S REPORT

City Council and Management
City of La Pine, Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of La Pine, Oregon (City)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Respectfully,

A handwritten signature in black ink that reads "Sensiba LLP". The signature is written in a cursive, flowing style.

Sensiba LLP
Bend, OR
December 31, 2025

CITY OF LA PINE, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
--	------------

Internal control over financial reporting:

- | | |
|-----------------------------------|-----|
| • Material weaknesses identified? | Yes |
| • Significant deficiencies? | No |

Noncompliance material to the financial statements noted?	No
---	----

Federal Awards

Internal control over major federal programs:

- | | |
|--|---------------|
| • Material weaknesses identified? | Yes |
| • Significant deficiencies identified? | None reported |

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

Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes
--	-----

Identification of major federal programs:

<u>Assistance Listing No.</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds
10.760	Water and Waste Disposal Systems for Rural Communities

Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
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Auditee qualified as low-risk auditee?	No
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CITY OF LA PINE, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

Section II – Financial Statement Findings

Finding 2025-001

Criteria: Management is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

Condition: During the course of our audit, we identified numerous material errors in the financial statement ending balances which required adjustment for the financial statements to be reasonably stated in all material respects.

Context: While the City has documented annual financial closing processes, the processes were not effective to prevent material misstatements in the year-end balances. In some instances, the City maintained proper support for reasonably stated account balances, but did not adjust its records to reflect that support. In other cases, adequate closing support was not prepared, and additional procedures were required to properly state the account balances.

Cause: The City's resources in the accounting and finance areas are limited due to the size of its staff and non-recurring transaction internal controls are much more time-intensive than those in place for recurring transactions.

Effect: Material misstatements in the City's financial statements were not prevented or detected.

Recommendation: The City should continue its efforts to improve its system of internal controls to include non-recurring, complex transactions to be analyzed and recorded at year end. We recommend the City review the list of proposed adjusting entries and compare to the annual checklist of transactions to consider segregating the closing procedures to include a preparer and reviewer before submission of the trial balance.

Views of Responsible Officials: The City agrees with this finding and intends to implement the auditors recommended course of action beginning January 2026.

Finding 2025-002

Criteria: Management is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

Condition and context: Bank reconciliations contained unexplained and erroneous reconciling items, requiring adjustment to bank account balances. Several of the errors were simply mis-postings between bank accounts, however an audit adjustment of \$90,770 was proposed to correct a duplicate posting of interest expense that reduced cash erroneously.

CITY OF LA PINE, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

Cause: Bank reconciliations were not properly reviewed and traced to the balances in the accounting system to identify errors.

Effect: Bank reconciliations included unsupported reconciling items resulting in potentially misstated cash balances.

Recommendation: We recommend a more robust bank reconciliation process be implemented, where reconciling items are supported and investigated if they are of unknown origin.

Views of Responsible Officials: The City agrees with this finding and intends to implement the auditors recommended course of action beginning January 2026.

Section III – Federal Award Findings and Questioned Costs

None reported.

Section IV – State Award Findings and Questioned Costs

None reported.

Corrective Action Plan

Finding 2025-001

Description: The City's documented annual financial closing processes was not effective to prevent material misstatements in the year-end balances.

Cause: The City's resources in the accounting and finance areas are limited due to the size of its staff and non-recurring transaction internal controls require substantially more time to implement than those in place for recurring transactions.

Corrective Action: The City will implement internal controls over non-recurring, complex transactions prior to the next annual reporting date of June 30, 2026 to ensure balances are not materially misstated.

Responsible Party: Finance Director, Ashley Ivans

Timeline: Additional internal controls are expected to be operational prior to June 30, 2026.

Finding 2025-002

Description: The bank reconciliation review process did not include procedures to investigate unexplained and erroneous reconciling items and correct identified errors.

Cause: The City's Finance Director filled in as needed in the role of Public Works Director when the position remained unfilled during the year. Time constraints resulted in less time to identify and correct errors related to reconciling items on the bank reconciliation.

Corrective Action: The City has hired a Public Works Director and will direct resources to improving the bank reconciliation review process to include sufficient time to investigate and correct errors identified during the bank reconciliation process.

Responsible Party: Finance Director, Ashley Ivans

Timeline: Changes to this begin in January 2026.

Status of Prior Year Findings

Finding 2024-001

Description: The City has documented financial closing procedures for month and year end processes. During the planning of our audit, we noted not all significant account balances were addressed in the City's documented internal controls. During the course of our audit, we identified misstatements related primarily to non-recurring account balances. The City's internal control system related to recurring transactions was sufficient to prevent and detect misstatement.

Cause: The City's resources in the accounting and finance areas are limited due to the size of its staff and non-recurring transaction internal controls are much more time-intensive than those in place for recurring transactions.

Corrective Action: The City has begun segregating financing duties between the Finance Director, City Recorder and Administrative assistant. More specifically, the Administrative Assistant is responsible for reconciling and proposing journal entries, the Finance Director will then review the entries, and the City Recorder will enter them. Furthermore, the City has updated the year end checklist to recognize these additional steps in the year end closing process.

Responsible Party: Finance Director, Ashley Ivans

December 2025 Update: Transitions to this process are still underway as the department staff learn and understand journal entries and the accounting system. Currently, all entries that are not complex, or related to year end, are proposed by the City Recorder and entered by the Administrative Assistant. Complex entries are still proposed by the Finance Director and entered by the Administrative Assistant.

Finding 2024-002

Description: During the planning of our audit, we noted the City has documented processes for review of manual journal entries assigned to City Manager, but reviews did not appear to be done consistently and/or timely. The City Manager's responsibilities appear to leave little time for direct participation in the daily internal control processes related to review of accounting reconciliations and transactions.

Corrective Action: The Administrative Assistant is responsible for reconciling and proposing journal entries, the Finance Director will then review the entries, and the City Recorder will enter them. Monthly, the Finance Director will, as part of the monthly close, review the journal entries and reconcile those to the entry reports provided by the Administrative Assistant and City Recorder.

Responsible Party: Finance Director, Ashley Ivans

December 2025 Update: The City Recorder and Finance Director are responsible for proposing journal entries, as noted above. All entries are entered by the Administrative Assistant. All entries are reviewed by the Finance Director after entry.

Finding 2024-003

Description: The City's controls over bank account transfers do not incorporate preventative bank-level account controls. The City maintains multiple bank accounts, whereby transfers are made from one to the other based on the needs of the City for various activities. Initiation for transfers is performed by the Finance Director, who also has signatory authority over the various bank accounts, and access to the accounting system. City Manager reviews and approves transfers in a manual process.

Cause: The City's resources in the accounting and finance areas are limited due to the size of its staff.

Corrective Action: The City is exploring methods of dual approval at this time. The Finance Director is also being removed as a signing authority from all bank accounts. In the future, transfers will be proposed by the Finance Director to the City Manager. The City Manager will approve the transfers. Transfers will be initiated by the City Recorder or Administrative Assistant. The City Recorder, Administrative Assistant or Utility Billing Clerk will be responsible for secondary approval of those transactions.

Responsible Party: Finance Director, Ashley Ivans

December 2025 Update: The City currently utilizes dual approval. The Finance Director has also been removed as a signing authority. The process above is currently followed.

Finding 2024-004

Description: During the planning of our audit, we noted the City has documented processes for review of various payroll reconciliations and transactions assigned to City Manager, but noted the reviews were not consistently performed in a timely manner. We also noted the payroll system set up within the software was not consistently posting information to the general ledger, creating additional work for management to reconcile the payroll related accounts and transactions. During our testing of payroll, we noted several transactions and balances where management discovered errors in the software's calculations of various transactions and balances, resulting in significant manual adjustment to year end liabilities because the payroll module was not properly posting to the general ledger.

Causes: The City Manager's responsibilities appear to leave little time for direct participation in the daily internal control processes related to review of accounting reconciliations and transactions. An additional cause is the payroll accounting system's automatic posting to the general ledger appears to have set up issues with management needing to correct at year end with manual reconciliations and adjustments.

Corrective Action: The Administrative Assistant is responsible for processing payroll and the City Recorder is responsible for changes made to employee files and pay codes. The Finance Director will be responsible for reviewing payroll processing prior to check issuance. Any adjustments to personnel will be reviewed by the Finance Director prior to entry.

Responsible Party: Finance Director, Ashley Ivans

December 2025 Update: The process above is currently followed.

Finding 2024-005

Description: During the planning of our audit, we noted the City has documented processes for review of the bank account reconciliations, prepared by the Finance Director, assigned to City Manager, but we were unable to find documentation that the reviews were consistently conducted in a timely manner. The City Manager's responsibilities appear to leave little time for direct participation in the daily internal control processes related to review of accounting reconciliations and transactions.

Corrective Action: The Administrative Assistant is responsible for preparing the bank reconciliations, the Finance Director will then review reconciliations.

Responsible Party: Finance Director, Ashley Ivans

December 2025 Update: The City Recorder, rather than the Administrative Assistant prepares the reconciliations. Other than that the process above is currently followed.



City Council and Management
City of La Pine

We have audited the financial statements of the City of La Pine as of and for the year ended June 30, 2025, and have issued our report thereon dated December 31, 2025. 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 March 28, 2025, 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 (US 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 system of internal control of the City of La Pine (the City) 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 identified the following significant risks:

- Federal and state grant compliance and the related impact on revenue recognition, grant receivables, and unearned revenue.
- Payroll including associated costs and related liabilities.
- Charges for services and related accounts receivable.
- Management override of controls, a presumed significant fraud risk

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 City are included in Note 1 to the financial statements. New significant accounting policies include the implementation of Governmental Accounting Standards Board (GASB) Statement 101, compensated absences. This standard improves the accounting and financial reporting of compensated absences for paid leave earned by employees such as vacation, sick leave, parental leave, military leave and jury duty. Additionally, the City implemented GASB statement 102, certain risk disclosures which requires governments to disclose vulnerabilities from concentrations or constraints that could have a substantial financial impact. 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:

- Reported value of capital assets, including infrastructure, which is based on management's estimate of useful lives over time.
- Compensated absence liability

Management's estimate of useful lives is based on industry standard and their experience with the lives of similar assets. 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.

GASB 101 requires management to estimate the amount of compensated absences liability to be reported at year-end. This estimate involves the use of key assumptions and methodologies, including employee leave balances, expected usage patterns, and applicable pay rates. The most significant change with the new standard is that it replaces the leave-type-specific approach of the previous standard with a unified model for recognizing and measuring all

types of compensated absences. As with all significant estimates, there is a degree of uncertainty inherent in the process, and actual results may differ from those estimated.

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 City's financial statements relate to compensated absences noted above.

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 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.

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. 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.

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:

- Adjust the receivable and related deferred outflow related to property taxes in the general and urban renewal agency funds, \$5,133.
- Adjust payroll liabilities based on payroll register, \$21,987.
- Correct a posting error in between bank accounts of \$129,079
- To record current year activity for the Western Tower lease \$15,399
- To correct a double posting of the DEQ payment of \$99,707
- Adjust payroll liabilities based on payroll register in the enterprise funds of \$10,192

- Adjust Sewer accounts receivable of \$130,205

In addition to adjustments posted to correct errors and activity between funds, we proposed numerous entries to the enterprise funds to adjust balances to full accrual amounts as required by generally accepted accounting principles. We've recommended management record these entries on an ongoing basis in our management letter so that its internal accounting records agree to audited amounts.

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 City'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. No such circumstances were identified.

Representations Requested from Management

We have requested certain written representations from management, which are included in the letter dated December 31, 2025.

Management's Consultations with Other Accountants

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

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, 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 City's auditors.

Internal Control

In planning and performing our audit of the financial statements of the City as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to

prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible* - The chance of the future event or events occurring is more than remote but less than likely.
- *Probable* - The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we identified deficiencies in internal control that we consider to be material weaknesses, which are described in our *Governmental Auditing Standards* report on internal control dated December 31, 2025.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the City'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 City Council, and management of the City of La Pine and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

A handwritten signature in black ink that reads "Sensiba LLP". The signature is written in a cursive, flowing style.

Sensiba LLP
Bend, OR
December 31, 2025



To City Council and Management
City of La Pine, Oregon

In planning and performing our audit of the financial statements of the City of La Pine, Oregon (the “City”) as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the City’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of City’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified.

We identified deficiencies in the City’s system of internal control that we consider to material weaknesses and significant deficiencies, which were reported to you in our report over internal control in accordance with *Governmental Auditing Standards*. We also identified certain matters involving internal control and other operational matters that are presented for your consideration.

This letter does not affect our report dated December 31, 2025 on the financial statements of the City. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. Our comments are summarized as follows:

Allocation of City staff payroll to La Pine Urban Renewal Agency

During our work related to payroll, we noted the City allocates staff time to the La Pine Urban Renewal Agency (Agency) for time and effort related to the Agency activity and administration based on estimation of what the City believes each allocated employee is spending each month on Agency business. Because the Agency is a separate legal entity funded with taxpayer dollars, we recommend the City ensure the payroll allocation is supported with time and effort documentation to ensure the Agency is not supplementing City staff payroll costs.

We believe that the implementation of these recommendations will provide the City with a stronger system of internal control while also making its operations more efficient. We will be happy to discuss the details of these recommendations with you at your convenience.

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

Respectfully,

A handwritten signature in black ink that reads "Sensiba LLP". The signature is written in a cursive, flowing style.

Bend, Oregon
December 31, 2025



CITY OF LA PINE

STAFF REPORT

Meeting Date: February 11, 2026

TO: City Council

FROM: Nick Tierney, Associate Planner

SUBJECT: ODOT: Transportation and Growth Management (TGM) Grant IGA

<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:

As previously discussed before Council, the City was awarded a TGM grant to update the City's Transportation System Plan (TSP), first adopted in 2013. The TGM program is a joint venture between the Oregon Department of Transportation (ODOT) and the Oregon Department of Land Conservation and Development (DLCD). ODOT, as the administrator, requires an Intergovernmental Agreement (IGA) to be executed between ODOT and the City.

The IGA is a formal agreement between ODOT and the City that stipulates the required responsibilities and actions of each agency in administering this grant award.

The IGA is effective on the date which all parties have signed and terminates on August 21st, 2027, unless it is terminated earlier. The TGM Grant award shall not exceed \$217,900, which will be paid directly by ODOT to the City's selected consultant, Parametrix. Parametrix is a multi-state engineering and planning consultancy with a demonstrated track record in Transportation Planning. The Work Order Agreement between Parametrix and ODOT for the City's TSP Update is included in the Council packet for reference. The City has committed \$24,940 in match for this grant.

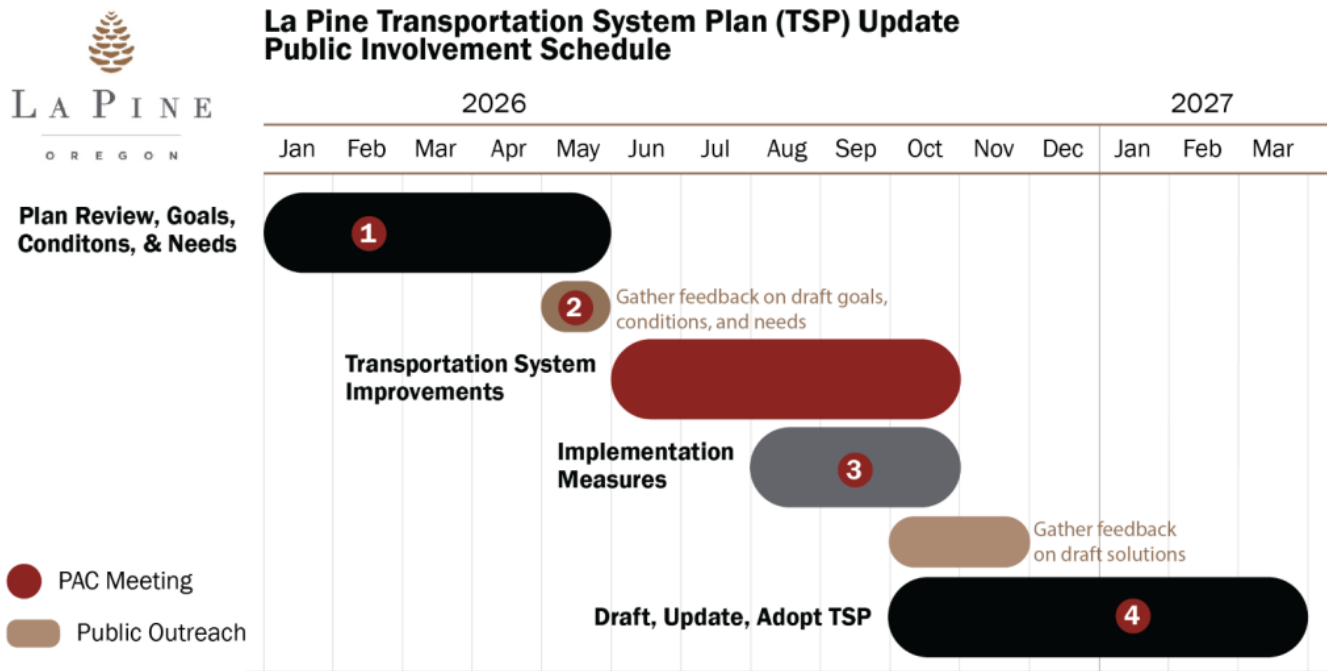
The scope of work and anticipated activities are described in Exhibit A to the IGA. This grant will fund a comprehensive rewrite of the City's TSP to better prepare for the forecasted growth over the next 20 years, the typical horizon for TSP planning. The City's rapid growth, the age of the existing TSP, and the recent adoption of the City's new Comprehensive Plan make this an excellent opportunity to undertake this work.

The project will be guided by a Project Advisory Committee (PAC) consisting of key agency stakeholders, including representation from the City Council, Planning Commission, County, ODOT, Cascades East Transit, and other State agencies. It is Staff's hope that Mike Shields would serve on the PAC as a Council representative; though, we are

most certainly open to other recommendations and nominations. Brent will serve as the City’s official Project Manager.

The project will include at least two major Public Outreach efforts to ensure TSP outcomes align with community feedback, conditions, and needs.

The anticipated project timeline is included below:



Recommended Motion: I move that we approve the Intergovernmental Agreement between the State of Oregon – acting by and through its Department of Transportation – and the City of La Pine, for the purpose of the City’s Transportation and Growth Management Grant award for its Transportation System Plan update.

INTERGOVERNMENTAL AGREEMENT
City of La Pine, Transportation System Plan Update

THIS INTERGOVERNMENTAL AGREEMENT ("Agreement") is made and entered into by and between the STATE OF OREGON, acting by and through its Department of Transportation ("ODOT" or "Agency"), and the City of La Pine ("City" or "Grantee").

BACKGROUND

1. The Transportation and Growth Management ("TGM") Program is a joint program of ODOT and the Oregon Department of Land Conservation and Development.
2. The TGM Program includes a program of grants for local governments for planning projects. The objective of these projects is to better integrate transportation and land use planning and develop new ways to manage growth in order to achieve compact pedestrian, bicycle, and transit friendly urban development.
3. This TGM Grant (as defined below) is financed with Federal Highway Administration ("FHWA") funds. Local funds are used as match for federal funds.
4. By authority granted in Oregon Revised Statutes ("ORS") 190.110, state agencies may enter into agreements with units of local government or other state agencies to perform any functions and activities that the parties to the agreement or their officers or agents have the duty or authority to perform.
5. ODOT has awarded City an in-kind grant under the TGM Program (the "TGM Grant") which is conditional upon the execution of this Agreement.
6. The parties desire to enter into this Agreement for their mutual benefit.

SECTION 1. DEFINITIONS

Unless the context requires otherwise, the following terms, when used in this Agreement, shall have the meanings assigned to them below:

- A. "City's Amount" means the portion of the Grant Amount payable by ODOT to City for performing the tasks indicated in Exhibit A as being the responsibility of City.
- B. "City's Matching Amount" means the amount of matching funds which City is required to expend to fund the Project.
- C. "City's Project Manager" means the individual designated by City as its project manager for the Project.

D. “Consultant” means the personal services contractor(s) (if any) hired by ODOT to do the tasks indicated in Exhibit A as being the responsibility of such contractor(s).

E. “Consultant’s Amount” means the portion of the Grant Amount payable by ODOT to the Consultant for the deliverables described in Exhibit A for which the Consultant is responsible.

