



# CITY OF CANNON BEACH

## AGENDA

Meeting: City Council  
Date: Tuesday, January 2, 2024  
Time: 6:00 p.m.  
Location: Council Chambers, City Hall

### CALL TO ORDER AND APPROVAL OF AGENDA

### CONSENT AGENDA

- ( 1) **Consideration of the Minutes of the**  
**November 6 City Hall/Police Department Milestone Approval**  
**November 7 Regular Meeting**  
**November 14 Work Session/Special Meeting**  
**November 28 Project Open Discussion**  
**December 5 Regular Meeting**  
**December 12 Work Session/Special Meeting**  
**December 13 Joint Code Audit Meeting**

### PUBLIC COMMENT

*The Presiding Officer will call for statements from citizens regarding issues relating to the City.  
The Presiding Officer may limit the time permitted for presentations and may request that a  
spokesperson be selected for a group of persons wishing to speak.*

### ACTION ITEMS

- ( 2) **Presentation of City of Cannon Beach Audited Financial Statements for the Fiscal Year  
End June 30, 2023**  
*If Council wishes to approve the report an appropriate motion is in order*
- ( 3) **Appointment of City Committee/Board/Commission**  
*If Council wishes to appoint an appropriate motion is in order*
- ( 4) **Findings of Fact and Conclusion for Jay Orloff, of Tolovana Architects, on Behalf of Owner  
Paul White, Request for a Tree Removal Permit to Removal a 50 inch Spruce Tree**  
*If Council wishes to adopt the findings, an appropriate motion is in order.*
- ( 5) **Approval of Amended Findings of Fact for APP 23-07**  
*If Council wishes to adopt the findings, an appropriate motion is in order.*

### INFORMATIONAL/OTHER DISCUSSION ITEMS

- ( 6) **Monthly Status Report**

( 7)    **Mayor Communications**

( 8)    **Councilor Communications**

( 9)    **Good of the Order**

## ADJOURNMENT

To join from your computer, tablet or smartphone

Join Zoom Meeting

<https://zoom.us/j/99261084699?pwd=TkpjbGcxS0pCOGlMOctSbSsxVWFMZz09>

Meeting ID: 992 6108 4699

Password: 365593

To join from your phone:

Phone: 1.669.900.6833

Meeting ID: 992 6108 4699

Password: 365593

**View Our Live Stream:** View our [Live Stream](#) on YouTube!

**Public Comment:** If you wish to provide public comment via Zoom for this meeting please use the raise your hand Zoom feature. Except for a public hearing agenda item, all Public to be Heard comments will be taken at the beginning of the meeting for both Agenda and Non-Agenda items. If you are requesting to speak during a public hearing agenda item, please indicate the specific agenda item number as your comments will be considered during the public hearing portion of the meeting when the public hearing item is considered by the Council. All written comments received by 3:00 pm the day before the meeting will be distributed to the City Council and the appropriate staff prior to the start of the meeting. These written comments will be included in the record copy of the meeting. Written comments received at the deadline will be forwarded to Council and included in the record, but may not be read prior to the meeting.

*Please note that agenda items may not be considered in the exact order listed. For questions about the agenda, please contact the City of Cannon Beach at (503) 436.8052. The meeting is accessible to the disabled. If you need special accommodations to attend or participate in the meeting per the Americans with Disabilities Act (ADA), please contact the City Manager at (503) 436.8050. TTY (503) 436-8097. This information can be made in alternative format as needed for persons with disabilities.*

Posted: 2023.12.22

Minutes of the  
**CANNON BEACH CITY COUNCIL**  
**Special Meeting**  
Monday, November 6, 2023  
Council Chambers

Present: Mayor Barb Knop, Council President Nancy McCarthy, Councilors Brandon Ogilvie, Lisa Kerr, and Gary Hayes.

Excused:

Staff: City Manager Bruce St. Denis, IT Director Rusty Barrett, and Recorder Jennifer Barrett

Other: CIDA Architects Leslie Jones and Principal Jennifer Beattie in person.  
Emerick Project Manager Will Somme in person and Executive Vice President Jordan Fell via Zoom

**CALL TO ORDER AND APPROVAL OF AGENDA**

Knop called the work session to order at 6:00 p.m.

Motion: Ogilvie moved to approve the agenda; Hayes seconded the motion.

Vote: Hayes, McCarthy, Ogilvie, Kerr and Knop voted AYE: the vote was 5:0 and the motion carried unanimously. The agenda was adopted.

**PUBLIC COMMENT**

Knop said we will handle comments the same as in the past. We'll have the presentations then public comments. If there is anything other than the City Hall or Police Station project, you may speak now. There was none.

Knop added a quick reminder to vote tomorrow by 8pm

**DISCUSSIONS**

**( 1) City Hall & Police Station Milestone Approval**

Jones said we'll do City Hall (CH) first, then the Police Department (PD). We'll go over schematic design budget update, site and parking strategy update, floor plan overview, design options and discussion, then next steps. St. Denis added after both presentations we'll be asking if you would like to move on to design development. Jones noted the next steps would be the milestone approval of the schematic design.

Jones presented the budget update. Somme noted things are becoming clearer and we'll update the budget as we work through the design evolution. Kerr asked about the assumptions for CH. Fell replied 80% is the same as the PD. Kerr asked questions about the assumptions, Somme, Beattie and Jones answered her questions. Jones presented the site and parking update. Jones presented the budling floor

plan. Jones gave an overview of the revisions made. Councilor questions were answered.

Knop opened to public comment.

Les Sinclair PO Box 1394 – I really appreciate the process and it's the most neighborly design and I appreciate that since I live in this neighborhood. Good job and thank you.

Jan Siebert-Wahrmund PO Box 778 – I like the last one, a little confused about the parking change in the front but I think it's similar to last time. I think it's ok and I am pretty happy.

McCarthy added I like 3B. My favorite is still 1, but I like 3B. Hayes added I am fine with 3B. I do like the darker shading to get definition, that was the biggest benefit to me. Knop said I like 3B with the white trim but remember trim can be changed. Ogilvie added I agree and can go either way on the trim color. Somme added we can change it as we work through. Fell noted the dormers that were asked about last meeting costs about \$5,000.

Bruce noted we are asking are you good now and ready to go to the next level.

Motion: Hayes moved to approve the schematic design with 3B and move on to the design development phase; McCarthy seconded the motion.

Vote: Hayes, McCarthy, Ogilvie, Kerr and Knop voted AYE: the vote was 5:0 and the motion carried unanimously.

## **Police Station**

Jones presented the PD site plan and answered Councils questions. Knop asked is PD ok with the floor plan, Schermerhorn replied said yes.

Knop opened it to public comment.

Jan Siebert-Wahrmund PO Box 778 – did I hear the forest corridor is going to be part of this, Beattie replied I know you expressed desire and our landscape architect is kicking this off and I can't answer that, but the landscape you see is what's existing. Siebert-Wahrmund replied it looks good so far.

Hayes said the paper packets included design option 2, but don't think that was the top choice for us. Jones replied if you approve the schematic, it would be what was presented tonight.

Motion: Hayes moved to approve the schematic design fo the police station and move on to the design development phase; McCarthy seconded the motion.

Vote: Hayes, McCarthy, Ogilvie, Kerr and Knop voted AYE: the vote was 5:0 and the motion carried unanimously.

## **( 2) Good of the Order**

Ogilvie asked at what point will we start discussing where we are going to move to with city hall? St. Denis replied this would be under the CM/GC. Somme said we are starting to look at that and updating the schedule and timing. There are a couple options we are looking at, such as modulars in the parking



lot or a property in town that is for sale, and we may ask to rent. Fell and I are starting the research on this. Ogilvie said I would ask how does that affect how we would conduct the Council and other meetings. Somme replied there would be double wide modulars with big rooms. St. Denis added an option would be to rent space at a specific location for night meetings at existing locations, noting we have the use of the modular and looking at other locations such as public works admin working at public works. We want to reduce the load we have to house. Ogilvie replied I appreciate you working on this.

#### ADJORNMENT

The meeting was adjourned at 6:56 p.m.

ATTEST:

---

Jennifer Barrett, Recorder

---

Barb Knop, Mayor

Minutes of the  
**CANNON BEACH CITY COUNCIL**  
Tuesday, November 7, 2023  
Council Chambers

Present: Mayor Barb Knop, Council President Nancy McCarthy, Councilors Brandon Ogilvie, Gary Hayes and Lisa Kerr

Excused:

Staff: City Manager Bruce St. Denis, IT Director Rusty Barrett, Recorder Jennifer Barrett, Chief of Police Jason Schermerhorn, Community Development Director Steve Sokolowski

Other: City Attorney Ashley Driscoll and Special Counsel Bill Kabeiseman

CALL TO ORDER AND APPROVAL OF AGENDA

Mayor Knop called the meeting to order at 6:02 p.m.

St. Denis announced that item #5 the appeal has been withdrawn.

Motion: Ogilvie moved to approve the agenda as amended; Hayes seconded the motion.

Vote: Hayes, McCarthy, Ogilvie, Kerr and Knop voted AYE: the vote was 5:0 and the motion carried. The agenda was approved.

CONSENT AGENDA

( 1) Consideration of the Minutes will be on the November 14<sup>th</sup> meeting.

Knop said let's hold a moment of silence for Dr. Bob Wayne who recently passed away.

PUBLIC COMMENT

Knop said please be respectful and kind and keep it under 3 minutes.

- There was none.

ORDINANCE

( 2) Ordinance 23-09, an Ordinance Amending the Municipal Code Chapter 6.10 Prohibition on Attracting and Feeding Wild Animals

St. Denis read the staff report. Kerr said this was put through from a former council. Hayes said this is off topic, but did anyone else get a letter from Karen Anderson from the bunny rescue? She reached out to me and had concerns about the text in the ordinance and wanted clarification on if the ordinance applied to the bunnies, who she says is not wild but feral and concerns the ordinance as a whole is not clear. I gave her information on the meeting and hoping she'd be here to speak herself.

Driscoll said bunny is listed as one of the included animals that is considered wild. I do believe the non-domesticated untrained bunnies would qualify as wild animals. Kerr asked would a feral cat be wild, Driscoll read the definition and said yes it would fall under definition. Hays said she may have more to say but I'll let her say it at some point. I did what I wanted to do and brought it to your attention. Driscoll replied our court is only set up

to hear violations and there are different protections when you are educating crimes versus violations. We could do it, it would just constitute restructuring of how we do our Municipal court.

Motion: Hayes moved to approve the first reading of Ordinance No. 23-09: Ogilvie seconded the motion.

Knop read the Ordinance by title only, Ordinance 23-09 an Ordinance Amending the Municipal Code Chapter 6.10 Prohibition on Attracting and Feeding Wild Animals

Kerr said I am concerned about the definition of wild animal and things brought up in that letter. Hayes replied we are not going to rewrite the ordinance tonight, it's just changing the misdemeanor. St. Denis added where is the definition, Driscoll replied it's in the ordinance, the section be considered now is the violation but we can look at the other in another meeting.

Vote: Hayes, McCarthy, Ogilvie, Kerr and Knop voted AYE: the vote was 5:0 and the motion carried.

Motion: Hayes moved to approve the second reading and adopt Ordinance No. 23-09 : Ogilvie seconded the motion.

Knop read the Ordinance by title only, Ordinance 23-09 an Ordinance Amending the Municipal Code Chapter 6.10 Prohibition on Attracting and Feeding Wild Animals

Vote: Hayes, McCarthy, Ogilvie, Kerr and Knop voted AYE: the vote was 5:0 and the motion carried.

Knop stated Ordinance No. 23-09 has been adopted and will become effective 30 days from adoption.

## RESOLUTION

- ( 3 ) Resolution 23-23 for the Purpose of Repealing Resolution 23-12 and establishing Water, Wastewater, and Storm Drain Utility Rates

Assistant Finance Director Ron Logan read the staff report, noting the research FCS is doing should be available at the next meeting or in January. Logan added Doug Gabbard from FCS is also on zoom. Kerr said Gearhart just did adoption of new water rate that encourages the conservation of water and is different from ours and might be something to look at. Hayes asked when does council need to approval, Logan replied we determined if not done tonight we could do in December but there is work that needs to be done to make the revision. I think Bruce Kerr had some good ideas on this. He did a good look at this and asked some good questions; I don't think things are equitable at looking at his points and think there are some adjustments we can make based on his suggestion that would still be revenue neutral. Knop added the approach is to raise rates for this coming year and when we get information we really study it. Kerr asked are you just talking about water, Knop replied yes. St. Denis added part of the reason for January is that's when we start doing the budget. I would think that to look at particular information Bruce Kerr put together its' not something that happens at a work session. We'd turn it over to FCS for review and comments. It may be turned around in December but could take longer. Ogilvie said if it helps to put in perspective we are going to enact the rate increase we are looking at having to raise rates anyway. If we follow the plan there are still increases for the next 10 years but it gives us time to restructure. Kerr said I understand but seems like a huge jump. Hayes said he has good points, giving an overview. We can send to Doug and he can review and maybe the 23% even with the adjustment to make it more equitable wouldn't be that much for one year. Kerr said it was put off by the previous council and now this council is stuck with having to do 23%. McCarthy replied it was put off 10 years ago, the council raised the rates because they had to. Kerr said it's just he first raise then I'd like to see the numbers work differently.

Motion: Hayes moves to approve Resolution No. 23-23, For the Purpose of Repealing Resolution 23-12

and establishing Water, Wastewater, and Storm Drain Utility Rates; Ogilvie seconded the motion.

Vote: Hayes, McCarthy, Ogilvie, Kerr and Knop voted AYE: the vote was 5:0 and the motion carried.

## PRESENTATION

### ( 4) Cannon Beach Farmers Market Annual Report

Farmer's Market Manager Tracy Abel presented the annual report. A copy is included in the record. Abel said I want to thank the council and staff. Knop said thank you for your first year and it was wonderful. McCarthy added it was well organized.

## ACTION ITEMS

### ( 6) APP 23-06, Approval of Findings of Fact & Conclusion for Design Review Board's denial of DRB 23-08, Jay Orloff of Tolovana Architects, applicant on behalf of Paul White for the building of a new accessory dwelling unit above a new garage.

Sokolowski summarized the summary and background. Sokolowski noted the condition of approval should be looked at most closely, reading the condition. I wanted to verify that that was indeed the condition Council was after. Gary I think this is what we said.

Motion: Hayes moved to accept the findings of fact and conclusions conditions that's presented regarding APP 23-06; Kerr seconded the motion.

Vote: Hayes, McCarthy, Ogilvie, Kerr and Knop voted AYE: the vote was 5:0 and the motion carried.

Sokolowski added I think you'll see that application at the next meeting.

### ( 7) Scope of Review Determination for CIDA Inc, on Behalf of the City of Cannon Beach to Appeal a Design Review Board Decision

Knop said I would like to hear on the record and schedule hearing on December 5<sup>th</sup> but prior have a community meeting where we allow our citizens who would like to give further comments speak one last time before the appeal. Kerr replied I agree. I would like an open community meeting first. McCarthy, Hayes and Ogilvie agreed.

Sokolowski said the applicant requested on the record and the hearing will be December 5<sup>th</sup>.

Council selected Tuesday, November 28<sup>th</sup>. Public meeting at 6pm, to allow local residents to weigh in before we have the DRB appeal. Council consensus to hear the appeal on the record.

### ( 8) Intergovernmental Partnership Agreement (IGA) – ePermit System and Services

Sokolowski summarized the staff report, noting they are trying to get all contracts uniformed with the other municipalities, so it's a housekeeping item. Sokolowski added I worked with Heather Martin who reviewed the agreement and there were no comments. Kerr asked will there be more information, J Barrett replied at this time it will not change. Sokolowski said I want to speak with someone from ePermit to show what's all available so we can see how to better improve the system and see what else is offered by them. Kerr gave an overview of what Clatsop County does with their ePermitting. Sokolowski added we are still getting paper submittals and one of the things we are working towards is to get more information electronically. This is one of the reasons to meet with someone from ePermit so we can provide more information. McCarthy asked how much does this cost, reading portion of the contract, Sokolowski replied the cost comes from the 12% surcharge and is part of what used for the system. The only time that \$50,000 would come into play is if you get off Accella and want to get back on they get

reimbursed for putting you back on the system. A discussion ensued regarding the housing excise tax.

Motion: Hayes move to approve the IGA partnership with state of Oregon covering usage of the ePermitting system; Ogilvie seconded the motion.

Vote: Hayes, McCarthy, Ogilvie, Kerr and Knop voted AYE: the vote was 5:0 and the motion carried.

(9) City Manager Evaluation

Driscoll said originally the plan was to start the process for the City Manager evaluation, and it always sneaks up on us throughout the year and when we originally discussed we wanted to squeeze in the last part of the year. Since being on the agenda, upon further consideration since the councilors are new have a discussion to about the process and bring back the new year. Knop replied that is a great idea. Driscoll gave an overview of the process, adding we'll first review the criteria to use for the evaluation. We've used the criteria in the packet for years with minor modifications and would like council to review and make sure that reflects how you'd like to evaluate the city manager. Bruce is comfortable with the criteria. Hayes added it seems like more evals I've been involved with provide a numerical ranking for criteria. Driscoll explained the process and history of the evaluation form and process. Driscoll added each city doesn't it differently. Kerr asked is the first executive is it with Bruce, Driscoll replied it's just me and council. Kerr asked and second is everyone and Bruce, Driscoll said yes. Ogilvie added I want to commend Ashley on the synopsis of why we changed. McCarthy assed it's a very thorough process and we are very candid when we are discussing in executive session and gives Bruce a chance to know why we say what we say and he has a chance to speak as well. Knop added I think I like this format better than numerical as people have different meanings of what a 5 is. This evaluation is for the person being evaluated so they can learn and grow professionally, and this is a discussion not a spreadsheet. Driscoll said I don't need a vote but would like council to review criteria and make sure that's what they want. It probably won't be until February but if they can provide direction on any merit increase, they want to consider. In the past the council has had me research the local information on compensation or would you like something else? Knop replied I would like the research on the local compensation. Hayes asked could we get info on their merit increases, Driscoll replied yes, I can get that.

Knop asked do we want set deadline, Driscoll replied it will happen on the January meeting to establish criteria and timeline and bring your changes to that meeting.

INFORMATIONAL/OTHER DISCUSSION ITEMS

(10) Monthly Status Report

J Barrett noted the revision to the building section and correction to the affordable housing. McCarthy asked about the 16 trees being removed, J Barrett gave details from Jeff Gerhart's report.

(11) Mayor Communications

Knop said on Thursday I have been invited to go to a tour of the new housing complex at Red Lion and looking forward to see how that property will be made to housing opportunities and mental health.

(12) Councilor Communications

Kerr said Council had communication from Beth Holland for a letter of support. The idea is the property would end up as a reserve if there was enough donations to purchase the property and turn it over to state parks. This would end up with a big incredible parcel of land. I would like to see the city make the request to NCLC. Council consensus to provide both letters requested.

(13) Good of the Order

Kerr said the Planning Commission brought up dark skies and it seems to fizzle. St. Denis said we'll follow up with Sokolowski.

Kerr said regarding the affordable excise tax. I would like to talk with staff. I would like to see a more robust housing tax. Ogilvie said it was enacted by council, Kerr replied I would like to see if it could be enhanced. Driscoll said I am pretty sure it's capped at 1%. I can find out more if you want to have continuing conversation but it's pretty prescribed when enacted. Kerr asked is there any other tax available that we can institute, Driscoll replied I would need to look at preemptive language if council would like to provide direction. Knop replied yes, that would be useful. Driscoll said I will look for any tax we can enact locally for affordable housing. Kerr said I would like to know why it is capped at 1%. Hayes said we have heard in conversations about taxing 2<sup>nd</sup> homes. Kerr said that's something that we can see if it's permissible. Hayes added I believe it's happening in some places, a discussion ensued.

Kerr said I would like to get information on the Christian Conference Center on what properties they provide TLT for to the city, how much it is, what proportion of TLT tax it is, and what properties they rent out that are considered a part of their nonprofit status. I would like to look and see what's going on. I know they are a huge landowner in City.

#### ADJORNMENT

The meeting was adjourned at 7:16 p.m.

ATTEST:

---

Jennifer Barrett, Recorder

---

Barb Knop, Mayor

Minutes of the  
**CANNON BEACH CITY COUNCIL**  
**Special Meeting and Work Session**  
Tuesday, November 14, 2023  
Council Chambers

Present: Mayor Barb Knop, Council President Nancy McCarthy, Councilors Brandon Ogilvie, Lisa Kerr and Gary Hayes

Excused:

Staff: City Manager Bruce St. Denis, IT Director Rusty Barrett, Recorder Jennifer Barrett

Other:

CALL TO ORDER AND APPROVAL OF AGENDA

Knop called the meeting to order at 6:00 p.m.

Motion: Ogilvie moved to approve the agenda; Hayes seconded.

Vote: Hayes, McCarthy, Ogilvie, Kerr and Knop voted AYE: the vote was 5:0 and the motion passed unanimously.

PUBLIC COMMENT

Knop reminded the body to keep their comments under three minutes, state their name and mailing address and to be kind and respectful.

- Jan Siebert-Wahrmund PO Box 778: spoke regarding a tree removal application that is on the agenda tonight. Requested Jeff Gearhart revisit the site since the ADU received tentative permission to be built along with the driveway.
- Les Sinclair PO Box 1394: said I echo what Jan said. Jeff Gerhardt earlier opinion on the application he addresses other issues raised that were not addressed in the letter from the other arborist.

COMMENDATION

**( 1) Lifesaving Commendation to Corporal Joseph Bowman and Officer Rashad Gipson**

Chief Schermerhorn said within 3 days of each other Gipson and Bowman needed to use Narcan to bring people back. Schermerhorn presented each with a commendation. Schermerhorn gave an overview of using Narcan. Gipson and Bowman introduced their families.

## DISCUSSIONS

### **( 2) Removal of Misdemeanor Language in Municipal Code**

St. Denis read the staff report. A discussion ensued regarding the \$1M fine in special event. Knop asked how about up to \$500 on all listed. Hayes said for special events, we want to make sure someone doesn't think I'll risk it and do the event without a permit. Kerr suggested \$1,000, adding if someone wants to appeal they can come to court. Consensus up to \$1,000 for special event.

Bingo and social consensus was \$500. Kerr said Haystack Rock should be upped, discussed potential fine amounts. Kerr suggested \$5,000. McCarthy asked what does federal do, Schermerhorn gave an overview added the main issue is not doing double jeopardy with our court and federal. It usually goes to federal as they have the teeth. Kerr said I would like to research to see if double jeopardy is at play. Hayes said it's handy to be able to say to someone there is a big fine. Consensus to add to December work session for Haystack Rock fines. The others to go to a vote in January.

### **( 3) Short Term Rental Information**

Knop thanked staff for their research. Knop said this is our preliminary discussion to see how other cities handle their program. Kerr gave a synopsis of Garhart and Manzanita. Kerr said I would like to see a cap on short term rentals (STR) on what we are now, approximately 200. I spoke with many in the community who want to see that happen. Capped at 200 and anything above would be on a waiting list. If you still have the articles I sent out in the past about the impact of STR on affordable housing. I am not trying to deplete revenue, there are so many good reasons to do this. They are detrimental to the community, noting examples. This is the direction that other jurisdictions are going to. Hayes said I agree we should cap them, and am happy that you can only own one. If someone buys a place and they ask can I be a STR right now the answer is yes. If they want an income property their only option is long term rental. Ogilvie said my observation is we've had the same number of STR in the past few years. Our regulations are somewhat more stringent than other cities and it is somewhat self-regulating, a discussion ensued. McCarthy added I did my third year of researching houses for sale in past year for the library and theatre for fundraising. The last 2 years 12% have been local buyers the remaining out of town. This year about 13-14% are local. This year about 55 were for sale, where in past it was approximately 100. Kerr said even though numbers show it hasn't increased, it could increase. And numbers are not accurate due to people manipulating the system. Ogilvie said I'll modify my statement, maybe not more stringent, but different. I am not hearing why we need to cap the STR at the number they currently are at. Hayes said I do not think we need to wait until there is a problem. People are buying houses and doing a STR to offset the costs. It's their part time house, a discussion ensued. Knop asked do you have numbers, Kerr replied I'd like to make it low, but may not be fair. Since 200 is where it's been the last couple years, in that neighborhood would be fair. Knop said I wouldn't want to go any lower than 200, this produces jobs for people – many who can't find a house to live in Cannon Beach and we have some excellent local property management companies that are good employers. McCarthy added I think a cap is appropriate, there are other things interested in too, such as zones where we allow and don't allow STR. Hayes said or limit them to a specific number in any geographic area. McCarthy added you may want to look at fees, we seem lower than others. Hayes said it's so convoluted with the different types. McCarthy gave an overview of the different types, a discussion ensued regarding the different types and benefits and drawbacks. Hayes noted he doesn't have issues on his street with the nightly rentals. Kerr said there are issues in her neighborhood. McCarthy replied it seems like we give people too many chances when there are violations. Ogilvie noted I think the 14 day rule is the mechanism that make our STR program the most self-regulated, a discussion ensued. Discussed illegal



rentals. Knop noted they need to be reported. Discussion will continue discussion at the retreat.

## **CLOSE WORK SESSION AND OPEN SPECIAL MEETING**

### **( 4) Tree Removal Permit Application for 51032BC00600**

Sokolowski summarized the staff report. I am here to answer your questions and if there is any additional information you want let me know. Sokolowski gave an overview of the tree removal permit process and the documentation provided by the arborist. Sokolowski read a portion of Joe Balden's arborist report regarding the tree being a part of the nurse log. Hayes said in my site visit it looked like three trees on a nurse log, then a 50 ft tree not on a nurse log that was very well established there. Sokolowski read excerpts from the various tree reports.

Jay Orloff PO Box 563, Tolovana Architects

Orloff said S1 is part of the nurse log. There are 5 trees attached to the nurse log. The site has two clear challenges, trees and slope, giving an overview. We considered pulling the house back to clear the canopy and root structure of S1 but that would in fact result in issues on the two southern trees getting into the root structure. S1 canopy is full width of the site and goes beyond the setback on the front. In order to remove the 4 not including S1 would have to excavate and grind away the nurse tree root structure towards S1. The driveway either way will have an impact. Orloff noted the grading challenges. Orloff added the arborist suggested redwood on north property line, I suggest on the east side with additional trees on the southern. The impact to S1 regardless will be on the south side of it, which means if damage to root structure will fall to the north and east with the wind. Potential issue at later date with the tree which is why we'll go with the aggressive replanting. McCarthy asked how large would the trees be for replanting, Orloff replied I am not sure what is there, would say approx. 6-8". Kerr said I would like to see our city arborist weigh in on that particular tree as these plans stand as he hasn't yet. Sokolowski said the arborist speaks to the trees in a general fashion and lists them, all of them, for removal. There is a message on his thoughts on all of them. Kerr said I want to know how it would effect S1 with others removed, and is it partially on nurse log or have its own structure. Knop said to me it looked like it would be fine by itself, but I am not educated. Hayes said what about the root canopy, that's what the arborist can tell us. Hayes I would want to do what you can to save a 50" tree instead of planting new ones. Kerr said if Jeff Gerhardt says the tree cannot make it and there is no way to change the construction or driveway it's a different matter. Sokolowski said there are three options approve, deny or request additional information. The Council consensus was additional information. Orloff asked can it be done administratively, it will either be a yes or no. Sokolowski said it was a condition of approval that you would review, based on your findings I don't know that we could do that. I am not sure on the timeframe, I would work with Jeff to get it scheduled, and hopefully be able to come back in December. Sokolowski reviewed the additional information requested by council.

### **( 5) Consideration of the Minutes of the**

<b>October 3</b>	<b>Regular Meeting</b>
<b>October 5</b>	<b>CH/PD Community Outreach</b>
<b>October 10</b>	<b>Work Session/Special Meeting</b>
<b>October 16</b>	<b>Joint Code Audit</b>
<b>October 17</b>	<b>CH/PD</b>

Motion: Ogilvie moved to approve the minutes of October 3 as amended, 5, 10, 16 and 17; Hayes seconded.

Vote: Hayes, McCarthy, Ogilvie, Kerr and Knop voted AYE: the vote was 5:0 and the motion passed unanimously.

**( 6) Good of the Order**

Knop said we have a work party this Saturday 10-noon and will meet at Second Street parking lot take care of holly, ivy, and blackberries.

McCarthy said Coffee with Councilors Monday November 20<sup>th</sup>.

McCarthy is the November 18<sup>th</sup> discussion limited to the school or can it include City Hall and the Police Department as well? Knop said my thoughts were it is specific to the school. Knop said I would like to ask opinion on keeping it at 3 mins or left and if they represent a group to have one speaker for the group, consensus was yes. St. Denis said I believe our advice was not to limit it to CBE. The reason being appeal is on the record you will get testimony on the 28<sup>th</sup>. There is less of a chance being twisted to have it on more than on project. Know asked can we have it in two sections, doing CBE then CH/PD. Hayes added can't we accept public comment on any of the projects. Kerr said I thought this was just a community meeting to air out concerns of CBE without what DRB said. Knop said the 28<sup>th</sup> will be a town hall to talk about construction projects, and we'll limit to three minutes. Hayes said I would like to see a presentation, open with a presentation and talk about the public process we went through. Knop said how many meetings and how many people attended. Hayes added and talk about the fundings and use of the facility, want to counter some of the misinformation. Knop we need to remind people it was bought with TLT funds, which established the use at the time of purchase.

Kerr said St. Denis sent an email out this afternoon I didn't understand. St. Denis replied DRB has asked staff for Thursday meeting to talk about a list of topics. I talked with Sokolowski and the approach is to take information. Some has to do with public meeting laws and we'll need attorney to weigh in on it and some will be council decisions and will come back to you. We will go and listen. Kerr asked will Bill be at the meeting, St. Denis replied I don't know. I'd rather collect information then involve Bill and the council. Hayes added this will be good to get the information before the retreat.

**ADJORNMENT**

The meeting was adjourned at 7:34 p.m.

ATTEST:

---

Jennifer Barrett, Recorder

---

Barb Knop, Mayor

Minutes of the  
**CANNON BEACH CITY COUNCIL**  
**Work Session**  
Tuesday, November 28, 2023  
Council Chambers

Present: Mayor Barb Knop, Council President Nancy McCarthy, Councilors Brandon Ogilvie, Lisa Kerr and Gary Hayes

Excused:

Staff: City Manager Bruce St. Denis, Chief of Police Jason Schermerhorn, Assistant Public Works Director Trevor Mount, Recorder Jennifer Barrett

Other: CIDA Architect Jennifer Beattie, Leslie, Dustin Johnson, Clatsop Nehalem representatives Dick and Roberta. Contractors Curtis Ganer, Jordan Fell and Keegan Peters.

CALL TO ORDER AND APPROVAL OF AGENDA

Knop called the meeting to order at 6:00 p.m.

Motion: Ogilvie moved to approve the agenda; Hayes seconded.

Vote: Hayes, McCarthy, Ogilvie, Kerr and Knop voted AYE: the vote was 5:0 and the motion passed unanimously.

Knop said the key tonight to be respectful and kind to everyone. There is a 3-minute limit, and the time will be on the screen. We will take comments from the Chambers, then Zoom. Please remember to start with your name and mailing address. You may not give your time to anyone else. Want to hear from each person that wants to speak. Will start with brief presentation to establish a baseline history. The intent of the council is to listen tonight.

Beattie gave a recap of the design team adding we appreciate the perspective coming tonight and welcome them all.

St. Denis gave an overview of the City Hall/Police Department project.

CH/PD Architect Jones gave an overview of the process to date, specifically as it relates to the community outreach efforts. We will continue to have outreach events and welcome your ideas and input.

CBE Architect Johnon noted our public process was similar as Jones, however we didn't have a program going in to it, giving an overview of the public outreach events.

Knop introduced Dick and Roberta Basch

Dick said it's been my pleasure and a heartfelt task to bring the magic at Ne'Cus to life again, and to

bring it to not only to Cannon Beach but the visitors that come here. Dick gave a history of the Ne'Cus site.

Roberta gave an overview of the site and what it means and the promise to the trees to take care of them. Roberta said I remember hearing stories from Joe Scovell and the stories of the beginning of the people hear and the how the thunderbird used to fly here. When we were asked to work here, we were asked as Clatsop Nehalem people and in that process also represented the people of Cannon Beach. We wanted to keep the spirit of the native people alive but wanted to keep the people of Cannon Beach and those who went to school here. We made sure we were there to represent everyone and wanted to stay humble. Shared stories, noting the thunderbird in the garden at the site as it represents new life. Discussed reciprocity.

## DISCUSSIONS

### **( 1) Open Discussion: City Hall & Police Station and Cannon Beach Elementary School Rejuvenation Project**

Knop said the Council will listen; this is not a dialog. Knop read a prepared statement - This community meeting is held to provide the public with a platform to voice their opinions on the building projects. Due to an ongoing appeal related to the Elementary School Rejuvenation Project's design elements, however, neither the City Councilors nor the Mayor can address or provide personal opinions on that issue in this community meeting. That decision on the appeal has to be made on the record, so the City Council and Mayor cannot consider any comments made tonight when they make a decision on the design review for the Elementary School project. If you wish to discuss how the project does not meet the Design Review city code please come to the appeal hearing on December 5<sup>th</sup>, that's one week from tonight, at 6:00 p.m. and we can only consider the code questions.

Knop added please remember kind and respectful.

Dee Zimmerlee, Clatsop Nehalem, 10880 SW Reif Road, Powell Butte, OR 97753  
Shared Clatsop Nehalem culture and spoke in favor of the project.

David Stowe 20216 Saywer Reach Ct Bend, OR  
Vice Chair Clatsop Nehalem, this is close to our hearts, and spoke in favor of the design adding me and the rest of the tribe fully support this.

Mary Peterson PO Box 85, Tolovana Park  
Spoke of the increase of property taxes. Spoke against the school project. Suggest donating the land back to Clatsop Nehalem and get rid of the debt.

Barb Murry PO Box 1490  
Spoke against the school project, need a CH/PD, maybe to the school project after the others are done.

Jim Oyala  
Shared story about submitting a letter to DreamWorks regarding Lewis and Clark. Suggested GO bonds and prioritizing projects.

Jim Cannon Beach Chamber.  
Siad I have a lot of people tonight with opinions, I hear people being frustrated with not being heard.

Tim Ramy PO Box 429

Spoke about the TLT, the tourism portion and general fund. It won't impact property taxes, the TLT rate is average for the coast. We are doing the fiscally responsible thing.

Debbie Workmann PO Box 433.

Concern of size and scope of the CBE. Think it's bigger than it needs to be, noted concerns of parking. Suggested using TLT funds to figure out parking and congestion here. Worried part of the park would be used for parking.

Lila Wickham PO Box 208 Tolovana Park

Spoke about a gathering that was held last week and gained a better understanding of the Clatsop Nehalem special paradise. Thanked council for listening regarding moving the PD out of the tsunami zone. Don't forget the food pantry.

Rick Wickham PO Box 208

Thanked for Cannon Beach Food Pantry being able to use the location. If anyone has extra time the food pantry can use volunteers.

Jan Seibert-Wahrmund and Wes Wahrmund PO Box 778

Spoke in favor of the NeCus project, heritage site deserves the upmost care and respect. Hope as a community we can find what is good in this endeavor and improve on it as needed and create a gathering place for us to share.

Andrew Tonry PO Box 664

Spoke about funding, Final loan payment for CBE in 2054, noting potential changes that could impact the funding of the projects. There is a way to honor the tribe and sacred site without bringing more tourism. Way to do it without exacerbating the problem.

Anita Dueber PO Box 694 speaking of private citizen

Read the Cannon Beach Municipal Code for the Design Review Board.

Hannah Buschert PO Box 97

Spoke about the community businesses, if not for visitors our town would be like seal rock, elected officials want tourism to pay out their nose, spoke against the CBE project and shared her concerns.

Erik Ostrander PO Box 97

Spoke about the community, spoke concerns of impact of CBE on existing businesses. Spoke against the increase in TLT. Feels the funding of the projects is placed on the backs of the lodging and restaurant partners. Spoke of the times council specified increase to commercial establishments over residential.

Michael Henderson PO Box 1052

Spoke of having an ad hoc committee from local business owners to help run the city with better fiscal responsibilities. City should be run like a business.

Alan Barber Box 801 speaking not an employee of the Chamber of Commerce or member of Board of the History Center, but as a concerned citizen.

Spoke about why he moved here. Spoke of the split in the community from the prepared food tax then

pending projects. Asked to consider ways to scale project down to original budget. This project punishes the tourist by paying for the center. Spoke of concerns of the council. Thinks not being heard.

Deanna Pauli-Hammond PO Box 942

Gave story of telling kids no. Said there were three levels of project but was then no longer available. Spoke against the cost amount of the project. Want to remain a small quaint town without something on the edge of town that looks like we'll be putting in a McDonalds next. Thinks not being heard. A new PD and community center, CH can wait a little.

Laurel Hood 295 E Jackson

Spoke about CBE parking concerns. Could be using funds for PD and Fire Dept. Spoke about the preamble of the cannon beach Comprehensive plan which is supposed to be inclusive of the local citizens not to the detriment of the local citizens Thinks project should be simplified. Question if scope would be de novo or on the record, concerned the record is not correct. Spoke against the CBE project.

Liz Scott Outreach Manager Cannon Beach History Center PO Box 1005

Read letter that was submitted earlier in the day. Gave history center overview, noting the grants recently received and what they will do. hope to work together for an outcome that the community would be proud of.

Deb Atiyeh PO Box 1426

Spoke in support of all three projects. Support Clatsop Nehalem tribe. Gave benefits of the Ne'Cus project. I support the tribe and their dreams. Noted the discord in the town is not welcoming. Spoke about everyone getting along.

Tom Landrum PO Box 865

Spoke about people have mixed feelings such as the price tag. The design is lovely but doesn't fit in. Said people feel like we are on a runaway train that we can't stop but can control the speed. TLT is paying for this, the facilities collecting money from are in need of serious upgrades.

Todd Lawson Member of the Clatsop Nehalem Tribe but speaking on my own. Seattle, WA.

I've been to all events and gave an overview of process. There needs to be agreed upon facts, gave overview of the items being said that are not true such as the trees being cut down, this increasing the property taxes, how fire trucks can't get through. The tribe's participation is not driving the budget, it's just a fraction of it. I am getting emailed forwarded to me that are racist. I hope you can work better on the design review process.

Nancy Littell PO Box 734 Board member of Food pantry

Feeding people since April 15, 2009, every Wednesday and at the old grade school. Heard talk that we are losing the building, but we are staying, the city has never said we are leaving, they've given us information that we are staying. Given support from the tribe. A lot of sharing and love there. The building will be remodeled. The funds to do that are not part of the CBE funds. The panty board has not received one question if we are staying there or not, yet I am hearing around town we are being moved. Noted mission of the food pantry.

Watt Childress PO Box 40660 N Fork Road Nehalem, Jupiter's book

Thanked all Clatsop Nehalem people, noting his history of the tribe and the potential purchase of the site. Admitted have not listened to sessions but thought as long as tribe was a part it was ok, but heard from others that it wasn't, discussed how he reached out. Gave overview of an event – adding I want to

see more of those kinds of events. Bring the project back to scale, one that fits with the rest of the town.

Moved to Zoom comments. Know reminded to be kind and respectful.

Michelle Valigura PO Box 719

Mirror what Anita said. She did a really good job.

Lolly Alsop PO Box 1038

Gave history of connection to Cannon Beach, deeply care of community. Would love to honor the indigenous people. Spoke against the CBE project, instead of addressing the lack of housing in the town, noting concerns with housing and parking.

Sam Block PO Box 1413

Gave history of connection to Cannon Beach. The community is why I want to be here. Known a lot of people who had to leave due to no place to live. Concern focus is tourism when the business has to suffer from being understaffed. Noted housing concerns, when we are spending money on a project that is not clear, so I do not support this project.

Jennifer Childress 4066 N Fork Road Nehalem,

Gave history of connection to Cannon Beach. We can be in full support of the educational mission, and heritage and not be in support of the scale of the project. Gave examples of a past building project not in Cannon Beach, adding it's an example of costs running high and needing to rethink a project. A more expensive facility will drive up the costs of living in Cannon Beach. Asking to pause and consider consequences and effect on the community.

Lindsey Oyala-Bond 435 Silver Point Court Cannon Beach

Gave history of connection to Cannon Beach. I do not want my own grade school to become an event center. Want Council to focus on bones and building blocks of the community. Tourism is thriving in Canon Beach but housing is not.

Jessica Alexander PO Box 1148

Gave history of connection to Cannon Beach. Love the thought of a community center for myself, friends and family can go and spend time together and connect and make memories. Yes, tourists can join us too. I had to move from house to house to house in the last 5 years due houses being sold, noting the housing concerns. I've seen and heard is not what you guys are doing.

Lynn Holderson PO Box 1151

I agree with everyone in this room I am sitting in. Would have like to be in the chamber and know there is an overflow room and would like to be there. We live here, work here, it's our community and town and you are setting us up for failure. Spoke of housing concerns and the amount of time she's had to move. Listen to what everyone before me is saying. I love this town.

Lisa Nofield PO Box 843

Gave history of connection to Cannon Beach. My husband didn't speak tonight as he thinks you wouldn't listen to him. Disappointment we talk about what we want, and you are not paying attention. Concern we will bankrupt our community by all these projects at once. Appreciate heart of sole that has been put into the projects. Need to think of how to spend the money going forward. have to be together to keep the community strong and consider the financial price tag.

Paul Dueber PO Box 549

Spoke about tour if the CBE gym, we ask the council to step back a bit and reconsider the costs. Been involved with the Chamber, and one thing that always comes around is parking. To suggest the event center is going to accommodate parking that isn't going to end up in business or street parking, I think is short sighted to not have parking to support use of the facility.

Susan Glarum PO Box 108

Appreciate time effort and expense to CBE agree with others that grandiose scheme is impressive but not in scale or keeping what our town needs or wants. Focus honoring Clatsop Nehalem people and their voices being heard above all others.

Randy Neal PO Box 1092

Not an argument against the spirit of the project, it's against the dollars and scope it's been assigned. Deep down we all know money and development dollars will be its downfall. Tourism tax is a blessing and curse. Tourism dollars is the next generation of free money we have to deal with. Spoke of fallacies, of the tax dollars to pay the debt service. Noted disasters that could impact the TLT funds, adding who pays if we don't have TLT funds coming in. Noted size concerns of the space. Spoke of the duplication of resources.

Knop said I would like to thank everyone in the room and zoom. Thank you to the fire department for maintaining control and appreciate the kindness and respect shown tonight. We will be addressing this issue at the January 9<sup>th</sup> work session as a council. Thank you and goodnight.

### ADJORNMENT

The meeting was adjourned at 8:00 p.m.

ATTEST:

---

Jennifer Barrett, Recorder

---

Barb Knop, Mayor



Minutes of the  
**CANNON BEACH CITY COUNCIL**  
Tuesday, December 5, 2023  
Council Chambers

Present: Mayor Barb Knop, Council President Nancy McCarthy, Councilors Brandon Ogilvie, Gary Hayes and Lisa Kerr

Excused:

Staff: City Manager Bruce St. Denis via Zoom.  
In person: IT Director Rusty Barrett, Recorder Jennifer Barrett, Chief of Police Jason Schermerhorn, Community Development Director Steve Sokolowski

Other: Special Counsel Carrie Richter  
CIDA on Zoom, Dustin, Mya and Jennifer

CALL TO ORDER AND APPROVAL OF AGENDA

Mayor Knop called the meeting to order at 6:00 p.m.

Motion: Ogilvie moved to approve the agenda; Hayes seconded the motion.

Vote: Hayes, McCarthy, Ogilvie, Kerr and Knop voted AYE: the vote was 5:0 and the motion carried. The agenda was approved.

Knop I want to thank the city staff and fire department and anyone that helped around Cannon Beach today. It was a challenging day and we were stuck in town. Thank you and hopefully the rain will stop.

PUBLIC COMMENT

Knop called for comment that does not have to do with the public hearing tonight.

- Deanna Hammond PO Box 942 – Spoke of her concerns with public comments and people feeling they are not being heard. Shared concerns with the striping in front of the Post office at the 10 min parking space.

Richter reiterated this is for non-hearing items, there will be a chance to speak during the hearing.

- Jessica Alexander PO Box 1148 – spoke of concerns of the council not hearing what the community has to say.
- Lolly Champion PO Box 614 - noted her fiscal concerns and how the community will be kept informed of the finances.
- Michelle Valigura PO Box 719 – as independent citizen, read the vision statement from the comprehensive plan. Thanked council for all that you do.
- Tom Landrum PO Box 865, noted concerns of the City Manager being the project manager, noted concerns with staff.

- Mary Peterson PO Box 85 – Shared a story about a totem pole in the town she grew up in and their cultural center, spoke of housing concerns.

## PUBLIC HEARING

- ( 1) **APP 23-07, Appeal of Design Review Board’s denial of DRB 23-09, CIDA INC, applicant on behalf of the City of Cannon Beach for the rejuvenation project of the Cannon Beach Elementary School buildings and NeCus Park site for use by Cannon Beach visitors and residents, businesses, and the Clatsop Nehalem Confederated Tribe for a variety of community interests.**

Knop stated This is a hearing regarding the appeal requested by CIDA INC, applicant on behalf of the City of Cannon Beach for the rejuvenation project of the Cannon Beach Elementary School buildings and Ne’Cus Park site for use by Cannon Beach visitors and residents, businesses, and the Clatsop Nehalem Confederated Tribe for a variety of community interests.

The appeal will be reviewed against the criteria of Municipal Code, Chapter 17.44.080-17.44.100, Design Review Criteria. The hearing will be held on the record and no new evidence will be allowed into the record.

On November 28, the City Council held a work session where it heard from many members of this community both in favor and opposed to the City proceeding with development of this project. This work session related to the propriety of proceeding with the development, which is separate and distinct from reviewing the project design, which is the subject of this appeal. Because the record for this appeal is closed, the Council will refrain from considering any testimony received during the November 28 work session as part of its evaluation of whether the Design Review criteria set forth in CBMC 17.44.080-.100 are satisfied. If any Councilor has concerns with their ability or readiness to not consider the November 28 testimony, they should make those concerns known during the disclosures portion of this hearing that follow.

Knop opened the Public Hearing

Knop said The record for this proceeding includes all of the written materials provided during the proceeding before the DRB as well as the videos of the September 21 and October 19 DRB meetings. Please confirm that all of you have reviewed those materials / videos and are prepared to consider this matter based solely on that record as well as whatever argument (not new evidence) presented on appeal.

Does anyone object to the jurisdiction of the City Council to hear this appeal at this time? There were none.

Does any Councilor believe he or she has a personal bias to declare? There were none.

Does any Councilor believe he or she has a conflict of interest? There were none.

In addition to the November 28 work session, has any Councilor had any ex parte contacts or made a site visit? Site visits were declared.

Is there any additional correspondence? J Barrett noted the emails sent earlier today.

Knop requested the staff report. Sokolowski summarized the staff report. Sokolowski added the DRB chair wanted to say the DRB minutes have not been approved by the DRB and should not be considered accurate in the packet, adding however the video is part of the record and the findings are in the packet.

Johnson said I'll give an overview of the revisions made through the process and am happy to answer any questions from council that I may not have covered. Johnson gave an overview of the project history, noting the community outreach events, schematic design process, and an overview of the 4 design options. Johnson shared his screen and gave an overview of the design and the changes made throughout the design process. Johnson read the DRB criteria explaining how the project met the criteria, noting the concerns that were taken to accommodate the sensitive nature of this project. Johnson gave an overview of Landscape Architect Joyce Jackson's experience, and revisions made per the DRB comments. Johnson added I am happy to go into further detail if needed.

Knop said:

- (1) The pertinent criteria to be considered by the City Council are identified in the staff reports;
- (2) Testimony, arguments and evidence must be already in the record and directed toward those criteria or other criteria in the Comprehensive Plan or Municipal Code which the person testifying believes to apply to the decision;
- (3) Failure to raise an issue accompanied by statements or evidence sufficient to afford the decision maker and the parties an opportunity to respond to the issue precludes appeal based on that issue. In addition, failure of the applicant to raise constitutional or other issues related to proposed conditions of approval will preclude an action for damages in circuit court;
- (4) Persons who testify shall first receive recognition from the Mayor, state their full name and mailing address, and if appearing in a representative capacity, identify whom they represent.
- (5) Testimony is limited to matters which were raised at the Design Review Board hearing in writing or orally.

Knop said is there a presentation by the appellant?

This was discussed after the staff report.

Knop said are there presentations by proponents?

Jan Siebert-Wahrmund and Wes Wahrmund PO Box 778

Is it possible to listen to all voices of community and the Clatsop Tribe and find a way forward together for Ne'Cus that honors the local tribal history culture, elementary school, community culture and enriches the culture of the future by servicing as an indoor/outdoor, education historical, environmental and arts center. Is it possible to grandfather in the gym building that has served the community for

decades. Is it possible to restore the gym and hold the Clatsop Nehalem tribe culture gathering place such as welcome of salmon celebration as the large space can accommodate everyone that would attend. Possible to find conditions in which the site design, architectural design, and landscape design of Ne'Cus could be creatively simplified so as to do more to be more reflective of the of the quaint village character and budget and show respect and integrity for Clatsop Nehalem, with dedication of all of us who care about Ne'Cus let's pull together and put our energy into finding solutions. It is our belief that yes, we can do this together and do it well.

Betty Gearan PO Box 137

In the process of creating the vision for Ne'Cus the solid majority of the community that came to meetings pushed hard to keep the old school buildings, others pushed green technology, the Tribe spent hours with the architect trying to keep old with new. The gym will always be out of code with the big roof, but that hasn't stopped the community from gathering and spending hours at events and creating memories. It is and can remain a well-used building. The large size and barreled roof is a small price to pay for keeping the gym, the white painted classroom roof is a small price to pay for moving toward sustainable building methods. Let's think of the amazing gatherings we have for the large safe and green building. Always large but loved. There is no way to reduce the size and keep building. It will always be a gathering place for community and the classrooms will still provide a place for learning and sharing knowledge will becoming more energy efficient. Would like to celebrate the council who are trying to achieve a consensus on this very difficult issue.

Knop said are there presentations by opponents? Reminder it's a three minute or less

Sam Steidel PO Box 501

Commenting on landscaping D, provisions have been made for survival and continued landscape and presentation, the design is dependent on professional landscape. The original intent was to use volunteers. I don't think the design as presented allows us to work with volunteer base. The architectural comments F unusually large or likely to become a village landmark or introduction. I believe it is already a landmark and introduction to town. The key point to me is the last few words explementary standard setting fashion. Everyone will have different definition of exemplary. I am going to go back to my sense of the original intent to be more village like and less industrial looking, not relating to size but the feel of the building changes. The discovery process and schematic process went well and I agree we did a beautiful job collecting info. The problem was when we got down to one and the pricing came in it was never allowed to be critiqued after it was priced. We should have been able to say that's too much, instead jumped straight into designing a bucket load of dreams. That's where process failed and we are ending up with so much division.

Andrew Tonry PO Box 667

Lot of people tell the story of how we got there. This design came from community outreach but that was only half truth. When outreach events were performed during COVID, there was a concerning lack of clarity there. When we were surveyed we were not told it would be primarily a tourism facilities, it was tell me what you'd like to see and there wasn't an asterisk saying tourism funds paying for this and will take priority. That's not how it went. At the time of the meetings, we as the community was under the impression of a facelift of \$4million and it was a lot more palatable. Hard to say the public has been so thoroughly surveyed, some doesn't know it will be tourism. The school was redesigned before we knew what we were going to do with it. After the TLT raised the committee that I sit on was created, which feels weird, why would you go and hire architects to design a building that you don't know what is going to be done inside with. I feel for CIDA as we put the cart before the horse and it was done backwards. No wonder DRB was confused, put off and denied the application. It was done in a giant

backwards jumble. The process is why we are here.

Tom Landrum PO Box 865

I think the last presenter hit it spot on. I really don't think we know what we are going to do with it yet. A lot of ideas are put in bucket and trying to satisfy all ideas. Who is going to be the decider, I don't know, hopefully council will take on and figure it out. You can't always please everyone.

Mary Peterson Box 85

What concerns me about this is they are saying how wonderful the information is with 100 people out of 1600, that's less than 10% of the town. It took way more than that to elect you. 10% is nothing so maybe they didn't listen, they didn't send out things correctly or maybe people don't like this project at all and so didn't care. They don't want it, you don't know because you've never asked the question why did a town of 1600 only have 100 responses. That's the question you should be asking yourself, solve the problem then move forward.

Watt Childress 40660 N Fork Road Nehalem

My wife and I and family own Jupiter's Books and own a lot on Ross Lane. When designing need to have a needs assessment and a clear understanding of what you are doing it for. Understand the discovery and outreach was done for general public. There are key existing stakeholders that need to be included in order to not duplicate services, one being the Cannon Beach History Center. It's become clear and clearer to me that they did not have the roll in communication, what they are doing and making sure it wasn't going to be duplicated. Our boards, committee and commissions all run on volunteerism. The same energy that is going to make sure this landscaping works and anything works. If you overturn the DRB position it will diminish our volunteers work as a community. I recommend approve the DRB decision with strong recommendations with how they can move forward and strengthen relations with arch and keep going. The Thunderbird is sacred and important decision and people enrolled in neighboring tribes and needed to make sure this is a unifying decisions to bring everyone together. Clatsop, Chinook, Grand Ronde all need to make certain if we do a Thunderbird it's something everyone can celebrate and I appreciate your hard work.

Randy Neal PO Box 1092

I agree with the comments made earlier. I wish we had more time to go through and understand how to make this right. Wonder if you have a valid appeal. Page 7 of packet list is appeal form and at bottom there is a fee and there is nothing I see that says the city is exempt and at the bottom there is fee and paid for. Seems like there would be a fee that was applied to the project and would be refunded if overturned. My question is do we have a valid appeal application. And do we have a valid appeal of 14 days?

Knop said is there a staff response? J Barrett confirmed the application was paid. Sokolowski confirmed the appeal was received within the 14 days.

Knop said does the appellant or proponents wish to make additional statements?

Richter said I have a couple observations with respect to the testimony that you heard Tonight. The first thing, and I think the Council understands this, there is a difference between the question from a proprietary perspective whether or not the city proceed with this project. That is separate and discreet from the land use review, which is a quasi-judicial determination that is before the council for consideration with respect to certain criteria. So the city council can approve this, find that it satisfies the standards and still decide not to build it because it costs too much or because for a number of many

other reasons why any owner wouldn't pursue a project. I just want the council to be aware that that those are two separate things. I think you understand but I want to make that distinction. The second this is the scope of DRB is limited to new construction and new additions. It's a little strange here because this application is for an adaptive reuse project that prioritize retaining and enhancing the existing structures, so I think the criteria have to be applied to consider only what is changing and whether that change is responsive to the design review criterion. Things that are not changing like the food pantry, the overall scale of the gymnasium roof, the color of the elementary school roof, those do not provide a basis to conclude that the criteria are not satisfied. Similarly I want to remind the council that planning commission approved adjustments and variances or the Council approved the road vacation, do not in and of themselves conclusively determine that the site orientation design standards are not satisfied. I think what the applicant testified to was that those adjustments actually result in greater pedestrian amenities and greater front setback for the proposed development. Finally I want to point out that the criteria do not look at use, they look at design and so concerns about the use itself are not germane to the questions that the criteria are asking with respect to design review

Johnson said I appreciate the former Mayor Sams comments regarding the process and where there was a perception of breakdown which was after there was a selected design. Then it priced and the price came in where it was. There was a public meeting where we discussed the prices and we discussed what other options could look like, it was done after the initial pricing came out, there was a discussion. Not sure where the comment of no appetite of criticism or adjustments. I would like to understand that better from Sam another time. It's not feasible for us to interview the 1600 residents of Cannon Beach. Our goal is to survey and interview an accurate cross section of the population and that's what we intended to do. We had 2 in-persons onsite, one on Saturday and one during the week with a goal of different days or weeks and times to reach as many as we can. Its intended to be an accurate cross section. It does not reflect if there is a large number of people representing that sentiment that don't participate in the events. The data will not capture that. We don't have that sentiment build into our discovery process.

#### CLOSE THE PUBLIC HEARING AND MOVE TO CONSIDERATION

Took a break at 7:24 pm. Reconvened at 7:29 pm.

Lisa asked when we hear an appeal of a DRB decision are we substituting our subjective judgment for their judgment or are we looking at whether or not they met the criteria they were supposed to make their decision. By which they're supposed to make their decision, in other words like as a matter of law are we saying that they did it incorrectly or are we actually substituting our personal taste for what they said when they commented on various architectural features Etc? Richter replied I don't think it's a question of taste, the roll is to interpret the criteria set forth in 17.44 and determining if the evidence suggest that the standards are satisfied. The council doesn't owe any deference to DRB but can. Kerr added a lot of what they decide is not factual, it's subjective. Richter replied you are correct, the criteria are subjective determinations that the council has to interpret and determine if the evidence indicates that those standards are satisfied. The DRB criteria is highly subjective. If you think the applicant has done enough to mitigate the overall massing of the roof height and taken steps given it's a preexisting condition then you would find the criteria are satisfied if you don't think that the applicant has done enough then you would find that those criteria are not satisfied.

Hayes said there are things DRB has said that I agree with. I feel there are other that are subjective or defined differently. There are a few that was a failure to acknowledge it's an existing structure. It's the community who said to save the two structures on the site. Kerr added when this first came up as an idea

I was ambivalent of the project as I didn't grow up here or go to school here. It's not an attractive building, but when we had hearings with people I listened and all these hearings with what people wanted and wanted to keep the structures I changed my mind. They all wanted to keep the structures the hut and classrooms, that's what changed my mind. I hear the majority of people don't want it, but all the letters I got a lot were in favor. When initially was doing it, the majority of people wanted to keep the two structure and fix them up. I have a question for St. Denis, did we use TLT money to buy the property, St. Denis replied yes. Kerr asked if we were to build a community center would we have to pay the money back, St. Denis replied that would be a questions for attorney but I believe that would happen. Kerr added because if it was purchased with TLT funds we are in a bind to use if for tourism activities.