F. “Direct Project Costs” means those costs which are directly associated with the Project. These may include the salaries and benefits of personnel assigned to the Project and the cost of supplies, postage, travel, and printing. General administrative costs, capital costs, and overhead are not Direct Project Costs.

G. “Federally Eligible Costs” means those costs which are Direct Project Costs of the type listed in Exhibit C incurred by City and ODOT’s Consultant during the term of this Agreement.

H. “Grant Amount” or “Grant” means the total amount of financial assistance contributed by ODOT under this Agreement.

I. “ODOT’s Contract Administrator” means the individual designated by ODOT to be its contract administrator for this Agreement.

J. “PSK” means the personal services contract(s) executed between ODOT and the Consultant related to the portion of the Project that is the responsibility of the Consultant.

K. “Project” means the project described in Exhibit A.

L. “Termination Date” has the meaning set forth in Section 2.A below.

M. “Total Project Costs” means the total amount of money required to complete the Project.

N. “Work Product” has the meaning set forth in Section 5.I below.

SECTION 2. TERMS OF AGREEMENT

A. Term. This Agreement becomes effective on the date on which all parties have signed this Agreement and all approvals (if any) required to be obtained by ODOT have been received. This Agreement terminates on August 31, 2027 (“Termination Date”), unless terminated earlier in accordance with Section 8 of this Agreement.

B. Grant Amount. The Grant Amount shall not exceed \$217,900.

C. City's Amount. The City's Amount shall not exceed \$0.

- D. Consultant's Amount. The Consultant's Amount shall not exceed \$217,900.
- E. City's Matching Amount. The City's Matching Amount is \$24,940 or 10.27% of the Total Project Costs.

SECTION 3. City'S MATCHING AMOUNT

A. City shall meet the Matching Amount through documentation of Direct Project Costs that City incurs after the execution of this Agreement and monetized volunteer hours. Direct Project Costs shall not be paid for with Federal funds.

B. City shall document progress toward City's Matching Amount through submission of a cost report and a progress report to ODOT's Contract Administrator no later than April 30th, July 31st, October 31st and January 31st for the prior calendar quarter, with the final cost report and progress report due 30 days after the Termination Date. Cost reports shall include 100% of City's Direct Project Costs incurred after the execution of this Agreement. Generally accepted accounting principles and definitions of ORS 294.311 shall be applied to clearly document verifiable costs that are incurred. This Section 3 survives termination of the Agreement.

C. CityAny travel expenses that City designates as Direct Project Costs to which City's Matching Amount will be applied must comply with State of Oregon Accounting Manual, General Travel Rules, as effective on the date the expenses are incurred.

SECTION 4. CITY'S REPRESENTATIONS, WARRANTIES, AND CERTIFICATION

A. City represents and warrants to ODOT as follows:

1. It is a municipality or intergovernmental entity duly organized and existing under the laws of the State of Oregon.

2. It has full legal right and authority to execute and deliver this Agreement and to observe and perform its duties, obligations, covenants and agreements hereunder and to undertake and complete the Project.

3. All official action required to be taken to authorize this Agreement has been taken, adopted and authorized in accordance with applicable state law and the organizational documents of City.

4. This Agreement has been executed and delivered by an authorized officer(s) of City and constitutes the legal, valid and binding obligation of City enforceable against it in accordance with its terms.

5. The authorization, execution and delivery of this Agreement by City, the observation and performance of its duties, obligations, covenants and agreements hereunder, and the undertaking and completion of the Project do not and will not contravene any existing law, rule or regulation or any existing order, injunction, judgment, or decree of any court or governmental or administrative agency, authority or person having jurisdiction over it or its property or violate or breach any provision of any agreement, instrument or indenture by which City or its property is bound.

6. The statement of work attached to this Agreement as Exhibit A has been reviewed and approved by the necessary official(s) of City.

B. City understands and agrees that ODOT's obligation hereunder is contingent on ODOT having received funding, appropriations, limitations or other expenditure authority sufficient to allow ODOT, in the exercise of its reasonable administrative discretion, to continue to make payments for performance of this Agreement.

SECTION 5. GENERAL COVENANTS OF CITY

A. City shall be responsible for the portion of the Total Project Costs in excess of the Grant Amount. City shall complete the Project; provided, however, that City shall not be liable for the quality or completion of that part of the Project which Exhibit A describes as the responsibility of the Consultant.

B. City shall, in a good and workmanlike manner, perform the work on the Project, and provide the deliverables for which City is identified in Exhibit A as being responsible.

C. City shall perform such work identified in Exhibit A as City's responsibility as an independent contractor and shall be exclusively responsible for all costs and expenses related to its employment of individuals to perform such work. City shall also be responsible for providing for employment-related benefits and deductions that are required by law, including, but not limited to, federal and state income tax withholdings, unemployment taxes, workers' compensation coverage, and contributions to any retirement system.

D. City understands and agrees that all employers, including City, that employ subject workers who work under this Agreement in the State of Oregon shall comply with ORS 656.017 and provide the required Workers' Compensation coverage unless such employers are exempt under ORS 656.126(2). Employers Liability insurance with coverage limits of not less than \$500,000 must be included. City shall require each of its subcontractors, if any, to comply with, and shall ensure that each of its subcontractors, if any, complies with these requirements.

E. City shall not enter into any subcontracts to accomplish any of the work described in Exhibit A, unless it first obtains written approval from ODOT.

F. City agrees to cooperate with ODOT's Contract Administrator. At the request of ODOT's Contract Administrator, City agrees to:

- (1) Meet with ODOT's Contract Administrator; and
- (2) Form a project steering committee (which shall include ODOT's Contract Administrator) to oversee the Project.

G. City shall comply with all federal, state and local laws, regulations, executive orders and ordinances applicable to the work under this Agreement, including, without limitation, applicable provisions of the Oregon Public Contracting Code. Without limiting the generality of the foregoing, City expressly agrees to comply with: (1) Title VI of Civil Rights Act of 1964; (2) Title V of the Rehabilitation Act of 1973; (3) the Americans with Disabilities Act of 1990 and ORS 659A.142; (4) all regulations and administrative rules established pursuant to the foregoing laws; and (5) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations.

H. City shall maintain all fiscal records relating to this Agreement in accordance with generally accepted accounting principles. In addition, City shall maintain any other records pertinent to this Agreement in such a manner as to clearly document City's performance. City acknowledges and agrees that ODOT, the Oregon Secretary of State's Office and the federal government and their duly authorized representatives shall have access to such fiscal records and other books, documents, papers, plans, and writings of City that are pertinent to this Agreement to perform examinations and audits and make copies, excerpts and transcripts.

I. City shall retain and keep accessible all such fiscal records, books, documents, papers, plans, and writings for a minimum of six (6) years, or such longer period as may be required by applicable law, following final payment and termination of this Agreement, or until the conclusion of any audit, controversy or litigation arising out of or related to this Agreement, whichever date is later.

J. (1) All of City's work product related to the Project that results from this Agreement (collectively, "Work Product") is the exclusive property of ODOT. ODOT and City intend that such Work Product be deemed "work made for hire" of which ODOT shall be deemed the author. If, for any reason, such Work Product is not deemed "work made for hire", City hereby irrevocably assigns to ODOT all of its rights, title, and interest in and to any and all of the Work Product, whether arising from copyright, patent, trademark, trade secret, or any other state or federal intellectual property law or doctrine. City shall execute such further documents and instruments as ODOT may reasonably request in order to fully vest such rights in ODOT. City forever waives any and all rights relating to the Work Product, including without limitation, any and all rights arising under 17 USC §106A or any other rights of identification of authorship or rights of approval, restriction or limitation on use or subsequent modifications.

(2) ODOT hereby grants to City a royalty free, non-exclusive license to reproduce any Work Product for distribution upon request to members of the public or publish the Work Product on its official website.

(3) City shall ensure that any Work Product produced pursuant to this Agreement includes the following statement:

“This project is partially funded by a grant from the Transportation and Growth Management (TGM) Program, a joint program of the Oregon Department of Transportation and the Oregon Department of Land Conservation and Development. This TGM grant is financed, in part, with Federal Highway Administration,, local government, and State of Oregon funds.

“The contents of this document do not necessarily reflect the views or policies of the State of Oregon.”

K. Unless otherwise specified in Exhibit A, City shall submit all final Work Product produced in accordance with this Agreement to ODOT’s Contract Administrator in the following form:

- (1) two hard copies; and
- (2) in electronic form using generally available word processing or graphics programs for personal computers via e-mail or on compact diskettes.

L. Within 30 days after the Termination Date, City shall (1) pay to ODOT City’s Matching Amount less Direct Project Costs that are Federally Eligible Costs previously reported as City’s Matching Amount. ODOT may use any funds paid to it under this Section 5.L (1) or any of the City’s Matching Amount that is applied to the Project pursuant to Section 3 to substitute for an equal amount of the Federal Highway Administration funds used for the Project or use such funds as matching funds; and (2) provide to ODOT’s Contract Administrator, in a format prescribed by ODOT, a completion report. This completion report shall contain:

- (a) The permanent location of Project records (which may be subject to audit);
- (b) A summary of the Total Project Costs, including a breakdown of those Project costs that are being treated by City as City’s Matching Amount. City shall attest that generally accepted accounting principles, State of Oregon Accounting Manual, General Travel Rules and the definitions of ORS 294.311 were applied and that federal funds were not used to meet the Matching Amount;

and

- (c) A list of final deliverables.

SECTION 6. CONSULTANT

If the Grant provided pursuant to this Agreement includes a Consultant's Amount, ODOT shall enter into a PSK with a Consultant to accomplish the work described in Exhibit A. In such a case, even though ODOT, rather than City, City is the party to the PSK with the Consultant, ODOT and City agree that, as between themselves:

- A. Selection of the Consultant will be conducted by ODOT in accordance with ODOT procedures with the participation and input of City, to the extent permitted by applicable law;
- B. ODOT will review and approve Consultant's work, billings and progress reports after having obtained input from City;
- C. ODOT shall serve as the lead contracting agency and contract administrator for the PSK related to the work under this Agreement, including monitoring the work of its Consultant.
- D. City shall be responsible for prompt communication to ODOT's Contract Administrator of its comments regarding (A) and (B) above; and
- E. City will appoint a Project Manager to:
 - (1) be City's principal contact person for ODOT's Contract Administrator on all matters dealing with the Project;
 - (2) collaborate with ODOT's Contract Administrator regarding coordination of work as described in Exhibit A and City personnel, as necessary; and
 - (3) review invoices forwarded to City from ODOT's Contract Administrator on any deliverables produced by ODOT's Consultant and communicate any concerns City may have to ODOT's Contract Administrator.

SECTION 7. ODOT'S REPRESENTATIONS AND COVENANTS

- A. ODOT represents that, at the time ODOT executes this Agreement, sufficient funds are authorized and available for expenditure to finance ODOT's portion of this Agreement within the appropriation or limitation of its current biennial budget.

B. ODOT represents that the statement of work attached to this Agreement as Exhibit A has been reviewed and approved by the necessary official(s) of ODOT.

C. ODOT will assign a Contract Administrator for this Agreement who will be ODOT's principal contact person regarding administration of this Agreement and will participate in the selection of the Consultant, the monitoring of the Consultant's work, and the review and approval of the Consultant's work, billings and progress reports.

D. If the TGM Grant provided pursuant to this Agreement includes a Consultant's Amount, ODOT shall enter into a PSK with the Consultant to perform the work described in Exhibit A designated as being the responsibility of the Consultant, and in such a case ODOT agrees to pay the Consultant in accordance with the terms of the PSK up to the Consultant's Amount.

SECTION 8. TERMINATION

This Agreement may be terminated by mutual written consent of all parties, or by ODOT effective 30 days following written notice to City. In addition, ODOT may terminate this Agreement effective upon delivery of written notice to City, or at such later date as may be established by ODOT, under any of the following conditions:

A. City fails to complete work specified in Exhibit A as its responsibility, in accordance with the terms of this Agreement and within the time specified in this Agreement, including any extensions thereof, or fails to perform any of the provisions of this Agreement and does not correct any such failure within 10 calendar days of receipt of written notice or by the date specified by ODOT in such written notice.

B. Consultant fails to complete work specified in Exhibit A as its responsibility, in accordance with the terms of this Agreement and within the time specified in this Agreement, including any extensions thereof, and does not correct any such failure within 10 calendar days of receipt of written notice or by the date specified by ODOT in such written notice.

C. If federal or state laws, regulations or guidelines are modified or interpreted in such a way that either the work under this Agreement is prohibited or ODOT is prohibited from paying for such work from the planned funding source.

D. If ODOT fails to receive funding, appropriations, limitations or other expenditure authority sufficient to allow ODOT, in the exercise of its reasonable administrative discretion, to continue to make payments for performance of this Agreement.

In the event of termination, ODOT shall have any remedy available to it under this Agreement, at law, or in equity, including but not limited to withholding of or setoff against any disbursements otherwise due under this Agreement. Any termination of this Agreement shall not prejudice any right or obligations accrued to the parties prior to termination.

SECTION 9. GENERAL PROVISIONS

A. Time is of the essence of this Agreement.

B. Except as otherwise expressly provided in this Agreement, any notices to be given hereunder shall be given in writing by personal delivery, facsimile, email, or mailing the same, postage prepaid, to ODOT or City at the address or number set forth in Exhibit B to this Agreement, or to such other addresses or numbers as either party may hereafter indicate pursuant to this Section. Any communication or notice so addressed and mailed is in effect five (5) days after the date postmarked. Any communication or notice delivered by facsimile shall be deemed to be given when receipt of the transmission is generated by the transmitting machine. Any communication or notice delivered by email shall be deemed to be given when confirmation of the transmission is generated by the transmitting computer. To be effective against ODOT, such facsimile or email transmission must be confirmed by telephone notice to ODOT's Contract Administrator. Any communication or notice by personal delivery shall be deemed to be given when actually delivered.

C. ODOT and City are the only parties to this Agreement and are the only parties entitled to enforce the terms of this Agreement. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right not held by or made generally available to the public, whether directly, indirectly or otherwise, to third persons (including but not limited to any Consultant) unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement.

D. Sections 5(H), 5(I), 5(K) and 9 of this Agreement and any other provision which by its terms is intended to survive termination of this Agreement shall survive.

E. The parties agree as follows:

(a) Contribution.

(1) If any third party makes any claim or brings any action, suit or proceeding alleging a tort as now or hereafter defined in ORS 30.260 ("Third Party Claim") against ODOT or Grantee ("Notified Party") with respect to which the other party ("Other Party") may have liability, the Notified Party must promptly notify the Other Party in writing of the Third Party Claim and deliver to the Other Party a copy of the claim, process, and all legal pleadings with respect to the Third Party Claim. Each party is entitled to participate in the defense of a Third Party Claim, and to defend a Third Party Claim with counsel of its own choosing. Receipt by the

Other Party of the notice and copies required in this paragraph and meaningful opportunity for the Other Party to participate in the investigation, defense and settlement of the Third Party Claim with counsel of its own choosing are conditions precedent to the Other Party's contribution obligation under this Section 9(E) with respect to the Third Party Claim.

(2) With respect to a Third Party Claim for which ODOT is jointly liable with the Grantee (or would be if joined in the Third Party Claim), ODOT shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by the Grantee in such proportion as is appropriate to reflect the relative fault of ODOT on the one hand and of the Grantee on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of ODOT on the one hand and of the Grantee on the other hand shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. ODOT's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including but not limited to the Oregon Tort Claims Act, ORS 30.260 to 30.300, if ODOT had sole liability in the proceeding.

(3) With respect to a Third Party Claim for which the Grantee is jointly liable with ODOT (or would be if joined in the Third Party Claim), the Grantee shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by ODOT in such proportion as is appropriate to reflect the relative fault of the Grantee on the one hand and of ODOT on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of the Grantee on the one hand and of ODOT on the other hand shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. The Grantee's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including but not limited to the Oregon Tort Claims Act, ORS 30.260 to 30.300, if it had sole liability in the proceeding.

(b) Choice of Law; Designation of Forum; Federal Forum.

(1) The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Agreement, including, without limitation, its validity, interpretation, construction, performance, and enforcement.

(2) Any party bringing a legal action or proceeding against any other party arising out of or relating to this Agreement shall bring the legal action or proceeding in the Circuit Court of the State of Oregon for Marion County (unless Oregon law requires that it be brought and conducted in another county). Each party hereby consents to the exclusive jurisdiction of such

court, waives any objection to venue, and waives any claim that such forum is an inconvenient forum.

(3) Notwithstanding Section 9.E (b)(2), if a claim must be brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for the District of Oregon. This Section 9.E(b)(3) applies to a claim brought against the State of Oregon only to the extent Congress has appropriately abrogated the State of Oregon's sovereign immunity and is not consent by the State of Oregon to be sued in federal court. This Section 9.E(b)(3) is also not a waiver by the State of Oregon of any form of defense or immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

(c) Alternative Dispute Resolution.

The parties shall attempt in good faith to resolve any dispute arising out of this Agreement. This may be done at any management level, including at a level higher than persons directly responsible for administration of the Agreement. In addition, the parties may agree to utilize a jointly selected mediator or arbitrator (for non-binding mediation or non-binding arbitration) to resolve the dispute short of litigation.

F. This Agreement and attached Exhibits (which are by this reference incorporated herein) constitute the entire agreement between the parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No modification or change of terms of this Agreement shall bind either party unless in writing and signed by all parties and all necessary approvals have been obtained. Budget modifications and adjustments from the work described in Exhibit A must be processed as an amendment(s) to this Agreement and the PSK. No waiver or consent shall be effective unless in writing and signed by the party against whom such waiver or consent is asserted. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. The failure of ODOT to enforce any provision of this Agreement shall not constitute a waiver by ODOT of that or any other provision.

G. This Agreement may be executed in several counterparts (facsimile or otherwise), all of which when taken together shall constitute one agreement binding on all parties, notwithstanding that all parties are not signatories to the same counterpart. Each copy of this Agreement so executed shall constitute an original. Electronic signatures and copies of signatures by facsimile, electronic scan, or other electronic means will be considered original signatures.

THE PARTIES, by execution of this Agreement, hereby acknowledge that their signing representatives are duly authorized, have read this Agreement, understand it, and agree to be bound by its terms and conditions.

City

City of La Pine

By: _____
(Official's Signature)

(Printed Name and Title of Official)

Date: _____

ODOT

STATE OF OREGON, by and through its
Department of Transportation

By: _____
Michael Rock,
Policy Planning & Development Manager,
Policy Data & Analysis Division

Date: _____

EXHIBIT A

City understands that the Consultant has significant tasks related to, and involvement with the Project. As such Agency has entered into a separate PSK (B38922 W14 / PO-73000-00005662:8) ("Project Contract") with the Consultant to provide Services to the Project as described in the Statement of Work and Delivery Schedule of the Project Contract. City shall work closely with Agency or it's Consultant to perform the Services related to this Project. City shall perform such work described in the Statement of Work and Delivery Schedule of the Project Contract and identified as City's responsibility. Information regarding the Consultant deliverables and responsibilities is for informational purposes only and are not the responsibility of the City.

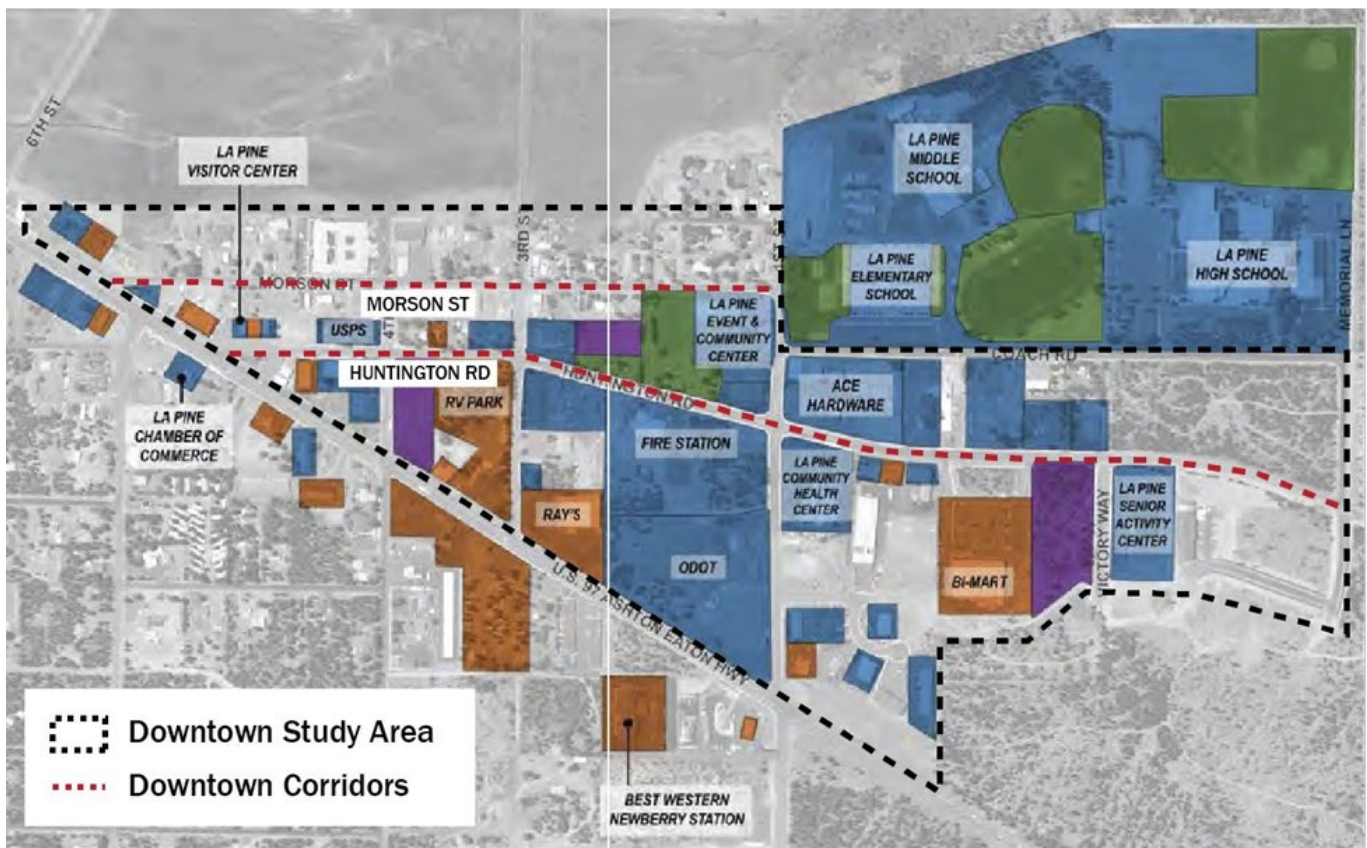
Project Purpose/Transportation and Relationship

The Project aims to serve the City of La Pine ("City") and better prepare the City for the forecasted growth it will be experiencing over the next 20 years. The Project will update the entire Transportation System Plan ("TSP"). The first TSP adopted in 2013 was a great starting point after the City incorporated in 2006, but much of it is outdated and not reflective of the community's needs. La Pine has experienced increased population and vehicle traffic impacts not anticipated by the 2013 TSP. Additionally, the TSP is relatively close to the end of the planning horizon. Early public outreach conducted for the recent La Pine Comprehensive Plan update, indicate transportation and infrastructure improvements are topics of high priority for residents, which in turn are of high priority for City Staff.

Project Area

The Project Area is for all of incorporated City of La Pine consistent with the Urban Growth Boundary (Figure 1).

Figure 2. Downtown Overlay



Background

As stated previously, the current TSP is outdated, and was a great starting point for the City, but is no longer reflective of the community and the exponential growth it is experiencing. According to the most recent Portland State University population study, La Pine is the second fastest growing city in the state. In response, the City has initiated a full comprehensive plan update and would like to accomplish a full TSP update as well to better prepare the community for the level of growth projected.

The TSP was amended in 2021 to include the Wickiup Junction Refinement Plan, which directed transportation planning efforts towards the area between 1st Street/Reed Road and the northern city limits, including the Burlington Northern Sante Fe ("BNSF") rail line crossing. An overcrossing was planned and partially constructed with bridge embankments on either side of the rail line just southeast of the current crossing. During construction, settlement of the embankments and abutments was observed, and bridge construction was stopped in 2017. Between 2017 and 2023, additional settlement was observed as part of a geotechnical study of the Project area, which also identified several options for implementing the overcrossing in the future. This TSP update must incorporate and be informed by the findings and implementation options identified in the geotechnical study.

Since the previous TSP, the City has experienced evolving development patterns, including significant residential growth and re-zoning efforts that have created new demands on the transportation system. Regional travel demand has also increased, especially along Highway 97, a major connector for freight and commuter travel, placing additional stress on local infrastructure. The need for improved multi-modal transportation options—such as pedestrian routes, bicycle infrastructure, and expanded transit service is now a clear community priority, as expressed through recent outreach efforts conducted as part of the Comprehensive Plan update. Additionally, La Pine’s high risk of wildfire and its coordination with Community Planning Assistance for Wildfire (“CPAW”), updated evacuation route planning and transportation network resiliency are critical components of this TSP update.

Through further coordination with Department of Land Conservation Development (“DLCD”), the City completed a 2024 TSP Assessment which identified areas of the current TSP that either met the state requirements or needed to be updated. The TSP Assessment included recommendations towards emergency preparedness, active transportation, newly updated Americans with Disabilities Act (“ADA”) requirements, regional capacity, Cascade East Transit (“CET”) route and stop updates, adoption of a capital improvement program, and changes in state policy requirements. To better serve the needs of the community, the City wants to address these recommendations with a full TSP update.

Project Objectives

Provide Transportation Choices

A TSP update must reflect community interest in infrastructure improvements that tackle increased traffic (all modes), offer variety, and protect quality of life. Options must be safe, efficient, and located throughout the City, connecting parks, trails, jobs, housing, and commerce. Previous TSPs did not connect community health with active transportation. This update must focus on an efficient and accessible transportation network that promotes active, healthy lifestyles.

The Project must coordinate with Deschutes County and incorporate the expanded CET transit route. Transit south of the City is part of Basin Transit. Connecting these two services is a priority for the TSP update. Alternatives for medical needs (Dial-A-Ride) and employee car shares must also be explored. The City’s transportation system must be safe, accessible, and affordable for people of all ages and abilities.

Create Communities & Support Economic Vitality

Outreach through the comprehensive plan update has shown the community’s commitment to inclusive and transparent planning processes and an interest in infrastructure investments, local jobs, affordable housing, and civic amenities. The Project must be a collaborative process that builds community and identifies ways that the benefits and burdens of development are shared equally among the community. A TSP update must explore ways to connect the City’s vibrant communities and new housing developments with regional jobs and civic centers to maintain livability and a unique sense of place.

A TSP update must include mechanisms for ensuring safe multimodal transportation options such as walking, biking, public transportation, and/or car share options. An estimated 15,000 people live either

in the City or in rural residential areas within a 5-mile radius. About 1,159 employees commute to the City and 859 residents commute outside of the City for work. The average commute time for those who live in the City and work elsewhere is 28 minutes. These commuting patterns and population growth well beyond local forecasts have strained the system and present a challenge to preserve the City as a healthy and livable town.

Environmental Stewardship

Since 2013, State greenhouse gas emissions policy has changed. An updated TSP must assess the impact of commuting patterns on emissions and update local policies to reflect new regulations and the community's growing interest in safe, multi-modal transportation options. The installation of bike lanes, trails, and sidewalks will decrease vehicular dependence by offering safe alternatives.

Save Costs

A TSP update must focus on cost-effective multimodal improvements projects. An updated TSP must prioritize projects and efficiently navigate funding options, including updated system development charges ("SDCs") from 2020. Strategic design, operation, and maintenance of the transportation network and compact land use patterns allow for right-sizing infrastructure and maximizing the impact of public investments.

In addition to an evaluation of the criteria met, as identified in DLCD's 2024 TSP Assessment for the City of La Pine, the Project must achieve the following additional objectives:

- Evaluate emergency preparedness, and identify wildfire evacuation routes
- Address active transportation and its connection to community health objectives
- Inclusion of the 2023 State of Oregon ADA Transition Plan updates
- Coordination with Deschutes County to reassess regional capacity, deficiencies, and needs
- Inclusion of the expanded CET routes and stops, and coordination with Central Oregon Intergovernmental Council ("COIC") to incorporate plans for additions or expansions within the planning horizon
- Evaluation of projects to be addressed in an adopted Capital Improvement Program
- Re-evaluate the 2021 Wickiup Junction Refinement Plan, with incorporation into the TSP, and a feasibility analysis or alternative plan in collaboration with ODOT regarding the railroad overcrossing
- Evaluation and incorporation of any changes to state policy requirements
- Evaluation of any proposed projects requiring a Statewide Planning Goal exception
- Updated goals and policies for incorporation into the City Comprehensive Plan.

GENERAL PROJECT DELIVERY SCHEDULE

Task #	Task Name	Month(s) Following Agency's Issuance of NTP
1	Project Management	1 and ongoing
2	Public Involvement and Outreach	Ongoing
3	Plans and Policy Review	2-4
4	Existing and Future Conditions	5-8
5	Develop and Evaluate Solutions	9-12
6	Prepare Updated TSP	13-15
7	Adoption	16-17
8	Final Documents	18-19

EXHIBIT B
PARTIES CONTACT INFORMATION

Name: Address: Phone: Email:	Agency's Project Manager ("APM") for the Agreement Devin Hearing Transportation and Growth Management Program 63055 N Highway 97 Bldg. M Bend, OR 97701 541-388-6388 devin.hearing@odot.oregon.gov	Name: Phone: Email:	Agency's Contract Administrator for the Agreement Same As APM
Name: Address: Phone: Email:	Consultant's Project Manager ("PM") for the Project Contract Ryan Farncomb 5 Martin Luther King, Jr Blvd Portland, OR 97214 360-626-38979 rfarncomb@parametrix.com		
Name: Address: Phone: Email:	City's Project Manager ("CPM") for the Agreement Brent Bybee City of La Pine PO Box 2460 La Pine, OR 97739 541-668-1135 bbybee@lapineoregon.gov	Name: Phone: Email:	Alternate Contact for City Geoff Wullschlager 541-280-8787 gwullschlager@lapineoregon.gov

* ODOT may change the APM designation by promptly sending written notice (e-mail acceptable) to City, with a copy to tgmcentral@odot.oregon.gov. Changes to ODOT's Contract Administrator must be done by amendment to this Agreement.

**Any changes to the PM or CPM must be approved in writing (e-mail acceptable) by ODOT.

EXHIBIT C
ELIGIBLE PARTICIPATING COST

DESCRIPTION

PERSONNEL SERVICES

Salaries - Straight time pay for regular working hours in a monthly period. Includes standard labor distributions like Social Security Taxes, Workers' Compensation Assessments and Medical, Dental, Life Insurance. Excludes mass transit tax, vacation leave, sick leave and compensatory time taken.

Overtime - Payments to employees for work performed in excess of their regular work shift.

Shift Differential - Payments to employees, in addition to regular pay, for shift differential work as described in labor contracts or Personnel Rules.

Travel Differential - Payments to employees, in addition to regular pay, for travel time to and from work on projects in excess and beyond an 8 hour day as described in labor contracts or Personnel Rules.

SERVICES AND SUPPLIES

In-State Travel - Per Rates Identified in State Travel Handbook

Meals & Misc. - Payment for meals incurred while traveling within the State of Oregon.

Lodging & Room Tax - Payment for lodging, including room taxes, incurred while traveling within the State of Oregon. Fares, Taxi, Bus, Air, Etc.

Per Diem - Payment for per diem, incurred while traveling within the State of Oregon.

Other - Payment for other miscellaneous expense, incurred while traveling within the State of Oregon.

Private Car Mileage - Payment for private car mileage while traveling within the State of Oregon.

Office Expense

Direct Project Expenses Including:

Photo, Video & Microfilm Supplies - Payment for photography, video and microfilm supplies such as film for cameras, blank video tapes, storage folders, etc.

Printing, Reproduction & Duplication - Expenditures for services to copy, print, reproduce and/or duplicate documents.

Postage - Payment for direct project postage.

Freight & Express Mail - Payment for direct project freight services on outgoing shipments.

Telecommunications

Phone Toll Charges (long-distance) - Payment for telephone long distance charges.

Publicity & Publication

Publish & Print Photos - Payment for printing and publishing photographs to development of publicity and publications.

Conferences (costs to put on conference or seminars)

Equipment \$250 - \$4,999

NOT ELIGIBLE

Employee Training, Excluding Travel

NOT ELIGIBLE

Training In-State Travel

NOT ELIGIBLE

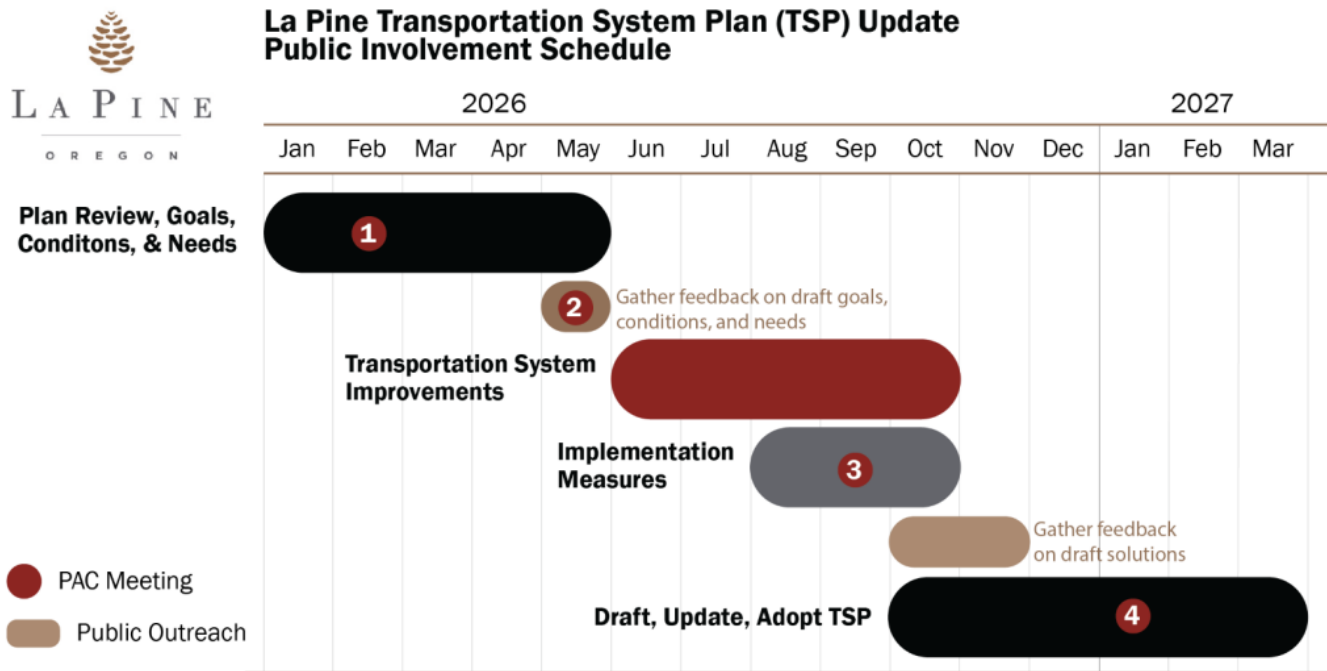
CAPITAL OUTLAY

NOT ELIGIBLE

most certainly open to other recommendations and nominations. Brent will serve as the City’s official Project Manager.

The project will include at least two major Public Outreach efforts to ensure TSP outcomes align with community feedback, conditions, and needs.

The anticipated project timeline is included below:



Recommended Motion: I move that we approve the Intergovernmental Agreement between the State of Oregon – acting by and through its Department of Transportation – and the City of La Pine, for the purpose of the City’s Transportation and Growth Management Grant award for its Transportation System Plan update.

WORK ORDER CONTRACT #: 14 (ORBuys PO #: 73000-00005662:8)

PRICE AGREEMENT ("PA") #: B38922 (ORBuys #: 73000-00005662)

Project Name/Location: City of La Pine Transportation System Plan Update

TGM File Code: 4A-24

This Work Order Contract ("WOC") is entered into by and between the State of Oregon, by and through its Oregon Department of Transportation ("Agency" or "ODOT"), and **Parametrix, Inc.**, a Washington corporation ("Consultant" or "Contractor").

This WOC incorporates by this reference:

- a. all of the Terms and Conditions contained in Part II of the above referenced PA, except for Paragraph 9., Indemnity, of Part II, which is replaced with the indemnification provisions set forth herein (see Section G of the Statement of Work and Delivery Schedule);
- b. the provisions from the PA Exhibits with the exception of: E, E.1, K;
- c. the attached Statement of Work and Delivery Schedule;
- d. Attachment A - Reserved
- e. Attachment B - Breakdown of Costs ("BOC") {except for Fixed-Price, file copy only};
- f. Attachment C - DBE Provisions; and
- g. Attachment C.1 - Committed DBE Breakdown and Certification Form(s) - RESERVED

WOC EXPIRATION DATE: August 31, 2027. The required schedule for performance under the WOC is specified in the Statement of Work and Delivery Schedule.

DBE - WOC includes federal funds? Yes	DBE Goal: 0 %
Certified Small Business Aspirational Target (for State-only funded WOCs over \$100,000, including as amended; see PA Exhibit K): N/A	
Fed Aid #: 0000(302)	ODOT Key # 21733
The Total Not-to-Exceed ("NTE") amount for this WOC. This total includes: all allowable costs, profit, and fixed-fee amount (if any), shown in section H.4; and \$2,600.00 for contingency tasks, each of which must be separately authorized by Agency.	\$217,900.00

This WOC is effective on the date it has been signed by the Parties and all required State of Oregon approvals have been obtained. No Payment shall be made for Services that are performed before: i) the WOC effective date and ii) a Notice-To-Proceed has been issued by Agency.

CONSULTANT CERTIFICATION:

A. Any individual (the undersigned) signing on behalf of Consultant hereby certifies under penalty of perjury:

- (1) Consultant has provided its correct taxpayer identification number to Agency for the above-referenced PA.
- (2) Consultant is not subject to backup withholding because (a) Consultant is exempt from backup withholding, (b) Consultant has not been notified by the IRS that Consultant is subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified Consultant that Consultant is no longer subject to backup withholding.
- (3) The undersigned is authorized to act on behalf of Consultant, the undersigned has authority and knowledge regarding Consultant's payment of taxes, and to the best of the undersigned's knowledge,

Consultant is not in violation of any Oregon tax laws. For purposes of this certification, "Oregon tax laws" means: (i) any state taxes administered by the Oregon Department of Revenue (DOR) under the tax laws of this state and local taxes administered by DOR under ORS 305.620; and (ii) any tax provisions imposed by a political subdivision of this state that apply to Consultant, to Consultant's property, operations, receipts, or income, or to Consultant's performance of or compensation for any work performed by Consultant; and (iii) any tax provisions imposed by a political subdivision of this state that apply to Consultant, or to goods, services, or property, whether tangible or intangible, provided by Consultant; and (iv) any rules, regulations, charter provisions, or ordinances that implement or enforce any of the foregoing tax laws or provisions.

B. Any individual (the undersigned) signing on behalf of Consultant hereby certifies the undersigned is authorized to sign this WOC and that:

- (1)** Consultant has read, understands and agrees to comply with the requirements set forth in the PA and in all Exhibits and other documents incorporated by reference in the PA.
- (2)** Consultant understands and agrees that any exhibits or other documents not physically attached to the PA that are incorporated by reference have the same force and effect as if fully set forth herein.
- (3)** Consultant has made all required Conflict of Interest (COI) disclosures, if any.
 - (a)** Consultant understands and has provided to all Associates (as defined in the COI Guidelines) the ODOT COI Guidelines and COI Disclosure Form available at:
<https://www.oregon.gov/ODOT/Business/Procurement/Pages/PSK.aspx>. Consultant and, to the best of the undersigned's information, knowledge and belief, Consultant's Associates, are in compliance with and have no disclosures required per the COI Guidelines (as may revised from time to time by Agency); or
 - (b)** If disclosures regarding this WOC or the related Project are required per the ODOT COI Guidelines, Consultant has made such disclosures to Agency on a properly prepared and submitted COI Disclosure Form and, if determined necessary by Agency, a mitigation plan has been approved by Agency.
- (4)**
 - (a)** No Federal appropriated funds have been paid or will be paid, by or on behalf of Consultant, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
 - (b)** If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this WOC, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," (https://www.gsa.gov/system/files/SFLLL_1_2_P-V12b.pdf) in accordance with its instructions.
 - (c)** This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
 - (d)** Consultant shall require that the language of this certification be included in all subcontracts in excess of \$100,000 at all tiers and that all such subcontractors shall certify and disclose accordingly.