Hayes said I think we should look at criteria and whether we agree with it or not. Personally with the site plan, I thought we dealt with it as a planning commission (PC) and council and everything is mentioned in the findings of fact from DRB are things we considered. The vacation, parking variance, they are things we debated. The PC recommended the vacation we talked about it and did it. I feel like DRB has veto power over decisions we made. I don't think they met the criteria. Kerr asked is it not true the idea for parking was scheduling would be done so there is not large events during the high tourism season, Hayes replied yes, people say we are not listening or adjusting when we have. There was a concern about big events and parking, but the plan shifted to an interpretive center where a handful of people will be in there at a time, probably walking from where they are in town, and not having events during peak season. McCarthy added and we are not talking about capacity of 500. What is the capacity? Johnson replied for code purposes there are ways to calculate, and worst case scenario is about 467, but when we lay out the logistics of what it would take to fill the area with table chairs performers the high capacity for the space is closer to 200.

Hayes said criteria H encourages pedestrian instead of vehicular that is something we took into consideration and reduced the parking. Do you see anything we didn't already consider and agree on? Knop replied I don't see anything else. Kerr added my biggest concern is parking but if it's built into the way its structured, if there are not big tourism events or meetings with a lot of parking during high season then I see the conflict being mitigated. Hayes said I would like to take site plan off table.

Motion: Hayes moved to approve the site design and direct staff to prepare findings in support of approval; Ogilvie seconded the motion.

McCarthy asked is that a denial the DRB? Richter replied you would be upholding the appeal and reversing the DRB decision with respect to site orientation.

Vote: Hayes, McCarthy, Ogilvie, Kerr and Knop voted AYE: the vote was 5:0 and the motion carried.

Hayes said I think several things in architectural plan mainly involving the roof and think Richter made it clear, we are dealing with existing structure. It's less than ideal but nothing we can do with the height. We are talking about saving the structures. One question is the monotony that is criteria D and if the architectural details such as Design Elements texture pattern and color and I think the design on the north and south end of the gymnasium are huge step forward in visual interest compared to what it is. Windows and awnings in those most visible areas the roof is practical. The East Side I think it avoids monotony breaking up the roof line there's that Northeast addition will stay. There's the proposed mural space and there's Landscaping enhancements. Kerr said considering what you are working with a Quonset hut which looks like an airplane hangar, and they make it look appeasing and that's one of the things the community wanted to preserve. The modification, I don't think you can get worse and they

did everything they can working with that. Given the raw materials starting with, I'd think they approved on the monotony of the building. Hayes read item E adding and the findings of fact say it fails. But that's what we are working with. I think we've heard from architects and builder that adding dormers to the slope side of the roof would be cost prohibited and seems like an inappropriate choice to force that. Kerr added I also think putting a dormer on a Quonset hut doesn't make much sense.

McCarthy said a comment was made by a DRB member regarding the arches of the Quonset hut rotting and having to be rebuilt because of rotting arches, can you discuss that? Johnson replied my recollection was made in reference to a comment I had made that how the Quonset Hut structure meets grade. There's an inherent moisture penetration problem at that wall or roof base. However because you know in its current condition it's not heated there's not a lot of covering up of the existing conditions it has not resulted in any verifiable rot in our team or previous architect and engineer who also did a throughout building evaluation. McCarthy asked so it's conducive to rot, but hasn't rotted. Johnson replied yes, and there was wood floor that rotten but that's been removed. McCarthy asked what kind of construction needs to happen to keep hut standing? Johnson replied it was not a structure designed for permanence. It's a hangar building and was designed to be a hanger. Designed in the 1940's by Airforce to last the duration of war. That said, built with high quality fo wood, well cared for in the past, no structural deficiencies that I am aware of. The structural deficiency is because it wasn't designed to meet code.

McCarthy said we received a letter asking about the construction between the hut and classrooms, and roof levels, can you talk about the purpose of that? Johnson replied provided additional details for the previous question, the wainscoting will help with the life of the building. The intended purpose of the structure between two buildings, and to point out there was a structure connecting the two buildings but it was removed in order to do the seismic upgrades. We replaced with the heritage lobby is a part of the interpretive experience of this project, giving an overview. We want people to understand this place and the significance, and it starts in the heritage lobby. Johnson noted advantages of connecting. McCarthy asked why is the roof line like that over the lobby, Johnson replied so many reason, the reason the high roof interpretive is in between the two an makes the construction detailing and weatherability much easier to accomplish and offers opportunity to bring daylight further in the space. Far as front of space, the two-tiered roof, reminder we were in deep collaboration with tribe during all phases, and preferred by the Tribe that should be more engaging. I need to enunciate that this is the main entrance to the building. Hayes said the DRB findings are only pointing to the half round of the roof. Kerr added when you listen to the tape there was more discussion than this. I'd rather cover it all and not skimp on the discussion.

Hayes read criteria H, adding that's what we are here to address. The findings say the roof fails the criteria. Not sure we agree, but the other improvements are visible as you enter the city notability the north end of the gym. Do we want to call in exemplary. Kerr added we have to maintain the structure or rip it down, I think what's been done with it, they've done a good job to make it more palatable. Ogilvie added a lot of function is built into the added portions of the gym such as covered space, and there was a breeze way, and there is one that will be modified on the north side of classroom and makes the building work better. I don't understand the discussion and findings of fact. I don't understand why the modified version of the gym is not meeting the criteria. Hayes said the findings say it fails. Kerr added if you are going to keep the gym, that's the way it comes.

Motion: Hayes moved to approve architectural design and direct staff to prepare findings in support of approval; Ogilvie seconded the motion.

Vote: Hayes, McCarthy, Ogilvie, Kerr and Knop voted AYE: the vote was 5:0 and the motion carried.



Hayes on the landscape I agree with some of DRB comments and think we can get closer to the intent of the criteria perhaps with conditional approval with landscape design. McCarthy asked what condition, Hayes replied I hear a consensus that the garden is too complex. My biggest concern is, as DRB mentioned, it is not a coherent single nature trail. It gets lost in the complex garden and there is not a clear path that I feel the intention is. Kerr asked what about the purple arrows, Hayes replied they were more accessing the site and less about a clear interpretive trail you'd follow. There is not a coherent single trail through the garden. The design does not match the use. Doug Duer's recommendation was a native plant garden as seen by the original habitants of the village. It feels like what we have is a formal garden that people can get lost in, not a natural landscape that lets people envision the site as it was. Ogilvie added I think there is a way to keep the Thunderbird motif without the complexity the path brings. Knop asked what about elk fences, Kerr replied I don't think they will work, it's a pipe dream. McCarthy added the idea of a fence around a garden when you are coming across the bridge to view the project, it blocks the view/emotion from seeing it, and it probably won't work. Kerr added I think the native plants will help, we just have to face whatever garden is going to be put in there will be elk at some point, it's just the way it is. They were here hundreds of years ago. Hayes added I think it needs to continue to be simplified. I always envisioned the SE plaza and the story about thunderbirds eggs, then walk through native plants with interpretive information, then you hit the trail with information on the watershed, then further on to where Lewis and Clark visited and where they camped. One continuous trail is the concept gives us a 7 day a week interpretive experience for people. A simplified native plant garden, obvious trail that connects loop along the creek and like it to be more natural than formal garden, but think we can grow into something more formal. Kerr said the welcome women, it's premature at this point, there is no design, but until its approved they cant get an artist to design it. Hayes said it's not appropriate in findings to contradict what the tribe said about their own culture. Kerr added I did research on Thunderbird on ground and couldn't find anything that said it was inappropriate to place on the ground. Hayes said we consulted extensively with the tribe and asked the question. Ogilvie added I asked the lighting be something that meets our current code. Hayes added I think DRB got some things right and would like to see conditional approval and perhaps a revised plan that gest presented back to council. Kerr said a lot of comments were just about the project. This appeal is about the design, DRB was allotted for standing up for the project, but would like to discuss.

Knop said we are on January 9<sup>th</sup> to discuss the November 28<sup>th</sup> meeting. Hayes said we are making findings on this appeal, but that doesn't mean that the plan as proposed is what we are going to do. We will have discussion on January 9<sup>th</sup> and can discuss if there are changes or reductions in scope.

Hayes asked Richter can you weigh in on idea of conditional approval. Richter said there are a couple of options, a tentative approval tonight with staff coming back with findings consistent with deliberation on all three areas. On landscaping condition for simplified garden, obvious trail w/ loop to creek and less formal garden. We can write condition that talks about that. The second option is to have applicant come back with revised design, and not sure on timeline and the records closed. Going with the condition would allow the flexibility, would like condition to get at what goal you are trying to achieve. The 3<sup>rd</sup> option for an applicant to come back later when more proprietary design. Johnson said what I am hearing is the concerns feel it is closer to a full redesign, timing with holidays. Joyce Jackson is flying out for a few weeks and won't be able to get anything turned around immediately. Knop said which is no issue. Ogilvie added for me of this project, this would occur at the end. Need to make allowances on site for where it will be, but more than enough time to address the concerns. Sokolowski said Ogilvie's suggestion is a good way of handling it. Hayes said and what Richter said satisfied everything. What is the process for getting it approved. Sokolowski replied there is nothing that says it has to come back at a specific time. Richter added if approved with conditions then the applicant can come back with revisions at a time that works for them. It's a matter of deciding what the condition would be limited review of

landscape criteria of 17.44, we can have notice consistent with type 3, you essentially find the criteria are satisfied but the condition would require a review before Council of landscape design. We can bring back on the 12<sup>th</sup> for review. Richter said you can have tentative approval tonight with staff putting the language together for the final sign off for the 12<sup>th</sup>.

**Motion:** Hayes moved tentatively approve landscape design and direct staff to prepare findings and supportive approval with conditions discussed tonight; Ogilvie seconded the motion.

**Vote:** Hayes, McCarthy, Ogilvie, Kerr and Knop voted AYE: the vote was 5:0 and the motion carried.

Kerr said at the meeting on January 9<sup>th</sup> we will discuss all the information we've heard as well as the process. Knop said yes. Hayes said there is still a lot of misunderstanding and we are hoping we can get it cleared up.

### INFORMATIONAL/OTHER DISCUSSION ITEMS

#### **( 2 ) Monthly Status Report**

Knop report I like the new reporting.

#### **( 3 ) Mayor Communications**

Nothing to report.

#### **( 4 ) Councilor Communications**

Ogilvie report the 14<sup>th</sup> is the retreat date.

McCarthy said I had a meeting with community engagement committee for the code audit with Urbsworks. Kerr said we were told at the meeting that the reorganization should be done by that meeting and wetlands ordinance is moving through state system. It should be in the state by the end of December. Sokolowski added I hope to have it in DLCD hands at Planning Commission, so it's formally commented on before going to council for consideration. McCarthy said the first community engagement meeting in housing may be in February. Kerr added we discussed having meeting at a larger venue and a possible presentation. Open to public and in a bigger venue, McCarthy added as long as they have zoom capabilities.

#### **( 5 ) Good of the Order**

Hayes reported we heard a lot from people who say we are not listening or people are not being heard. I know who is sitting up here and don't believe that is accurate. I feel like we are listening to everyone's thoughts, and not just the loudest. We are looking at all the written comments. We talk to people on the sidewalk and consider all information provided through the public process and it's led us to where we are. The loudest and angriest people out there saying we don't listen and are saying do what I want and ignore the others. With any big project like this, whatever we decide will make some people upset and angry. I hope people will understand we are trying to balance. Kerr added I am bothered by the fact that when people speak at the beginning of the meeting we have to sit here like statues and cannot interact.

It's not accurate and everyone here is listening. McCarthy added we are also taking notes on what people are saying. Kerr replied I am glad we are having this discussion in January, that's where we get a chance to address people's concerns directly. I will be so disappointed if the people who say we don't listen do not attend. Hayes added based on the comments there are a lot of people who do not understand the funding of the project, how it can and can't be used or understand the use fo the facility.

ADJORNMENT

The meeting was adjourned at 8:40 p.m.

ATTEST:

---

Jennifer Barrett, Recorder

---

Barb Knop, Mayor

Minutes of the  
**CANNON BEACH CITY COUNCIL**  
**Special Meeting and Work Session**  
Tuesday, December 12, 2023  
Council Chambers

Present: Mayor Barb Knop, Council President Nancy McCarthy, Councilors Brandon Ogilvie, Lisa Kerr and Gary Hayes

Excused:

Staff: City Manager Bruce St. Denis, IT Director Rusty Barrett, Recorder Jennifer Barrett, Public Works Director Karen La Bonte, Community Development Director Steve Sokolowski, Police Lieutenant Chris Wilbur, Finance Director Laurie Sawrey, HRAP Interim Director Mylasia Miklas

Other: Special Counsel Carrie Richter via Zoom

**CALL TO ORDER AND APPROVAL OF AGENDA**

Knop called the meeting to order at 6:00 p.m.

Motion: Ogilvie moved to approve the agenda; Hayes seconded.

St. Denis noted during good of the order I'll be asking direction regarding attorney time.

Vote: Hayes, McCarthy, Ogilvie, Kerr and Knop voted AYE: the vote was 5:0 and the motion passed unanimously.

**PUBLIC COMMENT**

Knop reminded the body to keep their comments under three minutes, state their name and mailing address and to be kind and respectful.

- Tom Landrum PO Box 865: spoke of his concerns about a letter in the Gazette with no city response.
- Jan Siebert-Wahrmund PO Box 778: requested a public comment period for Planning Commission and Design Review Board.

**DISCUSSIONS**

**( 1) Chamber of Commerce Quarterly Meeting**

Executive Director Jim Paino said we included the history section in the packet as a reminder, and if you have any questions willing to answer them. McCarthy asked on slide of 2019 negotiations, who was the third-party audit that is spoke about, Paino replied it's the same one you use, and we split the cost. They gave recommendations on separating funds, and Paino gave an overview of the process. Paino gave an

update on Clarity of Place. Paino asked the city to provide information from the Clarity of Place list. Kerr asked will we see the data once complete, Piano replied yes, and I am hoping you'll be included in the process. Marketing Manager Sierra Spinler gave an overview of the Winters Waters program. This will come to fruition in the next couple of months and we are very excited to be sponsoring this event. Hayes asked by sponsoring it you are putting money into the program, Spinler replied if the DMO sponsors it they are focusing on having events and special items in Cannon Beach, giving an overview. Spinler answered Council's questions. Paino gave an overview of the Travel Oregon grant, adding we did not receive the grant for the wheelchair program. We'll keep an eye out for another grant or other ways to help. Paino answered Council's questions. Paino gave an overview of the DMO budget. Paino and Spinler answered Council's questions.

Knop asked will you send us a corrected spreadsheet, Paino replied yes.

## **( 2) Finance 4<sup>th</sup> Quarter Report**

Sawrey presented the 4<sup>th</sup> quarter report. Sawrey answered Council's questions.

## **( 3) Lifeguard Program Discussion**

Deputy Fire Chief Jason Smith presented the proposed lifeguard program, a copy is included in the record. Smith and Fire Chief Marc Reckmann answered Council's questions. Discussed the financial numbers presented. Reckmann will go back and review the financial numbers and resubmit to Council. Discussed the process moving forward. St. Denis noted Reckmann has requested the remainder of the funds of the 23-24 that were budgeted in order to do the hiring process before July. Knop requested to come back with corrected numbers before March. Discussed the start date of the program. Reckmann said we will come back to the January work session with updated numbers. The council thanked Reckmann and Smith.

## **( 4) Haystack Rock Violation – Penalty Language**

St. Denis summarized the staff report giving an overview of the email from Glendale Phan, asking what is the number you want to use for a violation? Hayes replied can we be general and say up to \$1,000, a discussion ensued. Wilbur added there is still a federal component too. Fish and wildlife has been a great partner and we work well with them. Wilbur gave an overview of the city's process of citing someone, noting the judge can make a determination. McCarthy asked is it up to the judge to determine if it goes to the feds, Wilbur no, we automatically forward everything, and they review. Consensus for violation to be up to \$1,000.

Took at break at 8:32 pm. Reconvened at 8:37 pm

Knop closed the work session and opened the special meeting.

## **( 6) Resolution 23-24 for the Purpose of Approving Changes to the FY 2023-2024 Budget by Increasing Appropriations in the General Fund To Allow for a Capital Outlay for the Purchase of a Roof, Doors, and a Cover For The UTV**

Miklas presented the staff report.

Motion: Ogilvie moved to adopt Resolution 23-24 for the purpose of approving changes to the FY

2023-2024 budget by increasing appropriations in the general fund to allow for a capital outlay for the purchase of a roof, doors, and a cover for the UTV; Kerr seconded.

Vote: Hayes, McCarthy, Ogilvie, Kerr and Knop voted AYE: the vote was 5:0 and the motion passed unanimously.

**( 5) Resolution 23-25 for the Purpose of Approving Increases and Decreases to the FY 2023-2024 Budget by Making An Intrafund Transfer of Appropriations and Water Resiliency Phase 1 – Seismic Improvements Construction Project Award**

La Bonte read the staff report. Kerr asked if Windsor is our consultants for the project, La Bonte replied they won the bid for the engineering. La Bonte gave an overview of the process used on the rebid, and the review of options when the bids came in higher than the estimate.

Motion: Hayes moved to approve the contract award to Halme Excavating Inc for the Water Resiliency Phase 1 Seismic Valve project and Adopt Resolution 23-25 for the purpose of Approving Increases and Decreases to the FY 2023-2024 Budget by Making An Intrafund Transfer of Appropriations; Ogilvie seconded.

Vote: Hayes, McCarthy, Ogilvie, Kerr and Knop voted AYE: the vote was 5:0 and the motion passed unanimously.

**( 7) Resolution 23-26 a Resolution Declaring the Need to Acquire Certain Real Property for Drainage Project and Resolution 23-27 a Resolution Declaring the Need to Acquire Certain Property For Water Utility Improvements for a Looped Water System**

La Bonte read the staff report. La Bonte said on the Presidential's we haven't been able to reach the folks. The resolution is a phase of the process that comes to you before moving forward. For Haystack the resolution is for the easement, but if they decline the easement, this is the process that would be needed to start condemnation. Hayes asked about outfalls, we are condemning not going to easement, La Bonte replied we haven't been able to reach the owners for that discussion. They've been contacted multiple times. Hayes asked is there an option to condemn the property outright then do an easement, La Bonte replied it's my understanding if we condemn the easement is not necessary as we'd be the owners. St. Denis added this starts the condemnation of the property and if they'd like to do an easement after receiving this we can discuss. McCarthy asked what would the easement on Haystack Heights prohibit the owners, La Bonte replied there shouldn't be a change for the owners. They can still build on the property, but the area would be in the setback so they couldn't build on that location. If they requested variance to build in our easement, we would need to deny it.

Motion: Hayes moved to Adopt Resolution 23-26 a Resolution Declaring the Need to Acquire Certain Real Property for Drainage Project; Ogilvie seconded.

Vote: Hayes, McCarthy, Ogilvie, Kerr and Knop voted AYE: the vote was 5:0 and the motion passed unanimously.

Hayes asked will this project solve the problem from trenching, La Bonte replied yes it will, giving an overview. McCarthy asked once condemned it goes to a judge who determines the

amount, La Bonte replied we have to get an appraisal first.

Motion: Ogilvie moved to Adopt Resolution 23-27 a Resolution Declaring the Need to Acquire Certain Property for Water Utility Improvements for a Looped Water System; Hayes seconded.

Vote: Hayes, McCarthy, Ogilvie, Kerr and Knop voted AYE: the vote was 5:0 and the motion passed unanimously.

Knop said I want to thank your staff for everything they did last week.

**( 8) Tree Removal Permit to Remove a 50 Inch Spruce Tree as Part of the Development.**

Sokolowski summarized the staff report, adding I am bringing back the information you requested from the previous meeting and Gerhardt's report. Hayes asked do we have time to get another opinion as he recommended. Sokolowski replied since this is a condition of approval, I am not sure if there is a time concern. Richter said I haven't been involved directly, so I am unable to answer the questions. Sokolowski gave an overview of the situation to Richter. Kerr said the arborist said the tree was viable and there is a way to trim it to make it withstand winds better. I think the tree needs to be kept. Sokolowski noted council can grant or deny, after that we would issue building permit and they would still have to submit a tree removal permit for the remaining tress.

Motion: Kerr moved to deny the tree removal permit for the 50" Sitka Spruce (S-1) at Tax Lot 00600, with regards to the Paul White Accessory Dwelling Unit appeal, App#23-06 as discussed; Ogilvie seconded.

Paul White via Zoom – I am looking at one of your provisions and it says the purpose of the chapter is to establish protective regulations for trees in the city. Item B, the intent not to prohibit the removal of trees completely or to require extraordinary measures to build structures rather the intent is to stop wanton tree destruction. My question is if we save that tree and opinions are clear that it may not be stable and winds from south or east and could fall north or west would the city assume the liability. Kerr replied Jeff Gerhardt didn't say it would fall over, he said it would be viable. White replied he has purposely deferred his opinion to someone else. If you are willing to take the liability, I would leave it there. As Peter Lindsey said during testimony he would leave his house during storms out of worry a tree would fall on it. Kerr said I think it is in the intent of the ordinance, every house in the town in always in danger of having a tree fall on it. I sleep downstairs during a storm. White said I am going to replant trees, these have never been taken care of, they are scrap trees. What happened to property rights in this city.

Jay Orloff architect: I read through the opinion as well, few things to point out. We have to take into consideration that there will be a 30 ton excavator running across 50% of the root zone. In addition there's going to also be a 30 ton dump truck running over this root zone and I think that has to be taken in consideration rather than just cherry picking the best stuff out of Jeff Gerhardt's report. Paul is concerned with is the liability you are saying that we have to keep this tree so is there going to be some liability responsible by the city for making that decision?

Richter said I don't know enough about this application to weigh in. My only recommendation it's not the roll of the council to have discussion with the parties. We probably not need to engage into an argument over liability. Knop replied I just wanted to give them a chance to say what they wanted to

say. McCarthy asked if they take extreme care of the tree during construction and it still dies, are they liable of any fine or violation, Sokolowski replied there is a hazardous tree but I don't think there is much we can do. Hayes said is it appropriate to ask if the applicant is interested in the opinion. Richter replied yes, it is. White said as you know I've been going through this process since august. Had 4, 5 or 6 different opinions and there is no guarantee the tree is going to make it. To continue on this path where no one wants to take responsibility. What happened to property rights. Knop said so are you saying no to the question? White replied I am not sure we are going to gain, so I am basically saying no. Kerr said my recollection of neighbors testimony was with all the trees cut down on lot he's afraid of the remaining trees would fall down on his house. He was testifying he was nervous about trees falling on his house.

Ogilvie said I seconded the motion in order to advance the discussion. I am involved in the construction industry and I do not believe that the tree would have the best chance of success therefore I cannot vote in favor of this motion. Kerr said we asked for Jeff's opinion and he gave it, a discussion ensued. McCarthy said how can the city ensure the protection of the tree will ensure, Sokolowski said it's up to the applicant and we have the TPZ requirements. McCarthy asked will they be monitored, Sokolowski said when the building inspector goes out there during construction.

Vote: Hayes, McCarthy, Kerr and Knop voted AYE; Ogilvie voted NAY; the vote was 4:1 and the motion passed.

#### **( 9) Approval for Findings of Fact for DRB 23-19**

Sokolowski summarized the staff report. Kerr I have questions on the 4<sup>th</sup> finding that starts CBE adaptive re-use, would like to add after tourism and community related events. In the orders says reuse but it wasn't reuse and should say redesign. There is a typo on page 1 of the order where it says interests. Hayes said on condition #1 delete complete with interpretive signage.

Motion: Hayes moved to approve the findings of fact and conclusion of law for the Appeal of DRB 23-19 as amended; Ogilvie seconded.

Vote: Hayes, McCarthy, Ogilvie, Kerr and Knop voted AYE: the vote was 5:0 and the motion passed unanimously.

Knop said thank you to everyone who helped getting the findings together.

#### **(10) Good of the Order**

Kerr said the tree ordinance focus group is working on amending the tree ordinance. We met with staff which was very helpful and would like to have Bill Kabeiseman look at it to make sure there is nothing that we are missing legally. It's not nearly as complicated as the wetland ordinance. I'd be surprised if there would be any legal ramifications. I'd like permission, our rules are anything more than an hour needs approval by the City Manager or Council, not sure how long it would take. Next it goes to the parks committee, then to everyone. McCarthy said when does it go to a public hearing, Kerr replied not until it goes to everyone. Sokolowski said from the procedural standpoint it's similar to wetlands. Anytime you are amending the zoning ordinance you have to do a POPA notice, then it can go Planning Commission for a hearing. They make recommendations to council, then council will have a hearing and consider for adoption. Sokolowski gave an overview of the POPA notice. St. Denis said the reason we are having this discussion at this meeting is that the way the code reads is the councilor can ask the



attorney for legal opinion if the time would take less than an hour, if more it goes to city manager or Council. I think Councilor Kerr gave a great presentation and think it should be a council decision since it involves other boards. Knop asked do we put a cap on it? St. Denis replied I don't know how many hours and what would come out of it, no reason to think it would excessive hours. Ogilvie said I think we should look at it as any other order of business. Sokolowski said it would be worth while as if there is something to catch we do so early on. Knop said I applaud the efforts of the focus group and appreciate all their efforts. Council consensus to give authorization for Kerr to contact Kabeiseman.

Kerr asked for an update on Sea Turtles Forever. J Barrett replied it is on our list of things to do, we haven't forgot. St. Denis added they are also asking for reimbursement for something we did not authorize. If the council wants to direct staff to pay it that's fine. They knew they did not have the work authorized to do the work. Discussed what additional information council wanted. Council requested Sea Turtles Forever submit an invoice to the city including how many people hired, hours worked, rate of pay, how much collected, did the people get paid, and if so what was the funding source for the payment, where they did it. Knop requested photos and to add to January work session.

Sokoloski said in the motion of the DRB appeal, there is an error in the number. We will bring the finding to January 2<sup>nd</sup> meeting for a vote on the revisions and correct the number in the motion.

McCarthy said Coffee with Councils on Monday at 10.

Knop said the code audit meeting is tomorrow, and the Council retreat on Thursday at 11 am.

#### ADJORNMENT

The meeting was adjourned at 9:54 p.m.

ATTEST:

---

Jennifer Barrett, Recorder

---

Barb Knop, Mayor

Minutes of the  
**CANNON BEACH CITY COUNCIL**  
**Work Session**  
Wednesday, December 13, 2023  
Council Chambers

Present: Mayor Knop, Council President Nancy McCarthy, Councilors Brandon Ogilvie, Lisa Kerr and Gary Hayes

Planning Commissioners Les Sinclair, Mickey Moritz, Aaron Matusick and Clay Newton via Zoom. Commission Mike Bates in person.

Design Review Board Member Harvey Claussen in person. Members Anita Dueber, Dave Doering and Michelle Valigura via Zoom

Excused: Planning Commissioner Erik Ostrander and Dorian Farrow

Absent:

Staff: City Manager Bruce St. Denis, Community Development Director Steve Sokolowski, Planner Robert St. Clair, and Recorder Jennifer Barrett

Others: Urbsworks representative Marcy McNelly in person.

**CALL TO ORDER AND APPROVAL OF AGENDA**

Mayor Knop called the meeting to order at 6:01 p.m.

Motion: Ogilvie moved to approve the agenda as presented; Hayes seconded the motion.

Vote: Ogilvie, Hayes, Knop, McCarty and Kerr voted AYE. The vote was 5:0 and the motion carried. The agenda was approved.

**PUBLIC COMMENT**

Jay Orloff from Tolovana Architects spoke about the process of tree removal applications. Request to look at during the code audit applicant being able to engage with the city's arborist prior to applying.

**DISCUSSIONS**

**( 1) Code Audit Joint Work Session with Planning Commission and Design Review Board**

Marcy McNelly gave a presentation. A copy is included in the record. McNelly worked through the revisions answering questions as they came up, and discussed potential solutions. Discussed the steps moving forward for review and adoption. McNelly noted a housing expert will be here for a joint

meeting on January 31<sup>st</sup>. Discussed meeting venues and promotion for the housing meeting. Discussed housing needs and how to gather the information and use of doing a survey. A discussion of housing concerns ensued.

Claussen noted his concerns from the DRB perspective with the revisions.

**(2) Good of the Order**

McCarthy reported Coffee with the Councilors on Mondays

Knop reported Saturday we are having a work party. Meeting at 2<sup>nd</sup> and Spruce and if everyone is good we will only work an hour.

McCarthy report the retreat is tomorrow. Knop added it starts at 11 am.

**ADJORNMENT**

The meeting was adjourned at 7:50 p.m.

ATTEST:

\_\_\_\_\_  
Jennifer Barrett, Recorder

\_\_\_\_\_  
Barb Knop, Mayor



# CANNON BEACH CITY COUNCIL

## STAFF REPORT

### PRESENTATION OF CITY OF CANNON BEACH AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR END JUNE 30, 2023

---

**Agenda Date:** January 2, 2024

**Prepared by:** Laurie Sawrey, CPA  
Finance Director

## BACKGROUND

Paul Nielson, Managing Partner with Isler, CPA will be here to present the June 30, 2023 audited financial statements for the City of Cannon Beach.

## RECOMMENDATION

Staff recommends a motion to approve the Financial Statements and Supplemental Information for the year ended June 30, 2023 with Independent Auditor's Report as presented.