- (5) Consultant has, and gives employees a written notice of, a policy and practice that meets the requirements described in ORS 279A.112. Such policy both prohibits, and prescribes disciplinary measures for, conduct that constitutes sexual harassment, sexual assault and discrimination against employees who are members of a protected class. Consultant agrees, as a material term of the WOC, to maintain the policy and practice in force during the entire WOC term (see additional information and sample policy template at <https://www.oregon.gov/DAS/Procurement/Pages/hb3060.aspx>).
- (6) Consultant has no undisclosed liquidated and delinquent debt owed to the State or any department or agency of the State.
- (7) Consultant is an independent contractor as defined in ORS 670.600 and as described in IRS Publication 1779 (<https://www.irs.gov/pub/irs-pdf/p1779.pdf>).
- (8) In the event that Consultant is a general partnership or joint venture, Consultant signature(s) on this WOC constitutes certifications to the above statements pertaining to the partnership or joint venture, as well as certifications of the above statements as to any general partner or joint venturer signing this WOC.

Electronic Signatures.

The Parties agree that signatures showing on PDF documents, including but not limited to PDF copies of the PA, WOC and amendments, submitted or exchanged via email are “Electronic Signatures” under ORS Chapter 84 and bind the signing Party and are intended to be and can be relied upon by the Parties. Agency reserves the right at any time to require the submission of the hard copy originals of any documents.

Accessibility: The Oregon Department of Transportation is committed to complying with all statutory requirements to ensure that it is providing information that is more accessible to people with disabilities, as required by Section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794d), and 36 C.F.R. 1194 Appendix A. To request reasonable accommodation for access, due to a disability, to information related to this document, please contact the Oregon Department of Transportation’s Procurement Office at POAdministration@odot.oregon.gov or phone #503-986-2710.

CONSULTANT:

Richard Roché

[Richard Roché \(Dec 8, 2025 10:01:16 PST\)](#)

12/08/2025

Signature

Title

Date

DOJ LEGAL REVIEW for ODOT: (Not required per OAR 137-045-0030 (2))

ODOT (Procurement Authority)

Ryan Penhollow

[Ryan Penhollow \(Dec 8, 2025 11:53:59 PST\)](#)

Ryan Penhollow

12/08/2025

Signature

Print Name

Date

STATEMENT of WORK and DELIVERY SCHEDULE
for
WOC # 14 under PA # B38922
City of La Pine Transportation System Plan Update
TGM File Code: 4A-24

PARTIES CONTACT INFORMATION

Agency's Project Manager ("APM") for the WOC Name: Devin Hearing Address: Oregon Department of Transportation Region 4 63055 N Highway 97 Bldg M Phone: 541-388-6388 Email: devin.hearing@ODOT.oregon.gov	Agency's Contract Administrator for the WOC Name: Same as APM Phone: Email:
Consultant's Project Manager ("PM") for the WOC Name: Ryan Farncomb Address: 5 Martin Luther King, Jr Blvd Portland, OR 97214 Phone: 360-626-38979 Email: rfarncomb@parametrix.com	
The City of La Pine's Contact (Local Agency Contact "LAC") for the Project Intergovernmental Agreement ("IGA") Name: Brent Bybee Phone: (541)668-1135 Email: bbybee@lapineoregon.gov	Alternate Contact for the City of La Pine Name: Geoff Wullschlager Phone: (541)280-8787 Email: gwullschlager@lapineoregon.gov

Agency may change the APM designation, Agency's address for invoicing (section H.5), or both by promptly sending written notice (e-mail notice acceptable) to Consultant, with a copy to tgmcentral@odot.oregon.gov. Changes to Agency's Contract Administrator for the WOC must be done by amendment. Any changes to the PM or LAC must be approved in writing (e-mail acceptable) by Agency. Consultant or City shall provide written notice (email acceptable) to Agency of any changes to alternate contacts.

A. PROJECT DESCRIPTION and OVERVIEW of SERVICES

Agency is contracting with Consultant for Services in connection with the following planning project (the “Project”): “City of La Pine Transportation System Plan Update.”

Project Purpose/Transportation and Relationship

The Project aims to serve the City of La Pine (“City”), and better prepare the City for the forecasted growth it will be experiencing over the next 20 years. The Project will update the entire Transportation System Plan (“TSP”). The first TSP adopted in 2013 was a great starting point after the City incorporated in 2006, but much of it is outdated and not reflective of the community’s needs. La Pine has experienced increased population and vehicle traffic impacts not anticipated by the 2013 TSP. Additionally, the TSP is relatively close to the end of the planning horizon. Early public outreach conducted for the recent La Pine Comprehensive Plan update, indicate transportation and infrastructure improvements are topics of high priority for residents, which in turn are of high priority for City Staff.

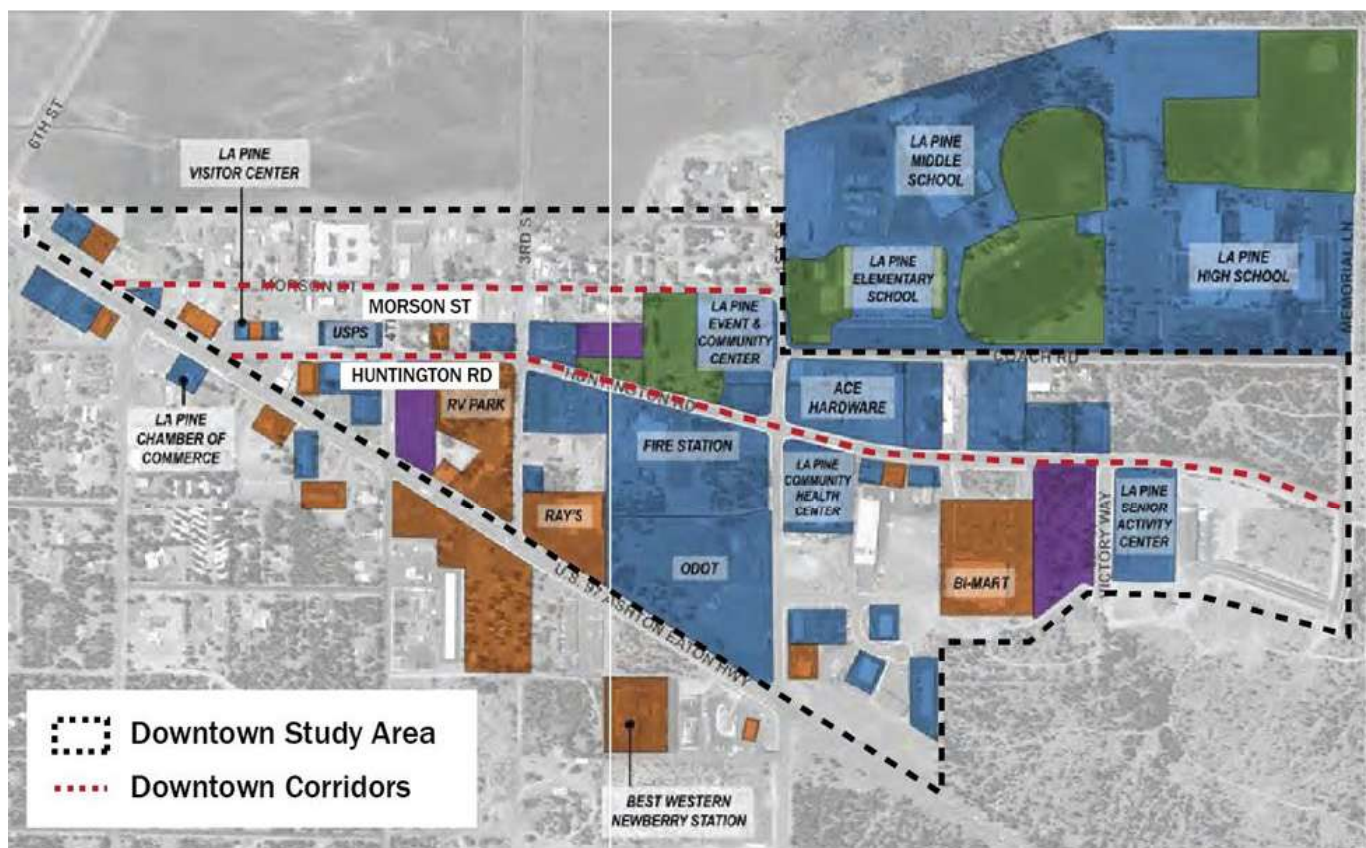
Project Area

The Project Area is for all of incorporated City of La Pine consistent with the Urban Growth Boundary (Figure 1).

Figure 1. Incorporated La Pine



Figure 2. Downtown Overlay



Background

As stated previously, the current TSP is outdated, and was a great starting point for the City, but is no longer reflective of the community and the exponential growth it is experiencing. According to the most recent Portland State University population study, La Pine is the second fastest growing city in the state. In response, the City has initiated a full comprehensive plan update and would like to accomplish a full TSP update as well to better prepare the community for the level of growth projected.

The TSP was amended in 2021 to include the Wickiup Junction Refinement Plan, which directed transportation planning efforts towards the area between 1st Street/Reed Road and the northern city limits, including the Burlington Northern Sante Fe ("BNSF") rail line crossing. An overcrossing was planned and partially constructed with bridge embankments on either side of the rail line just southeast of the current crossing. During construction, settlement of the embankments and abutments was observed, and bridge construction was stopped in 2017. Between 2017 and 2023, additional settlement was observed as part of a geotechnical study of the Project area, which also identified several options for implementing the overcrossing in the future. This TSP update must incorporate and be informed by the findings and implementation options identified in the geotechnical study.

Since the previous TSP, the City has experienced evolving development patterns, including significant residential growth and re-zoning efforts that have created new demands on the transportation system. Regional travel demand has also increased, especially along Highway 97, a major connector for freight and commuter travel, placing additional stress on local infrastructure. The need for improved multi-modal transportation options—such as pedestrian routes, bicycle infrastructure, and expanded transit service is now a clear community priority, as expressed through recent outreach efforts conducted as part of the Comprehensive Plan update. Additionally, La Pine's high risk of wildfire and its coordination

with Community Planning Assistance for Wildfire (“CPAW”), updated evacuation route planning and transportation network resiliency are critical components of this TSP update.

Through further coordination with Department of Land Conservation Development (“DLCD”), the City completed a 2024 TSP Assessment which identified areas of the current TSP that either met the state requirements or needed to be updated. The TSP Assessment included recommendations towards emergency preparedness, active transportation, newly updated Americans with Disabilities Act (“ADA”) requirements, regional capacity, Cascade East Transit (“CET”) route and stop updates, adoption of a capital improvement program, and changes in state policy requirements. To better serve the needs of the community, the City wants to address these recommendations with a full TSP update.

Project Objectives

Provide Transportation Choices

A TSP update must reflect community interest in infrastructure improvements that tackle increased traffic (all modes), offer variety, and protect quality of life. Options must be safe, efficient, and located throughout the City, connecting parks, trails, jobs, housing, and commerce. Previous TSPs did not connect community health with active transportation. This update must focus on an efficient and accessible transportation network that promotes active, healthy lifestyles.

The Project must coordinate with Deschutes County and incorporate the expanded CET transit route. Transit south of the City is part of Basin Transit. Connecting these two services is a priority for the TSP update. Alternatives for medical needs (Dial-A-Ride) and employee car shares must also be explored. The City’s transportation system must be safe, accessible, and affordable for people of all ages and abilities.

Create Communities & Support Economic Vitality

Outreach through the comprehensive plan update has shown the community’s commitment to inclusive and transparent planning processes and an interest in infrastructure investments, local jobs, affordable housing, and civic amenities. The Project must be a collaborative process that builds community and identifies ways that the benefits and burdens of development are shared equally among the community. A TSP update must explore ways to connect the City’s vibrant communities and new housing developments with regional jobs and civic centers to maintain livability and a unique sense of place.

A TSP update must include mechanisms for ensuring safe multimodal transportation options such as walking, biking, public transportation, and/or car share options. An estimated 15,000 people live either in the City or in rural residential areas within a 5-mile radius. About 1,159 employees commute to the City and 859 residents commute outside of the City for work. The average commute time for those who live in the City and work elsewhere is 28 minutes. These commuting patterns and population growth well beyond local forecasts have strained the system and present a challenge to preserve the City as a healthy and livable town.

Environmental Stewardship

Since 2013, State greenhouse gas emissions policy has changed. An updated TSP must assess the impact of commuting patterns on emissions and update local policies to reflect new regulations and the community’s growing interest in safe, multi-modal transportation options. The installation of bike lanes, trails, and sidewalks will decrease vehicular dependence by offering safe alternatives.

Save Costs

A TSP update must focus on cost-effective multimodal improvements projects. An updated TSP must prioritize projects and efficiently navigate funding options, including updated system development charges (“SDCs”) from 2020. Strategic design, operation, and maintenance of the transportation network and compact land use patterns allow for right-sizing infrastructure and maximizing the impact of public investments.

In addition to an evaluation of the criteria met, as identified in DLCD’s 2024 TSP Assessment for the City of La Pine, the Project must achieve the following additional objectives:

- Evaluate emergency preparedness, and identify wildfire evacuation routes
- Address active transportation and its connection to community health objectives
- Inclusion of the 2023 State of Oregon ADA Transition Plan updates
- Coordination with Deschutes County to reassess regional capacity, deficiencies, and needs
- Inclusion of the expanded CET routes and stops, and coordination with Central Oregon Intergovernmental Council (“COIC”) to incorporate plans for additions or expansions within the planning horizon
- Evaluation of projects to be addressed in an adopted Capital Improvement Program
- Re-evaluate the 2021 Wickiup Junction Refinement Plan, with incorporation into the TSP, and a feasibility analysis or alternative plan in collaboration with ODOT regarding the railroad overcrossing
- Evaluation and incorporation of any changes to state policy requirements
- Evaluation of any proposed projects requiring a Statewide Planning Goal exception
- Updated goals and policies for incorporation into the City Comprehensive Plan.

Acronyms and Definitions

ADA	the Americans with Disabilities Act of 1990
Agency or ODOT	Oregon Department of Transportation
APM	Agency’s Project Manager
BOC	Breakdown of Costs
City	City of La Pine
CPM	Consultant Project Manager
DBE	Disadvantaged Business Enterprise
DLCD	Department of Land Conservation and Development
ESRI	Environmental Systems Research Institute, Inc.
GIS	Geographic Information Systems
NTE	Not-to-Exceed
NTP	Notice to Proceed
OAR	Oregon Administrative Rules
OCR	ODOT Office of Civil Rights
ORS	Oregon Revised Statutes
PAC	Project Advisory Committee
PM	Consultant’s Project Manager
PMT	Project Management Team
SOW	Statement of Work

State	State of Oregon
TGM	Transportation and Growth Management
TPR	Transportation Planning Rule
TSP	Transportation System Plan
WOC	Work Order Contract

B. STANDARDS and GENERAL REQUIREMENTS

1. Standards

The standards, manuals, directives and other guidance applicable to Professional Services and Related Services are referenced below or available on Agency's webpages linked below and are incorporated by this reference with the same force and effect as though fully set forth herein.

The standards, manuals, directives and other guidance listed below or available on Agency's webpages are not exhaustive and may not include all applicable standards for a given Project. **Consultant shall be responsible for determining all applicable practices and standards to be used in performing Professional Services and Related Services. Consultant shall inform and demonstrate to Agency if standards, directives or practices required by Agency in performance of the work are insufficient, in conflict with applicable standards, or otherwise create a problem for the design.** Should the requirements of any reference, standard, manual or policy referenced in the PA or WOC conflict with another, Consultant shall, in writing, request Agency to resolve the conflict.

Unless otherwise specified in a given task, the most current version of applicable standards, manuals, directives and other procedural guidance shall apply. Unless otherwise specified, the system of measurement and language used in all deliverables must be English.

a. Planning, Survey, Preliminary Engineering and Design Manuals, Standards and Guidance:

- **Technical Manuals - alphabetical list**
(<https://www.oregon.gov/ODOT/Engineering/Pages/Manuals.aspx>)
- **Planning Guidance and Resources** (<https://www.oregon.gov/ODOT/Planning/Pages/Guidance.aspx>)
- **Planning Analysis** (<https://www.oregon.gov/ODOT/Planning/Pages/Technical-Tools.aspx>)
- **Geo-Environmental Guidance**
(<https://www.oregon.gov/ODOT/GeoEnvironmental/Pages/Guidance.aspx>)
- **Geometronics Resources & Guidance** (<https://www.oregon.gov/ODOT/ETA/Pages/OCRS.aspx>)
- **Surveying Manuals & Resources** (<https://www.oregon.gov/ODOT/ETA/Pages/Surveying.aspx>)
- **Bridge Standards & Manuals** (<https://www.oregon.gov/odot/bridge/pages/index.aspx>)
- **Engineering Guidance** (<https://www.oregon.gov/ODOT/Engineering/Pages/Eng-Guidance.aspx>)
- **Standard Drawings and Details** (<https://www.oregon.gov/ODOT/Engineering/Pages/Standards.aspx>)
- **Technical Guidance** (<https://www.oregon.gov/ODOT/Engineering/Pages/Technical-Guidance.aspx>)
- **Access Management Manual & Guidance**
(<https://www.oregon.gov/odot/engineering/pages/access-management.aspx>)

- **Project Delivery Guide & Forms** (<https://www.oregon.gov/ODOT/ProjectDel/Pages/Project-Delivery-Guide.aspx>)
- **Oregon Standard Specifications for Construction** (https://www.oregon.gov/ODOT/Business/Pages/Standard_Specifications.aspx)
- **ODOT Forms Library** (<https://www.oregon.gov/ODOT/Forms/Pages/default.aspx>)
- **National Association of City Transportation Officials** (<https://nacto.org/publication/urban-streetdesign-guide/>)
- **City of La Pine, Oregon 2016 Standards and Specifications Design Standards** (https://www.lapineoregon.gov/sites/default/files/fileattachments/public_works/page/315/city_of_la_pine_design_standards_new_logo.pdf)
- **ADA Compliance – Assessment, Design, Inspection.** When the Services under this WOC include **assessment or design (or both)** for curb ramps, sidewalks or pedestrian-activated signals (new, modifications or upgrades), Consultant shall:
 - a. Use ODOT standards to assess and ensure Project compliance with the Americans with Disabilities Act of 1990 and Section 504 of the Rehabilitation Act of 1973, as amended (collectively “ADA”), including ensuring that all sidewalks, curb ramps, and pedestrian-activated signals meet current ODOT Highway Design Manual standards; and
 - b. Follow ODOT’s processes for design, modification, upgrade, or construction of sidewalks, curb ramps, and pedestrian-activated signals, including using the ODOT Traffic Signal Design Manual, ODOT Highway Design Manual, ODOT Design Exception process, ODOT Standard Drawings, ODOT Construction Specifications, providing a temporary pedestrian accessible route plan and current ODOT Curb Ramp Inspection form.

When the Services under this WOC include inspection of curb ramps, sidewalks or pedestrian activated signals (new, modifications or upgrades), all such inspections shall include inspection for compliance with the standards and requirements in a. and b. above. Inspections must be performed by ODOT certified inspectors (which must include certified environmental inspectors when appropriate). In addition, at Project completion, Consultant shall complete the applicable ramp-specific ODOT Curb Ramp Inspection Form 734-5020(A-G) for each curb ramp constructed, modified, upgraded, or improved as part of the Project. Each completed form must be submitted electronically by clicking the “Submit by E-mail” button on the form (and cc APM). The forms are documentation required to show that each curb ramp meets ODOT standards and is ADA compliant. ODOT’s fillable Curb Ramp Inspection Forms and instructions are available at the following address:

<https://www.oregon.gov/ODOT/Engineering/Pages/Accessibility.aspx>

Above references to curb ramps, sidewalks or pedestrian-activated signals also include, when applicable, shared use paths, transit stops, park-and-rides and on-street parking.

b. Website or Web Content Development and Maintenance Standards

Consultant shall perform all required web-related Services in conformance with the **ODOT Web Standards** (available at: <https://www.oregon.gov/ODOT/Pages/Web-Toolkit.aspx>), which is incorporated

into this PA with the same force and effect as though fully set forth herein. ODOT shall have ownership and control of Work Products developed by Consultant as set forth in the terms and conditions of the PA, Part II, Section 7 – Ownership of Work Product.

c. ODOT Communications Standards

For any Consultant tasks that require communications functions on behalf of Agency, Consultant shall comply with the ODOT Communications Standards (available at: <https://www.oregon.gov/ODOT/Pages/Web-Toolkit.aspx>) which is incorporated into this WOC with the same force and effect as though fully set forth herein.

2. Software Requirements

In addition to the software requirements set forth in the PA, the following shall apply to this WOC:

- Basecamp platform;
- Microsoft Office Suite;
- Adobe Creative Suite;
- Arc GIS;
- See Section D of this SOW; and
- As otherwise stated within tasks or this WOC.

3. Professional Licenses, Registrations and Qualifications

- Registered Professional Engineer (Civil or Traffic), in Oregon or within OSBEELS.

4. General Requirements

The APM (or such other individual identified in specific tasks or as designated in writing to Consultant) is the primary contact on behalf of Agency for this Project.

To the extent possible, all transmittals from Consultant to Agency must include as applicable the Project name and the Project file code.

- **Endorsement of Data.** Consultant shall place their official Oregon Registered Engineer seal and signature on all engineering design drawings and specifications furnished to ODOT, as well as any other materials specified in ORS 671.025, 671.379, 672.020(2), 672.025(2), 672.028(2) and 672.605, as applicable, that require such seal and signature.
- **Electronic Documents, Digital Seal and Signature.** If required under the WOC, Consultant shall use ODOT's APM email for electronic submittal and receipt of files as necessary for the Project, unless otherwise agree upon. All final documents identified in ORS 671.025, 671.379, 672.020(2), 672.025(2), 672.028(2) and 672.605, as applicable, must bear the digital seal and signature of the Oregon registered professional under whose supervision and control they were prepared. Documents must be submitted in the format specified in the WOC for each deliverable and must comply with Oregon Administrative Rule ("OAR") 804-030, OAR 806-010, OAR 809-050 and OAR 820-025 requirements, as applicable, for digital seal and signature capable of independent verification, final and draft documents, modifications to designs, and dual stamping of documents.

- **Safety Equipment.** Consultant shall provide and use all safety equipment including (but not limited to) hard hats, safety vests and clothing if required by State and federal regulations and ODOT policies and procedures for the Services under the WOC.
- **Personnel, Materials, and Equipment.** Consultant shall provide competent personnel and shall furnish all supplies, equipment, tools, and incidentals required to accomplish the work. All equipment and tools must be in good operating condition and shall be kept in proper adjustment throughout the duration of the WOC. All materials and supplies must be of good quality and suitable for the assigned work.
- **Access to ODOT Right-Of-Way.** Consultant shall notify and coordinate with Agency District Manager, or Assistant District Manager, having jurisdiction over the Project area at least 48 hours in advance of needing to be on-site. Consultant shall not begin on-site work until approval is received from the district. Consultant shall reschedule the on-site work if requested by the district.

ODOT Region 4
 District 10 Manager
 Jim Scholtes
 63055 N Highway 97
 Bend, OR 97703
James.m.scholtes@odot.oregon.gov
 541-647-0314

- **Temporary Protection and Direction of Traffic.** When a field crew is working on (or within 30 feet of) a travel lane, Consultant shall protect the crew and warn approaching traffic by providing safety equipment and temporary traffic controls conforming to a stamped and approved traffic control plan or the 2011 Oregon Temporary Traffic Control Handbook (https://www.oregon.gov/ODOT/Engineering/Docs_TrafficEng/OTTCH-v2011.pdf), for operations of 3 days or less. Consultant shall plan, coordinate and get approval of all work zone activity as outlined in the Mobility Procedures Manual. (<https://www.oregon.gov/ODOT/MCT/Documents/MobilityProcedureManual.pdf>).
- **State Owned Assets.** All State-owned assets, if any, in Consultant's possession must be promptly returned to Agency when the Services are complete, when the WOC is terminated, or when requested by Agency, whichever occurs first.
- **Legal Services and Fees.** If Consultant uses legal services to support the Consultant's performance of any Services under this WOC, that is a decision within the Consultant's discretion; however, no charges for Consultant legal counsel or for legal services shall be charged to Agency as a subconsultant cost or other cost and any such costs or charges shall be paid for by the Consultant at the Consultant's sole expense and at no cost to Agency.
- **General Requirements for Project Management**
 The City of La Pine shall provide a project manager throughout the Project and other adequate staff to complete the Project in accordance with the anticipated timeline. APM, LAC (or alternate), and PM shall serve as the Project Management Team ("PMT") and may invite others

to participate. The City shall maintain effective communication and coordination between Agency and Consultant throughout the Project.

- **General Requirements for Written and Graphic Deliverables**

All documents must be written concisely, in plain language, and use an easily understood format. Where possible, Consultant shall present information in tabular or graphic format, with a simple and concise accompanying narrative. All documents must be readable and usable in non-colored text.

Consultant shall write materials intended for the public, such as meeting presentations, at no higher than a high school grade level using the Flesch–Kincaid Grade Level Formula.

Written deliverables must include the Project name, a title that refers to the WOC deliverable, draft number, subtask number, and date of preparation.

- **General Requirements for Final Deliverables**

Final recommendations, plans, and amendments must not include names and logos of Consultant, the Transportation and Growth Management (“TGM”) Program, ODOT, Oregon DLCD, or project codes. These items are only allowed on the acknowledgements page.

Final recommendations, plans, and amendments must include the following statement:

“This Project is partially funded by a grant from the Transportation and Growth Management (TGM) Program, a joint program of the Oregon Department of Transportation and the Oregon Department of Land Conservation and Development. This TGM grant is financed, in part, by Federal Highway Administration, local government, and State of Oregon funds. The contents of this document do not necessarily reflect views or policies of the State of Oregon.”

- **General Requirements for Meetings and Public Events:**

Meetings may be held in person, by video/virtual conference, by telephone, or any combination of the aforementioned, as determined by the APM.

Meetings may include, but are not limited to: kick-off, project coordination, committee and public meetings or work sessions.

Public events may include any public involvement or outreach opportunities but are not limited to: open houses, workshops, tabling, focus groups, small group or one-on-one briefings, interviews, and public meetings.

Meetings and public events may include presentation materials and graphics such as poster boards, maps, or brochures as deemed appropriate and necessary by the PMT (e.g., PowerPoint or PDF if virtual). Consultant shall coordinate with the City and APM to review and approve the format for meetings and public events.

“Arrange” meetings and public events includes but is not limited to: scheduling dates and times with participants, distribution of agendas and relevant materials in advance of the meeting or

event, reserving a suitable location, placing advertisements in local media, and posting notices in public locations. Unless otherwise stated within specific tasks, “arrange” includes attendance.

“Conduct” meetings and public events includes but is not limited to: preparing agendas and materials, making presentations, and facilitating discussion of relevant issues, and preparing summaries.

The City shall ensure that all meetings are noticed and held in accordance with the applicable City of La Pine standards and ORS Chapter 192 - Records, Public Reports and Meetings.

Meeting locations must be accessible by people with disabilities. Meeting notices must include an offer to make accommodations for people with disabilities with sufficient advance notice, and translation services upon request, with contact information for such notification.

- **General Requirements for Civil/Traffic Analyses, Landscape and Land Use Planning**

- Consultant, by and through an Oregon registered Professional Engineer (“PE”), shall perform or oversee all traffic analysis services. Final memoranda containing traffic analysis must be stamped by a PE with license being current and in good standing, with expertise in civil or traffic engineering.
- A registered Landscape Architect and a Land Use Planner shall conduct analysis appropriate for those disciplines.
- Intersection performance must be determined using the [Highway Capacity Manual 7th Edition](#) (published by the Transportation Research Board with manual calculations for signalized intersection Volume to Capacity (“V/C”). All traffic analysis software programs used must be consistent with Highway Capacity Manual procedures. The City Engineer may approve a different intersection analysis method prior to use when the different method can be justified for City intersections.
- Traffic analysis software must follow Highway Capacity Manual 7th Edition procedures. Signalized intersection V/C ratios must be manually calculated. Traffic analysis must be consistent with ODOT’s [Analysis Procedures Manual](#).
- Traffic analysis at non-State intersections must be compatible with Agency procedures and must follow standard engineering procedures and practices.
- Future build conditions (alternatives) must be consistent with City and Agency design standards. Alternative improvements may be proposed subject to the approval of the facility’s jurisdiction.
- Consultant shall submit all data and calculations to PMT and Agency for review and record-keeping. Consultant shall provide electronic file copies of analysis data. These written and electronic products must be in Agency and City’s compatible formats.
- Consultant shall furnish written and electronic documentation for all assumptions, data, calculations, and results. This includes paper and computer files (i.e. spreadsheets and analysis software files).

- **Requirements for Public Involvement**

Public Involvement must allow residents and business owners of the City and its environs an opportunity to provide input into the Project. The City shall consider environmental justice issues, which is the fair treatment and meaningful involvement of all people regardless of race,

color, national origin, or income with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies.

Fair Treatment means that no group of people, including a racial, ethnic, or a socioeconomic group, should bear a disproportionate share of the negative environmental consequences resulting from industrial, municipal, and commercial operations or the execution of federal, state, and local programs and policies.

Meaningful Involvement means that: (1) potentially affected community residents have an appropriate opportunity to participate in decisions about a proposed activity that affects their environment or health; (2) the public's contribution can influence the regulatory agency's decision; (3) the concerns of all participants involved will be considered in the decision-making process; and (4) the decision makers seek out and facilitate the involvement of those potentially affected.

The public involvement must include, but is not limited to, specific steps to provide opportunities for participation by federal Title VI communities. The City and Consultant shall utilize the ODOT Title VI (1964 Civil Rights Act) Plan guidance to identify Title VI populations, formulate public involvement strategies, and report outreach efforts to and participation by Title VI communities.

C. REVIEW, COMMENT and SCHEDULE OVERVIEW

- Consultant shall coordinate with the City and Agency staff as necessary and shall revise deliverables to incorporate review comments. APM will determine what constitutes a “minor” or “major” edit. Consultant is not required to make major revisions without an approved WOC amendment. This provision does not limit the right of Agency to require correction of deliverables that do not meet the standards and specifications outlined in this SOW.
- Unless otherwise specified in a given task,
- **Draft and Revised Deliverables**
 - Consultant shall provide a draft of written and graphic deliverables to the City e and APM, in electronic format at least 15 business days prior to broader distribution to the Project Advisory Committee (“PAC”) or public. Consultant draft deliverables must be substantially complete, and any changes or revisions needed to address comments are expected to be minor.
 - The City and APM will review the draft deliverables and submit 1 set of consolidated, non-conflicting written comments on draft materials from its reviewers to Consultant within 10 business days from the date a deliverable is received.
 - Based on comments received, Consultant shall return the revised deliverables to the City and APM, with comments incorporated, within 5 business days of Consultant’s receipt of the City and Agency’s comments, unless a different timeframe is approved in writing by APM.

- **Final Deliverables**

- The City shall provide consolidated non-conflicting written comments of public and other reviewers to Consultant before preparation of final deliverables. If the City cannot reconcile conflicting comments, APM will determine which comments will be kept.

- **Materials for Meetings and Public Events**

- Consultant shall provide a draft of materials (includes agendas and presentation materials) for meetings and public events to the City and APM in electronic format at least 15 business days prior to the associated meeting or event, unless another timeframe is approved in writing by APM. If changes are required, the City and Agency will provide comments to Consultant within 5 business days following receipt of the materials. Consultant shall revise materials as directed prior to use and electronically transmit to the City and APM at least 7 business days before the associated meeting or public event. Consultant shall submit summary materials to the City and APM within 10 business days following each meeting or public event.

D. FORMAT REQUIREMENTS

- Consultant shall submit draft, revised, and final deliverables in electronic format via email (and hard copy if requested).
- Consultant shall also submit all graphic files accompanying reports separately in .jpg or .tif formats unless specified differently by Agency.
- Graphic deliverables must be in software compatible with AutoCAD, SketchUp, Adobe Illustrator, or Environmental Systems Research Institute, Inc. ("ESRI") compatible Geographic Information Systems ("GIS") software, as appropriate to the deliverable. All graphic deliverables must be well documented, with Project name, a title that corresponds to the WOC deliverable, draft number, a legend, and the date of preparation. Electronic versions of base and plan maps must be in color and display-sized maps must be printed in color when important to public comprehension. Color deliverables must be readable when reproduced in black and white and in a color-blind safe palette.
- Maps must include details necessary to ensure usability, such as city limits, Urban Growth Boundaries ("UGB"s), street names, relevant environmental and cultural features, legend, date, etc. Maps included in the final deliverables must be at a scale that is legible.
- Consultant shall provide GIS deliverables to City and APM. GIS deliverables must be in an ESRI-compatible format (shapefile or geodatabase) and use a spatial reference system must be consistent with [ODOT GIS Data Unit Requirements](#).
- Each draft and final text-based or spreadsheet-based deliverable shall be provided in MS Office file formats (i.e., MS Word, Excel, etc.) and must be fully compatible with version used by Agency.
- Additional format requirements may be listed with specific tasks/deliverables in the SOW or in the PA.

E. TASKS, DELIVERABLES and SCHEDULE

Unless the WOC is terminated or suspended, Consultant shall complete the Services included in this WOC and in accordance with the performance requirements and delivery schedules included in this WOC. For purposes of standardization, the task numbering in this SOW may be non-sequential.

Unless otherwise stated in a specific task or deliverable, “up to” in this SOW will be as determined or approved by APM if the quantity requires less than the specified maximum to meet the Project need.

Consultant understands that the City has significant tasks related to, and involvement with, the Project. As such Agency has entered into a separate Intergovernmental Agreement (“Project IGA”) with the City to provide services to the Project as described in this SOW that are not the responsibility of the Consultant. Information regarding the City deliverables and responsibilities is for informational purposes only.

For meeting requirements, including the defined meanings of “conduct” and “arrange”, refer to Section B, part 4, of this SOW, under General Requirements for Meetings.

For tasks or subtasks noted as **[CITY TASK]**, Consultant has no tangible deliverables associated with these tasks.

The General Project Delivery Schedule is consolidated in a table at the end of Section E.

TASK 1: PROJECT MANAGEMENT

1.1 Kickoff Meeting

City shall arrange and Consultant shall conduct a Kickoff Meeting conference call with PMT to review Project Objectives, and discuss tasks, meetings, milestones, and deliverables for the Project. The Kickoff Meeting must be held within 2 weeks following Agency’s issuance of the notice to proceed (“NTP”). Consultant shall provide an agenda at least 2 business days prior to the Kickoff Meeting and provide a meeting summary no later than 1 week following the Kickoff Meeting.

1.2 PMT Meetings

Consultant shall arrange and conduct up to 18 teleconference meetings with PMT and other appropriate Agency, City, and Deschutes County representatives, as applicable, both scheduled and as required to address a specific issue. Meetings are anticipated to be up to 60 minutes long each. Dates, locations, and times of scheduled meetings will be determined by APM and the City at the Kickoff Meeting. APM will provide notice of meeting cancellation as needed. Consultant shall arrange and provide a meeting link. Consultant shall develop an agenda for each meeting and disseminate the agenda to PMT no later than the evening prior to each meeting. Consultant shall develop a meeting summary documenting discussion and decisions and outlining upcoming actions. Consultant shall distribute summary to PMT no later than 2 days following each meeting. Up to 2 members of the Consultant staff shall attend each meeting.

1.3 Refined Project Schedule

Consultant shall prepare a Refined Project Schedule and deliver it to the City and APM within 2 weeks after the Kickoff Meeting Conference Call. The City shall and APM will provide comments within 10 business days following receipt of Refined Project Schedule. Consultant shall make revisions afterwards to reflect discussion and comments. The Refined Project Schedule must conform to the General Project Delivery Schedule shown in Table 1, at the end of Section E, and the milestone dates provided in this WOC. Where reasonable, Consultant shall schedule and perform tasks concurrently to minimize time.

The Refined Project Schedule must identify dates for the meetings and public events. Consultant shall update the Refined Project Schedule up to 2 times throughout the Project, at APM's request, and distribute the updated schedule to the City and APM.

1.4 Progress Reports

Consultant shall prepare and submit Progress Reports (up to 18 total) during the Project. Progress Reports must be submitted to APM on or about the 15th calendar date of every month during the Project.

TASK 1 DELIVERABLES

City of La Pine Deliverables

None

Consultant Deliverables

- 1.1 Kickoff Meeting materials and summary
- 1.2 PMT Teleconferences (up to 18) meeting materials and summaries
- 1.3 Refined Project Schedule with revisions and up to 2 updates
- 1.4 Progress reports (up to 18)

TASK 2: PUBLIC INVOLVEMENT AND OUTREACH

2.1 Project Website

Consultant shall establish and maintain a Project Website during the entire Project. Consultant shall be responsible for all aspects of the Project Website including, but not limited to: development, registration, hosting, gathering and monitoring of content, and controls, as required by and subject to approval by PMT. Project Website must be fully functioning and accessible 4 weeks after the Project Kick-Off Meeting and remain fully functioning and accessible for a minimum of 6 months following Project completion.

Project Website must include, at a minimum:

- Project deliverables: written deliverables and all maps and graphics in PDF or JPG format;
- An embedded translate tool;
- Method to sign up for a Project notification list; and,
- Meeting information (times, locations, agendas, summaries, and materials).

Project Website must be updated before and after meetings and at the end of Tasks. Any interactive features for public involvement must not require user registration.

2.2 Committee Roster [CITY TASK]

City shall establish and prepare Committee Roster for the PAC who will provide technical and policy guidance throughout the Project.

At a minimum, the PAC must include representatives, including but not limited to:

- a) La Pine City Council
- b) La Pine Planning Commission

- c) Business Oregon
- d) Deschutes County Bicycle and Pedestrian Advisory Committee
- e) City of La Pine planning and public works/engineering representatives
- f) County planning and public works/engineering representatives
- g) Cascades East Transit representative
- h) Public safety/emergency representative
- i) Oregon DLCD – Regional Representative
- j) ODOT Area Planner
- k) ODOT Region Active Transportation Planner
- l) ODOT Regional Transit Coordinator
- m) ODOT Region Traffic representative
- n) ODOT Transportation Planning Analysis Unit (“TPAU”) representative

A single member may serve as the representative for multiple categories listed above. Other members may be invited to participate in individual meetings when a certain specialty is required or throughout the Project. City shall seek diverse representation of ages, ethnicities, abilities, and interests.

2.3 Interested Parties Email List [CITY TASK]

City shall prepare and maintain for people interested in the Project (“Interested Parties”) an email list for notification of Project progress, meetings, and presentations (the “Interested Parties Email List”). City shall invite the following Interested Parties to join the List, including, but not limited to, federal, regional, State and local authorities; outdoor recreation groups; individuals; adjacent property owners; key businesses; public services; and education and community organizations. Information must include, when available, name, affiliation, and email address. City shall expand and update the Interested Parties Email List throughout the process as new Interested Parties become involved in the Project. At a minimum, the Interested Parties Email List must include the PAC and representatives of:

- a) Local businesses or large employers
- b) Rural residential neighborhoods
- c) Transportation disadvantaged
- d) Local freight industry (carriers/shippers)
- e) La Pine Chamber of Commerce
- f) Sunriver/La Pine Economic Development
- g) Travel Oregon
- h) Visit Central Oregon
- i) Bend-La Pine School District

2.4 PAC Meetings

City shall arrange and Consultant shall conduct 4 PAC Meetings throughout the Project to review materials and solicit input.

- Meeting #1 must review Task 3 deliverables
- Meeting #2 must review Task 4 deliverables
- Meeting #3 must review Task 5 deliverables
- Meeting #4 must review Task 6 deliverables

PAC meetings are expected to be in-person, with a virtual option for committee members, and are expected to be 2 hours, and must not exceed 3 hours. Consultant Key Persons must attend.

2.5 Public Engagement Plan

Consultant shall prepare a Public Engagement Plan detailing goals and strategies to gain input throughout the duration of Project. Elements of the Public Engagement Plan must include, but are not limited to, the following:

- Public involvement goals;
- Decision-making framework, including roles of groups and committees;
- Project identity, including project graphics and templates;
- Key messages for Project Website and materials;
- Engagement outside of Project including community events; and
- Identification of and engagement strategies for potentially affected and interested key partners and other target audiences, particularly Underserved Populations, as defined in OAR 660-012-125(2), and federal Title VI communities, as described in [ODOT's Guidelines for Addressing Title VI and Environmental Justice in Transportation Planning](#).