"I move to approve the City of Cannon Beach Financial Statements and Supplemental Information for the year ended June 30, 2023 with Independent Auditors Report"

## List of Attachments

- A Financial Statements and Supplemental Information for the year ended June 30, 2023 with Independent Auditor's Report
- B PowerPoint Presentation

**CITY OF CANNON BEACH, OREGON**  
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023  
WITH  
INDEPENDENT AUDITOR'S REPORT

**CITY OF CANNON BEACH, OREGON**  
Financial Statements and Supplemental Information  
For the Year Ended June 30, 2022  
Table of Contents

**INTRODUCTORY SECTION**

List of Elected and Appointed Officials	i
---	---

**FINANCIAL SECTION**

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-15
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements:	
Balance Sheet - Governmental Funds	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	21
Statement of Resources and Requirements - Budget and Actual (Budgetary Basis):	
General Fund	22
Transient Room Tax Fund	23
Clatsop County TRT Fund	24
Prepared Food Sales Tax Fund	25
Road Fund	26
Statement of Net Position - Proprietary Funds	27
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	28
Statement of Cash Flows - Proprietary Funds	29 -30
Notes to the Financial Statements	31-50
Required Supplementary Information:	
Schedule of the Proportionate Share of the Net Pension Liability	51
Schedule of Pension Contributions	52
Notes to Required Supplementary Information	52
Schedule of Changes in Total OPEB Liability and Related Ratios	53
Supplemental Information:	
Combining and Individual Fund Statements and Schedules:	
Major Governmental Funds:	
Schedule of Resources and Requirements - Budget and Actual (Budgetary Basis):	
Tourism Facility Renovation Fund	54
General Reserve Fund	55
Nonmajor Governmental Funds:	
Combining Balance Sheet	56
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	57
Schedule of Resources and Requirements - Budget and Actual (Budgetary Basis):	
Tourism and Arts Fund	58
Building Official Fund	59
Affordable Housing Fund	60
Parks SDC Fund	61
Debt Service Fund	62
Ecola Forest Reserve Fund	63
Bridge Reserve Fund	64

**CITY OF CANNON BEACH, OREGON**  
Financial Statements and Supplemental Information  
For the Year Ended June 30, 2022  
Table of Contents, Continued

**FINANCIAL SECTION, Continued**

Combining and Individual Fund Statements and Schedules, Continued:

Enterprise Funds:

Water Enterprise:

Combining Statement of Net Position	65
Combining Statement of Revenues, Expenses, and Changes in Net Position	66
Combining Statement of Cash Flows	67

Wastewater Enterprise:

Combining Statement of Net Position	68
Combining Statement of Revenues, Expenses, and Changes in Net Position	69
Combining Statement of Cash Flows	70

RV Park Enterprise:

Combining Statement of Net Position	71
Combining Statement of Revenues, Expenses, and Changes in Net Position	72
Combining Statement of Cash Flows	73

Recycling Enterprise:

Combining Statement of Net Position	74
Combining Statement of Revenues, Expenses, and Changes in Net Position	75
Combining Statement of Cash Flows	76

Storm Drain Enterprise:

Combining Statement of Net Position	77
Combining Statement of Revenues, Expenses, and Changes in Net Position	78
Combining Statement of Cash Flows	79

Schedule of Resources and Requirements - Budget and Actual (Budgetary Basis):

Water Fund	80
Water Reserve Fund	81
Water SDC Fund	82
Wastewater Fund	83
Wastewater Reserve Fund	84
Wastewater SDC Fund	85
RV Park Fund	86
RV Park Reserve Fund	87
Recycling Fund	88
Recycling Reserve Fund	89
Storm Drain Fund	90
Storm Drain Reserve Fund	91
Storm Drain SDC Fund	92

Internal Service Fund:

Schedule of Resources and Requirements - Budget and Actual (Budgetary Basis):

Administrative Services Fund	93
------------------------------	----

**COMPLIANCE SECTION**

Schedule of Continuing Disclosures Related to General Obligation Bonds	94
Independent Auditor's Report Required by Oregon State Regulations	95-96

# **CITY OF CANNON BEACH, OREGON**

## **List of Elected and Appointed Officials**

June 30, 2023

### **ELECTED OFFICIALS - CITY COUNCIL**

Mayor	Barb Knop
Council President	Nancy McCarthy
Councilor	Gary Hayes
Councilor	Lisa Kerr
Councilor	Brandon Ogilvie

#### **Mailing Address**

PO Box 368  
Cannon Beach, OR 97110

### **APPOINTED OFFICIALS**

City Manager	Bruce St. Denis
City Attorney	Beery Elsner & Hammond LLP

#### **Mailing Address**

PO Box 368  
Cannon Beach, OR 97110





1976 Garden Ave.  
Eugene, OR 97403  
541.342.5161  
[www.islercpa.com](http://www.islercpa.com)

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
City of Cannon Beach, Oregon

### **Report on the Audit of the Financial Statements Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cannon Beach, Oregon, ("City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, the Transit Room Tax Fund, the Clatsop County TRT Fund, the Prepared Food Tax Fund, and the Road Fund for the year then ended in accordance 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, 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**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America 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 the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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, the Schedule of the Proportionate Share of the Net Pension Liability, the Schedule of Pension Contributions, the Notes to Required Supplementary Information, and the Schedule of Changes in Total OPEB Liability and Related Ratios. 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, and schedules of resources and requirements, 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 combining and individual nonmajor fund financial statements 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 introductory section, and continuing disclosure section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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.

## Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards of Audits of Oregon Municipal Corporations, we have issued our report dated December 20, 2023 on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Isler CPA

A handwritten signature in black ink that reads "Paul R. Nielson". The signature is written in a cursive style with a long, sweeping underline.

Paul R Nielson, CPA, a member of the firm  
Eugene, Oregon  
December 20, 2023

## **Management's Discussion and Analysis**

The management of the City of Cannon Beach offers readers of the City of Cannon Beach's financial statements this narrative overview and analysis of the financial activities of the City of Cannon Beach for the fiscal year ended June 30, 2023.

### **Financial Highlights**

- The City's total assets at June 30, 2023 were \$44,813,374.
- The City's total deferred outflows at June 30, 2023 were \$1,873,890.
- The City's total liabilities at June 30, 2023 were \$12,403,318.
- The City's total deferred inflows at June 30, 2023 were \$1,778,140.
- The net position of the City at June 30, 2023 was \$32,505,806. Of this amount, \$11,819,329 represents unrestricted net position, which can be used to meet the government's ongoing obligations to citizens and creditors.
- At June 30, 2023, the City's governmental funds reported combined ending fund balances of \$15,605,794.
- At the end of the fiscal year, the City's total combined governmental funds had a restricted fund balance of \$3,142,199, an assigned fund balance of \$7,155,368, and an unassigned fund balance of \$5,308,227.
- The General Fund's unassigned fund balance is \$5,308,227 at the end of the current fiscal year, or 80.7% of General Fund expenditures plus net transfers.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of Cannon Beach's basic financial statements. The City of Cannon Beach's basic financial statements are comprised of three components: 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 themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City of Cannon Beach's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the City of Cannon Beach's total assets and deferred outflows and total liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Cannon Beach is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Cannon Beach that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Cannon Beach include general government, building, community development, public works, public safety, and emergency management. The business-type activities include a recreational vehicle (RV) park, recycling, water, wastewater and storm drainage services.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Cannon Beach, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Cannon Beach can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Cannon Beach maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the six major funds: The General Fund, Transient Room Tax Fund, Clatsop TRT Fund, Prepared Food Sales Tax Fund, Road Fund, General Reserve Fund, and Tourism Facility Renovation Fund. The City's nonmajor governmental funds are made up of the Tourism & Arts Fund, Building Official Fund, Affordable Housing Fund, Parks SDC Fund, Debt Service Fund, Ecola Forest Reserve Fund, and the Bridge Reserve Fund.

The City of Cannon Beach adopts an annual appropriated budget for all the Governmental Funds. A budgetary comparison statement has been provided for funds to demonstrate compliance with the budget.

**Proprietary funds.** Proprietary funds are used to account for activities where the emphasis is placed on net income determination. The City of Cannon Beach maintains two types of proprietary funds: enterprise funds and internal service funds. The City of Cannon Beach uses five enterprise funds to account for its water, wastewater, storm drain, recycling, and RV Park activities. The City uses an internal service fund for services provided on behalf of the City. The internal service fund activity has been included within the governmental activities on the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The City also adopts an annual appropriated budget for all proprietary funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the enterprise funds as supplemental information as listed in the table of contents. The proprietary fund financial statements can also be found in the basic financial statements as listed in the table of contents.

**Notes to the Basic Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including financial information and disclosures that are required by the GASB, but are not considered a part of the basic financial statements. Combining statements are presented for nonmajor governmental and enterprise funds. Budgetary comparison schedules are presented for the nonmajor governmental, enterprise, and internal service funds.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Cannon Beach, total assets and deferred outflows exceeded total liabilities and deferred inflows by \$32,505,806 at the close of the most recent fiscal year.

By far, the largest portion, 53.5%, of the City of Cannon Beach's net position reflects its investment in capital assets, net of accumulated depreciation (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City of Cannon Beach uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Cannon Beach'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.

An additional portion of the City's net position, 10.2%, represents resources that are subject to external restrictions on how they may be used. The remaining portion of total net position, 36.4% which is unrestricted, represents excess available to meet ongoing obligations.

At the end of the current fiscal year, the City of Cannon Beach reports positive balances of net position in the government as a whole and in each activity.

### City of Cannon Beach's Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 17,033,574	\$ 14,694,612	\$ 5,092,353	\$ 4,202,464	\$22,125,927	\$18,897,076
Capital assets, net	<u>9,037,024</u>	<u>8,278,030</u>	<u>13,650,423</u>	<u>13,607,219</u>	<u>22,687,447</u>	<u>21,885,249</u>
Total assets	<u>26,070,598</u>	<u>22,972,642</u>	<u>18,742,776</u>	<u>17,809,683</u>	<u>44,813,374</u>	<u>40,782,325</u>
Deferred outflows	<u>1,564,795</u>	<u>1,859,950</u>	<u>309,095</u>	<u>326,997</u>	<u>1,873,890</u>	<u>2,186,947</u>
Noncurrent liabilities	797,081	9,769,656	5,702	876,432	802,783	10,646,088
Other liabilities	<u>9,820,263</u>	<u>1,037,371</u>	<u>1,780,272</u>	<u>378,983</u>	<u>11,600,535</u>	<u>1,416,354</u>
Total liabilities	<u>10,617,344</u>	<u>10,807,027</u>	<u>1,785,974</u>	<u>1,255,415</u>	<u>12,403,318</u>	<u>12,062,442</u>
Deferred inflows	<u>1,553,974</u>	<u>2,637,355</u>	<u>224,166</u>	<u>392,508</u>	<u>1,778,140</u>	<u>3,029,863</u>
Net position:						
Net investment in capital assets	7,469,017	5,867,888	9,915,822	13,569,213	17,384,839	19,437,101
Restricted	3,301,638	2,722,549	-	-	3,301,638	2,722,549
Unrestricted	<u>4,693,420</u>	<u>2,797,773</u>	<u>7,125,909</u>	<u>2,919,544</u>	<u>11,819,329</u>	<u>5,717,317</u>
Total net position	<u>\$ 15,464,075</u>	<u>\$ 11,388,210</u>	<u>\$17,041,731</u>	<u>\$16,488,757</u>	<u>\$32,505,806</u>	<u>\$27,876,967</u>

The City's net position increased by \$4,628,839 during the current fiscal year and was \$1,397,970 more than the prior year increase. Two major revenue categories that did not substantially change from the prior year amount were property taxes and state revenue sharing. The increase can be attributed mainly to a new city prepared food tax in the amount of \$1,734,830.

The City's total assets at June 30, 2023 increased \$4,031,049 from \$40,782,325 to \$44,813,374 or 9.9% from the prior year. Cash increased by \$2,838,576 or 18.1% from the prior year. Receivables increased by \$404,955, or 16.4% from the prior year. The city implemented GASB 87, Accounting for Leases, in fiscal year ending June 30, 2022, which shows the value of future payments on the leases through the term of the contracts. The amount, \$450,943 is offset by a deferred inflow of resources in the same amount. Capital assets, net, increased by \$802,198, or 3.7%, from the prior year. Deferred outflows decreased \$310,589, or 14.3% from the prior year.

The City's total liabilities at June 30, 2023 increased by \$340,876, or 2.8%, from the prior year. Accounts payable decreased \$27,515, or 2.9%, from the prior year. Unearned revenue decreased \$192,603, or 76.2% at the end of the year. The City's non-current liabilities decreased \$764,697 or 3.1%.

City of Warrenton's Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Fines, fees & charges for services	\$ 823,763	\$ 820,955	\$ 6,219,674	\$ 5,918,072	\$ 7,043,437	\$ 6,739,027
Operating grants & contributions	444,373	491,924	273,388	-	717,761	491,924
Capital grants & contributions	212,244	247,961	46,656	34,028	258,900	281,989
General revenues:						
Property taxes	1,456,826	1,378,122	-	-	1,456,826	1,378,122
Transient room taxes	6,272,508	6,397,077	-	-	6,272,508	6,397,077
Prepared food taxes	1,734,830	-	-	-	1,734,830	-
Franchise fees	217,222	203,781	-	-	217,222	203,781
Unrestricted state revenue sharing	110,896	121,464	-	-	110,896	121,464
Gain on sale of assets	-	-	-	-	-	-
Unrestricted investment earnings	542,240	71,799	-	-	542,240	71,799
Total revenues	<u>11,814,902</u>	<u>9,733,083</u>	<u>6,539,718</u>	<u>5,952,100</u>	<u>16,897,794</u>	<u>14,307,061</u>
Expenses:						
General government	2,652,590	1,712,086	-	-	2,652,590	1,712,086
Building	226,774	227,873	-	-	226,774	227,873
Community Development	924,207	897,949	-	-	924,207	897,949
Public Works	1,358,550	1,407,601	-	-	1,358,550	1,407,601
Public Safety	1,884,175	1,740,921	-	-	1,884,175	1,740,921
Emergency Management	402,881	321,824	-	-	402,881	321,824
Unallocated depreciation	274,418	283,950	-	-	274,418	283,950
Bond issuance costs	-	91,948	-	-	-	91,948
Interest on long-term liabilities	236,862	66,297	-	-	236,862	66,297
Water utility	-	-	1,271,500	1,242,228	1,271,500	1,242,228
Wstewater utility	-	-	1,749,855	1,680,406	1,749,855	1,680,406
Strom Drain	-	-	238,452	258,598	238,452	258,598
RV Park	-	-	2,261,436	2,286,416	2,261,436	2,286,416
Recycling	-	-	244,081	236,217	244,081	236,217
Total expenses	<u>7,960,457</u>	<u>6,750,449</u>	<u>5,765,324</u>	<u>5,703,865</u>	<u>13,725,781</u>	<u>12,454,314</u>
Increase in net position before transfers	3,854,445	2,982,634	774,394	248,235	4,628,839	3,230,869
Transfers	<u>221,420</u>	<u>220,838</u>	<u>(221,420)</u>	<u>(220,838)</u>	<u>-</u>	<u>-</u>
Change in net position	<u>4,075,865</u>	<u>3,203,472</u>	<u>552,974</u>	<u>27,397</u>	<u>4,628,839</u>	<u>3,230,869</u>
Net position, July 1	<u>11,388,210</u>	<u>8,184,738</u>	<u>16,488,757</u>	<u>16,461,360</u>	<u>27,876,967</u>	<u>24,646,098</u>
Net position, June 30	<u>\$15,464,075</u>	<u>\$11,388,210</u>	<u>\$17,041,731</u>	<u>\$16,488,757</u>	<u>\$32,505,806</u>	<u>\$27,876,967</u>



**Governmental activities.** Governmental activities increased the City's net position by \$4,075,865. The primary elements of the change in total net position are as follows:

- Revenues overall increased \$2,081,819 from the prior year.
- Program revenues such as fines, fees, and charges for service increased \$2,808. This type of revenue is derived mostly from business licensing, court fines, community development fees, land leases, and other miscellaneous fees charged by the city.
- The other program revenues, operating and capital grants show decreases of \$83,268 as previous year grants were replaced with smaller new grants. State fuel tax is considered an operating contribution and is not included in Unrestricted state revenue sharing due to the restrictions placed upon that funding mechanism.
- Under general revenues, this year was the first year of the prepared food tax which was \$1,734,830.

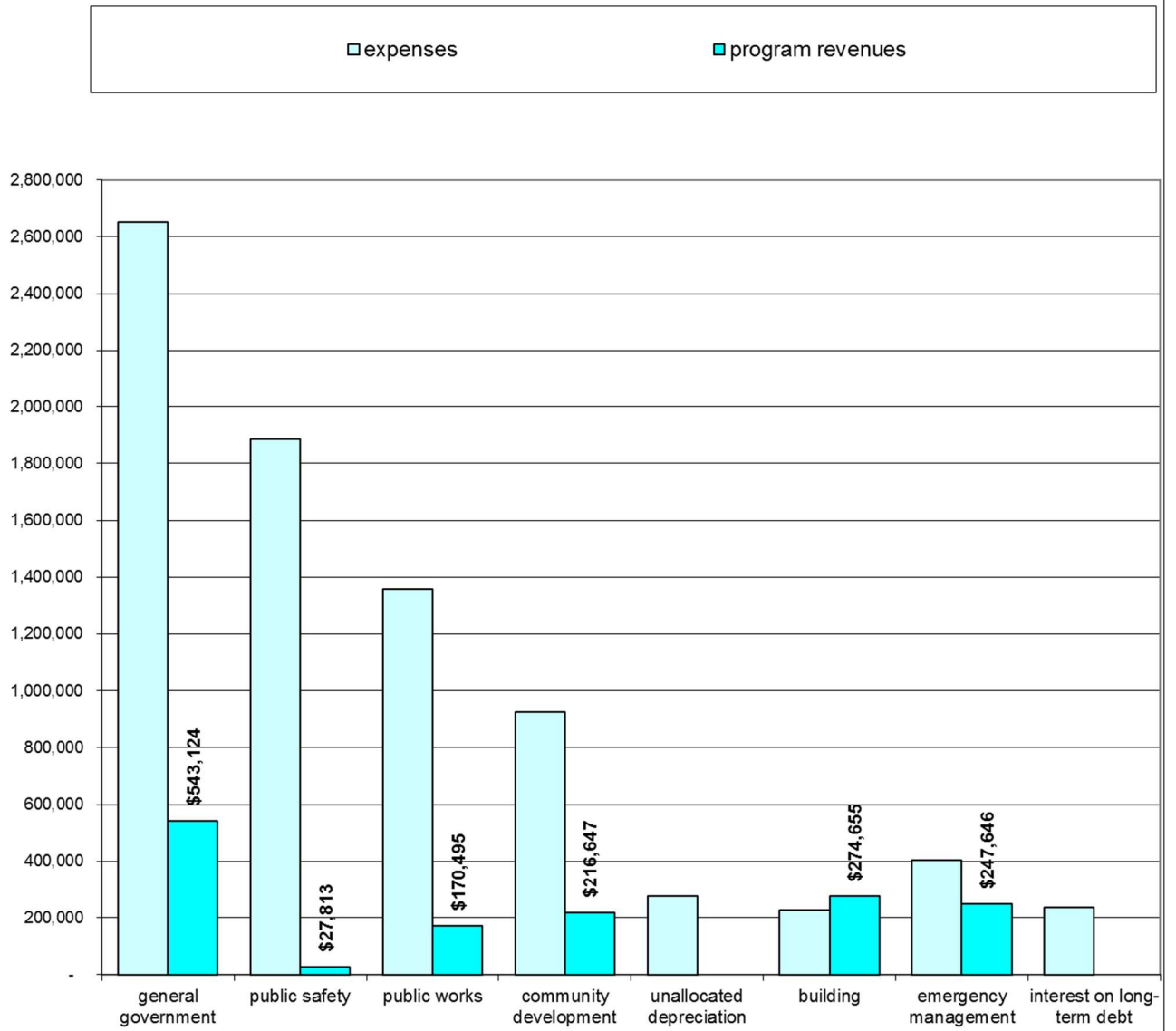
Total expenses, increased by \$1,210,008. The primary elements of the change in total net position are as follows:

- General government increased by \$940,504.
- Bond issuance costs decreased by \$91,948.
- Interest on long-term liabilities increased by \$170,565.

The following graph summarizes the 2022-2023 governmental activity program revenues and corresponding expenses. The revenues shown total \$1,480,380 (a decrease from the prior year of \$80,460) and are directly attributable to each activity (program revenues) and **do not** include property taxes, transient room taxes, sales tax, franchise fees, unrestricted state revenue sharing, unrestricted investment earnings, and other one-time or extraordinary revenue streams. General revenues amount to \$10,334,522 and increased by \$2,162,279, from the prior year.

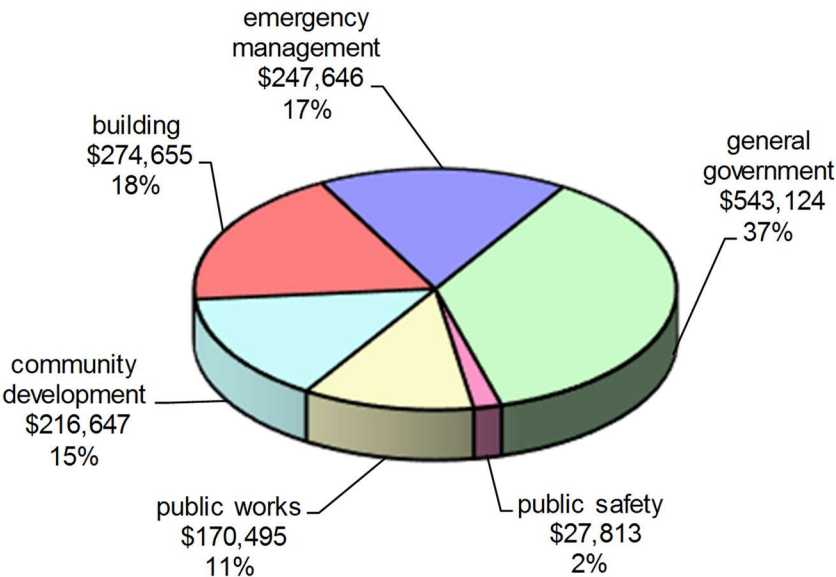


# Expenses and Program Revenues - Governmental Activities



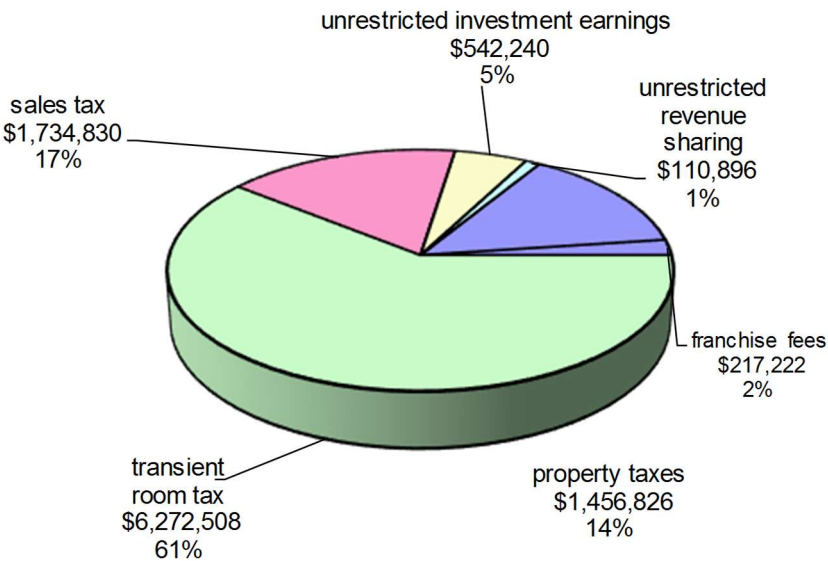
This next chart shows the 2022-2023 total functional revenues for each program in the amount of \$1,480,380 and the percentage of the total.

**Program Revenues - Governmental Activities -  
Charges for Service, Operating and Capital Grants**



As the next chart reflects, most 2022-2023 governmental activities relied on general revenues to support the function. This graph shows total general revenues in the amount of \$10,334,522 and the percentage in each category. Prepare

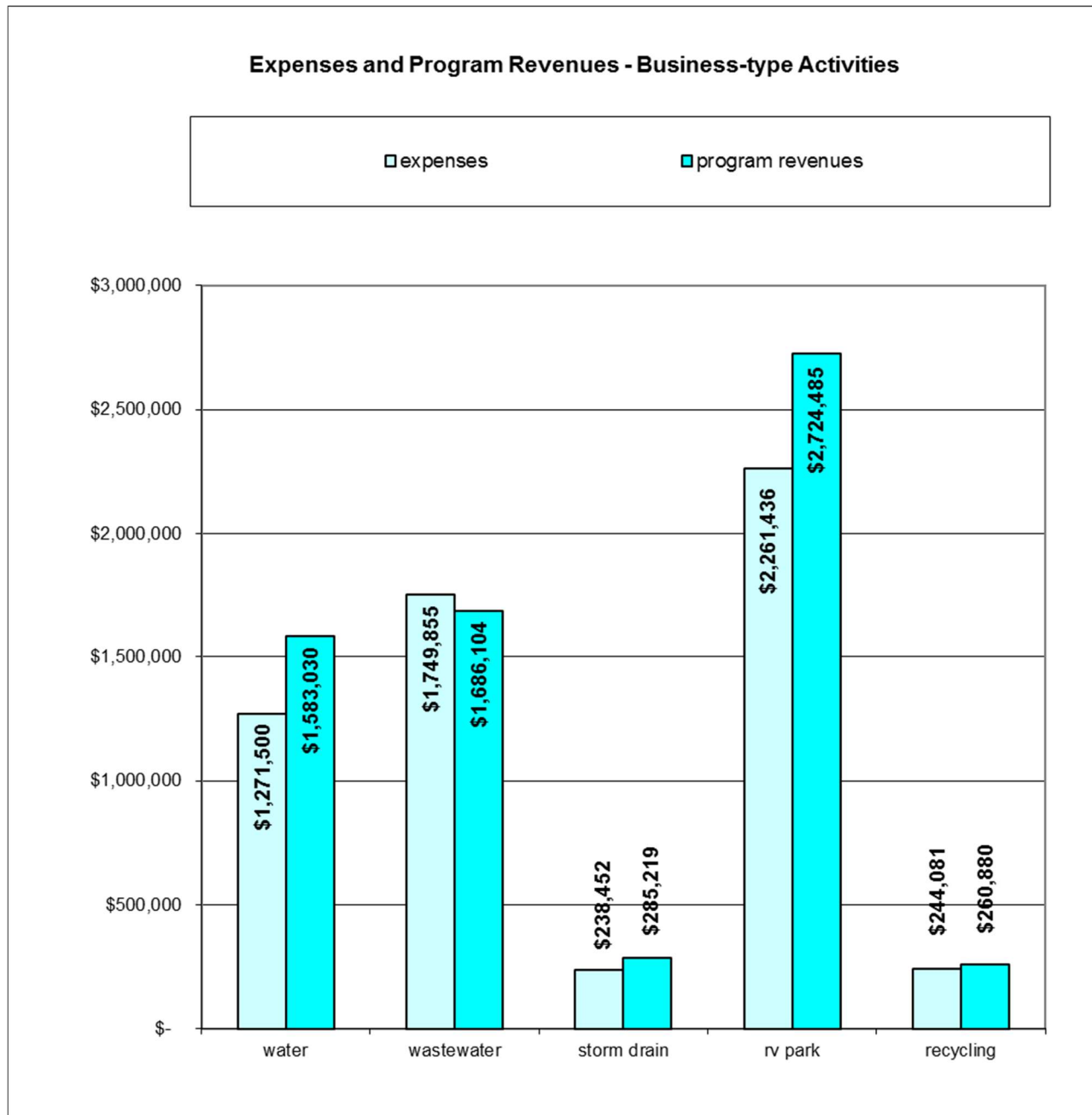
**Discretionary General Revenues by Source -  
Governmental Activities**



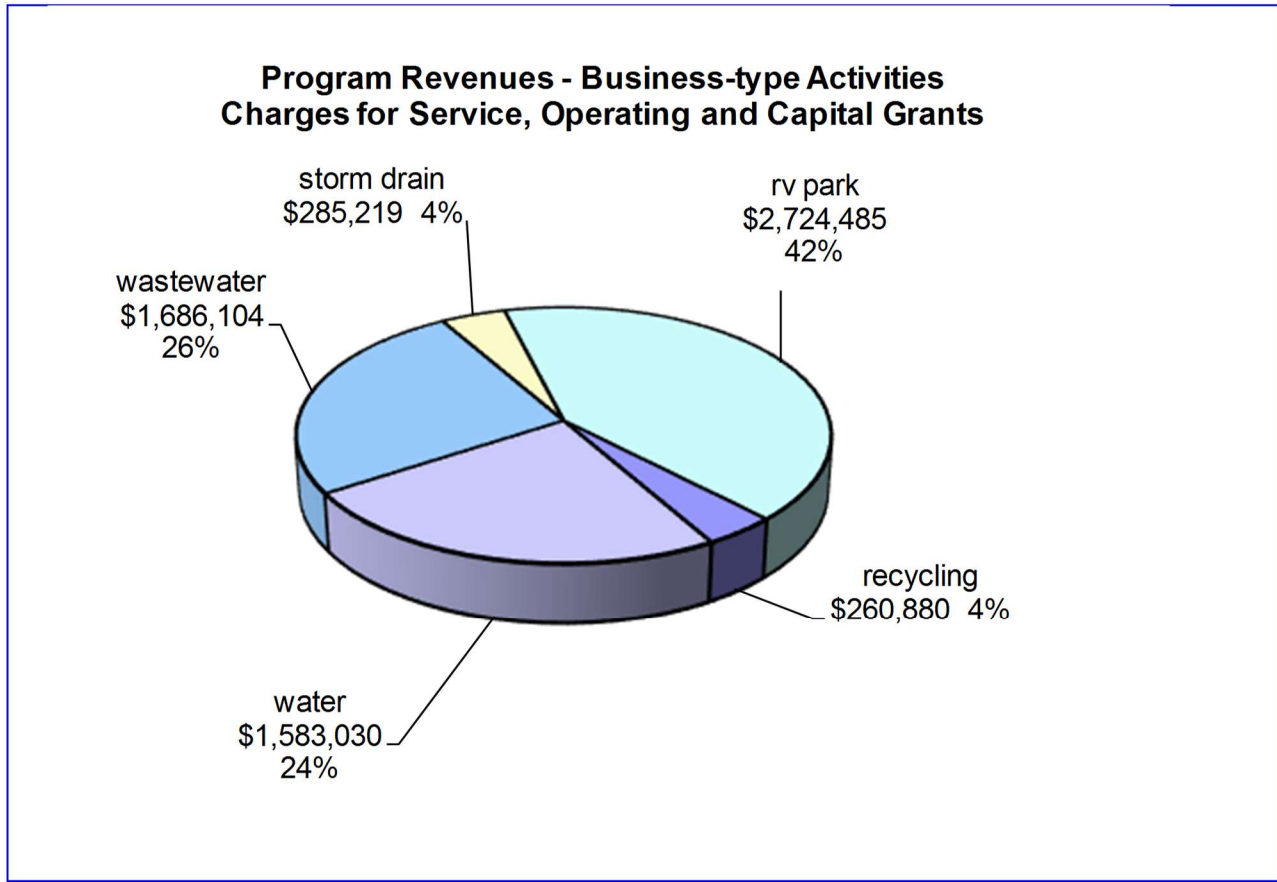
**Business-type activities.** Business-type activities increased the City's net position by \$552,974. Business-type activities' main source of revenue comes from charges for service. Key elements of this increase are as follows:

- Fines, fees, and charges for services include the utility revenue in the Water, Wastewater, Storm Drain, Recycling and RV Park enterprises. There was a net increase in fees in the amount of \$301,602 from the prior year. Of this amount the Water, Wastewater RV Park, Recycling, and Storm Drain funds had increases of \$24,207, \$60,004, \$188,663, \$23,315 and \$24,255, respectively.
- Water and Wastewater utilities had rate increases of 2% and 6%, respectively and were effective on July 1, 2022.
- There were increases in total operating grants and capital grants in the amount of \$286,016.
- Total operating expenses overall increased from the prior year in the amount of \$61,459.