Consultant shall submit draft Public Engagement Plan to the City and APM for review and comment. Consultant shall prepare and submit final Public Engagement Plan to APM based on feedback received.

2.6 Project Fact Sheet

Consultant shall prepare content and graphic layout for 1 Project Fact Sheet to inform the public and advertise Project events and recommendations. Project Fact Sheet must include the Project overview, key details, schedule, and contact information. Project Fact Sheet must include notice of available translation services and ADA accommodations. Project Fact Sheet must be a single page (or 2 page double-sided), color information sheet. Project Fact Sheet must adhere to the City design guidelines. Consultant shall provide Project Fact Sheet to PMT. Consultant shall address and incorporate PMT comments and suggested revisions, then deliver the revised Project Fact Sheet to PMT for approval. Consultant shall post Project Fact Sheet to Project Website.

Consultant shall update the Project Fact Sheet up to 2 times with updates to the Refined Project Schedule.

The City shall incorporate the Project Fact Sheet into City newsletters or mailings before Public Events. City shall translate key information from Project Fact Sheet. The City shall email or mail Project fact sheet to interested parties. The City shall make any hard copies needed.

2.7 Mapping Applications

Consultant shall prepare 2 Mapping Applications for use during public events and Virtual Open Houses ("VOH"). The purpose of Mapping Applications is to provide an online map element that displays the existing and desired network on the Project Website, and to provide a means to collect input.

2.8 Public Events

The City shall arrange and the Consultant shall conduct 2 public events summarizing key Project elements and alternatives. Consultant shall present materials and answer questions. Consultant's presentation at public events must include a GIS Story Map, up to 10 24"x 36" display boards, and a PowerPoint presentation (approximately 15 to 20 slides). Attendees will have 30 minutes to 1-hour to offer input and Consultant shall summarize input received prior to the conclusion of the meeting. Events must occur on a weekday evening.

Public events must occur at 2 milestones over the course of the Project to include:

- a. **Event #1:** This workshop must introduce the Project and provide the public an opportunity to provide input on Project background, objectives, and conditions and needs. Consultant shall present materials from Tasks 3 and 4.
- b. **Event #2:** This workshop must present proposed alternatives and management strategies and provide the public an opportunity to provide input prior to adoption hearings. Consultant shall present materials from Task 5.

Consultant shall develop an outreach summary for each event, inclusive of outreach findings from the VOH in Task 2.9.

Public events are in person and are expected to be 2 hours and must not exceed 3 hours. Consultant Key Persons must attend.

City shall livestream and record for use in VOH.

2.9 VOH

Consultant shall develop 2 online VOHs that can be viewed at any time on a computer with internet service. A VOH must be available 1 week prior to each public event and include the same content that will be available at the event. The VOH must provide online access to graphical materials, presentations and tools for providing input and feedback. Consultant shall summarize input provided online in the Task 2.8 outreach event summaries.

Consultant shall incorporate each VOH into the Project Website.

2.10 RESERVED.

2.11 Comment Log

Consultant shall develop and maintain a Comment Log to record key partner and public comments, questions, and concerns received directly, from the City, or through Project engagement efforts, throughout the Project.

2.12 Targeted Outreach

Consultant shall arrange and conduct up to 3 small group discussions with key partners and members of the community. Consultant shall create materials for interactive activities appropriate to the group. Discussions must be in-person. Any in-person discussions must occur on the same trip as the Public Event. City shall provide translation of discussion or materials as requested.

City shall identify target audiences during preparation of the Public Engagement Plan and provide contact information to Consultant. Examples of potential groups include a student group at a local school, underserved populations, or local businesses.

2.13 Title VI/Underserved Populations Report

Consultant shall prepare and submit to APM a report delineating Title VI activities, documenting Project process and outreach for all low income, race, gender, and age groups.

TASK 2 DELIVERABLES

City Deliverables

- 2.2 Committee Roster
- 2.3 Interested Parties Email List
- 2.6 Project Fact Sheet (mail or email)
- 2.8 Public events recordings
- 2.10 Interested Parties Database

Consultant Deliverables

- 2.1 Project Website
- 2.4 PAC Meetings (4) materials and summaries
- 2.5 Public Engagement Plan (draft and final)
- 2.6 Project Fact Sheet (draft and revised)
- 2.7 Mapping Applications (2)
- 2.8 Public events (2) materials and summaries
- 2.9 VOH (2)
- 2.9 VOH on Project Website (2)
- 2.11 Comment Log
- 2.12 Targeted Outreach (3) materials and summaries
- 2.13 Title VI Report/Underserved Populations Report

TASK 3: PLANS AND POLICY REVIEW

Objective: Assess existing plans, policies, standards, rules, regulations, and other applicable documents as they pertain to development of Updated TSP.

3.1 Background Documents [CITY TASK]

City of La Pine shall compile Background Documents (in consultation with Consultant input) and provide Consultant key materials listed below and any additional documents requested by Consultant to review in developing Draft Technical Memo #1 (Task 3.2):

- City of La Pine Comprehensive Plan (newly updated 2045 plan)
- City of La Pine 2013 TSP
- Deschutes County TSP
- Regional transportation plans
- City of La Pine Development Code
- City of La Pine Road Standards
- Deschutes County Road Standards
- City of La Pine's current and past budget for transportation
- Deschutes County's current and past budget for transportation
- Deschutes County Natural Hazard Mitigation Plan (2021)
- City of La Pine's current and historic funding and sources
- Wickiup Junction Refinement Plan
- U.S. 97: Lava Butte to La Pine Multi-Use Path Planning Study
- Cascades East Transit Master Plan
- La Pine Parks and Recreation District Comprehensive Plan
- Burlington Northern Santa Fe Geotechnical Study

- Transit Coordinated Plans
- ODOT – Highway Division – Highway Approaches, Access Control, Spacing Standards and Medians (OAR Chapter 734, Division 051)
- Oregon Transportation Plan, including its topic and modal plans:
 - Oregon Highway Plan
 - Oregon Public Transportation Plan
 - Oregon Rail Plan
 - Oregon Bicycle/Pedestrian Plan
- Statewide Planning Goals
- Statewide Transportation Improvement Program
- ODOT Highway Design Manual
- Transportation Planning Rules (“TPR”) (OAR Chapter 660, Division 12)

3.2 Draft Technical Memo #1: Plans, Policy Review

Consultant shall prepare Draft Technical Memo #1 to provide the baseline of existing plans, policies, standards, rules, regulations, and other applicable documents as they pertain to development of the Updated TSP. Draft Technical Memo #1 is intended to guide later decisions regarding selection of preferred alternatives and necessary amendments to pertinent documents or regulations, or both. Consultant shall identify which documents may be consolidated into the Updated TSP. Draft Technical Memo #1 must summarize the applicability of the Background Documents to the Updated TSP.

3.3 Draft Technical Memo #2: Goals, Objectives, and Evaluation Criteria

Consultant shall prepare Draft Technical Memo #2 to establish the goals, objectives, and evaluation criteria for later use in setting policy and selecting preferred alternatives. Goals, objectives, and evaluation criteria serve as the basis for the needs analysis, policy and ordinance development, and Project selection. Additionally, these goals, objectives, and evaluation criteria must be structured in a way that informs relevant, strategic, actionable policies in support of Statewide Planning Goal 12 - “to provide and encourage a safe, convenient, and economical transportation system.” Draft Technical

Memo #2 must, at a minimum, address each of the objectives listed under “Project Objectives” (Section A above) along with the objectives listed in the 2013 TSP.

3.4 Final Technical Memo #1

Consultant shall prepare Final Technical Memo #1, incorporating comments from PMT, PAC, Interested Parties/Public Project Presentations, and VOH. Consultant shall submit Final Technical Memo #1 to PMT.

3.5 Final Technical Memo #2

Consultant shall prepare Final Technical Memo #2, incorporating comments from PMT, PAC, Interested Parties/Public Project Presentations, and VOH. Consultant shall submit Final Technical Memo #2 to PMT.

TASK 3 DELIVERABLES

City Deliverables

3.1a Background Documents - compile and distribute

Consultant Deliverables

3.2 Draft Technical Memo #1: Plans, Policy, and Funding Review

3.3 Draft Technical Memo #2: Goals, Objectives, and Evaluation Criteria

3.4 Final Technical Memo #1

3.5 Final Technical Memo #2

TASK 4: EXISTING AND FUTURE CONDITIONS

4.1 Technical Memo #3: Analysis Methodology

Prior to beginning Technical Memo #4 (Task 4.2), Consultant shall prepare a draft Technical Memo #3: Analysis Methodology for Transportation Planning Analysis Unit (“TPAU”) and ODOT Region 4 Traffic Section comments. Technical Memo #3 must address the existing conditions, future conditions, and alternatives analysis. Technical Memo #3 must provide an overview summary of the following key methods and assumptions when gathering and mapping traffic count data by type and duration:

- Study intersections (proposed approximate count date, duration, turning movement, and segment);
- Study intersection peak hour selection;
- Seasonal factor development;
- Traffic mobility targets;
- Safety analysis methods; and
- Multimodal analysis methods.

The method for future forecasts must be based on zonal cumulative analysis as described in Task 4.3. Consultant shall obtain approval of methodology from TPAU and Region 4 Traffic Section prior to beginning analysis. Consultant shall coordinate future travel demand forecasting with Region 4 Traffic and TPAU prior to drafting Technical Memo # 5 (Task 4.3). Finally, the future condition analysis for State Highways must consider urban design elements found in the draft 2025 version of the Highway Design Manual (which includes the Blueprint for Urban Design). The final Technical Memo #3 must be stamped by an Oregon registered Professional Engineer being current and in good standing with expertise in civil or traffic engineering.

4.2 Technical Memo #4: Existing Conditions Inventory and Analysis

Consultant shall prepare a draft Technical Memo #4: Existing Conditions Inventory and Analysis. Information must be presented in tabular and narrative form with maps to clearly describe current conditions and identify gaps, needs, and deficiencies.

Technical Memo #4 must address the following elements:

Baseline Inventories:

- **Road Inventory:** For arterials and collectors within City, Consultant shall describe:
 - functional classifications, designations, and important uses (e.g., freight routes);
 - agency in jurisdiction;
 - typical right-of-way widths (where data is made available by City and Agency), typical cross sections, turn lane locations, and posted speeds;
 - lane configurations and traffic controls at study intersections;
 - pavement types and conditions (where data is made available by City and Agency);
 - bridge locations and conditions (where data is made available by City and Agency); and
 - intelligent transportation systems infrastructure.
- **Public Transportation Inventory and Analysis:** Providers of public transportation services, service characteristics, use of services, transit policies, etc. Conduct high level Multimodal Level of Service (“MMLOS”) analysis for transit and supportive active transportation modes.
- **Rail Inventory:** For active rail lines, type of service, owner/operator of rail line, location of rail line and terminals, classification of the line (I, II, III), number of trains, daily/schedules, industries serviced and commodities handled, passengers served, track conditions, train speeds, crossing locations and controls.
- **Bicycle/Pedestrian Inventory:** Conditions, locations, and use of bicycle facilities and pedestrian facilities on arterial and collector roadways, including locations of marked crossings and wheelchair ramps at study intersections, location and trip characteristics of major pedestrian generators, and consistency of facilities with federal/State standards and best practices.
- **Additional Inventories:**
 - Major truck freight routes
 - Major activity centers

Consultant shall address the following transportation planning elements:

- Existing Conditions for land use and population for the Base Year (2024).
- Locations of Title VI populations, transportation facilities and services used by these populations.
- ODOT will collect multimodal PM peak period (2pm - 6pm) turn movement traffic counts for up to 20 locations (“study intersections”), which include:
 - 1) US 97/Drafter Rd
 - 2) Huntington Rd/Cagle Rd
 - 3) Huntington Rd/Burgess Rd
 - 4) Huntington Rd/Memorial Ln

- 5) Huntington Rd/1st St
- 6) Huntington Rd/3rd St
- 7) Huntington Rd/4th St
- 8) Huntington Rd/Finley Butte Rd
- 9) Morson St/1st St
- 10) Morson St/3rd St
- 11) Reed Rd/Hinkle Way
- 12) William Foss Rd/Hinkle Way
- 13) Finley Butte Rd/Hinkle Way/Walling Ln
- 14) US 97/1st St/Reed Rd
- 15) US 97/William Foss Rd/4th St
- 16) US 97/Huntington Rd
- 17) US 97/Finley Butte Rd
- 18) US 97/6th St
- 19) US 97/Burgess Rd
- 20) US 97/Rosland Rd

- ODOT will collect 16-hour vehicle tube counts at up to 7 locations each, for US 97/1st St/Reed Rd, US 97/6th St, Huntington Rd/Memorial Ln, Huntington Rd/1st St, Huntington Rd/Burgess Rd, US 97/Rosland Rd, US 97/Burgess Rd, and US 97/3rd St (consistent with Sections 6.10 and 6.11 of the Analysis Procedures Manual) to estimate average daily traffic profile for informing the zonal cumulative analysis.
- ODOT will collect 48-hour vehicle tube counts at up to 7 locations each, for US 97 (north and south), Huntington Rd (north and south), 1st St, 6th St, Reed Rd, William Foss Rd, and Finley Butte Road (consistent with Sections 6.10 and 6.11 of the Analysis Procedures Manual) to estimate average daily traffic profile for informing the zonal cumulative analysis.
- Develop 30th-highest-hour traffic volumes at all study intersections by seasonally adjusting the traffic count data.
- Evaluate traffic volumes and analyze Level of Service (“LOS”) and V/C for up to 20 study intersections for existing year 2025 30th-highest-hour conditions.
- Screen the street network for crash trends by analyzing the most recent 10 years of available crash data for all arterial and collector roadways in City. Analysis must include calculation of critical crash rates and excess proportion of specific crash types at the 20 study intersections as outlined in Chapter 4 of ODOT’s Analysis Procedures Manual V2. Top 10% ODOT Safety Priority Index System (“SPIS”) sites must be identified. The crash analysis at the top 10% SPIS locations must identify any crash patterns and suggest potential countermeasures. Consultant shall use the Highway Safety Manual Part B Network Screening Critical Crash Rate and Excess Proportions of Specific Crash Types methods for intersections. Consultant shall review ODOT’s State Highway Crash Rate Tables and identify highway segments experiencing crash rates greater than the statewide average for similar facilities. Consultant shall give special consideration to potential causes of problems at locations with high fatal and serious injury bicycle/pedestrian crash rates. Consultant shall evaluate crash trends in City and identify low-cost systemic safety measures that could be considered to reduce fatal and serious injuries in addition to other countermeasures.

- Review various truck route classifications and identify truck percentages at study intersections.
- Consultant shall provide a summary and analysis of existing funding. The summary and analysis must include a review of local, county, and State funds expended for transportation facilities and services over the last 10 years within the Project Area; analysis must identify dedicated funds. Expenditures must be converted to Base Year dollars. City shall provide data regarding currently available funding, including:
 1. Transportation revenues received from the State.
 2. Local transportation revenues.
 3. System Development Charges and other revenue from development.
- Consultant shall assess existing on- and off-street bicycle and pedestrian facilities, including marked crossings. This assessment must include identification of key origins and destinations (e.g., schools) for cycling and pedestrian trips and a discussion of the quality and comfort of routes between origins and destinations. This assessment must identify existing bicycle and pedestrian facility needs. The assessment must include a bicycle and pedestrian Level of Traffic Stress (“LTS”) analysis for all arterial and collector roadways in the Project Area.

Consultant shall provide the draft for City and Agency comments and develop a revised draft addressing comments. The revised draft must be reviewed with the PAC during Task 2.4, Meeting #2.

The final Tech Memo #4 must reflect feedback on the existing conditions inventory and analysis, as well as system needs, identified by the PAC during Task 2.4, Meeting #2.

4.3 Technical Memo #5: Future Conditions Analysis

Consultant shall prepare a draft Technical Memo #5: Future Conditions Analysis to develop forecast conditions, problems, and deficiencies for all modes of travel in accordance with the ODOT-approved transportation system analysis methodology described in Technical Memo #3 (Task 4.1). The future conditions analysis must include Project Year 2045 30th-highest-hour traffic conditions for up to 20 study intersections. The method for estimating study intersection growth must be based on a zonal cumulative analysis. Consultant shall summarize the future population and employment data as part of that analysis.

Consultant shall provide the draft for City and Agency comments and develop a revised draft addressing comments. The revised draft must be reviewed with the PAC during Task 2.4, Meeting #2.

The final Technical Memo #5 must reflect feedback on future conditions, as well as system needs, identified by the PAC during Task 2.4, Meeting #2.

TASK 4 DELIVERABLES

City Deliverables

None

Consultant Deliverables:

- 4.1 Draft Tech Memo #3
- 4.1 Final Tech Memo #3
- 4.2 Draft Tech Memo #4
- 4.2 Revised draft Tech Memo #4
- 4.2 Final Tech Memo #4
- 4.3 Draft Tech Memo #5
- 4.3 Revised draft Tech Memo #5
- 4.3 Final Tech Memo #5

TASK 5: DEVELOP AND EVALUATE SOLUTIONS

5.1 Technical Memo #6: Solutions Evaluation

Consultant shall prepare a draft Technical Memo #6: Solutions Evaluation which proposes transportation system alternatives to address needs and gaps, and to respond to goals and objectives for the transportation system. Technical Memo #6 must address the following elements:

- Consultant shall prepare a graphic and written description of alternative solutions and strategies, as well as cost estimates for addressing system needs and gaps. Consultant shall focus on improvements and strategies that improve the function of the existing system without adding capacity. Consultant shall prepare a complete list of recommended improvements and strategies for all modes with planning-level cost estimates, identify potential funding sources, and establish funding priorities. Up to 4 key roadway improvements may be reviewed for operational and environmental feasibility. All analysis of alternatives must be limited to isolated improvements that do not impact traffic circulation or restrict/add turn movements.
- Order of magnitude costs must be based on average costs per unit for similar facilities, without preliminary design or engineering for the facilities. Consultant shall provide no more than 20 cost estimates.
- Any transportation analysis performed to support alternative development must be consistent with Technical Memo #3: Analysis Methodology (Task 4.1). Consultant shall analyze no more than 4 projects for traffic impacts.
- Consultant shall include road functional classification designation analysis in the description of the alternatives.
- Consultant shall identify corridors for street, bicycle and pedestrian improvements, such as Huntington Rd, or other areas for trails identified in the 2025 La Pine Comprehensive Plan Map (independent of the 4 project requirement above).

- Consultant shall evaluate corridor improvement alternatives for Huntington Rd and US 97. Consultant shall apply the evaluate transportation system alternatives to identify priorities for further review with City, ODOT, and other interested parties. Consultant shall document the evaluation process, evaluation summary, potential impacts, cost estimates for the proposed improvements, and maps depicting the location of all projects.
- The memo must evaluate alternative solutions and strategies and recommend a preferred solution or strategy for inclusion in the TSP. A draft of this evaluation must be reviewed and commented on by Agency and City before it is provided to the PAC for their consideration during Task 2.4, Meeting #3.

Consultant shall provide the revised draft for Agency, City and PAC comments during Task 2.4, Meeting #3. The final Technical Memo #6 must address all feedback and comments received.

Task 5.2 Technical Memo #7: Funding and Financing Options

Consultant, in coordination with City and Agency, shall prepare draft Technical Memo #7: Funding and Financing Options to forecast estimated funds expected to be available in the future to construct new transportation infrastructure, for maintenance, and for other transportation-related programs, through the Project Year 2045. The forecast must consider the amount of State and federal funds expected to be available for projects within the community, as forecast by ODOT. Consultant shall identify potential local funding mechanisms and grant programs for funding TSP projects and programs.

Consultant shall provide the draft for Agency, City and PAC comments. The final Technical Memo #7 must address all feedback and comments received.

Task 5.3 Technical Memo #8: Update Transportation Standards

Consultant shall prepare a draft final Technical Memo #8: Update Transportation Standards addressing transportation standards that apply to roads under City's jurisdictional authority. Technical Memo #8 must include recommendations for updating City transportation standards and guidelines, including:

- Roadway and access spacing;
- Functional classification;
- Local street connectivity;
- Roadway and shared-use path cross-sections;
- Local evacuation routes (lifeline routes);
- Enhanced pedestrian crossing treatment guidelines;
- Freight routes;
- Pedestrian access ways; and
- Site plan review.

Consultant shall provide the draft for Agency and City comments. The final Tech Memo #8 must address all feedback and comments received.

Task 5.4 Technical Memo #9: Update Transportation System Policies

Consultant shall develop a draft Technical Memo #9: Update Transportation System Policies that reviews transportation policies in the Current TSP and suggests updates in strikethrough/underline format to reflect transportation system goals and objectives and transportation system needs. New policies may also be suggested to fit current conditions.

Consultant shall provide the draft for Agency, City and PAC comments. The final Technical Memo #9 shall address all feedback and comments received.

Task 5.5 Planning Commission and City Council Work Session Presentation

Consultant shall prepare a draft presentation for Agency and City comments and a final presentation to be used for the Planning Commission and City Council work session. City shall arrange and attend work session(s) with the Planning Commission and City Council to discuss the findings from Technical Memos #6, # 7, 8, and #9 and document comments in meeting notes. Consultant shall address comments in the draft Updated TSP. One Consultant staff member shall attend the work session virtually.

Task C5.6 Planning Commission and City Council Work Sessions (Contingency Task, see Section F.)

If authorized by Agency, Consultant shall participate in work sessions with the Planning Commission and City Council and lead the discussion on Technical Memo #6, #7, #8, and #9 and documentation of meeting notes.

TASK 5 DELIVERABLES

City Deliverables

5.1 Joint work session(s) with the Planning Commission and City Council including minutes

Consultant Deliverables

- 5.1 Draft Technical Memo #6
- 5.1 Revised Draft Technical Memo #6
- 5.1 Final Technical Memo #6
- 5.2 Draft Technical Memo #7
- 5.2 Final Technical Memo #7
- 5.3 Draft Technical Memo #8
- 5.3 Final Technical Memo #8
- 5.4 Draft Technical Memo #9
- 5.4 Final Technical Memo #9
- 5.5 Draft presentation for Planning Commission and City Council work session
- C5.6 Participate in work sessions with the Planning Commission and City Council

TASK 6: PREPARE Updated TSP

Task 6.1 Draft and Revised Draft Updated TSP

Consultant shall prepare an outline of topics to be included in the Updated TSP. The outline must include placeholders for tables and figures. Consultant shall prepare a draft TSP template illustrating the page layout, fonts, and other formatting details. Consultant shall prepare a draft Updated TSP outline and template for City and Agency comments and final TSP template. The TSP format and template must be approved by Agency and City. The TSP must be formatted in Microsoft Word.

The draft Updated TSP must:

- Incorporate findings and recommendations from all previously prepared technical memos.
- Address comments received from the public, PAC, City, and Agency on all memos and supporting analysis completed to date

- Be consistent with the current requirements of the Oregon Transportation Plan (“OTP”) and TPR;
- Include appendices containing the supporting analysis and background information that was prepared as part of this SOW; and
- Document actions taken to comply with Title VI provisions.

The final updated TSP deliverable must be provided in two volumes as described below.

Volume 1 of the Updated TSP must contain the essential components of the TSP, leaving detailed background information in appendices contained in Volume 2. Agency and City staff shall review and provide comments on the draft Updated TSP. Consultant shall incorporate comments in development of a Revised Draft Updated TSP.

Task 6.2 Planning Commission and City Council Work Sessions

Consultant shall prepare a draft presentation for City and Agency comments and a final presentation to be used for the Planning Commission and City Council joint work sessions. City shall arrange and attend 2 joint work sessions, for the Planning Commission and City Council to review the Revised Draft Updated TSP from Task 6.1. The Revised Draft Updated TSP from Task 6.1 will be broken up into two parts for review, with each part being reviewed at each work session. Consultant shall summarize comments received on the Revised Draft Updated TSP during Task 2.4, Meeting #4, to share with the Planning Commission and City Council at the work sessions. One Consultant staff shall attend work session in person.

Task 6.3 Adoption Draft Updated TSP

Comments received from Agency, City, City Council, Planning Commission, and from Task 2.4 Meeting #4, must be incorporated into the Adoption Draft Updated TSP. Consultant shall prepare a comment log with proposed changes, a response to each comment, and make modifications where appropriate. The Adoption Draft Updated TSP must include an Executive Summary.

Task 6.4 Technical Memo #10: Implementing Ordinances

Consultant shall prepare a draft Technical Memo #10: Implementing Ordinances needed to activate the Updated TSP. Based on TSP policies and findings in Technical Memo #1: Plans, Policy Review (Task 3.2), Consultant shall review and propose amendments to meet transportation goals, address key issues, and ensure compliance with the TPR, OTP, Oregon Highway Plan, and other plans, policies, and regulations as relevant. The amendments must identify changes to development requirements and other regulations to protect the intended function of the transportation facilities and corridors, encourage alternate modes (transit, bicycling and walking), and to implement other policies and standards in the Updated TSP. These may include (1) modifying existing or developing new standards for local streets, cul-de-sacs, collectors, and arterials, including connectivity requirements, driveway spacing standards, parking requirements and block length and size, (2) traffic impact analysis triggers and requirements, and (3) a process for mitigating impacts on intersection performance, as needed. The draft implementing ordinances must be developed in conjunction with developing the Updated TSP to determine if, for example, any adjustments are necessary to TSP policies (e.g., policies that cannot be practically implemented).

City shall prepare final ordinances suitable for adoption. City shall also determine if it wants to include the draft ordinances in the public review process described in the following tasks or if it will adopt them through a subsequent separate process not addressed by this WOC.

TASK 6 DELIVERABLES

City Deliverables

- 6.1 Joint work sessions with the Planning Commission and City Council (2)
- 6.4 Prepare final ordinances

Consultant Deliverables

- 6.1 Draft and Final Updated TSP outline and template
- 6.1 Draft Updated TSP
- 6.1 Revised Draft Updated TSP
- 6.2 Draft and final presentation to be used for Planning Commission and City Council work sessions
- 6.3 Adoption Draft Updated TSP with Executive Summary
- 6.4 Draft and final Technical Memo #10

TASK 7: ADOPTION

7.1 State Notice [CITY TASK]

City shall draft language for the required State Notice in accordance with [ORS 197.610](#). City shall submit Adoption Draft Updated TSP and Draft Implementing Ordinances to DLCD.

7.2 City of La Pine Joint Work Session

City shall arrange and conduct, a joint work session with the City Planning Commission, and City Council. Consultant shall develop and utilize digital presentation materials to present Adoption Draft Updated TSP, Adoption Draft Implementing Ordinances, and Final Findings and to facilitate discussion. Consultant shall attend work session virtually. The City is not required to provide meeting materials or summaries to APM for this task.

7.3 Planning Commission Public Hearing

Consultant shall prepare for a Planning Commission public hearing by providing a draft presentation for overview of the draft Updated TSP (Task 6.1) for City and Agency comments and a final presentation addressing comments. Agency will have 2 representatives attend the hearing.

The City shall arrange, provide notice, and conduct Planning Commission Public Hearing presentation of Adoption Draft Updated TSP, Adoption Draft Implementing Ordinances, and Final Findings. Consultant shall attend to present (virtually) the Adoption Draft Updated TSP and plan and code amendments under consideration for adoption, and answer questions. The City is not required to provide meeting materials or summaries to APM for this task. No Consultant staff shall attend.

7.4 City Council Public Hearing

Consultant shall prepare for a City Council hearing by providing a draft presentation of the draft Updated TSP (Task 6.1) for City and Agency comments and a final presentation addressing public comments from the Planning Commission hearing (Task 7.1). Consultant shall develop adoption findings. Agency will have 2 representatives attend the hearing.

The City shall arrange, provide notice, and conduct City Council Public Hearing to consider adoption of the Adoption Draft Updated TSP, Adoption Draft Implementing Ordinances, and Final Findings for approval and adoption. Consultant shall attend to present (virtually) the Adoption Draft Updated TSP

and Adoption Draft Implementing Ordinances, and Final Findings, and answer questions from Councilors. The City is not required to provide meeting materials or summaries to APM for this task.

TASK 7 DELIVERABLES

City Deliverables

- 7.1 State Notice
- 7.2 City of La Pine Joint Work Session agenda and summary
- 7.3 City Planning Commission Hearing meeting
- 7.4 City Council Public Hearing meeting

Consultant Deliverables

- 7.2 Joint Work Session presentation materials
- 7.3 Planning Commission public hearing draft and final presentation
- 7.4 City Council public hearing draft and final presentation and adoption findings

TASK 8: FINAL DOCUMENTS

8.1 Final Updated TSP and Final Implementing Ordinances

Consultant shall revise Final Updated TSP and Final Implementing Ordinances to reflect City Council actions.

Consultant shall prepare a web-ready version of the Final Updated TSP, which must include the following:

- Links to individual TSP chapters and sub-sections (with figures and maps)
- Maps showing proposed Projects, with links from the map “hot spots” to individual Project prospectus sheets.

Consultant shall submit electronic copies to City, County, and APM both in .pdf and a modifiable format (e.g., MS Word).

8.2 Project Information Sheet

Consultant shall prepare and submit to APM a 2-page summary of Project analysis, activities, and policy decisions at the end of the Project.

TASK 8 DELIVERABLES

City Deliverables

None

Consultant Deliverables

- 8.1 Final Updated TSP and Final Implementing Ordinances
- 8.2 Project Information Sheet

TABLE 1: GENERAL PROJECT DELIVERY SCHEDULE

Task #	Task Name	Month(s) Following Agency's Issuance of NTP
1	Project Management	1 and ongoing
2	Public Involvement and Outreach	Ongoing
3	Plans and Policy Review	2-4
4	Existing and Future Conditions	5-8
5	Develop and Evaluate Solutions	9-12
6	Prepare Updated TSP	13-15
7	Adoption	16-17
8	Final Documents	18-19

All the tasks and deliverables listed within this SOW must be completed within the corresponding month on the General Project Delivery Schedule shown in Table 1 above. Consultant shall sequence all tasks to meet the delivery timeframes detailed in this WOC.

If the Refined Project Schedule or any update changes due dates or timeframes for deliverables identified in Table 1, an amendment to this WOC will be required to make those changes.

F. CONTINGENCY TASKS

The table below is a summary of contingency tasks that Agency, at its discretion, may authorize Consultant to perform. Details of the contingency tasks and associated deliverables are stated in the Task section of the SOW. Consultant shall complete only the specific contingency task(s) identified and authorized via written (email acceptable) Notice-to-Proceed ("NTP") issued by Agency's APM. If requested by Agency, Consultant shall submit a detailed cost estimate for the agreed-to contingency Services (within the NTE amount(s) in the Contingency Task Summary Table) within the scope of the contingency task.

If Agency chooses to authorize some or all of these tasks, Consultant shall complete the authorized tasks and deliverables per the schedule identified for each task. The NTP will include the contingency task name and number, agreed-to due date for completion and NTE for the authorized contingency task.

Each contingency task is billable (up to the NTE amount identified for the task) only if specifically authorized per NTP. In the table below, the "NTE for Each" amount for a contingency task includes all labor, indirect costs, profit, and expenses for the task. The funds budgeted for contingency tasks may not be applied to non-contingency tasks without an amendment to the WOC. The total amount for all contingency tasks authorized shall not exceed the maximum identified in the table below. Each authorized contingency task must be billed as a separate line item on Consultant's invoice.

Contingency Task Summary Table

Contingency Task Description	NTE for Each	Max Quantity	Method of Comp.	Total NTE Amount
C5.6 Planning Commission and City Council Work Sessions	\$ 2,600.00	1	FP	\$ 2,600.00

G. ADDITIONAL PROVISIONS FOR WOCs**1. Project Cooperation.**

All Project Cooperation provisions, as detailed in Attachment 1 to PA Exhibit F, shall apply to this WOC.

2. Key Persons.

All Key Persons provisions, as detailed in Attachment 1 to PA Exhibit F, shall apply to this WOC.

Consultant acknowledges and agrees that Agency selected Consultant and is entering into the WOC because of the special qualifications of Consultant's key personnel. In particular, Agency, through the WOC is engaging the expertise, experience, judgment and personal attention of the following Key Persons:

Name	Role
Ryan Farncomb	Project Manager

In the event Consultant requests that Agency approve a re-assignment or transfer of a Key Person:

- Consultant shall provide a resume for the proposed substitute demonstrating that the proposed replacement has qualifications that are equal to or better than the qualifications of the person being replaced.
- Agency shall have the right to interview, review the qualifications of, and approve or disapprove the proposed replacement(s) for the Key Person.
- Any substitute or replacement for a Key Person must be approved in writing (email acceptable) and shall be deemed to be a Key Person under the WOC.

Consultant agrees that the time/costs associated with the transfer of knowledge and information for a Key Person replacement is not a cost borne by Agency and shall not be billed to Agency. This includes labor hours spent reviewing Project and Services documentation, participation in meetings with personnel associated with the WOC/Project/Services, and participating in site visits to become familiar with the Project.

3. Staffing Adjustments.

During the term of the WOC, Consultant may make necessary staffing/classification adjustments (other than Key Personnel) to the proposed staff/classifications as shown in Consultant's BOC provided:

- the alternate staff/classifications are appropriately qualified to complete the assigned tasks,
- the billing rate for an alternate staff/classification does not exceed the classification billing rate maximum listed in the firm's approved ESR or NBR on file with Agency (see limitations in Exhibit B, Part 2, section J – Specific Limitations and Unallowable Charges), and
- the Services can be completed without exceeding WOC (or task, if applicable) NTE amount(s).

Agency reserves the right to require Consultant to provide notice to APM prior to implementing needed changes to staffing assignments.

4. Liquidated and Delinquent Debt Owed to State.

In the event Consultant has liquidated and delinquent debt owed to the State of Oregon or any department or agency of the State, Agency may:

- i) Undertake collection by administrative offset, or garnishment if applicable, of all monies due for Services and Deliverables to recover liquidated and delinquent debt owed to the State of Oregon or any department or agency of the State. Offsets or garnishment may be initiated after Consultant has been given notice if required by law;
- ii) Terminate the WOC, in whole or in part, immediately upon written notice to Consultant or at such later date as Agency may establish in such notice; or
- iii) Pursue any or all of the remedies available under the PA, at law, or in equity.

These remedies are cumulative to the extent the remedies are not inconsistent, and Agency may pursue any remedy or remedies singly, collectively, successively, or in any order whatsoever, to the extent the remedies are not inconsistent.

5. Pay Equity Compliance

- **Discriminatory Wage Rates.** As required by ORS 279C.520, Consultant must comply with ORS 652.220 and shall not unlawfully discriminate against any of Consultant's employees in the payment of wages or other compensation for work of comparable character on the basis of an employee's membership in a protected class. "Protected class" means a group of persons distinguished by race, color, religion, sex, sexual orientation, gender identity, national origin, marital status, veteran status, disability, or age. Consultant's compliance with this section constitutes a material element of the WOC and a failure to comply constitutes a breach that entitles Agency to terminate the WOC and the PA for cause.
- **Employee Discussions Regarding Compensation.** As required by ORS 279C.520, Consultant may not prohibit any of its employees from discussing the employee's rate of wage, salary, benefits or other compensation with another employee or another person and may not retaliate against an employee who discusses the employee's rate of wage, salary, benefits or other compensation with another employee or another person.

6. Indemnity.

- a. **CLAIMS FOR OTHER THAN PROFESSIONAL LIABILITY.** Consultant shall indemnify, defend, save, and hold harmless the State of Oregon, the Oregon Transportation Commission and its members, the Department of Transportation, their officers, agents and employees from any and all claims, suits, actions, losses, liabilities, damages, costs and expenses, including attorney fees, of whatsoever nature, resulting from or arising out of the acts or omissions of Consultant or its subcontractors, or their respective agents or employees, under the WOC.
- b. **CLAIMS FOR PROFESSIONAL LIABILITY.** To the fullest extent permitted by law, and except to the extent prohibited under ORS 30.140(4), Consultant shall indemnify, defend, save, and hold harmless the State of Oregon, the Oregon Transportation Commission and its members, the Department of Transportation, their officers, agents and employees from any and all claims, suits, actions, losses, liabilities, damages, costs and expenses, including attorney fees, arising out of the professionally negligent acts, errors or omissions of Consultant or its subcontractors, or their respective agents or employees, in the performance of Consultant's professional services under the WOC.
- c. **INDEMNITY FOR INFRINGEMENT CLAIMS.** Without limiting the generality of Section 6.a or 6.b, Consultant expressly agrees to indemnify, defend, save and hold harmless the State of Oregon, the Oregon Transportation Commission and its members, the Department of

Transportation and their agencies, subdivisions, officers, directors, agents, and employees from any and all claims, suits, actions, losses, liabilities, damages, costs and expenses, including attorney fees, arising out of or relating to any claims that Consultant's services, the Work Product or any other tangible or intangible items delivered to agency by Consultant that may be the subject of protection under any State or federal intellectual property law or doctrine, or agency's use thereof, infringes any patent, copyright, trade secret, trademark, trade dress, mask work, utility design, or other proprietary right of any third party; provided, that State shall provide Consultant with prompt written notice of any infringement claim. Provided, however, Consultant shall not be obligated to indemnify, defend, save and hold harmless the State and Agency under this Section 6.c, based solely on the following: Consultant's compliance with Agency specifications or requirements, including, but not limited to the required use of tangible or intangible items provided by Agency.

- d. **DEFENSE QUALIFICATION.** Notwithstanding Consultant's foregoing defense obligations, neither Consultant nor any attorney engaged by Consultant shall defend any claim in the name of the State of Oregon or any agency of the State of Oregon, nor purport to act as legal representative of the State of Oregon or any of its agencies, without the prior written consent of the Oregon Attorney General. The State of Oregon may, at any time at its election assume its own defense and settlement in the event that it determines that Consultant is prohibited from defending the State of Oregon, or that Consultant is not adequately defending the State of Oregon's interests, or that an important governmental principle is at issue or that it is in the best interests of the State of Oregon to do so. The State of Oregon reserves all rights to pursue any claims it may have against Consultant if the State of Oregon elects to assume its own defense.
- e. **AGENCY'S ACTS OR OMISSIONS.** This Section 6 does not include indemnification by Consultant of the State of Oregon, the Oregon Transportation Commission and its members, the Department of Transportation and its officers agents and employees, for the acts or omissions of the State of Oregon, the Oregon Transportation Commission and its members, the Department of Transportation and its officers agents and employees, whether within the scope of the WOC or otherwise.

H. COMPENSATION

The method(s) of compensation and payment option(s) selected below (**and as specified for any Contingency Tasks in the table in Section F**) are incorporated from Exhibit B to the PA. For additional detail and requirements regarding compensation methods, payment options, or Agency's right to withhold retainage, see PA - Exhibit B, Compensation. No compensation is provided to Consultant for negotiations, preparing or revising cost estimate for Services, or negotiating contracts with subcontractors. Note: Some tasks (e.g., Project Management for Services) will be ongoing throughout the performance of the WOC; however, all tasks are only budgeted for the level of effort applicable to the current phase of the WOC.

H.1 Non-Contingency Tasks

The method(s) of compensation for non-contingency tasks in this WOC is:

☒ Fixed Price Per Deliverable (includes all labor costs, indirect cost rate, profit, travel and other expenses)

Consultant Fixed Price Table

1	Project Management	\$	21,900.00
1.1	Kickoff Meeting	\$	1,200.00
1.2	PMT Meetings	\$	9,700.00
1.3	Refined Project Schedule	\$	1,700.00
1.4	Progress Reports	\$	9,300.00
2	Public Involvement and Outreach	\$	60,200.00
2.1	Project Website	\$	3,500.00
2.4	PAC Meetings	\$	18,100.00
2.5	Public Engagement Plan	\$	2,200.00
2.6	Project Fact Sheet	\$	1,500.00
2.7	Mapping Applications	\$	3,200.00
2.8	Public Events	\$	18,500.00
2.9	VOH	\$	3,900.00
2.11	Comment Log	\$	1,200.00
2.12	Targeted Outreach	\$	7,400.00
2.13	Title VI/Underserved Populations Report	\$	700.00
3	Plans & Policy Review	\$	11,900.00
3.2	Draft Technical Memo #1: Plans, Policy Review	\$	8,400.00
3.3	Draft Technical Memo #2: Goals, Objectives and Evaluation Criteria	\$	1,300.00
3.4	Final Technical Memo #1	\$	1,800.00
3.5	Final Technical Memo #2	\$	400.00
4	Existing and Future Conditions	\$	32,900.00
4.1	Technical Memo #3: Analysis Methodology	\$	2,900.00
4.2	Technical Memo #4: Existing Conditions Inventory & Analysis	\$	24,200.00
4.3	Technical Memo #5: Future Conditions Analysis	\$	5,800.00
5	Develop and Evaluate Solutions	\$	43,500.00
5.1	Technical Memo #6: Solutions Evaluation	\$	32,700.00
5.2	Technical Memo #7: Funding & Financing Options	\$	1,800.00
5.3	Technical Memo #8: Update Transportation Standards	\$	6,500.00
5.4	Technical memo #9: Update Transportation System Policies	\$	1,300.00
5.5	Planning Commission and City Council Work Session Presentation	\$	1,200.00
6	Prepare Updated TSP	\$	37,400.00
6.1	Draft and Revised Draft Updated TSP	\$	19,500.00
6.2	Planning Commission and City Council Work Session	\$	3,700.00
6.3	Adoption Draft TSP	\$	5,000.00

6.4	Technical Memo #10: Implementing Ordinances	\$ 9,200.00
7	Adoption	\$ 3,200.00
7.2	City Joint Work Session	\$ 1,700.00
7.3	Planning Commission Public Hearing	\$ 900.00
7.4	City Council Public Hearing	\$ 600.00
8	Final Documents	\$ 4,300.00
8.1	Final Updated TSP and Final Implementing Ordinances	\$ 3,600.00
8.2	Project Information Sheet	\$ 700.00
		\$ 215,300.00

The dollar amount(s) for non-contingency tasks is entered in Section H.4, Compensation Summary Table.