Business-type activities of the City of Cannon Beach are supported by charges for utility service, capital contributions, development fees, and grants. The graph below summarizes the 2022-2023 expenses and revenues of those funds. Total revenues among all programs are \$6,539,718 and total expenses among all programs are \$5,765,324.



Total program revenues in the business-type activities of the City total \$6,539,718 as represented by the percentages in the chart below for 2022-2023.



#### Financial Analysis of the Government's Funds

As noted earlier, the City of Cannon Beach uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City of Cannon Beach's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Cannon Beach's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Cannon Beach's governmental funds reported combined ending fund balances of \$15,605,794 an increase of \$2,586,935 in comparison with the prior year.

The general fund is the chief operating fund of the City of Cannon Beach. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$5,308,227. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures.

The fund balance of the City's General Fund increased by \$767,569 during the current fiscal year. Key elements of the net increase to fund balance are as follows:

- Transient room tax decreased by \$92,832. The city's room tax rate is 8%.
- Investment earnings increased by \$352,752. Currently, interest rates are trending up.
- Overall, total revenues increased \$370,915 from the prior year.
- Expenditures and other uses (net transfers out) in the General Fund increased \$656,307 from the prior year.

The Transient Room Tax Fund has a total fund balance of \$7,770. The net increase in fund balance during the current year in the fund was \$6,842. This fund's normal revenue comes solely from transient room tax and is distributed for tourism purposes.

- Transient room tax revenue decreased \$9,846.
- Total expenses for visitor and tourism purposes decreased \$21,567.

The Clatsop County TRT (Transient Room Tax) Fund was formed in fiscal year 2019 to account for the room tax given to the city from the 1% tax collected by the County. This comprises the 70% of the tax that is dedicated to tourism purposes. The county elected to forgo a tourism purposes program of their own and is distributing the tax to the cities in the county in which the tax was collected. The Clatsop County TRT Fund has a total fund balance of \$933,596. The net increase in fund balance during the current year in the fund was \$218,316. This fund's revenue comes solely from transient room tax and is distributed for tourism purposes during the year.

- Transient room tax decreased \$14,041.
- Total expenses for visitor and tourism purposes increased \$170,954.

The Prepared Food Tax was formed in fiscal year 2021 to account for the 5% tax on prepared food. It is a new fund beginning in the year ended June 30, 2023.

- Prepared food tax revenue was \$1,734,830.
- Total expenses were \$823,917.

The Road Fund has a total fund balance of \$394,411, all of which is restricted for road maintenance. The net decrease in fund balance during the current year in the fund was \$18,323 and is attributable to the following:

- Total revenue decreased from the prior year by \$80,175.
- Grant revenue decreased by \$84,300.
- Transfers in from the General Fund decreased by \$280,280.
- Expenditures decreased \$274,729 from the prior year.

Tourism Facility Renovation Fund has a total fund balance of \$3,824,240, and holds the bond proceeds from the Full Faith and Credit Bonds Series 2022. The bond proceeds are to be used to finance the renovation of the Cannon Beach Elementary School. Design and construction costs will be expensed from the capital projects fund. The net decrease in fund balance during the current year in the fund was \$331,654 and is attributable to the following:

- Interest income increased from the prior year by \$117,592.
- Expenditures decreased \$87,308 from the prior year.

**Proprietary funds.** The City of Cannon Beach's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water Enterprise at the end of the year amounted to \$1,598,178, those for the Wastewater Enterprise at the end of the year amounted to \$748,373, those for the RV Park Enterprise at the end of the year amounted to \$1,492,428, and those for the Recycling Enterprise at the end of the year amounted to \$92,892, and those for the Storm Drain Enterprise at the end of the year amounted to \$311,812. The total increase in total net position for all enterprise funds was \$552,975. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Cannon Beach's business-type activities.

### **General Fund Budgetary Highlights**

Adjustments to the adopted budget during the fiscal year were made by resolution and approved by city council.

## Capital Asset and Debt Administration

City of Cannon Beach's Capital Assets, Net of Accumulated Depreciation						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 4,087,985	\$ 4,087,985	\$ 1,293,338	\$ 1,293,338	\$ 5,381,323	\$ 5,381,323
Buildings	913,847	957,735	1,684,476	1,750,459	2,598,323	2,708,194
Equipment and vehicles	668,149	631,357	289,837	273,588	957,984	904,945
Infrastructure	2,149,894	1,888,633	9,669,328	10,284,692	11,819,222	12,173,325
Construction in progress	<u>1,217,149</u>	<u>712,320</u>	<u>713,443</u>	<u>5,143</u>	<u>1,930,592</u>	<u>717,463</u>
Total	<u>\$ 9,037,024</u>	<u>\$ 8,278,030</u>	<u>\$ 13,650,422</u>	<u>\$ 13,607,220</u>	<u>\$ 22,687,444</u>	<u>\$ 21,885,250</u>

**Capital assets.** The City of Cannon Beach's investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounts to \$22,687,444 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, and bridges.

Net capital assets increased by \$802,194 during the year because capital asset additions of \$1,790,844 less current year depreciation in the amount of \$988,650 net to the overall increase of capital assets at the end of the year.

Major capital asset additions during the current fiscal year included the following

- Cannon Beach Elementary School \$458,151
- Water Resiliency-Phase II-in progress \$426,183
- Cache Site Improvements CSFRF \$199,865
- City Hall Design-in progress \$184,589
- Water Resiliency-Phase I-in progress \$140,897
- Siuslaw/Midway Pump Station \$127,440

The above 6 items comprise 86% of the total dollar value of additions this year or \$1,790,844. There are a total of 18 acquisitions this year.

Additional information on the City of Cannon Beach's capital assets can be found in note III C.

**Long-term debt.** At the end of the fiscal year, the City of Cannon Beach had total long-term debt outstanding of \$6,831,278, which is debt backed by the full faith and credit of the government.

City of Cannon Beach's Outstanding Debt						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 1,485,000	\$ 2,035,000	\$ -	\$ -	\$ 1,485,000	\$ 2,035,000
Full Faith and Credit	4,475,000	4,535,000	-	-	4,475,000	4,535,000
Original Issue Premium	233,895	261,278	-	-	233,895	261,278
Direct Borrowings	-	-	852,374	334,884	852,374	334,884
Total	<u>\$ 6,193,895</u>	<u>\$ 6,831,278</u>	<u>\$ 852,374</u>	<u>\$ 334,884</u>	<u>\$ 7,046,269</u>	<u>\$ 7,166,162</u>

The City of Cannon Beach's total long-term debt increased by \$119,893 during the current fiscal year.

Additional information on the City of Cannon Beach's long-term debt can be found in note III E.

### **Economic Factors and Next Year's Budgets and Rates**

- Room Tax was estimated at the fye 2023 budgeted annual amount of \$5.5 million.
- An expected increase in property tax revenue in the range of 3%.
- Water and Wastewater utility rates were budgeted to increase 2% and 6%, respectively.
- Cost of living adjustments to wages of 5.%

All of these factors were considered in preparing the City of Cannon Beach's budget for the 2024 fiscal year end and can be viewed on the city's website.

### **Requests for information**

This financial report is designed to provide a general overview of the City of Cannon Beach's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Laurie A. Sawrey, CPA, Finance Director, PO Box 368, 163 E. Gower Street, Cannon Beach, Oregon 97110.

**CITY OF CANNON BEACH, OREGON**

Statement of Net Position

June 30, 2023

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 14,154,580	\$ 4,402,327	\$ 18,556,907
Receivables	2,428,051	452,364	2,880,415
Leases receivable, current	21,733	-	21,733
Inventory	-	237,662	237,662
Noncurrent assets:			
Lease receivable	429,210	-	429,210
Capital assets:			
Nondepreciable assets	5,305,134	2,006,782	7,311,916
Capital assets, net	<u>3,731,890</u>	<u>11,643,641</u>	<u>15,375,531</u>
Total assets	<u>26,070,598</u>	<u>18,742,776</u>	<u>44,813,374</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pensions	1,517,634	308,420	1,826,054
Related to OPEB	3,318	675	3,993
Deferred charge on refunding	<u>43,843</u>	<u>-</u>	<u>43,843</u>
Total deferred outflows	<u>1,564,795</u>	<u>309,095</u>	<u>1,873,890</u>
Total assets and deferred outflows	<u>27,635,393</u>	<u>19,051,871</u>	<u>46,687,264</u>
<b>LIABILITIES</b>			
Accounts Payable	728,052	189,750	917,802
Accrued interest payable	8,971	5,702	14,673
Unearned revenue	60,058	-	60,058
Noncurrent liabilities:			
Due in one year	918,376	61,853	980,229
Due in more than one year	5,458,129	828,813	6,286,942
Net pension liability	3,336,725	678,105	4,014,830
Net OPEB liability	<u>107,033</u>	<u>21,751</u>	<u>128,784</u>
Total liabilities	<u>10,617,344</u>	<u>1,785,974</u>	<u>12,403,318</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to leases	450,943	-	450,943
Related to pensions	1,035,790	210,500	1,246,290
Related to OPEB	<u>67,241</u>	<u>13,666</u>	<u>80,907</u>
Total deferred inflows	<u>1,553,974</u>	<u>224,166</u>	<u>1,778,140</u>
Total liabilities and deferred inflows	<u>12,171,318</u>	<u>2,010,140</u>	<u>14,181,458</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	7,469,017	9,915,822	17,384,839
Restricted for:			
Building inspection program	484,767	-	484,767
Affordable housing	261,243	-	261,243
Tourism and arts	2,088,490	-	2,088,490
Road maintenance	405,171	-	405,171
Debt service	61,967	-	61,967
Unrestricted	<u>4,693,420</u>	<u>7,125,909</u>	<u>11,819,329</u>
Total net position	<u>\$ 15,464,075</u>	<u>\$ 17,041,731</u>	<u>\$ 32,505,806</u>



**CITY OF CANNON BEACH, OREGON**

Statement of Activities

For the Year Ended June 30, 2023

Functions/Programs	Program Revenues					Governmental Activities	Business-type Activities	Total
	Expenses	Indirect Expense Allocation	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions			
Governmental activities:								
General government	\$ 3,627,105	\$ (974,515)	\$ 311,370	\$ 231,754	\$ -	\$ (2,109,466)	\$ -	\$ (2,109,466)
Building	178,548	48,226	274,655	-	-	47,881	-	47,881
Community development	924,207	-	168,439	48,208	-	(707,560)	-	(707,560)
Public works	1,607,202	(248,652)	52,331	118,164	-	(1,188,055)	-	(1,188,055)
Public safety	1,884,175	-	16,566	11,247	-	(1,856,362)	-	(1,856,362)
Emergency management	402,881	-	402	35,000	212,244	(155,235)	-	(155,235)
Unallocated depreciation	274,418	-	-	-	-	(274,418)	-	(274,418)
Interest on long-term liabilities	236,862	-	-	-	-	(236,862)	-	(236,862)
Total governmental activities	<u>9,135,398</u>	<u>(1,174,941)</u>	<u>823,763</u>	<u>444,373</u>	<u>212,244</u>	<u>(6,480,077)</u>	<u>-</u>	<u>(6,480,077)</u>
Business-type activities:								
Water utilities	830,502	440,998	1,423,650	144,605	14,775	-	311,530	311,530
Wastewater utilities	1,316,890	432,965	1,530,937	128,783	26,384	-	(63,751)	(63,751)
Storm drain utilities	166,731	71,721	279,722	-	5,497	-	46,767	46,767
RV Park	2,099,253	162,183	2,724,485	-	-	-	463,049	463,049
Recycling	177,007	67,074	260,880	-	-	-	16,799	16,799
Total business-type activities	<u>4,590,383</u>	<u>1,174,941</u>	<u>6,219,674</u>	<u>273,388</u>	<u>46,656</u>	<u>-</u>	<u>774,394</u>	<u>774,394</u>
Total activities	<u>\$ 13,725,781</u>	<u>\$ -</u>	<u>\$ 7,043,437</u>	<u>\$ 717,761</u>	<u>\$ 258,900</u>	<u>(6,480,077)</u>	<u>774,394</u>	<u>(5,705,683)</u>
General revenues:								
Taxes:								
Property taxes levied for general purpose						1,456,826	-	1,456,826
Transient room taxes						6,272,508	-	6,272,508
Prepared food tax						1,734,830	-	1,734,830
Franchise fees						217,222	-	217,222
Unrestricted state revenue sharing						110,896	-	110,896
Unrestricted investment earnings						542,240	-	542,240
Total general revenues						10,334,522	-	10,334,522
Transfers						221,420	(221,420)	-
Total general revenues and transfers						10,555,942	(221,420)	10,334,522
Change in net position						4,075,865	552,974	4,628,839
Net position, beginning						11,388,210	16,488,757	27,876,967
Net position, ending						<u>\$ 15,464,075</u>	<u>\$ 17,041,731</u>	<u>\$ 32,505,806</u>

**CITY OF CANNON BEACH, OREGON**

**GOVERNMENTAL FUNDS**

Balance Sheet

June 30, 2023

	General Fund	Transient Room Tax Fund	Clatsop County TRT Fund	Prepared Food Sales Tax Fund	Road Fund	General Reserve Fund	Tourism Facility Renovation Fund	Nonmajor Governmental Funds	Total
<b>ASSETS</b>									
Cash and Cash Equivalents	\$ 4,248,389	\$ 617	\$ 792,813	\$ 670,753	\$ 409,005	\$ 2,413,821	\$ 3,841,392	\$ 1,743,211	\$ 14,120,001
Receivables:									
Property Taxes Receivable	41,498	-	-	-	15,245	-	-	23,843	80,586
Accounts Receivable	70,591	-	-	-	11,140	-	-	800	82,531
Room Taxes Receivable	1,239,859	131,479	272,602	-	-	-	-	131,479	1,775,419
Sales Tax Receivable	-	-	-	489,515	-	-	-	-	489,515
Total assets	<u>\$ 5,600,337</u>	<u>\$ 132,096</u>	<u>\$ 1,065,415</u>	<u>\$ 1,160,268</u>	<u>\$ 435,390</u>	<u>\$ 2,413,821</u>	<u>\$ 3,841,392</u>	<u>\$ 1,899,333</u>	<u>\$ 16,548,052</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>									
Liabilities:									
Accounts Payable	\$ 202,765	\$ 124,326	\$ -	\$ 249,355	\$ 30,221	\$ -	\$ 17,152	\$ 69,656	\$ 693,475
Unearned Revenue	60,057	-	-	-	-	-	-	-	60,057
Total liabilities	<u>262,822</u>	<u>124,326</u>	<u>-</u>	<u>249,355</u>	<u>30,221</u>	<u>-</u>	<u>17,152</u>	<u>69,656</u>	<u>753,532</u>
Deferred Inflows of Resources:									
Unavailable property taxes	29,288	-	-	-	10,760	-	-	16,861	56,909
Unavailable transient room tax	-	-	131,819	-	-	-	-	-	131,819
Total deferred inflows of resources	<u>29,288</u>	<u>-</u>	<u>131,819</u>	<u>-</u>	<u>10,760</u>	<u>-</u>	<u>-</u>	<u>16,861</u>	<u>188,728</u>
Fund Balances:									
Restricted for:									
Road maintenance	-	-	-	-	394,411	-	-	-	394,411
Debt service	-	-	-	-	-	-	-	45,106	45,106
Tourism and arts	-	-	-	-	-	-	-	1,010,778	1,010,778
Public works	-	7,770	933,596	-	-	-	-	-	941,366
Affordable housing	-	-	-	-	-	-	-	261,243	261,243
Building inspection program	-	-	-	-	-	-	-	484,767	484,767
System development	-	-	-	-	-	-	-	4,528	4,528
Assigned to:									
Capital projects	-	-	-	910,913	-	2,413,821	3,824,240	6,394	7,155,368
Unassigned	<u>5,308,227</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,308,227</u>
Total fund balances	<u>5,308,227</u>	<u>7,770</u>	<u>933,596</u>	<u>910,913</u>	<u>394,411</u>	<u>2,413,821</u>	<u>3,824,240</u>	<u>1,812,816</u>	<u>15,605,794</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,600,337</u>	<u>\$ 132,096</u>	<u>\$ 1,065,415</u>	<u>\$ 1,160,268</u>	<u>\$ 435,392</u>	<u>\$ 2,413,821</u>	<u>\$ 3,841,392</u>	<u>\$ 1,899,333</u>	<u>\$ 16,548,054</u>

## CITY OF CANNON BEACH, OREGON

### Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

June 30, 2023

Amounts reported for governmental activities in the statement of net position are different because:

Fund balances - governmental funds	\$ 15,605,793
Receivables are not available to pay for current period expenditure	188,729

Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds:

Nondepreciable assets	\$ 5,305,134	
Depreciable assets, net of accumulated depreciation	<u>3,731,890</u>	9,037,024

Assets, liabilities, deferred inflows and deferred outflows related to the City's portion of the State-wide pension plan and other post-retirement benefits are not current resources or requirements and therefore are not reported in the funds:

Deferred outflows of resources related to pensions	1,517,634	
Deferred outflows of resources related to OPEB	3,318	
Net pension liability	(3,336,725)	
Net OPEB liability	(107,033)	
Deferred inflows of resources related to pensions	(1,035,790)	
Deferred inflows of resources related to OPEB	<u>(67,241)</u>	(3,025,837)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Compensated absences	(182,610)	
Accrued interest payable	(8,972)	
Deferred charges on refunding debt	43,843	
Bonds payable	<u>(6,193,895)</u>	
		<u>(6,341,634)</u>

Net position of governmental activities	\$ <u>15,464,075</u>
---	----------------------

**CITY OF CANNON BEACH, OREGON**

**GOVERNMENTAL FUNDS**

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2023

	General Fund	Transient Room Tax Fund	Clatsop County TRT Fund	Prepared Food Sales Tax Fund	Road Fund	General Reserve Fund	Tourism Facility Renovation Fund	Nonmajor Governmental Funds	Total
<b>Revenues:</b>									
Taxes and assessments	\$ 864,867	\$ -	\$ -	\$ 1,734,830	\$ 390,300	\$ -	\$ -	\$ 439,535	\$ 3,429,532
Transient room taxes	4,795,417	508,605	463,440	-	-	-	-	508,605	6,276,067
Licenses, permits and fees	439,063	-	-	-	-	-	-	274,731	713,794
Grants and donations	538,454	-	-	-	-	-	-	-	538,454
Franchise fees	217,222	-	-	-	-	-	-	-	217,222
Investment earnings	415,621	-	-	-	121	-	126,498	-	542,240
Other revenue	74,392	-	-	-	14,270	-	-	232	88,894
<b>Total revenues</b>	<b>7,345,036</b>	<b>508,605</b>	<b>463,440</b>	<b>1,734,830</b>	<b>404,691</b>	<b>-</b>	<b>126,498</b>	<b>1,223,103</b>	<b>11,806,203</b>
<b>Expenditures:</b>									
<b>Current:</b>									
General Government	1,379,518	501,763	-	823,917	-	-	-	234,260	2,939,458
Public safety	1,884,255	-	-	-	-	-	-	-	1,884,255
Public works	517,344	-	-	-	889,195	-	-	-	1,406,539
Building	-	-	-	-	-	-	-	226,866	226,866
Community development	703,074	-	-	-	-	-	-	-	703,074
Emergency management	402,083	-	-	-	-	-	-	-	402,083
<b>Debt service:</b>									
Principal retirement	-	-	-	-	-	-	-	610,000	610,000
Interest expense	-	-	-	-	-	-	-	266,523	266,523
Capital outlay	545,528	-	-	-	-	-	458,152	2,430	1,006,110
<b>Total expenditures</b>	<b>5,431,802</b>	<b>501,763</b>	<b>-</b>	<b>823,917</b>	<b>889,195</b>	<b>-</b>	<b>458,152</b>	<b>1,340,079</b>	<b>9,444,908</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,913,234</b>	<b>6,842</b>	<b>463,440</b>	<b>910,913</b>	<b>(484,504)</b>	<b>-</b>	<b>(331,654)</b>	<b>(116,976)</b>	<b>2,361,295</b>
<b>Other Financing Sources (Uses):</b>									
Transfers in	300,000	-	-	-	466,181	700,000	-	446,028	1,912,209
Transfers out	(1,445,665)	-	(245,124)	-	-	-	-	-	(1,690,789)
Capital contributions	-	-	-	-	-	-	-	4,220	4,220
<b>Total other financing sources (uses)</b>	<b>(1,145,665)</b>	<b>-</b>	<b>(245,124)</b>	<b>-</b>	<b>466,181</b>	<b>700,000</b>	<b>-</b>	<b>450,248</b>	<b>225,640</b>
<b>Net change in fund balances</b>	<b>767,569</b>	<b>6,842</b>	<b>218,316</b>	<b>910,913</b>	<b>(18,323)</b>	<b>700,000</b>	<b>(331,654)</b>	<b>333,272</b>	<b>2,586,935</b>
<b>Fund Balances:</b>									
Beginning of year	4,540,658	928	715,280	-	412,734	1,713,821	4,155,894	1,479,544	13,018,859
End of year	\$ 5,308,227	\$ 7,770	\$ 933,596	\$ 910,913	\$ 394,411	\$ 2,413,821	\$ 3,824,240	\$ 1,812,816	\$ 15,605,794

## CITY OF CANNON BEACH, OREGON

### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

June 30, 2023

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - governmental funds	\$ 2,586,935
--	--------------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in unavailable property taxes	\$ 8,040	
Change in unavailable transient room taxes	<u>(3,560)</u>	
		4,480

Capital outlays are reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital outlays over their estimated useful lives as depreciation expense.

Expenditures for capital assets	1,033,412	
Current year depreciation	<u>(274,418)</u>	
		758,994

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in:		
Compensated absences	4,163	
Accrued interest payable	13,239	
Amortization of bond premiums	27,383	
Amortization of deferred charges on refunding debt	(10,961)	
Expenses related to pension obligations	87,212	
Expenses related to OPEB obligations	<u>(5,580)</u>	
		115,456

Proceeds from the issuance of long-term debt provide current financial resources to governmental funds and are reported as other financing sources. In the same way, repayments of long-term debt use current financial resources and are reported as expenditures in governmental funds. However, neither the receipt of debt proceeds nor the payment of debt principal affect the Statement of Activities, but are reported as increases and decreases in noncurrent liabilities in the Statement of Net Position.

Repayment of long-term debt	<u>610,000</u>
-----------------------------	----------------

Change in net position of governmental activities	\$ <u><u>4,075,865</u></u>
---	----------------------------

**CITY OF CANNON BEACH, OREGON****GENERAL FUND****Statement of Resources and Requirements**

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Resources:</b>				
Beginning fund balance	\$ 2,475,195	\$ 2,475,195	\$ 4,540,658	\$ 2,065,463
Taxes and assessments	869,312	869,312	864,867	(4,445)
Transient room taxes	4,537,500	4,537,500	4,795,417	257,917
Franchise fees	201,000	201,000	217,222	16,222
Licenses, permits and fees	357,766	357,766	439,063	81,297
Grants and donations	259,650	317,650	538,454	220,804
Investment earnings	49,175	49,175	415,621	366,446
Other revenue	61,040	61,040	74,392	13,352
Transfers in	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Total resources	<u>\$ 9,110,638</u>	<u>\$ 9,168,638</u>	<u>\$ 12,185,694</u>	<u>\$ 3,017,056</u>
<b>Requirements:</b>				
Executive	\$ 1,668,063	\$ 1,689,063	\$ 880,603	\$ 808,460
Community development	658,647	783,647	703,074	80,573
Public works	1,021,135	1,027,948	535,759	492,189
Public safety	2,094,003	2,094,003	1,966,779	127,224
Emergency management	754,879	804,879	653,969	150,910
Non-departmental	772,885	772,885	691,618	81,267
Transfers out	<u>1,445,665</u>	<u>1,445,665</u>	<u>1,445,665</u>	<u>-</u>
Total expenditures	8,415,277	8,618,090	6,877,467	1,740,623
Ending fund balance	<u>695,361</u>	<u>550,548</u>	<u>5,308,227</u>	<u>(4,757,679)</u>
Total requirements	<u>\$ 9,110,638</u>	<u>\$ 9,168,638</u>	<u>\$ 12,185,694</u>	<u>\$ (3,017,056)</u>

**CITY OF CANNON BEACH, OREGON**

**013 - TRANSIENT ROOM TAX FUND**

**Statement of Resources and Requirements**

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ -	\$ -	\$ 928	\$ 928
Transient room taxes	<u>577,500</u>	<u>577,500</u>	<u>508,605</u>	<u>(68,895)</u>
Total resources	<u><u>\$ 577,500</u></u>	<u><u>\$ 577,500</u></u>	<u><u>\$ 509,533</u></u>	<u><u>\$ (67,967)</u></u>
Requirements:				
Transient Room Tax Program:				
Materials and services	\$ 577,500	\$ 577,500	\$ 501,763	\$ 75,737
Ending fund balance	<u>-</u>	<u>-</u>	<u>7,770</u>	<u>(7,770)</u>
Total requirements	<u><u>\$ 577,500</u></u>	<u><u>\$ 577,500</u></u>	<u><u>\$ 509,533</u></u>	<u><u>\$ 67,967</u></u>

**CITY OF CANNON BEACH, OREGON**

## 014 - CLATSOP COUNTY TRT FUND

## Schedule of Resources and Requirements

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 553,505	\$ 553,505	\$ 749,280	\$ 195,775
Transient room taxes	<u>481,250</u>	<u>481,250</u>	<u>463,440</u>	<u>(17,810)</u>
Total resources	<u>\$ 1,034,755</u>	<u>\$ 1,034,755</u>	<u>\$ 1,212,720</u>	<u>\$ 177,965</u>
Requirements:				
Transient Room Tax Program:				
Materials and services	\$ 573,814	\$ 573,814	\$ -	\$ 573,814
Capital outlay	181,817	181,817	-	181,817
Interfund loan repayments	<u>34,000</u>	<u>34,000</u>	<u>34,000</u>	<u>-</u>
Total program-specific	789,631	789,631	34,000	755,631
Transfers out	245,124	245,124	245,124	-
Ending fund balance	<u>-</u>	<u>-</u>	<u>933,596</u>	<u>(933,596)</u>
Total requirements	<u>\$ 1,034,755</u>	<u>\$ 1,034,755</u>	<u>\$ 1,212,720</u>	<u>\$ (177,965)</u>



**CITY OF CANNON BEACH, OREGON**

**019 - PREPARED FOOD SALES TAX FUND**

**Statement of Revenues, Expenditures, and Changes in Fund Balance**

**Budget and Actual (Budgetary Basis)**

**For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Taxes and assessments	\$ <u>1,760,000</u>	\$ <u>1,760,000</u>	\$ <u>1,734,830</u>	\$ <u>(25,170)</u>
Total resources	<u>1,760,000</u>	<u>1,760,000</u>	<u>1,734,830</u>	<u>(25,170)</u>
Requirements:				
Materials and services	880,000	880,000	823,917	56,083
Contingency	176,000	176,000	-	176,000
Ending fund balance	<u>704,000</u>	<u>704,000</u>	<u>910,913</u>	<u>(206,913)</u>
Total requirements	\$ <u>1,760,000</u>	\$ <u>1,760,000</u>	<u>1,734,830</u>	\$ <u>25,170</u>

**CITY OF CANNON BEACH, OREGON****040 - ROAD FUND****Schedule of Resources and Requirements****Budget and Actual (Budgetary Basis)****For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Resources:</b>				
Beginning fund balance	\$ 420,000	\$ 420,000	\$ 412,734	\$ (7,266)
Taxes and assessments	387,331	387,331	390,300	2,969
Investment earnings	-	-	121	121
Other revenue	-	-	14,269	14,269
Transfers in	<u>466,181</u>	<u>466,181</u>	<u>466,181</u>	<u>-</u>
Total resources	<u>\$ 1,273,512</u>	<u>\$ 1,273,512</u>	<u>\$ 1,283,605</u>	<u>\$ 10,093</u>
<b>Requirements:</b>				
Roads Program:				
Personal services	\$ 270,263	\$ 270,263	\$ 264,533	\$ 5,730
Materials and services	695,997	695,997	597,410	98,587
Capital outlay	<u>95,000</u>	<u>122,252</u>	<u>27,251</u>	<u>95,001</u>
Total program-specific	<u>1,061,260</u>	<u>1,088,512</u>	<u>889,194</u>	<u>199,318</u>
Contingency	<u>212,252</u>	<u>185,000</u>	<u>-</u>	<u>185,000</u>
Total expenditures	<u>1,273,512</u>	<u>1,273,512</u>	<u>889,194</u>	<u>384,318</u>
Ending fund balance	<u>-</u>	<u>-</u>	<u>394,411</u>	<u>(394,411)</u>
Total requirements	<u>\$ 1,273,512</u>	<u>\$ 1,273,512</u>	<u>\$ 1,283,605</u>	<u>\$ (10,093)</u>

**CITY OF CANNON BEACH, OREGON**

PROPRIETARY FUNDS

Statement of Net Position

June 30, 2023

	Business-type Activities					Total	Governmental
	Major Enterprise Funds				Nonmajor		Activities
	Water Enterprise	Wastewater Enterprise	RV Park Enterprise	Recycling Enterprise	Storm Drain Enterprise		Internal Service Funds
<b>ASSETS</b>							
Current assets:							
Cash and Cash Equivalents	\$ 1,573,893	\$ 831,638	\$ 1,524,038	\$ 173,454	\$ 299,304	\$ 4,402,327	\$ 34,581
Receivables	257,345	143,704	-	26,712	24,603	452,364	-
Inventory	133,864	55,850	47,948	-	-	237,662	-
Total current assets	<u>1,965,102</u>	<u>1,031,192</u>	<u>1,571,986</u>	<u>200,166</u>	<u>323,907</u>	<u>5,092,353</u>	<u>34,581</u>
Noncurrent assets:							
Capital assets:							
Nondepreciable assets	1,079,892	127,440	799,450	-	-	2,006,782	-
Capital assets, net	<u>3,507,840</u>	<u>6,053,024</u>	<u>1,395,426</u>	<u>155,513</u>	<u>531,838</u>	<u>11,643,641</u>	<u>47,945</u>
Total noncurrent assets	<u>4,587,732</u>	<u>6,180,464</u>	<u>2,194,876</u>	<u>155,513</u>	<u>531,838</u>	<u>13,650,423</u>	<u>47,945</u>
Total assets	<u>6,552,834</u>	<u>7,211,656</u>	<u>3,766,862</u>	<u>355,679</u>	<u>855,745</u>	<u>18,742,776</u>	<u>82,526</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred outflows related to							
pensions	128,919	127,458	-	47,843	4,200	308,420	500,522
Deferred outflows related to							
OPEB	<u>282</u>	<u>279</u>	<u>-</u>	<u>105</u>	<u>9</u>	<u>675</u>	<u>1,094</u>
Total deferred outflows	<u>129,201</u>	<u>127,737</u>	<u>-</u>	<u>47,948</u>	<u>4,209</u>	<u>309,095</u>	<u>501,616</u>
of resources							
Total assets & deferred	<u>6,682,035</u>	<u>7,339,393</u>	<u>3,766,862</u>	<u>403,627</u>	<u>859,954</u>	<u>19,051,871</u>	<u>584,142</u>
outflows							
<b>LIABILITIES</b>							
Current liabilities:							
Accounts Payable	84,330	18,927	79,558	3,908	3,026	189,749	34,581
Accrued interest payable	5,547	155	-	-	-	5,702	-
Accrued compensated							
absences	20,009	9,610	-	7,978	695	38,292	84,071
Current Portion Of Long Term							
Liabilities	<u>19,760</u>	<u>3,801</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,561</u>	<u>-</u>
Total current liabilities	<u>129,646</u>	<u>32,493</u>	<u>79,558</u>	<u>11,886</u>	<u>3,721</u>	<u>257,304</u>	<u>118,652</u>
Noncurrent liabilities:							
Loans and Notes Payable	703,830	124,983	-	-	-	828,813	-
Net pension liability	283,447	280,235	-	105,189	9,234	678,105	1,100,465
Net OPEB liability	<u>9,092</u>	<u>8,989</u>	<u>-</u>	<u>3,374</u>	<u>296</u>	<u>21,751</u>	<u>35,300</u>
Total liabilities	<u>1,126,015</u>	<u>446,700</u>	<u>79,558</u>	<u>120,449</u>	<u>13,251</u>	<u>1,785,973</u>	<u>1,254,417</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred inflows related to							
pensions	87,988	86,992	-	32,653	2,867	210,500	341,608
Deferred inflows related to							
OPEB	<u>5,712</u>	<u>5,648</u>	<u>-</u>	<u>2,120</u>	<u>186</u>	<u>13,666</u>	<u>22,176</u>
Total deferred Inflows of	<u>93,700</u>	<u>92,640</u>	<u>-</u>	<u>34,773</u>	<u>3,053</u>	<u>224,166</u>	<u>363,784</u>
resources							
<b>NET POSITION</b>							
Net investment in capital assets	3,864,142	6,051,680	2,194,876	155,513	531,838	12,798,049	47,945
Unrestricted	<u>1,598,178</u>	<u>748,373</u>	<u>1,492,428</u>	<u>92,892</u>	<u>311,812</u>	<u>4,243,683</u>	<u>(1,082,004)</u>
Total net position	<u>\$ 5,462,320</u>	<u>\$ 6,800,053</u>	<u>\$ 3,687,304</u>	<u>\$ 248,405</u>	<u>\$ 843,650</u>	<u>\$ 17,041,732</u>	<u>\$ (1,034,059)</u>

**CITY OF CANNON BEACH, OREGON**

**PROPRIETARY FUNDS**

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities
	Major Funds				Total	Internal Service Funds
	Water Enterprise	Wastewater Enterprise	RV Park Enterprise	Recycling Enterprise	Storm Drain Enterprise	Total
Operating Revenues:						
Charges for services	\$ 1,408,067	\$ 1,530,324	\$ 2,724,474	\$ 259,475	\$ 279,683	\$ 6,202,023
Other revenue	15,583	613	11	1,405	39	17,651
Total operating revenues	<u>1,423,650</u>	<u>1,530,937</u>	<u>2,724,485</u>	<u>260,880</u>	<u>279,722</u>	<u>6,219,674</u>
Operating Expenses:						
Personal services	341,188	404,049	-	118,759	13,792	877,788
Materials and services	732,120	930,150	2,191,953	115,096	199,464	4,168,783
Depreciation	194,719	414,671	69,483	10,226	25,037	714,136
Total operating expenses	<u>1,268,027</u>	<u>1,748,870</u>	<u>2,261,436</u>	<u>244,081</u>	<u>238,293</u>	<u>5,760,707</u>
Operating income (loss)	<u>155,623</u>	<u>(217,933)</u>	<u>463,049</u>	<u>16,799</u>	<u>41,429</u>	<u>458,967</u>
Nonoperating Revenues (Expenses):						
Intergovernmental Revenues	144,605	128,783	-	-	-	273,388
Interest expense	(3,475)	(1,141)	-	-	-	(4,616)
Total nonoperating revenues (expenses)	<u>141,130</u>	<u>127,642</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>268,772</u>
Income (loss) before contributions	296,753	(90,291)	463,049	16,799	41,429	727,739
Capital contributions	14,775	26,384	-	-	5,497	46,656
Transfers in	414,937	113,519	59,969	-	184,058	772,483
Transfers out	(414,937)	(62,560)	(359,969)	-	(156,437)	(993,903)
Change in net position	311,528	(12,948)	163,049	16,799	74,547	552,975
Net Position:						
Beginning of year	<u>5,150,792</u>	<u>6,813,001</u>	<u>3,524,255</u>	<u>231,606</u>	<u>769,103</u>	<u>16,488,757</u>
End of year	<u>\$ 5,462,320</u>	<u>\$ 6,800,053</u>	<u>\$ 3,687,304</u>	<u>\$ 248,405</u>	<u>\$ 843,650</u>	<u>\$ 17,041,732</u>

**CITY OF CANNON BEACH, OREGON**

**PROPRIETARY FUNDS**

**Statement of Cash Flows**

For the Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds						Governmental Activities
	Major Funds				Nonmajor Storm Drain Enterprise	Total	Internal Service Funds
	Water Enterprise	Wastewater Enterprise	RV Park Enterprise	Recycling Enterprise			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from customers	\$ 1,301,970	\$ 1,524,134	\$ 2,724,485	\$ 260,242	\$ 271,573	\$ 6,082,404	\$ -
Receipts from interfund charges	-	-	-	-	-	-	2,083,587
Payments to suppliers and contractors	(277,119)	(538,162)	(2,140,670)	(48,095)	(126,035)	(3,130,081)	(575,173)
Payments to employees	(346,515)	(349,393)	-	(122,249)	(13,471)	(831,628)	(1,478,123)
Payments for interfund services	(440,998)	(432,965)	(162,183)	(67,074)	(71,721)	(1,174,941)	-
Net cash provided by (used in) operating	<u>237,338</u>	<u>203,614</u>	<u>421,632</u>	<u>22,824</u>	<u>60,346</u>	<u>945,754</u>	<u>30,291</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Transfers in	-	50,959	-	-	27,621	78,580	-
Transfers out	-	-	(300,000)	-	-	(300,000)	-
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>50,959</u>	<u>(300,000)</u>	<u>-</u>	<u>27,621</u>	<u>(221,420)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Proceeds from debt issuance	571,317	219,561	-	-	-	790,878	-
Capital contributions	14,775	26,384	-	-	5,497	46,656	-
Acquisition and construction of capital assets	(559,410)	(213,420)	(28,100)	-	(20,438)	(821,368)	-
Interest paid on debt	-	(986)	-	-	-	(986)	-
Net cash used in capital and related financing activities	<u>26,682</u>	<u>31,539</u>	<u>(28,100)</u>	<u>-</u>	<u>(14,941)</u>	<u>15,180</u>	<u>-</u>
Net change in cash and cash equivalents	264,020	286,112	93,532	22,824	73,026	739,514	30,291
Cash and cash equivalents:							
Beginning of year	<u>1,309,779</u>	<u>545,526</u>	<u>1,430,506</u>	<u>150,630</u>	<u>226,278</u>	<u>3,662,719</u>	<u>4,290</u>
End of year	<u>\$ 1,573,799</u>	<u>\$ 831,638</u>	<u>\$ 1,524,038</u>	<u>\$ 173,454</u>	<u>\$ 299,304</u>	<u>\$ 4,402,233</u>	<u>\$ 34,581</u>

Continued on next page

	Business-type Activities - Enterprise Funds						Govenrmental Activities
	Major Funds				Nonmajor		Internal Service Funds
	Water Enterprise	Wastewater Enterprise	RV Park Enterprise	Recycling Enterprise	Storm Drain Enterprise	Total	
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>							
Operating income (loss)	\$ 155,623	\$ (217,933)	\$ 463,049	\$ 16,799	\$ 41,429	\$ 458,967	\$ 53,683
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	194,719	414,671	69,483	10,226	25,037	714,136	19,722
Pension adjustments	(7,521)	58,575	-	(4,025)	105	47,134	(78,484)
(Increase) decrease in assets:							
Receivables	(121,680)	(6,803)	-	(638)	(8,149)	(137,270)	13,874
Inventory	(3,891)	(21,000)	11,880	-	-	(13,011)	-
Increase (decrease) in liabilities:							
Trade Accounts Payable	17,894	(19,977)	(122,780)	(73)	1,709	(123,227)	16,417
Accrued compensated absences	<u>2,194</u>	<u>(3,919)</u>	<u>-</u>	<u>535</u>	<u>215</u>	<u>(975)</u>	<u>5,079</u>
Net cash provided by (used in) operating activities	<u>\$ 237,338</u>	<u>\$ 203,614</u>	<u>\$ 421,632</u>	<u>\$ 22,824</u>	<u>\$ 60,346</u>	<u>\$ 945,754</u>	<u>\$ 30,291</u>
<b>Schedule of noncash transactions:</b>							
Forgiveness of loan	<u>\$ 144,605</u>	<u>\$ 128,783</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 273,388</u>	<u>\$ -</u>

## CITY OF CANNON BEACH, OREGON

### Notes to the Financial Statements

June 30, 2023

#### **Note I - Summary of significant accounting policies**

The financial statements of the City of Cannon Beach, Oregon ("City") have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City of Cannon Beach, Oregon's significant accounting policies are described below.

#### **A. Description of government-wide financial statements**

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

#### **B. Reporting Entity**

The City of Cannon Beach, Oregon was incorporated in March 1957 as a municipal government under state law. The City operates under a council-city manager form of government. The governing body (City Council) consists of a mayor and four at-large councilors who serve four-year terms. The City Manager administers policies and coordinates the activities of the City. The City Manager reports to and is responsible to the City Council. The heads of various departments, formed to provide various services, are under the direct supervision of the City Manager.

#### **C. Basis of presentation - government-wide and fund financial statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The fund financial statements provide information about the City's funds. Separate statements for each fund category—governmental and proprietary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all of the financial operations of the City except those required to be accounted for in another fund. Principal sources of revenue are property taxes, transient room taxes, licenses and permits, and state shared revenues. Primary expenditures are for general government and public safety.

The *transient room tax fund* accounts for receipts generated by the 1% increase in lodging taxes that went into effect on October 15, 2015. The principal source of revenue is 70% of the 1% increase. Revenues in this fund will be used in accordance with Oregon state statutes.

The *Clatsop County TRT fund* accounts for the transient room tax revenue distributed to the City from Clatsop County. The County implemented a 1% transient room tax on January 1, 2019 and will distribute 70% of the collections from those paying the tax that are within City limits to the City. The City will use these funds for promotions and tourism related facilities.

## **Note I - Summary of significant accounting policies, continued**

The *road fund* accounts for tax revenues which are levied by the Cannon Beach Road District, revenues from state gasoline taxes which are to be expended as outlined in the Constitution of the State of Oregon, Article IX, Section 3, and for grants that are received for the construction, maintenance and repair of streets and roads.

The *prepared food sale tax fund* accounts for the 2021 food tax that will help fund City and the rural fire district activities.

The *general reserve fund* accounts for financial resources used for the acquisition or construction of major capital facilities for the general fund. Primary source of revenue is transfers in.

The *tourism facility renovation fund* holds the bond proceeds from the Full Faith and Credit Bonds Series 2022. The bond proceeds are to be used to finance the renovation of the Cannon Beach Elementary School. Design and construction costs will be expensed from the capital projects fund.

The City reports the following major enterprise funds:

The *water enterprise fund* (a combination of the operating, reserve, and system development funds) accounts for the costs of operating the water system of the City and paying for its costs and renovation. User fees provide the revenue.

The *wastewater enterprise fund* (a combination of the operating, reserve, and system development funds) accounts for the costs of operating the wastewater public utility. User fees provide the revenue.

The *RV park enterprise fund* (a combination of the operating and reserve funds) accounts for the costs of operating the RV park. User fees provide the revenue.

The *recycling enterprise fund* (a combination of the operating and reserve funds) accounts for the costs of operating the recycling operations. User fees provide the revenue.

Additionally, the City reports the following nonmajor funds within the governmental fund type:

*Special revenue funds* account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

The *Debt service fund* accounts for the servicing of general long-term debt. Revenue sources are property taxes levied for general obligation bonds and other general governmental revenues.

*Capital project funds* account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by business-type or proprietary funds).

The City reports the following nonmajor enterprise funds:

The *storm drain enterprise fund* (a combination of the operating, reserve, and system development funds) accounts for the costs of operating the storm drain public utility. User fees provide the revenue.

Additionally, the City reports an *internal service fund* to account for the service of the Administrative Services Fund provided to other funds of the City.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.



## **Note I - Summary of significant accounting policies, continued**

### **D. Measurement focus and basis of accounting**

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

The government-wide and proprietary fund 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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes, transient room tax and franchise fees are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, postemployment benefits and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes, transient room taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

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

### **E. Assets, liabilities, deferred outflows/inflows of resources, and net position or fund balance**

#### **1. Deposits and investments**

The City's cash and equivalents are considered to be cash on hand, demand deposits, investments in the State of Oregon Local Government Investment Pool ("LGIP"), and short-term investments with original maturities of eighteen months or less from the date of acquisition. For purposes of the statement of cash flows, the City's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

LGIP is managed by the State, Office of the Treasurer, which allows certain types of governments within the state to pool their funds for investment purposes. Investments in the Pool are valued at the Pool's share price, the price at which the investment could be sold.

State statutes also authorize the City to invest in obligations of the U.S. Treasury and agency debt obligations, commercial paper, corporate bonds, and repurchase agreements. Investments are reported at fair value.

## **Note I - Summary of significant accounting policies, continued**

### **E. Assets, liabilities, deferred outflows/inflows of resources, and net position or fund balance, continued**

#### **2. Receivables and revenue**

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

Property taxes are levied and become a lien on July 1st. Property taxes are assessed in October and tax payments are due November 15th of the same year. Under the partial payment schedule, the first one-third of taxes are due November 15th of the same year, the second one-third on February 15th, and the remaining one-third on May 15th. A three percent discount is allowed if full payment is made by November 15th and a two percent discount is allowed if two-thirds payment is made by November 15th. Taxes become delinquent if not paid by the due date and interest accrues after each trimester at a rate of one percent per month.

#### **3. Inventories and prepaid items**

Inventories of materials and supplies in the proprietary funds are stated at average cost, on a first-in, first-out basis, and charged to expense as used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

#### **4. Capital assets**

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

As the City constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, and infrastructure of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements	25
Infrastructure and utility systems	25 - 50
Vehicles	5 - 10
Equipment	7 - 25

## **Note I - Summary of significant accounting policies, continued**

### **E. Assets, liabilities, deferred outflows/inflows of resources, and net position or fund balance, continued**

#### **5. Deferred outflows/inflows of resources**

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets 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 three items that qualify for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position, and deferred amounts related to pension and OPEB. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets 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 three items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and transient room taxes collected by Clatsop County. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements the City reports deferred amounts related to leases and deferred amounts related to pension and OPEB.

#### **6. Compensated absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

#### **7. Net position**

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- *Net investment in capital assets* consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- *Restricted net position* consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- *Unrestricted net position* is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

## **Note I - Summary of significant accounting policies, continued**

### **E. Assets, liabilities, deferred outflows/inflows of resources, and net position or fund balance, continued**

#### **8. Fund balance**

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called "fund balance." The City's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

- *Nonspendable* fund balance represents amounts that are either not in a spendable form or are legally or contractually required to remain intact.
- *Restricted* fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers.
- *Committed* fund balance represents amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the City's Council prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Council adopts another ordinance to remove or revise the limitation.
- *Assigned* fund balance represents amounts that are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The Council has by resolution authorized the finance director to assign fund balance. The Council may also assign fund balance, as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- *Unassigned* fund balance represents the residual amount for the general fund that is not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

As previously mentioned, sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

## **Note I - Summary of significant accounting policies, continued**

### **E. Assets, liabilities, deferred outflows/inflows of resources, and net position or fund balance, continued**

#### **9. Leases**

The City is a lessor for noncancellable leases of a parking lot and cell tower sites. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

#### **10. Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## **Note II - Stewardship, compliance, and accountability**

### **A. Budgetary information**

Annual budgets are adopted on a basis consistent with Oregon Revised Statutes (ORS 294 - Local Budget Law).

On or before June 30 of each year, the City enacts resolutions approving the budget, appropriating the expenditures, and levying the property taxes. Prior to enacting this resolution, the proposed budget is presented to a budget committee consisting of members of the City Council and a like number of interested citizens. The budget committee presents the budget to the City Council for budget hearings prior to enactment of the resolution.

The resolution authorizing appropriations for each fund sets the legal level of control by which expenditures cannot legally exceed appropriations. Total expenditures by department as established by the resolution are the legal level of control for the general and administrative services funds. Expenditure categories of fund program, debt service, transfers out and contingency are the legal levels of control for all other funds. The detail budget document, however, is required to contain more specific information for the above mentioned expenditure categories.

Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers, and adoption by the City Council. Management may modify original and supplemental budgets by the use of appropriation transfers between the legal levels of control within a fund. Such transfers require approval by the City Council. Management may not amend the budget without seeking approval of the Council. The City Council approved various transfer resolutions during the year.

### **Note III - Detailed notes on all funds**

#### **A. Deposits and investments**

The City maintains a cash and investment pool for its cash and cash equivalents in which each fund participates. Cash and investments are comprised of the following:

Petty cash	\$	200
Deposits with financial institutions		436,257
Local Government Investment Pool		<u>18,120,450</u>
Total	\$	<u>18,556,907</u>

*Custodial Credit Risk - Deposits.* There is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a formal policy for custodial credit risk, but follows the requirements of ORS 295. The City's cash is covered by federal depository insurance or by the Public Funds Collateralization Program (PFCP) of the State of Oregon. The PFCP is a shared liability structure for participating bank depositories. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of State Treasurer. In the event of bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

*Credit Risk - Investments.* The City has no investment policy for credit risk, but in practice follows state statutes which authorize the City to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers acceptances, certain commercial papers and the State Treasurer's Investment Pool (LGIP), among others.

LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the Pool's investment policies. The State Treasurer is the investment officer for the Pool and is responsible for all funds in the Pool. These funds must be invested and the investments managed as a prudent investor would, exercising reasonable care, skill and caution. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short-term Funds Board, which establish diversification percentages and specify the types of maturities of investments. The Oregon Audits Division of the Secretary of State's Office audits the Pool annually. LGIP is not rated by a national rating service. The financial statements are available at [www.ost.state.or.us](http://www.ost.state.or.us).

*Interest Rate Risk.* The City manages its exposure to declines in fair value by limiting the maximum maturity to the anticipated use of the cash or 18 months, whichever is shorter.

The weighted-average maturity of the LGIP is less than one year.

**Note III - Detailed notes on all funds, continued****B. Lease receivable**

Lease receivable activity for the year ended June 30, 2023 was as follows:

	<u>Original Amount</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>					
Parking Lot Lease; interest at 3.25%, principal and interest of \$640 monthly, due August 2032	\$ 89,823	\$ 68,906	\$ -	\$ (6,253)	\$ 62,653
Cell Tower Site Lease; interest at 7%, principal and interest of \$1,025 monthly, due September 2032	120,262	102,414	-	(6,242)	96,172
Cell Tower Site Lease; interest at 3%, principal and interest of \$600 monthly, due August 2040	133,548	119,540	-	(4,211)	115,329
Cell Tower Site Lease; interest at 5%, principal and interest of \$1,288 monthly, due March 2034	214,529	<u>185,485</u>	<u>-</u>	<u>(8,696)</u>	<u>176,789</u>
		<u>\$ 476,345</u>	<u>\$ -</u>	<u>\$ (25,402)</u>	<u>\$ 450,943</u>

Future maturities are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 27,629	\$ 20,480
2025	31,041	19,068
2026	32,576	17,533
2027	35,186	15,907
2028	38,170	14,135
2029 - 2033	211,028	38,698
2034 - 2038	55,166	6,457
2039 - 2043	<u>20,147</u>	<u>682</u>
	<u>\$ 450,943</u>	<u>\$ 132,960</u>

During the year ended June 30, 2023 the City lease payments received during the year were \$25,402 and \$21,733 in principal and interest respectively.

**Note III - Detailed notes on all funds, continued****C. Capital assets**

Capital asset activity for the year ended June 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 4,087,985	\$ -	\$ -	\$ 4,087,985
Construction in progress	<u>712,320</u>	<u>664,964</u>	<u>(160,135)</u>	<u>1,217,149</u>
Total capital assets, not being depreciated	<u>4,800,305</u>	<u>664,964</u>	<u>(160,135)</u>	<u>5,305,134</u>
Capital assets, being depreciated:				
Buildings	2,687,153	8,899	-	2,696,052
Equipment and vehicles	2,082,358	134,743	(46,656)	2,170,445
Infrastructure	<u>4,026,278</u>	<u>224,806</u>	<u>160,135</u>	<u>4,411,219</u>
Total capital assets being depreciated	8,795,789	368,448	113,479	9,277,716
Less accumulated depreciation for:				
Buildings	(1,729,418)	(52,787)	-	(1,782,205)
Equipment and vehicles	(1,451,001)	(97,951)	46,656	(1,502,296)
Infrastructure	<u>(2,137,645)</u>	<u>(123,680)</u>	<u>-</u>	<u>(2,261,325)</u>
Total accumulated depreciation	<u>(5,318,064)</u>	<u>(274,418)</u>	<u>46,656</u>	<u>(5,545,826)</u>
Total capital assets, being depreciated, net	<u>3,477,725</u>	<u>94,030</u>	<u>160,135</u>	<u>3,731,890</u>
Governmental activities capital assets, net	<u>\$ 8,278,030</u>	<u>\$ 758,994</u>	<u>\$ -</u>	<u>\$ 9,037,024</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,293,338	\$ -	\$ -	\$ 1,293,338
Construction in progress	<u>5,143</u>	<u>713,119</u>	<u>(4,819)</u>	<u>713,443</u>
Total capital assets, not being depreciated	<u>1,298,481</u>	<u>713,119</u>	<u>(4,819)</u>	<u>2,006,781</u>
Capital assets, being depreciated:				
Buildings and improvements	3,058,053	-	-	3,058,053
Equipment and vehicles	730,050	44,220	4,819	779,089
Infrastructure	<u>21,392,939</u>	<u>-</u>	<u>-</u>	<u>21,392,939</u>
Total capital assets being depreciated	25,181,042	44,220	4,819	25,230,081
Less accumulated depreciation for:				
Buildings and improvements	(1,307,594)	(65,983)	-	(1,373,577)
Other equipment	(456,462)	(32,789)	-	(489,251)
Infrastructure	<u>(11,108,247)</u>	<u>(615,364)</u>	<u>-</u>	<u>(11,723,611)</u>
Total accumulated depreciation	<u>(12,872,303)</u>	<u>(714,136)</u>	<u>-</u>	<u>(13,586,439)</u>
Total capital assets, being depreciated, net	<u>12,308,739</u>	<u>(669,916)</u>	<u>4,819</u>	<u>11,643,642</u>
Business-type activities capital assets, net	<u>\$ 13,607,220</u>	<u>\$ 43,203</u>	<u>\$ -</u>	<u>\$ 13,650,423</u>



**Note III - Detailed notes on all funds, continued****C. Capital assets, continued**

Depreciation was not charged to specific functions or programs of the City for governmental activities. Capital assets are used throughout the City and are therefore unallocated. Depreciation expense for governmental activities is recorded on the statement of activities as unallocated depreciation expense. Depreciation expense was charged to functions/ programs of the City's business-type activities as follows:

Business-type activities:	
Water enterprise	\$ 194,719
Wastewater enterprise	414,671
RV park enterprise	69,483
Recycling enterprise	10,226
Storm drain enterprise	<u>25,037</u>
Total depreciation expense - business-type activities	<u>\$ 714,136</u>

**D. Internal balances and interfund transfers****Interfund transfers**

The interfund transfer activity for the year ended June 30, 2023 was as follows:

	Transfers Out:		
	General Fund	Clatsop County TRT Fund	RV Park Enterprise
Transfers In:			
General Fund	\$ -	\$ -	\$ 300,000
Road Fund	466,181	-	-
General Reserve Fund	700,000	-	-
Nonmajor Governmental Funds	200,904	245,124	-
Wastewater Enterprise	50,959	-	-
Storm Drain Enterprise	<u>27,621</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,445,665</u>	<u>\$ 245,124</u>	<u>\$ 300,000</u>

Interfund transfers are used to provide funds for debt service, to contribute towards the cost of capital projects, and to provide operational resources.

**Interfund advances**

The Clatsop County TRT Fund borrowed \$102,000 from the Tourism and Arts Fund during FY2020 to help pay for the purchase of the Cannon Beach Elementary School. The agreement requires the advance to be repaid over three years at 0% interest. During the year ended June 30, 2023, the Clatsop County TRT fund repaid the Tourism and Arts Fund \$34,000 and the balance outstanding at year-end was zero.