H.2 Payment Options

The payment option for the Services in the attached SOW is:

☒ Monthly progress payments for percentage of Services completed (For Fixed Price)

H.3 Fixed Fee (for CPFF). RESERVED

H.4 Total WOC NTE Amount

	Compensation Summary Table	Amount
1. CPFF NTE Amount (not including Fixed-Fee or contingencies)	NTE Amount for allowable costs of non-contingency Services in this WOC.	N/A
2. Fixed-Fee Amount	Total of non-contingency Fixed-Fee amount(s) (for CPFF only). [Basis for Fixed-Fee calculation: CPFF NTE amount (line 1 above) minus ODCs, labor costs for firms using NBRs (these rates already include profit), FCCM and costs for contingency tasks, if any, multiplied by profit rate negotiated using Agency's Profit worksheet = Fixed-Fee Amount.]	N/A
3. Fixed Price Amount	Total of non-contingency Fixed Price amount(s)	\$215,300.00
4. T&M NTE Amount	Total for any non-contingency Services	N/A
5. Price Per Unit NTE Amount	Total NTE for non-contingency Price Per Unit Costs	N/A
6. Total Non-Contingency Amount		\$215,300.00
7. Total for Contingency Tasks (if any) per Section F above:		\$2,600.00
TOTAL NTE (line 6 plus line 7) This amount includes all direct and indirect costs, profit, Fixed Fee amount (if any) and contingency task costs (if any).		\$217,900.00

H.5 Invoices

Invoices must be in conformance with the ODOT Invoice Requirements and any other PA requirements. The Invoice Requirements is available on the Internet at:

<https://www.oregon.gov/ODOT/Business/Procurement/Pages/PSK.aspx>

Consultant shall submit invoices electronically via email to: Region4.contracts@odot.oregon.gov

H.6 Subcontractors “Paid Summary Report”

Consultant shall complete and submit to APM initial, interim and final **Paid Summary Reports** - form 734-2882 (<https://www.oregon.gov/ODOT/Forms/2ODOT/2882.pdf>) per the instructions on the form. Consultant must report payment information for all subcontractors and suppliers used under the WOC throughout the period of performance. **This reporting is required for all projects that include subs, regardless of funding source or whether or not a DBE goal or Certified Small Business Aspirational Target is assigned.**

WOC ATTACHMENTS

ATTACHMENT A – RESERVED

ATTACHMENT B - BREAKDOWN OF COSTS FOR SERVICES (BOC)

The Breakdown of Costs (“BOC”) dated **November 10, 2025** is kept in the WOC file and is not incorporated into this WOC. A copy of the final BOC has been provided to Consultant prior to WOC execution. Prior to approval of additional subconsultants, Consultant shall provide to Agency any requested documentation of qualifications and experience of the prospective subconsultant and its staff.

ATTACHMENT C - DISADVANTAGED BUSINESS ENTERPRISE (“DBE”) PROVISIONS

A&E and Related Services (Goal)

[Revised November 2025]

For purposes of these DBE Provisions, “Contract” means any project-specific contract, Price Agreement (“PA”), Work Order Contract (“WOC”), Task Order, or any other contract entered into with ODOT (or local agency when applicable). “Consultant” and “Contractor” are hereinafter referred to as “Contractor”. **See sections d and i for specific documentation and reporting requirements of Contractor.**

On October 3, 2025 the U.S. Department of Transportation (USDOT) issued an interim final rule modifying the certification, compliance and reporting requirements of the Disadvantaged Business Enterprise program (DBE IFR). The DBE IFR was published in the Federal Register and took effect on October 3, 2025 (90 Fed Reg 47,969 (2025)). The DBE IFR requires the eligibility of all DBE certified firms to be reevaluated on an individualized basis, without reliance on race- or sex-based presumptions of disadvantage. The Oregon Certification Office for Business Inclusion and Diversity (“COBID”) administers the Unified Certification Program (“UCP”) for the State of Oregon and is responsible for performing the reevaluations and certifications. Pursuant to the DBE IFR, until the reevaluation process is completed, ODOT may not update its overall goal, set any contract DBE goals on federally funded projects or count any DBE participation toward DBE goals. In accordance with the DBE IFR, the DBE goal, reporting and

compliance requirements set forth in this Contract are hereby suspended effective 10/3/2025, including but not limited to the DBE contractual requirements provided in this Attachment C and in Attachment C.1. Consultant acknowledges that the DBE goal and contractual requirements may be reinstated or modified for purposes of compliance with federal law as the DBE IFR is implemented. Consultant agrees to efficiently process any contractual modifications ODOT deems necessary or appropriate to effectuate the DBE Program resulting from the DBE IFR implementation or future modifications to the DBE Program and corresponding regulations.

- a. Policy and Program Authorities: RESERVED.**
- b. DBE Goals: RESERVED.**
- c. Nondiscrimination Requirement:** Contractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this Contract. Contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of this DOT-assisted Contract. Failure by Contractor to carry out these requirements is a material breach of this Contract, which may result in the termination of this Contract or such other remedy as ODOT deems appropriate. Each subcontract the Contractor signs with a subcontractor must include the assurance in this paragraph (see 49 CFR § 26.13(b)).
- d. Documentation of Proposed Participation: RESERVED.**
- e. Good Faith Efforts: RESERVED.**
- f. Commercially Useful Function (“CUF”): RESERVED.**
- g. Changes in Work Committed to DBE: RESERVED.**
- h. Prompt Payment and Retainage:** Contractor shall pay each subcontractor for satisfactory performance under its contract no later than 10 calendar days from receipt of each payment Contractor receives from ODOT (or local agency when applicable) for the subcontracted work. In addition, within 10 calendar days of receipt of retainage from ODOT (or local agency when applicable), Contractor shall pay to each subcontractor the retainage that pertains to the work of that subcontractor.
- i. Reporting Requirements:** Contractor must report payment information for all subcontractors and suppliers used under the Contract throughout the period of performance. Contractor shall complete and submit initial, interim and final **Paid Summary Reports** – on a form to be provided by ODOT, per the instructions included on the form.
- j. Termination of DBE Notification Requirement: RESERVED.**
- k. Remedies: RESERVED.**
- l. Information/Questions:** The DBE program is administered by the ODOT Office of Civil Rights (“OCR”). Questions related to the DBE Program may be sent via email to ocrinforequest@odot.oregon.gov or otherwise directed to: Oregon Department of Transportation Office of Civil Rights, ODOT Materials Laboratory Building, 800 Airport Road SE, Rm 61, Salem, OR 97301; Phone: 503-986-4350.
- m. Directory of Certified Firms: RESERVED.**

Related Web Sites:

All forms, documents and CFR citations referenced or linked in these DBE Provisions are available on line at:

- **Forms:** <https://www.oregon.gov/ODOT/Business/OCR/Pages/Forms.aspx>

- **Documents:** <https://www.oregon.gov/ODOT/Business/OCR/Pages/Disadvantaged-Business-Enterprise.aspx>
- **49 CFR Part 26:** <https://www.ecfr.gov/current/title-49/subtitle-A/part-26?toc=1>
- **Interim Final Rule, 90 Fed Reg 47,969 (2025):** <https://www.transportation.gov/mission/civil-rights/disadvantaged-business-enterprise/DBE-IFR-10-03-2025>

Acronyms & Definitions for DBE Provisions


APM	ODOT's or local agency's Project Manager for the WOC
BOC	Breakdown of Costs
BOC-NBR	Breakdown of Costs for Negotiated Billing Rates
CFR	Code of Federal Regulations
CUF	Commercially useful function
DBE	Disadvantaged Business Enterprise
OCR	ODOT Office of Civil Rights
ODOT	Oregon Dept. of Transportation
PA	Price Agreement
RFP	Request for Proposals
SSUR	Subcontractor Solicitation and Utilization Report
USDOT	United States Department of Transportation
WOC	Work Order Contract

ATTACHMENT C.1 - COMMITTED DBE BREAKDOWN and CERTIFICATION FORM(s)-AE – RESERVED.



CITY OF LA PINE

STAFF REPORT

Meeting Date: February 11, 2026
TO: City Council
FROM: Geoff Wullschlager, City Manager 
SUBJECT: City Council Sub Committee Appointments

<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:

Councilmembers:

At the beginning of each calendar year, we review the sub-committee appointments for the upcoming twelve-month period. These sub-committee appointments provide Council members, and executive staff the opportunity to engage with regional partners and other local governments in a number of policy functions and interests in furthering our collective concerns and pursuits.

Each committee meets at different intervals and times so please review the attached roster to take inventory of the current appointments, and what may be of interest for the upcoming year. It is of note that several seats were held by Council President Ignazzitto, that will now be vacant.

Action: Discuss the current allotment of assignments with City staff and consider any adjustments or additional appointments for 2025.

Committee Appointment Consideration 2025-2026

1. Central Oregon Area Commission on Transportation (COACT): **Vacant**
2. Central Oregon Intergovernmental Council (COIC): Janis Curtis
3. Central Oregon Cities Organization (COCO): **Vacant**
4. Sunriver/La Pine Economic Development (SLED): Geoff Wullschlager
5. League of Oregon Cities (LOC) – Small Cities Network: Mike Shields
6. Deschutes River Basin Water Study Group: Vacant – **No future meetings scheduled**
7. Urban Renewal Agency (URA): **Vacant**
8. Coordinated Homeless Response Office (CHRO): Mayor Earls
9. Regional Solutions Center: **No future meetings scheduled**
10. Regional Housing Council (RHC): Mayor Earls
11. Regional Housing Council – Subcommittee (RHC Subcommittee): Geoff Wullschlager
12. La Pine Basin All Lands Partnership Meeting (LPB): Geoff Wullschlager
13. Central Oregon Cities Organization – Water Subcommittee (COCO): **Vacant**

Committee Descriptions:

1. Central Oregon Area Commission on Transportation (COACT):

COACT reviews the process for determining transportation infrastructure needs, capital investments, and project priorities in the Central Oregon region. Other COACT functions include advocating for Central Oregon transportation issues to neighboring regions, area legislators and other interested organizations, and advising the Oregon Transportation Commission on state and regional policies affecting Central Oregon's transportation system. **COACT meets quarterly.** The COACT Executive Committee meets on the first Thursday in months without a COACT meeting.

Currently meeting in person and via zoom from 3:00 – 5:30 p.m., quarterly.

2. Central Oregon Intergovernmental Council (COIC):

In 1972, COIC was designated a Council of Governments organized under ORS 190. Services are provided to the counties of Crook, Deschutes and Jefferson and the cities of Bend, Culver, La Pine, Madras, Metolius, Prineville, Redmond and Sisters. COIC employs more than 100 people and services in the following areas: employment and training, alternative high school education, business loans, transportation, and community and economic development. The majority of the COIC Board is comprised of elected officials appointed by each of these member governments. Other “appointed” members of the Board are from private business, Post-Secondary Education, and Chambers of Commerce.

Currently meeting via zoom the first Thursday of each month at 5:30 – 7:30 p.m.

3. Central Oregon Cities Organization (COCO):

On May 28, 2002, the cities of Bend, Culver, Madras, and Redmond formally created the Central Oregon Cities Organization. COCO's purpose was to effectively and efficiently promote the common interests of the cities in Central Oregon, such as issues of water, transportation, economic development, school funding and tax reform.

Since its inception, COCO has grown to also include the cities of La Pine, Maupin, Metolius, Prineville, and Sisters.

Current initiatives are focused on the recognition of regional political interests from member agencies, policy assessment, and lobbying efforts.

Currently meeting via zoom on the third Monday of each month at 11:30 a.m. (In person location - Redmond City Hall)



4. Sunriver/La Pine Economic Development (SLED):

SLED is a partnership with EDCO (Economic Development for Central Oregon) and local business leaders to further Economic Development in the area. The Board's mission is to create a diversified local economy and a strong base of middle-class jobs in Central Oregon, primarily focusing on traded sector business. The Board's current work is centered on expansion of the La Pine Industrial Park, attraction of new businesses to La Pine, and growth in south county economic vitality.

Currently meeting in person on the second Tuesday of each month at 12:00 p.m. (Alternating between La Pine City Hall and Sunriver Homeowners Aquatic & Recreation Center SHARC)

5. League of Oregon Cities – Small Cities Network:

The LOC Small Cities program is a forum for members to learn from and network with each other. Agendas include a topic selected by the particular region and a round table discussion about issues facing cities in attendance. The League does not solicit or accept ideas for topics other than from member cities or state agencies.

Currently meeting – intermittently (generally quarterly) during regular business hours. (Locations vary throughout Deschutes County – generally at a member City Hall)

6. Deschutes River Basin Water Study Group:

BSWG's purpose is to manage a Basin Study with the Bureau of Reclamation that builds upon past work to update groundwater and surface water models, develop a basin-specific climate analysis, update supply and demand projections, and identify specific actions that can be taken to resolve water issues in the basin. Study results will be used to build a long-term basin water management plan to guide sustainable water management actions in the future. The study brings together a diverse set of stakeholders to seek specific solutions for resolving water supply and demand imbalances for agriculture, municipal, and instream uses in the Upper Deschutes River Basin.

No future meetings scheduled

7. Urban Renewal Agency:

The City of La Pine Urban Renewal Agency is a local citizens board who endeavor to make the La Pine Urban Renewal area more cohesive in terms of access and appearance and investing in improvements. This agency board is separate from City Council with its own bylaws and meetings but is appointed by the La Pine City Council, has its own budget administered by City

staff, and has the ability to act quasi legislatively by passing resolutions and proclamations. They do not have the ability to independently pass new laws (ordinances) or to make orders but can refer items to the City Council. They are currently working on the La Pine Archway project concept and the Storefront Improvement Program. Currently meeting in person, the first Tuesday of each month at 3:00 p.m. (La Pine City Hall)

8. Coordinated Houseless Response Office:

The CHRO board is made up of elected officials of Bend, Redmond, Sisters, La Pine, and Deschutes County that was funded under HB 4123 which provided \$1,000,000.00 in initial funding. The board considers plans, projects, and concepts in addressing ongoing houselessness throughout Deschutes County. The office applies an 'all strategies' approach to creating a high-performance system that responds differently, urgently, and at scale. They especially seek opportunities to implement long-term solutions that are evidence-based and trauma-informed. These proven solutions inform the focus of our major strategic initiatives and investments.

Currently meeting in person, with City Manager Wulschlager serving as Mayor Richer's proxy. The board meets the third Thursday of each month at 11:00 a.m. (Deschutes County main building). The board would prefer an elected member from La Pine serve in a permanent role.

9. Regional Housing Council:

The Central Oregon Intergovernmental Council (COIC) has formed a Regional Housing Council (RHC) to strengthen the region's response to housing and houselessness needs in Central Oregon. The RHC is a representative body of community leaders, elected officials, and housing/houselessness stakeholders to engage in mutual learning, identify shared priorities, and serve as a regional voice. The RHC value proposition is to provide all communities in the Central Oregon region – cities, counties, and tribes – the ability to work together on shared needs, build coordinated approaches, and provide unified feedback to State agencies. The RHC will draw from shared knowledge and resources to identify and advocate for regional needs and priorities. The regional nature of the RHC also permits an economies of scale model to increase the capacity and efficiencies of smaller communities.

Currently meetings are in person with an option for online participation and City Manager Wulschlager attends but is not a "voting member" as this designation is reserved for elected members from each community. The council would prefer that an elected member from La Pine serve in a permanent role. The council meets on the third Monday of each month at 5:00.

10. Regional Solutions:

Regional Solutions Centers are located throughout Oregon. As Regional Solutions were a product of the executive branch of the State of Oregon (Governor Kate Brown), the program has been retained under Governor Kotek. City staff will continue to attend these meetings when invited if the program reinitiates meetings and programming. Currently the Advisory Committee member for cities in Central Oregon is from Bend.

Intermittent meetings online via Zoom and in Bend.

No future meetings scheduled that request participation.

11. Regional Housing Council – Subcommittee

This subcommittee was created to garner more input from participants and to narrow down the legislative/policy recommendations to the council. This is not expected to be an ongoing assignment and should conclude at some time in early 2025.

The subcommittee meets intermittently on a sliding scale with respect to availability of the current members and is online.

12. La Pine Basin All – Lands Partnership

This partnership is made up of a collaboration of federal land agencies (USFS and BLM) in addition to fire, law enforcement, and the City of La Pine to discuss and identify long term solutions to the wildfire threat in and around the City of La Pine and South County. This partnership is newly formed and does not contain a set schedule at this time.

The partnership plans on meeting monthly but as it is newly organized, a schedule has not been dedicated.

13. Central Oregon Cities Organization – Water Subcommittee

This subcommittee has been formed out of the members of COCO and has been organized to further lobbying and legislative/policy efforts regarding water access in the Deschutes Basin.

The Oregon Water Resources Department applies administrative rules and statute regarding water access that do not take into account, the unique qualities of the Deschutes Basin, and therefore create barriers to municipalities accessing new sources of groundwater for urban expansion.

The City of La Pine does not currently participate as the municipal water access concern is not currently realized by La Pine as it is in other communities. If a member of the La Pine City Council takes on representation with COCO for the city, they can anticipate further invitation to join the subcommittee.

The subcommittee currently meets the first Monday of each month, at 10:30 a.m., online.

2026 Committee Assingments - La Pine City Council & Administrator	Current Assignment	Potential Ongoing Assignment	Vacancy Anticipated	Montly Meeting	Time	Locaton	Online Option	Should be attended in person
Central Oregon Area Commission on Transportation (COACT)	Vacant		X	Quarterly - 2nd Thursday	3:00 p.m.	Redmond	Y	Y
Central Oreogn Intergovernmental Council (COIC)	Janis Curtis	X		1st Thursday of each month	5:30 p.m.	Online	Y	N
Central Oregon Cities Organziation (COCO)	Vacant		X	3rd Monday of each month	11:30 a.m.	Redmond	Y	Y
Sunriver/La Pine Economic Development (SLED)	Geoff Wullschalger	X		2nd Tuesday of each month	12:00 p.m.	La Pine	Y	Y
League of Oregon Cities Small Cities Network (LOC)	Mike Shields	X		Generally Quarterly	Varies	Various	N	Y
La Pine Urban Renewal Agency (URA)	Vacant	X		1st Tuesday of each month	3:00 p.m.	La Pine	Y	Y
Coordinated Housles Reponse Office (CHRO)	Mayor Earls	X		3rd Thrusday of each month	11:00 a.m.	Bend	Y	Y
Regional Housing Council (RHC)	Mayor Earls	X		3rd Thrusday of each month	5:00 p.m.	Bend	Y	Y
Regoinal Housing Council - Subcommittee (RHC subcommittee)	Geoff Wullschlager	X		Monthly - Various	Various	Bend	Y	N
La Pine Basin All-Lands Partnership (LPB)	Geoff Wullschlager	X		Various	5:00 p.m.	Bend	Y	Y
Central Oregon Cities Organization - Water Subcommittee (COCO)	Vacant		X	1st Monday	10:30 a.m.	Online	Y	N
2025 Regular Council Meeting Schedule - La Pine City Council & Administration	All Councilors and Admin. Mgmt.			2nd and 4th Wednesday	5:30 p.m.	La Pine	Y	Y