**Note III - Detailed notes on all funds, continued****E. Long-term debt**

Governmental debt outstanding at year end is as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
The general obligation bonds series 2022, a direct placement were issued in the original amount of \$2,305,000 to advance refund the remainder of the 2010 and 2012 Series general obligation bonds. These general obligation bonds are direct obligations and pledge the full faith and credit of the City. The debt service fund is used to liquidate these bonds. Final maturity of these bonds is June 1, 2027. Upon the event of default the bond holders may take whatever action may appear necessary or desirable, either at law or in equity or in bankruptcy or otherwise	4.0%	\$ 1,485,000
The full faith and credit bonds series 2022, a direct placement, were issued in the original amount of \$4,535,000 to finance capital improvement projects. The financing payments for these obligations pledge the full faith and credit of the City. The debt service fund is used to liquidate these bonds. Final maturity of these bonds is June 1, 2052. Upon the event of default the bond holders may take whatever action may appear necessary or desirable, either at law or in equity or in bankruptcy or otherwise	3.0% to 4.0%	<u>4,475,000</u>
Total general obligation bonds outstanding		5,960,000
Current portion		<u>(610,000)</u>
Long-term portion		<u>\$ 5,350,000</u>

Business-type activities outstanding debt at year end is as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
The Oregon Infrastructure Finance Authority loan S20003 was issued in the original amount up to \$624,150 and was used to replace individual water meter modules that are at the end of their life and retrofit the remaining meters with registers and/or batteries compatible with Advanced Metering Analytics (AMA) Software.	1.00%	\$ 156,186
The Clean Water State Revolving Fund loan R20570 was issued in the original amount of up to \$300,000 to finance wastewater system improvements for the City.	0.95%	128,784
The Cannon Beach Backbone Resiliency Project loan S22002 was issued in the original amount of up to \$586,000 to finance water system improvements for the City. Up to \$298,000 of the total borrowed amount may be forgivable if certain conditions are met upon project completion. The loan was still in the withdrawal phase at year end.	0.95%	141,221
The Cannon Beach Backbone Resiliency Project loan S22015 was issued in the original amount of up to \$2,700,000 to finance water system improvements for the City. Up to \$515,000 of the total borrowed amount may be forgivable if certain conditions are met upon project completion. The loan was still in the withdrawal phase at year end.	0.95%	<u>426,183</u>
Total debt outstanding		852,374
Current portion		<u>(23,561)</u>
Long-term portion		<u>\$ 828,813</u>

Upon the event of default on the loan with Oregon Infrastructure Finance Authority, the State may pursue any or all of the remedies set forth in the agreement or available at law or in equity. Such remedies may include, but are not limited to, termination of the contract, acceleration of the contract, return of the grant/loan funds, payment of amounts earned from the investment of the proceeds of the loan, declaration of the City's ineligibility to receive future lottery funded awards, withholding pursuant to ORS 285B.599, ORS 285A.213(6), or OAR 123-049-0040 of other State funds due to the Borrower, foreclosing liens or security interest and exercising any remedy listed in OAR 123-049-0040.

**Note III - Detailed notes on all funds, continued**

**E. Long-term debt, continued**

Annual debt service requirements to maturity at year end are as follows:

Year ending June 30,	Governmental Activities				Business-type Activities	
	GO Bonds		Full Faith and Credit Bonds		Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 590,000	\$ 59,400	\$ 90,000	\$ 155,900	\$ 23,561	\$ 1,859
2025	610,000	35,800	95,000	152,300	24,837	1,804
2026	170,000	11,400	95,000	148,500	25,084	1,747
2027	115,000	4,600	100,000	144,700	25,333	1,691
2028	-	-	105,000	140,700	25,585	1,634
2029 - 2033	-	-	600,000	636,500	131,782	7,301
2034 - 2038	-	-	700,000	528,500	138,454	5,795
2039 - 2043	-	-	810,000	416,450	145,460	4,222
2044 - 2048	-	-	970,000	259,400	152,828	2,567
2049 - 2054	-	-	910,000	75,238	159,450	834
Total	<u>\$ 1,485,000</u>	<u>\$ 111,200</u>	<u>\$ 4,475,000</u>	<u>\$ 2,658,188</u>	<u>\$ 852,374</u>	<u>\$ 29,454</u>

**Changes in long-term liabilities**

Long-term liability activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
GO Bonds	\$ 2,035,000	\$ -	\$ (550,000)	\$ 1,485,000	\$ 590,000
Full Faith and Credit Bond	4,535,000	-	(60,000)	4,475,000	90,000
Original issue premium	261,278	-	(27,383)	233,895	27,383
Totals bonds payable	6,831,278	-	(637,383)	6,193,895	707,383
Compensated absences	186,773	-	(4,163)	182,610	182,610
Subtotal	7,018,051	-	(641,546)	6,376,505	889,993
Net pension liability	2,620,728	715,997	-	3,336,725	-
Net OPEB liability	130,877	-	(23,844)	107,033	-
Governmental activities long-term liabilities	<u>\$ 9,769,656</u>	<u>\$ 715,997</u>	<u>\$ (665,390)</u>	<u>\$ 9,820,263</u>	<u>\$ 889,993</u>
Business-type activities:					
Direct borrowings	\$ 334,884	\$ 790,878	\$ (273,388)	\$ 852,374	\$ 23,561
Compensated absences	39,267	-	(975)	38,292	38,292
Net pension liability	474,499	203,606	-	678,105	-
Net OPEB liability	27,782	-	(6,031)	21,751	-
Business-type activities long-term liabilities	<u>\$ 876,432</u>	<u>\$ 994,484</u>	<u>\$ (280,394)</u>	<u>\$ 1,590,522</u>	<u>\$ 61,853</u>

For governmental activities, compensated absences are generally liquidated by the general and administrative services funds.

### **Note III - Detailed notes on all funds, continued**

#### **F. Employee Retirement Plans**

Employees of the City are provided with pensions through the Oregon Public Employees Retirement System (OPERS) a cost-sharing multiple-employer defined benefit pension plan. The Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Annual Comprehensive Financial Report and Actuarial Valuation that can be obtained at:

<https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

#### **Risk Pooling**

The City has elected to participate in the State and Local Government Rate Pool (SLGRP). Pooling allows separate employers to be part of one group for the purpose of determining employer pension costs and contribution rates. Pool participants share pension assets and future pension liabilities and surpluses. Employers in the pool jointly fund the future pension costs of all of the pooled participants.

#### **Plan Benefits**

##### **1. Tier One/Tier Two Retirement Benefit (Chapter 238).**

###### ***Pension Benefits***

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

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

###### ***Death Benefits***

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

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

###### ***Disability Benefits***

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

###### ***Benefit Changes***

After Retirement Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

### **Note III - Detailed notes on all funds, continued**

#### **F. Employee Retirement Plans, continued**

##### **2. OPSRP Pension Program (OPSRP DB)**

###### *Pension Benefits.*

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

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

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

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

###### *Death Benefits*

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

###### *Disability Benefits*

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

###### *Benefit Changes After Retirement*

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

##### **3. OPSRP Individual Account Program (OPSRP IAP)**

###### *Pension Benefits*

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

###### *Death Benefits*

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

###### *Recordkeeping*

OPERS contracts with VOYA Financial to maintain IAP participant records.

**Note III - Detailed notes on all funds, continued****F. Employee Retirement Plans, continued****Contributions:**

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation. The rates, based on a percentage of payroll, first became effective July 1, 2022. Employer contributions for the year ended June 30, 2023 were \$794,453. The rates in effect for the fiscal year ended June 30, 2023 were 25.72 percent for Tier One/Tier Two General Services, 20.03 percent for OPSRP Pension Program General Services, and 24.39 percent for OPSRP Police and Fire members and 6 percent for OPSRP Individual Account Program.

**Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2023, the City's proportionate share of the net pension liability is \$4,014,830. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of December 31, 2020 rolled forward to June 30, 2022. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2022, the City's proportion was 0.02622014 percent, which was a change from its proportion measured as of June 30, 2021 of 0.02586582 percent.

For the year ended June 30, 2023 the City recognized pension expense of \$794,453. At June 30, 2023 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 194,888	\$ 25,037
Change in assumptions	629,948	5,755
Net difference between projected and actual earnings on pension plan investments	-	717,774
Changes in proportionate share	351,722	71,603
Differences between City contributions and proportionate share of contributions	-	426,121
Subtotal before post-measurement date contributions	1,176,558	1,246,290
City contributions subsequent to the measurement date	649,496	-
Total	<u>\$ 1,826,054</u>	<u>\$ 1,246,290</u>

Deferred outflows of resources related to pensions of \$649,496 resulting from the City's contributions subsequent to the measurement date will be recognized as either a reduction of the net pension liability or an increase in the net pension asset in the year ended June 30, 2024. Other net deferred outflows (inflows) of resources of \$(69,732) will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2024	\$ 2,041
2025	(72,851)
2026	(281,772)
2027	309,685
2028	(26,835)
Total	<u>\$ (69,732)</u>

### **Note III - Detailed notes on all funds, continued**

#### **F. Employee Retirement Plans, continued**

##### **Actuarial Methods and Assumptions:**

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study Report	2020, published July 20, 2021
Actuarial Cost Method	Entry Age normal
Actuarial Assumptions:	
Inflation Rate	2.4 percent
Long-Term Expected Rate of Return	6.90 percent
Discount Rate	6.90 percent
Project Salary Increases	3.40 percent overall payroll growth
Cost Living Adjustments (COLA)	Blend of 2.00% COLA and Graded COLA (1.25%/0.15% in accordance with <i>Moro</i> decision; blend based on service.
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.  Active Members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.  Disabled retirees: Pub-2010 Disabled retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study which reviewed experience for the four-year period ending on December 31, 2020.

##### **Long-term Expected Rate of Return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at

<http://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Financial-Report.pdf>.

### **Note III - Detailed notes on all funds, continued**

#### **F. Employee Retirement Plans, continued**

##### **Depletion Date Projection**

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

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

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

Based on these circumstances, it is PERS' independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

##### **Discount Rate**

The discount rate used to measure the total pension liability of the Plan was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

##### **Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.90 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90)%	1% Increase (7.90%)
Proportionate Share of Net Pension Liability (Asset)	\$ 7,119,953	\$ 4,014,830	\$ 1,415,985

##### **Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.



**Note III - Detailed notes on all funds, continued****G. Other Postemployment Benefits (OPEB)****Plan Description**

The City provides an implicit rate subsidy for retiree health insurance premiums. The City's single-employer defined benefit postemployment healthcare plan is administered by City County Insurance Services. Benefit provisions are established through negotiations between the City and representatives of collective bargaining units or through resolutions passed by the City. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

**Financial Statement Presentation**

The amounts on the financial statements relate to the plans as follows:

Deferred outflow of resources:	
Change of assumptions or inputs	\$ 2,360
Benefit payments	<u>1,633</u>
	<u>\$ 3,993</u>
Net OPEB liability	<u>\$ (128,784)</u>
Deferred inflow of resources:	
Change in assumptions	\$ (51,858)
Differences between expected and actual experience	<u>(29,049)</u>
	<u>\$ (80,907)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2024	\$ (18,658)
2025	(18,658)
2026	(13,506)
2027	(7,466)
2028	(6,314)
Thereafter	<u>(12,312)</u>
	<u>\$ (76,914)</u>

**Benefits Provided**

The plan provides eligible retirees and their dependents under age 65 the same health care coverage at the same premium rates as offered to active employees. The retiree is responsible for the premiums. As of the valuation date of July 1, 2022, the following employees were covered by the benefit terms:

Eligible retirees	-
Active employees	<u>39</u>
Total	<u>39</u>

**Total OPEB Liability and OPEB Expense**

The City's total OPEB liability of \$128,784 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2022.

For the fiscal year ended June 30, 2023, the City recognized OPEB expense from this plan of \$8,098.

### **Note III - Detailed notes on all funds, continued**

#### **G. Other Postemployment Benefits (OPEB), continued**

##### *Actuarial Assumptions and Other Inputs*

The total OPEB liability in the July 1, 2022 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age normal
Inflation	2.4 percent
Annual pay increases	3.4 percent
Withdrawal, retirement, and mortality rates	December 31, 2021 Oregon PERS valuation.
Discount rate	3.54 percent

##### **Changes in the Total OPEB Liability**

Balance as of June 30, 2022	\$ 158,659
Changes for the year	
Service cost	21,647
Interest on total OPEB liability	3,858
Effect of economic/demographic gains or losses	(30,795)
Effect of assumptions changes or inputs	(21,158)
Benefit payments	<u>(3,427)</u>
Balance as of June 30, 2023	<u>\$ 128,784</u>

Changes in assumptions is the result of the change in the discount rate from 2.16% to 3.54% and changes in health care cost trends.

##### *Sensitivity of the Total OPEB Liability*

The following presents the City's total OPEB liability, as well as what the liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.5 percent) or 1-percentage-point higher (4.5 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

	<u>1% Decrease</u>	<u>Current Discount/Trend Rate</u>	<u>1 % Increase</u>
Discount Rate - Total OPEB Liability	\$ 136,980	\$ 128,784	\$ 120,960
Healthcare Trend Rate - Total OPEB Liability	\$ 115,160	\$ 128,784	\$ 144,303

#### **H. Risk management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. There has been no significant reduction in insurance coverage from the prior year and settled claims have not reached the level of commercial coverage in any of the past three fiscal years.

#### **I. Contingent liabilities**

The City is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations and capital projects. Management intends to contest these matters and does not believe their ultimate resolution will have a material effect upon the City's financial position, results of operations or cash flows.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CANNON BEACH, OREGON**

Oregon Public Employees Retirement System

June 30, 2023

**Schedule of the Proportionate Share of the Net Pension Liability**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the net pension liability (asset)	0.02622014 %	0.02586582 %	0.02316296 %	0.02359703 %	0.02522653 %
Proportionate share of the net pension liability (asset)	\$ 4,014,830	\$ 3,095,227	\$ 5,054,955	\$ 4,081,721	\$ 3,821,487
Covered payroll	\$ 3,197,335	\$ 2,962,554	\$ 2,907,830	\$ 2,812,176	\$ 2,617,450
Proportionate share of the pension liability (asset) as a percentage of its covered employee payroll	125.57 %	104.48 %	173.84 %	145.14 %	146.00 %
Plan net position as a percentage of the total pension liability	84.50 %	87.60 %	75.80 %	80.20 %	82.10 %
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset)	0.02241974 %	0.02099759 %	0.02312559 %	0.02011880 %	0.02011880 %
Proportionate share of the net pension liability (asset)	\$ 3,022,189	\$ 3,152,226	\$ 1,327,747	\$ (457,641)	\$ 1,026,692
Covered payroll	\$ 2,422,025	\$ 2,343,341	\$ 2,051,308	\$ 1,923,798	\$ 1,983,297
Proportionate share of the pension liability (asset) as a percentage of its covered employee payroll	124.78 %	134.52 %	64.73 %	(23.79)%	51.77 %
Plan net position as a percentage of the total pension liability	83.10 %	80.50 %	91.90 %	103.59 %	92.00 %

# CITY OF CANNON BEACH, OREGON

## Oregon Public Employees Retirement System

June 30, 2023

### Schedule of Pension Contributions

	2023	2022	2021	2020	2019
Contractually required contribution	\$ 834,166	\$ 775,295	\$ 318,284	\$ 661,679	\$ 512,417
Contributions in relation to the contractually required contribution	<u>834,166</u>	<u>775,295</u>	<u>318,284</u>	<u>661,679</u>	<u>512,417</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 3,467,806	\$ 3,197,335	\$ 2,962,554	\$ 2,907,830	\$ 2,812,176
Contributions as a percentage of covered employee payroll	24.05 %	24.25 %	10.74 %	22.76 %	18.22 %

	2018	2017	2016	2015	2014
Contractually required contribution	\$ 473,564	\$ 403,664	\$ 380,236	\$ 297,474	\$ 302,166
Contributions in relation to the contractually required contribution	<u>473,564</u>	<u>403,664</u>	<u>380,236</u>	<u>297,474</u>	<u>302,166</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 2,617,450	\$ 2,422,025	\$ 2,343,341	\$ 2,051,308	\$ 1,983,297
Contributions as a percentage of covered employee payroll	18.09 %	16.67 %	16.23 %	14.50 %	15.24 %

#### Notes to Required Supplementary Information

##### Note I - Measurement Period

Amounts presented are for the measurement period, which for FY 2023 is July 1, 2021 - June 30, 2022.

##### Note II - Changes in Benefit Terms

The Oregon Supreme Court on April 30, 2015, ruled that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law was unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS will make restoration payments to those benefit recipients. OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire. This change in benefit terms was not included in the net pension liability (asset) proportionate shares provided by OPERS for the year ending June 30, 2015.

##### Note III - Change in Assumptions

Details and a comprehensive list of changes in methods and assumptions can be found in the 2012, 2014, 2016, and 2018 Experience Studies. These reports can be found at:

[http://www.oregon.gov/pers/Pages/section/financial\\_reports/mercereports.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/mercereports.aspx).

# CITY OF CANNON BEACH, OREGON

## Schedule of Changes in Total OPEB Liability and Related Ratios

June 30, 2023

	2023	2022	2021	2020	2019
Balance at beginning of year	\$ 158,659	\$ 134,949	\$ 148,406	\$ 128,234	\$ 166,408
Service costs	21,647	21,068	14,846	13,379	17,773
Interest on total OPEB liability	3,858	3,434	5,653	5,422	6,398
Effect of economic/demographic gains or losses	(30,795)	-	(23,673)	-	(38,282)
Effect of assumptions changes or inputs	(21,158)	489	(6,755)	4,411	(13,050)
Benefit payments	<u>(3,427)</u>	<u>(1,281)</u>	<u>(3,528)</u>	<u>(3,040)</u>	<u>(11,013)</u>
Balance at end of year	128,784	158,659	134,949	148,406	128,234
Covered payroll	<u>3,467,806</u>	<u>3,197,335</u>	<u>2,962,554</u>	<u>2,907,830</u>	<u>2,812,176</u>
Total OPEB liability as a percentage of covered payroll	<u>3.71 %</u>	<u>4.96 %</u>	<u>4.56 %</u>	<u>5.10 %</u>	<u>4.56 %</u>

*Note: Ten year schedules will be presented prospectively*

SUPPLEMENTAL INFORMATION

**CITY OF CANNON BEACH, OREGON**  
**035 - TOURISM FACILITY RENOVATION FUND**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 4,414,586	\$ 4,414,586	\$ 4,155,894	\$ (258,692)
Investment earnings	<u>-</u>	<u>-</u>	<u>126,498</u>	<u>126,498</u>
Total resources	<u>4,414,586</u>	<u>4,414,586</u>	<u>4,282,392</u>	<u>(132,194)</u>
Requirements:				
Capital outlay	\$ 4,414,586	\$ 4,414,586	\$ 458,152	\$ 3,956,434
Ending fund balance	<u>-</u>	<u>-</u>	<u>3,824,240</u>	<u>(3,824,240)</u>
Total requirements	<u>\$ 4,414,586</u>	<u>\$ 4,414,586</u>	<u>4,282,392</u>	<u>\$ 132,194</u>



**CITY OF CANNON BEACH, OREGON**

**059 - GENERAL RESERVE FUND**

**Schedule of Resources and Requirements**

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 1,713,820	\$ 1,713,820	\$ 1,713,821	\$ 1
Transfers in	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>	<u>-</u>
Total resources	<u>\$ 2,413,820</u>	<u>\$ 2,413,820</u>	<u>\$ 2,413,821</u>	<u>\$ 1</u>
Requirements:				
General Reserve Program:				
Capital outlay	\$ 2,413,820	\$ 2,413,820	\$ -	\$ 2,413,820
Ending fund balance	<u>-</u>	<u>-</u>	<u>2,413,821</u>	<u>(2,413,821)</u>
Total requirements	<u>\$ 2,413,820</u>	<u>\$ 2,413,820</u>	<u>\$ 2,413,821</u>	<u>\$ (1)</u>

## **NONMAJOR GOVERNMENTAL FUNDS**

*Special Revenue Funds* account for revenues derived from specific tax or other earmarked revenue sources, including federal and state grant awards, which are restricted to finance particular functions or activities. Funds included in this fund category are:

***Tourism and Arts Fund*** - Accounts for receipts generated by the 1% increase in lodging taxes that went into effect July 1, 2010. The principal source of revenue is 70% of the 1% increase. Revenues in this fund will be used in accordance with Oregon state statutes and will be distributed by the Tourism & Arts commission via a grant application process.

***Building Official Fund*** - Accounts for the activities of the Building Division, which is responsible for the enforcement of building, plumbing, mechanical, and fire and life safety codes of the State of Oregon.

***Affordable Housing Fund*** - Accounts for the activities of the Cannon Beach Affordable Housing program, which is funded by a construction excise tax. The tax collected on residential permits is authorized to be used 50% on builder/developer incentives, 35% on housing programs of the City and 15% is distributed to the Oregon Department of Housing and Community Services. The tax collected on commercial permits is authorized to be used 100% on housing programs of the City.

***Parks SDC Fund*** -accounts for all transactions related to the Parks System Development Charges (SDC).SDCs are a one-time charge assessed on new development to pay for the costs of expanding public facilities.

*Debt Service Funds* account for the accumulation of resources for and payment of general long-term debt principal and interest. Funds included in this category are:

***Debt Service Fund*** - Accounts for the payment of principal and interest on the general obligation bonds.

*Capital Project Funds* are used to account for the acquisition or construction of major capital facilities. Funds included in this category are:

***Ecola Forest Reserve Fund*** - Accounts for resources dedicated for projects and activities in the Ecola Forest Reserve and any revenue generated from the sale of timber as part of the forest thinning project.

***Bridge Reserve Fund*** - Accounts for resources dedicated for future capital improvements for bridges.

**CITY OF CANNON BEACH, OREGON**  
**NONMAJOR GOVERNMENTAL FUNDS**  
Combining Balance Sheet  
June 30, 2023

	Special Revenue Funds				Debt Service	Capital Projects Funds		Total
	Tourism & Arts Fund	Building Official Fund	Affordable Housing Fund	Parks SDC Fund	Fund	Ecola Forest Reserve Fund	Bridge Reserve Fund	
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 940,528	\$ 487,382	\$ 265,576	\$ 4,528	\$ 38,124	\$ 6,394	\$ 679	\$ 1,743,211
Receivables:								
Property Taxes Receivable	-	-	-	-	23,843	-	-	23,843
Accounts Receivable	-	800	-	-	-	-	-	800
Room Taxes Receivable	<u>131,479</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,479</u>
Total assets	<u>\$ 1,072,007</u>	<u>\$ 488,182</u>	<u>\$ 265,576</u>	<u>\$ 4,528</u>	<u>\$ 61,967</u>	<u>\$ 6,394</u>	<u>\$ 679</u>	<u>\$ 1,899,333</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
Liabilities:								
Accounts Payable	\$ <u>61,229</u>	\$ <u>3,415</u>	\$ <u>4,333</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>679</u>	\$ <u>69,656</u>
Total liabilities	<u>61,229</u>	<u>3,415</u>	<u>4,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>679</u>	<u>69,656</u>
Deferred Inflows of Resources:								
Deferred Inflows of Resources	-	-	-	-	16,861	-	-	16,861
Total deferred Inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,861</u>	<u>-</u>	<u>-</u>	<u>16,861</u>
Fund Balances:								
Restricted for:								
Debt service	-	-	-	-	45,106	-	-	45,106
Tourism and arts	1,010,778	-	-	-	-	-	-	1,010,778
Affordable housing	-	-	261,243	-	-	-	-	261,243
Building inspection program	-	484,767	-	-	-	-	-	484,767
System development	-	-	-	4,528	-	-	-	4,528
Assigned to:								
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,394</u>	<u>-</u>	<u>6,394</u>
Total fund balances	<u>1,010,778</u>	<u>484,767</u>	<u>261,243</u>	<u>4,528</u>	<u>45,106</u>	<u>6,394</u>	<u>-</u>	<u>1,812,816</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,072,007</u>	<u>\$ 488,182</u>	<u>\$ 265,576</u>	<u>\$ 4,528</u>	<u>\$ 61,967</u>	<u>\$ 6,394</u>	<u>\$ 679</u>	<u>\$ 1,899,333</u>

**CITY OF CANNON BEACH, OREGON**

**NONMAJOR GOVERNMENTAL FUNDS**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

For the Year Ended June 30, 2023

	Special Revenue Funds					Capital Project Funds		
	Tourism & Arts Fund	Building Official Fund	Affordable Housing Fund	Parks SDC Fund	Debt Service Fund	Ecola Forest Reserve Fund	Bridge Reserve Fund	Total
Revenues:								
Taxes and assessments	\$ -	\$ -	\$ 16,855	\$ -	\$ 422,680	\$ -	\$ -	\$ 439,535
Transient room taxes	508,605	-	-	-	-	-	-	508,605
Licenses, permits and fees	-	274,423	-	308	-	-	-	274,731
Other revenue	-	232	-	-	-	-	-	232
Total revenues	<u>508,605</u>	<u>274,655</u>	<u>16,855</u>	<u>308</u>	<u>422,680</u>	<u>-</u>	<u>-</u>	<u>1,223,103</u>
Expenditures:								
Current:								
General Government	234,260	-	-	-	-	-	-	234,260
Building	-	226,866	-	-	-	-	-	226,866
Debt service:								
Principal retirement	-	-	-	-	610,000	-	-	610,000
Interest expense	-	-	-	-	266,523	-	-	266,523
Capital outlay	-	-	-	-	-	-	2,430	2,430
Total expenditures	<u>234,260</u>	<u>226,866</u>	<u>-</u>	<u>-</u>	<u>876,523</u>	<u>-</u>	<u>2,430</u>	<u>1,340,079</u>
Excess (deficiency) of revenues over (under) expenditures	<u>274,345</u>	<u>47,789</u>	<u>16,855</u>	<u>308</u>	<u>(453,843)</u>	<u>-</u>	<u>(2,430)</u>	<u>(116,976)</u>
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	446,028	-	-	446,028
Capital contributions	-	-	-	4,220	-	-	-	4,220
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,220</u>	<u>446,028</u>	<u>-</u>	<u>-</u>	<u>450,248</u>
Net change in fund balances	274,345	47,789	16,855	4,528	(7,815)	-	(2,430)	333,272
Fund Balances:								
Beginning of year	<u>736,433</u>	<u>436,978</u>	<u>244,388</u>	<u>-</u>	<u>52,921</u>	<u>6,394</u>	<u>2,430</u>	<u>1,479,544</u>
End of year	<u>\$ 1,010,778</u>	<u>\$ 484,767</u>	<u>\$ 261,243</u>	<u>\$ 4,528</u>	<u>\$ 45,106</u>	<u>\$ 6,394</u>	<u>\$ -</u>	<u>\$ 1,812,816</u>

**CITY OF CANNON BEACH, OREGON**

**012 - TOURISM & ARTS FUND**

**Statement of Resources and Requirements**

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 474,597	\$ 474,597	\$ 702,433	\$ 227,836
Transient room taxes	481,250	481,250	508,605	27,355
Interfund loan repayments	<u>34,000</u>	<u>34,000</u>	<u>34,000</u>	<u>-</u>
Total resources	<u>\$ 989,847</u>	<u>\$ 989,847</u>	<u>\$ 1,245,038</u>	<u>\$ 255,191</u>
Requirements:				
Tourism and Arts Program:				
Materials and services	\$ 481,250	\$ 481,250	\$ 234,260	\$ 246,990
Ending fund balance	<u>508,597</u>	<u>508,597</u>	<u>1,010,778</u>	<u>(502,181)</u>
Total requirements	<u>\$ 989,847</u>	<u>\$ 989,847</u>	<u>\$ 1,245,038</u>	<u>\$ (255,191)</u>

**CITY OF CANNON BEACH, OREGON****015 - BUILDING OFFICIAL FUND****Schedule of Resources and Requirements**

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 450,000	\$ 450,000	\$ 436,978	\$ (13,022)
Licenses, permits and fees	312,400	312,400	274,423	(37,977)
Other revenue	<u>-</u>	<u>-</u>	<u>231</u>	<u>231</u>
Total resources	<u>\$ 762,400</u>	<u>\$ 762,400</u>	<u>\$ 711,632</u>	<u>\$ (50,768)</u>
Requirements:				
Building Program:				
Personal services	\$ 183,627	\$ 183,627	\$ 167,476	\$ 16,151
Materials and services	<u>76,070</u>	<u>76,070</u>	<u>59,389</u>	<u>16,681</u>
Total program-specific	259,697	259,697	226,865	32,832
Contingency	<u>51,939</u>	<u>51,939</u>	<u>-</u>	<u>51,939</u>
Total expenditures	311,636	311,636	226,865	84,771
Ending fund balance	<u>450,764</u>	<u>450,764</u>	<u>484,767</u>	<u>(34,003)</u>
Total requirements	<u>\$ 762,400</u>	<u>\$ 762,400</u>	<u>\$ 711,632</u>	<u>\$ 50,768</u>

**CITY OF CANNON BEACH, OREGON**

## 018 - AFFORDABLE HOUSING FUND

## Schedule of Resources and Requirements

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 220,000	\$ 220,000	\$ 244,388	\$ 24,388
Taxes and assessments	<u>67,000</u>	<u>67,000</u>	<u>16,855</u>	<u>(50,145)</u>
Total resources	<u>\$ 287,000</u>	<u>\$ 287,000</u>	<u>\$ 261,243</u>	<u>\$ (25,757)</u>
Requirements:				
Affordable Housing Program:				
Materials and services	\$ 238,166	\$ 238,166	\$ -	\$ 238,166
Contingency	<u>48,834</u>	<u>48,834</u>	<u>-</u>	<u>48,834</u>
Total expenditures	287,000	287,000	-	287,000
Ending fund balance	<u>-</u>	<u>-</u>	<u>261,243</u>	<u>(261,243)</u>
Total requirements	<u>\$ 287,000</u>	<u>\$ 287,000</u>	<u>\$ 261,243</u>	<u>\$ 25,757</u>

**CITY OF CANNON BEACH, OREGON**

**011 - PARKS SDC FUND**

**Statement of Revenues, Expenditures, and Changes in Fund Balance**

**Budget and Actual (Budgetary Basis)**

**For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Licenses, permits and fees	\$ 608	\$ 608	\$ 308	\$ (300)
Capital contributions	<u>8,320</u>	<u>8,320</u>	<u>4,220</u>	<u>(4,100)</u>
Total resources	<u>8,928</u>	<u>8,928</u>	<u>4,528</u>	<u>(4,400)</u>
Requirements:				
Capital outlay	\$ 8,928	\$ 8,928	\$ -	\$ 8,928
Ending fund balance	<u>-</u>	<u>-</u>	<u>4,528</u>	<u>4,528</u>
Total requirements	<u>\$ 8,928</u>	<u>\$ 8,928</u>	<u>4,528</u>	<u>\$ 4,528</u>



**CITY OF CANNON BEACH, OREGON****030 - DEBT SERVICE FUND****Schedule of Resources and Requirements****Budget and Actual (Budgetary Basis)****For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 35,000	\$ 35,000	\$ 52,921	\$ 17,921
Taxes and assessments	415,496	415,496	422,680	7,184
Transfers in	<u>446,028</u>	<u>446,028</u>	<u>446,028</u>	<u>-</u>
Total resources	<u>\$ 896,524</u>	<u>\$ 896,524</u>	<u>\$ 921,629</u>	<u>\$ 25,105</u>
Requirements:				
Debt service	\$ 876,524	\$ 876,524	\$ 876,523	\$ 1
Ending fund balance	<u>20,000</u>	<u>20,000</u>	<u>45,106</u>	<u>(25,106)</u>
Total requirements	<u>\$ 896,524</u>	<u>\$ 896,524</u>	<u>\$ 921,629</u>	<u>\$ (25,105)</u>

**CITY OF CANNON BEACH, OREGON**

053 - ECOLA FOREST RESERVE FUND

## Schedule of Resources and Requirements

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ <u>6,393</u>	\$ <u>6,393</u>	\$ <u>6,394</u>	\$ <u>1</u>
Total resources	\$ <u><u>6,393</u></u>	\$ <u><u>6,393</u></u>	\$ <u><u>6,394</u></u>	\$ <u><u>1</u></u>
Requirements:				
Ecola Forest Program:				
Capital outlay	\$ 6,393	\$ 6,393	\$ -	\$ 6,393
Ending fund balance	<u>-</u>	<u>-</u>	<u>6,394</u>	<u>(6,394)</u>
Total requirements	\$ <u><u>6,393</u></u>	\$ <u><u>6,393</u></u>	\$ <u><u>6,394</u></u>	\$ <u><u>(1)</u></u>

**CITY OF CANNON BEACH, OREGON**

**055 - BRIDGE RESERVE FUND**

**Schedule of Resources and Requirements**

**Budget and Actual (Budgetary Basis)**

**For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ <u>4,592</u>	\$ <u>4,592</u>	\$ <u>2,430</u>	\$ <u>(2,162)</u>
Total resources	\$ <u><u>4,592</u></u>	\$ <u><u>4,592</u></u>	\$ <u><u>2,430</u></u>	\$ <u><u>(2,162)</u></u>
Requirements:				
Roads Program:				
Capital outlay	\$ <u>4,592</u>	\$ <u>4,592</u>	\$ <u>2,430</u>	\$ <u>2,162</u>
Ending fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total requirements	\$ <u><u>4,592</u></u>	\$ <u><u>4,592</u></u>	\$ <u><u>2,430</u></u>	\$ <u><u>2,162</u></u>

## **ENTERPRISE FUNDS**

*Enterprise Funds* are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs of providing services are financed or recovered primarily through user charges. Funds included in this category are:

***Water Fund*** - Accounts for the operation, maintenance and improvements of the water public utility.

***Water Reserve Fund*** - Accumulates money for major maintenance and capital improvement projects.

***Water SDC Fund*** - Accumulates money from system development charges for related projects.

***Wastewater Fund*** - Accounts for the operation, maintenance, and improvements of the wastewater public utility.

***Wastewater Reserve Fund*** - Accumulates money for major maintenance and capital improvement projects.

***Wastewater SDC Fund*** - Accumulates money from system development charges for related projects.

***RV Park Fund*** - Accounts for the operation, maintenance and improvements of the RV park.

***RV Park Reserve Fund*** - Accumulates money for major maintenance and capital improvement projects.

***Recycling Fund*** - Accounts for the operation, maintenance and improvements of the City's recycling operations.

***Recycling Reserve Fund*** - Accumulates money for major maintenance and capital improvement projects.

***Storm Drain Fund*** - Accounts for the operation, maintenance and improvements of the storm drainage utility.

***Storm Drain Reserve Fund*** - Accumulates money for major maintenance and capital improvement projects.

***Storm Drain SDC Fund*** - Accumulates money from system development charges for related projects.

**CITY OF CANNON BEACH, OREGON**

WATER ENTERPRISE

Combining Statement of Net Position

June 30, 2023

	024 - Water Fund	054 - Water Reserve Fund	025 - Water SDC Fund	Total
<b>ASSETS</b>				
Current assets:				
Cash and Cash Equivalents	\$ 736,504	\$ 809,567	\$ 27,822	\$ 1,573,893
Receivables	257,345	-	-	257,345
Inventory	<u>133,864</u>	<u>-</u>	<u>-</u>	<u>133,864</u>
Total current assets	<u>1,127,713</u>	<u>809,567</u>	<u>27,822</u>	<u>1,965,102</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable assets	1,079,892	-	-	1,079,892
Capital assets, net	<u>3,507,840</u>	<u>-</u>	<u>-</u>	<u>3,507,840</u>
Total noncurrent assets	<u>4,587,732</u>	<u>-</u>	<u>-</u>	<u>4,587,732</u>
Total assets	<u>5,715,445</u>	<u>809,567</u>	<u>27,822</u>	<u>6,552,834</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	128,919	-	-	128,919
Deferred outflows related to OPEB	<u>282</u>	<u>-</u>	<u>-</u>	<u>282</u>
Total deferred outflows of resources	<u>129,201</u>	<u>-</u>	<u>-</u>	<u>129,201</u>
Total assets & deferred outflows	<u>5,844,646</u>	<u>809,567</u>	<u>27,822</u>	<u>6,682,035</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts Payable	51,018	33,312	-	84,330
Accrued interest payable	5,547	-	-	5,547
Accrued compensated absences	20,009	-	-	20,009
Current Portion Of Long Term Liabilities	<u>19,760</u>	<u>-</u>	<u>-</u>	<u>19,760</u>
Total current liabilities	<u>96,334</u>	<u>33,312</u>	<u>-</u>	<u>129,646</u>
Noncurrent liabilities:				
Loans and Notes Payable	703,830	-	-	703,830
Net pension liability	283,447	-	-	283,447
Net OPEB liability	<u>9,092</u>	<u>-</u>	<u>-</u>	<u>9,092</u>
Total liabilities	<u>1,092,703</u>	<u>33,312</u>	<u>-</u>	<u>1,126,015</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	87,988	-	-	87,988
Deferred inflows related to OPEB	<u>5,712</u>	<u>-</u>	<u>-</u>	<u>5,712</u>
Total deferred Inflows of resources	<u>93,700</u>	<u>-</u>	<u>-</u>	<u>93,700</u>
<b>NET POSITION</b>				
Net investment in capital assets	3,864,142	-	-	3,864,142
Unrestricted	<u>794,101</u>	<u>776,255</u>	<u>27,822</u>	<u>1,598,178</u>
Total net position	<u>\$ 4,658,243</u>	<u>\$ 776,255</u>	<u>\$ 27,822</u>	<u>\$ 5,462,320</u>

**CITY OF CANNON BEACH, OREGON**

**WATER ENTERPRISE**

Combining Statement of Revenues, Expenses, and Changes in Net Position

June 30, 2023

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>024 - Water Fund</u>	<u>054 - Water Reserve Fund</u>	<u>025 - Water SDC Fund</u>	<u>Total</u>
Operating Revenues:				
Charges for services	\$ 1,408,067	\$ -	\$ -	\$ 1,408,067
Other revenue	<u>15,583</u>	<u>-</u>	<u>-</u>	<u>15,583</u>
Total operating revenues	<u>1,423,650</u>	<u>-</u>	<u>-</u>	<u>1,423,650</u>
Operating Expenses:				
Personal services	341,188	-	-	341,188
Materials and services	726,705	5,321	-	732,026
Depreciation	<u>194,813</u>	<u>-</u>	<u>-</u>	<u>194,813</u>
Total operating expenses	<u>1,262,706</u>	<u>5,321</u>	<u>-</u>	<u>1,268,027</u>
Operating income (loss)	<u>160,944</u>	<u>(5,321)</u>	<u>-</u>	<u>155,623</u>
Nonoperating Revenues (Expenses):				
Intergovernmental Revenues	144,605	-	-	144,605
Interest expense	<u>(3,475)</u>	<u>-</u>	<u>-</u>	<u>(3,475)</u>
Total nonoperating revenues (expenses)	<u>141,130</u>	<u>-</u>	<u>-</u>	<u>141,130</u>
Income (loss) before contributions	302,074	(5,321)	-	296,753
Capital contributions	-	-	14,775	14,775
Transfers in	-	414,937	-	414,937
Transfers out	<u>(414,937)</u>	<u>-</u>	<u>-</u>	<u>(414,937)</u>
Change in net position	(112,863)	409,616	14,775	311,528
Net Position:				
Beginning of year	<u>4,771,106</u>	<u>366,639</u>	<u>13,047</u>	<u>5,150,792</u>
End of year	<u>\$ 4,658,243</u>	<u>\$ 776,255</u>	<u>\$ 27,822</u>	<u>\$ 5,462,320</u>

**CITY OF CANNON BEACH, OREGON**

**WATER ENTERPRISE**

**Combining Statement of Cash Flows**

June 30, 2023

	024 - Water Fund	054 - Water Reserve Fund	025 - Water SDC Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 1,300,562	\$ 1,408	\$ -	\$ 1,301,970
Payments to suppliers and contractors	(271,704)	(5,321)	-	(277,025)
Payments to employees	(346,515)	-	-	(346,515)
Payments for interfund services	<u>(440,998)</u>	<u>-</u>	<u>-</u>	<u>(440,998)</u>
Net cash provided by (used in) operating	<u>241,345</u>	<u>(3,913)</u>	<u>-</u>	<u>237,432</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers within enterprise, net	<u>(982,117)</u>	<u>982,117</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) noncapital financing activities	<u>(982,117)</u>	<u>982,117</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from debt issuance	571,317	-	-	571,317
Capital contributions	-	-	14,775	14,775
Acquisition and construction of capital assets	<u>(25,287)</u>	<u>(534,123)</u>	<u>-</u>	<u>(559,410)</u>
Net cash used in capital and related financing activities	<u>546,030</u>	<u>(534,123)</u>	<u>14,775</u>	<u>26,682</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Net change in cash and cash equivalents	(194,742)	444,081	14,775	264,114
Cash and cash equivalents:				
Beginning of year	<u>931,246</u>	<u>365,486</u>	<u>13,047</u>	<u>1,309,779</u>
End of year	<u>\$ 736,504</u>	<u>\$ 809,567</u>	<u>\$ 27,822</u>	<u>\$ 1,573,893</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ 160,944	\$ (5,321)	\$ -	\$ 155,623
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	194,813	-	-	194,813
Pension adjustments	(7,521)	-	-	(7,521)
(Increase) decrease in assets:				
Receivables	(123,088)	1,408	-	(121,680)
Inventory	(3,891)	-	-	(3,891)
Increase (decrease) in liabilities:				
Trade Accounts Payable	17,894	-	-	17,894
Accrued compensated absences	<u>2,194</u>	<u>-</u>	<u>-</u>	<u>2,194</u>
Net cash provided by (used in) operating activities	<u>\$ 241,345</u>	<u>\$ (3,913)</u>	<u>\$ -</u>	<u>\$ 237,432</u>
<b>Schedule of noncash transactions:</b>				
Capital assets transferred between funds	<u>\$ 567,180</u>	<u>\$ (567,180)</u>	<u>\$ -</u>	<u>\$ -</u>
Forgiveness of loan	<u>\$ 144,605</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144,605</u>

**CITY OF CANNON BEACH, OREGON**

**WASTEWATER ENTERPRISE**

Combining Statement of Net Position

June 30, 2023

	026 - Wastewater Fund	056 - Wastewater Reserve Fund	027 - Wastewater SDC Fund	Total
<b>ASSETS</b>				
Current assets:				
Cash and Cash Equivalents	\$ 510,102	\$ 281,726	\$ 39,810	\$ 831,638
Receivables	143,704	-	-	143,704
Inventory	55,850	-	-	55,850
Total current assets	<u>709,656</u>	<u>281,726</u>	<u>39,810</u>	<u>1,031,192</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable assets	127,440	-	-	127,440
Capital assets, net	<u>6,053,024</u>	<u>-</u>	<u>-</u>	<u>6,053,024</u>
Total noncurrent assets	<u>6,180,464</u>	<u>-</u>	<u>-</u>	<u>6,180,464</u>
Total assets	<u>6,890,120</u>	<u>281,726</u>	<u>39,810</u>	<u>7,211,656</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Related to pensions	127,458	-	-	127,458
Deferred outflows related to OPEB	<u>279</u>	<u>-</u>	<u>-</u>	<u>279</u>
Total deferred outflows of resources	<u>127,737</u>	<u>-</u>	<u>-</u>	<u>127,737</u>
Total assets & deferred outflows	<u>7,017,857</u>	<u>281,726</u>	<u>39,810</u>	<u>7,339,393</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts Payable	17,142	1,785	-	18,927
Accrued interest payable	155	-	-	155
Accrued compensated absences	9,610	-	-	9,610
Current Portion Of Long Term Liabilities	<u>3,801</u>	<u>-</u>	<u>-</u>	<u>3,801</u>
Total current liabilities	30,708	1,785	-	32,493
Noncurrent liabilities:				
Loans and Notes Payable	124,983	-	-	124,983
Net pension liability	280,235	-	-	280,235
Net OPEB liability	<u>8,989</u>	<u>-</u>	<u>-</u>	<u>8,989</u>
Total liabilities	<u>444,915</u>	<u>1,785</u>	<u>-</u>	<u>446,700</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	86,992	-	-	86,992
Deferred inflows related to OPEB	<u>5,648</u>	<u>-</u>	<u>-</u>	<u>5,648</u>
Total deferred Inflows of resources	<u>92,640</u>	<u>-</u>	<u>-</u>	<u>92,640</u>
<b>NET POSITION</b>				
Net investment in capital assets	6,051,680	-	-	6,051,680
Unrestricted	<u>428,622</u>	<u>279,941</u>	<u>39,810</u>	<u>748,373</u>
Total net position	\$ <u>6,480,302</u>	\$ <u>279,941</u>	\$ <u>39,810</u>	\$ <u>6,800,053</u>



**CITY OF CANNON BEACH, OREGON**

**WASTEWATER ENTERPRISE**

Combining Statement of Revenues, Expenses, and Changes in Net Position

June 30, 2023

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>026 - Wastewater Fund</u>	<u>056 - Wastewater Reserve Fund</u>	<u>027 - Wastewater SDC Fund</u>	<u>Total</u>
Operating Revenues:				
Charges for services	\$ 1,530,324	\$ -	\$ -	\$ 1,530,324
Other revenue	<u>613</u>	<u>-</u>	<u>-</u>	<u>613</u>
Total operating revenues	<u>1,530,937</u>	<u>-</u>	<u>-</u>	<u>1,530,937</u>
Operating Expenses:				
Personal services	404,049	-	-	404,049
Materials and services	930,150	-	-	930,150
Depreciation	<u>414,671</u>	<u>-</u>	<u>-</u>	<u>414,671</u>
Total operating expenses	<u>1,748,870</u>	<u>-</u>	<u>-</u>	<u>1,748,870</u>
Operating income (loss)	<u>(217,933)</u>	<u>-</u>	<u>-</u>	<u>(217,933)</u>
Nonoperating Revenues (Expenses):				
Intergovernmental Revenues	128,783	-	-	128,783
Interest expense	<u>(1,141)</u>	<u>-</u>	<u>-</u>	<u>(1,141)</u>
Total nonoperating revenues (expenses)	<u>127,642</u>	<u>-</u>	<u>-</u>	<u>127,642</u>
Income (loss) before contributions	(90,291)	-	-	(90,291)
Capital contributions	-	-	26,384	26,384
Transfers in	50,959	62,560	-	113,519
Transfers out	<u>(62,560)</u>	<u>-</u>	<u>-</u>	<u>(62,560)</u>
Change in net position	(101,892)	62,560	26,384	(12,948)
Net Position:				
Beginning of year	<u>6,582,194</u>	<u>217,381</u>	<u>13,426</u>	<u>6,813,001</u>
End of year	<u>\$ 6,480,302</u>	<u>\$ 279,941</u>	<u>\$ 39,810</u>	<u>\$ 6,800,053</u>

**CITY OF CANNON BEACH, OREGON**

**WASTEWATER ENTERPRISE**

Combining Statement of Cash Flows

June 30, 2023

	Business-type Activities - Enterprise Funds			
	026 - Wastewater Fund	056 - Wastewater Reserve Fund	027 - Wastewater r SDC Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 1,524,134	\$ -	\$ -	\$ 1,524,134
Payments to suppliers and contractors	(538,162)	-	-	(538,162)
Payments to employees	(349,393)	-	-	(349,393)
Payments for interfund services	(432,965)	-	-	(432,965)
Net cash provided by (used in) operating	<u>203,614</u>	<u>-</u>	<u>-</u>	<u>203,614</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers within enterprise, net	(190,000)	190,000	-	-
Transfers in	<u>50,959</u>	<u>-</u>	<u>-</u>	<u>50,959</u>
Net cash provided by (used in) noncapital financing activities	<u>(139,041)</u>	<u>190,000</u>	<u>-</u>	<u>50,959</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from debt issuance	219,561	-	-	219,561
Capital contributions	-	-	26,384	26,384
Acquisition and construction of capital assets	(17,089)	(196,331)	-	(213,420)
Interest paid on debt	<u>(986)</u>	<u>-</u>	<u>-</u>	<u>(986)</u>
Net cash used in capital and related financing activities	<u>201,486</u>	<u>(196,331)</u>	<u>26,384</u>	<u>31,539</u>
Net change in cash and cash equivalents	266,059	(6,331)	26,384	286,112
Cash and cash equivalents:				
Beginning of year	<u>244,043</u>	<u>288,057</u>	<u>13,426</u>	<u>545,526</u>
End of year	<u>\$ 510,102</u>	<u>\$ 281,726</u>	<u>\$ 39,810</u>	<u>\$ 831,638</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ (217,933)	\$ -	\$ -	\$ (217,933)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	414,671	-	-	414,671
Pension adjustments	58,575	-	-	58,575
(Increase) decrease in assets:				
Receivables	(6,803)	-	-	(6,803)
Inventory	(21,000)	-	-	(21,000)
Increase (decrease) in liabilities:				
Trade Accounts Payable	(19,977)	-	-	(19,977)
Accrued compensated absences	<u>(3,919)</u>	<u>-</u>	<u>-</u>	<u>(3,919)</u>
Net cash provided by (used in) operating activities	<u>\$ 203,614</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 203,614</u>
<b>Schedule of noncash transactions:</b>				
Capital assets transferred between funds	<u>\$ 127,440</u>	<u>\$ (127,440)</u>	<u>\$ -</u>	<u>\$ -</u>
Forgiveness of loan	<u>\$ 128,783</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,783</u>

**CITY OF CANNON BEACH, OREGON****RV PARK ENTERPRISE****Combining Statement of Net Position**

June 30, 2023

	<u>020 - RV Park Fund</u>	<u>050 - RV Park Reserve Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and Cash Equivalents	\$ 1,161,496	\$ 362,542	\$ 1,524,038
Inventory	<u>47,948</u>	<u>-</u>	<u>47,948</u>
Total current assets	<u>1,209,444</u>	<u>362,542</u>	<u>1,571,986</u>
Noncurrent assets:			
Capital assets:			
Nondepreciable assets	799,450	-	799,450
Capital assets, net	<u>1,395,426</u>	<u>-</u>	<u>1,395,426</u>
Total noncurrent assets	<u>2,194,876</u>	<u>-</u>	<u>2,194,876</u>
Total assets	<u>3,404,320</u>	<u>362,542</u>	<u>3,766,862</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts Payable	<u>79,558</u>	<u>-</u>	<u>79,558</u>
<b>NET POSITION</b>			
Net investment in capital assets	2,194,876	-	2,194,876
Unrestricted	<u>1,129,886</u>	<u>362,542</u>	<u>1,492,428</u>
Total net position	<u>\$ 3,324,762</u>	<u>\$ 362,542</u>	<u>\$ 3,687,304</u>

**CITY OF CANNON BEACH, OREGON**

**RV PARK ENTERPRISE**

Combining Statement of Revenues, Expenses, and Changes in Net Position

June 30, 2023

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>020 - RV Park Fund</u>	<u>050 - RV Park Reserve Fund</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ 2,724,474	\$ -	\$ 2,724,474
Other revenue	<u>11</u>	<u>-</u>	<u>11</u>
Total operating revenues	<u>2,724,485</u>	<u>-</u>	<u>2,724,485</u>
Operating Expenses:			
Materials and services	2,191,953	-	2,191,953
Depreciation	<u>69,483</u>	<u>-</u>	<u>69,483</u>
Total operating expenses	<u>2,261,436</u>	<u>-</u>	<u>2,261,436</u>
Operating income (loss)	<u>463,049</u>	<u>-</u>	<u>463,049</u>
Nonoperating Revenues (Expenses):			
Income (loss) before contributions	463,049	-	463,049
Transfers in	-	59,969	59,969
Transfers out	<u>(359,969)</u>	<u>-</u>	<u>(359,969)</u>
Change in net position	103,080	59,969	163,049
Net Position:			
Beginning of year	<u>3,221,682</u>	<u>302,573</u>	<u>3,524,255</u>
End of year	<u>\$ 3,324,762</u>	<u>\$ 362,542</u>	<u>\$ 3,687,304</u>

**CITY OF CANNON BEACH, OREGON**

RV PARK ENTERPRISE

Combining Statement of Cash Flows

June 30, 2023

	Business-type Activities - Enterprise Funds		
	020 - RV Park Fund	050 - RV Park Reserve Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 2,724,485	\$ -	\$ 2,724,485
Payments to suppliers and contractors	(2,140,670)	-	(2,140,670)
Payments for interfund services	<u>(162,183)</u>	-	<u>(162,183)</u>
Net cash provided by (used in) operating	<u>421,632</u>	-	<u>421,632</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers within enterprise, net	(59,969)	59,969	-
Transfers out	<u>(300,000)</u>	-	<u>(300,000)</u>
Net cash provided by (used in) noncapital financing activities	<u>(359,969)</u>	<u>59,969</u>	<u>(300,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	-	(28,100)	(28,100)
Net cash used in capital and related financing activities	<u>-</u>	<u>(28,100)</u>	<u>(28,100)</u>
Net change in cash and cash equivalents	61,663	31,869	93,532
Cash and cash equivalents:			
Beginning of year	<u>1,099,833</u>	<u>330,673</u>	<u>1,430,506</u>
End of year	<u>\$ 1,161,496</u>	<u>\$ 362,542</u>	<u>\$ 1,524,038</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ 463,049	\$ -	\$ 463,049
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	69,483	-	69,483
(Increase) decrease in assets:			
Inventory	11,880	-	11,880
Increase (decrease) in liabilities:			
Trade Accounts Payable	<u>(122,780)</u>	-	<u>(122,780)</u>
Net cash provided by (used in) operating activities	<u>\$ 421,632</u>	<u>\$ -</u>	<u>\$ 421,632</u>

**CITY OF CANNON BEACH, OREGON**

RECYCLING ENTERPRISE

Combining Statement of Net Position

June 30, 2023

	022 - Recycling Fund	052 - Recycling Reserve Fund	Total
<b>ASSETS</b>			
Current assets:			
Cash and Cash Equivalents	\$ 163,628	\$ 9,826	\$ 173,454
Receivables	<u>26,712</u>	<u>-</u>	<u>26,712</u>
Total current assets	<u>190,340</u>	<u>9,826</u>	<u>200,166</u>
Noncurrent assets:			
Capital assets:			
Capital assets, net	<u>155,513</u>	<u>-</u>	<u>155,513</u>
Total assets	<u>345,853</u>	<u>9,826</u>	<u>355,679</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pensions	47,843	-	47,843
Deferred outflows related to OPEB	<u>105</u>	<u>-</u>	<u>105</u>
Total deferred outflows of resources	<u>47,948</u>	<u>-</u>	<u>47,948</u>
Total assets & deferred outflows	<u>393,801</u>	<u>9,826</u>	<u>403,627</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts Payable	3,908	-	3,908
Accrued compensated absences	<u>7,978</u>	<u>-</u>	<u>7,978</u>
Total current liabilities	<u>11,886</u>	<u>-</u>	<u>11,886</u>
Noncurrent liabilities:			
Net pension liability	105,189	-	105,189
Net OPEB liability	<u>3,374</u>	<u>-</u>	<u>3,374</u>
Total liabilities	<u>120,449</u>	<u>-</u>	<u>120,449</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	32,653	-	32,653
Deferred inflows related to OPEB	<u>2,120</u>	<u>-</u>	<u>2,120</u>
Total deferred Inflows of resources	<u>34,773</u>	<u>-</u>	<u>34,773</u>
<b>NET POSITION</b>			
Net investment in capital assets	155,513	-	155,513
Unrestricted	<u>83,066</u>	<u>9,826</u>	<u>92,892</u>
Total net position	<u>\$ 238,579</u>	<u>\$ 9,826</u>	<u>\$ 248,405</u>

**CITY OF CANNON BEACH, OREGON**

**RECYCLING ENTERPRISE**

Combining Statement of Revenues, Expenses, and Changes in Net Position

June 30, 2023

	<u>022 - Recycling Fund</u>	<u>052 - Recycling Reserve Fund</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ 259,475	\$ -	\$ 259,475
Other revenue	<u>1,405</u>	<u>-</u>	<u>1,405</u>
Total operating revenues	<u>260,880</u>	<u>-</u>	<u>260,880</u>
Operating Expenses:			
Personal services	118,759	-	118,759
Materials and services	115,096	-	115,096
Depreciation	<u>10,226</u>	<u>-</u>	<u>10,226</u>
Total operating expenses	<u>244,081</u>	<u>-</u>	<u>244,081</u>
Change in net position	16,799	-	16,799
Net Position:			
Beginning of year	<u>221,780</u>	<u>9,826</u>	<u>231,606</u>
End of year	<u>\$ 238,579</u>	<u>\$ 9,826</u>	<u>\$ 248,405</u>

**CITY OF CANNON BEACH, OREGON**

RECYCLING ENTERPRISE

Combining Statement of Cash Flows

June 30, 2023

	Business-type Activities - Enterprise Funds		
	022 - Recycling Fund	052 - Recycling Reserve Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 260,242	\$ -	\$ 260,242
Payments to suppliers and contractors	(48,095)	-	(48,095)
Payments to employees	(122,249)	-	(122,249)
Payments for interfund services	<u>(67,074)</u>	<u>-</u>	<u>(67,074)</u>
Net cash provided by (used in) operating	22,824	-	22,824
Cash and cash equivalents:			
Beginning of year	<u>140,804</u>	<u>9,826</u>	<u>150,630</u>
End of year	<u><u>\$ 163,628</u></u>	<u><u>\$ 9,826</u></u>	<u><u>\$ 173,454</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ 16,799	\$ -	\$ 16,799
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	10,226	-	10,226
Pension adjustments	(4,025)	-	(4,025)
(Increase) decrease in assets:			
Receivables	(638)	-	(638)
Increase (decrease) in liabilities:			
Trade Accounts Payable	(73)	-	(73)
Accrued compensated absences	<u>535</u>	<u>-</u>	<u>535</u>
Net cash provided by (used in) operating activities	<u><u>\$ 22,824</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 22,824</u></u>



**CITY OF CANNON BEACH, OREGON**

**STORM DRAIN ENTERPRISE**

Combining Statement of Net Position

June 30, 2023

	028 - Storm Drain Fund	058 - Storm Drain Reserve Fund	029 - Storm SDC Fund	Total
<b>ASSETS</b>				
Current assets:				
Cash and Cash Equivalents	\$ 127,630	\$ 158,622	\$ 13,052	\$ 299,304
Receivables	<u>24,603</u>	<u>-</u>	<u>-</u>	<u>24,603</u>
Total current assets	<u>152,233</u>	<u>158,622</u>	<u>13,052</u>	<u>323,907</u>
Noncurrent assets:				
Capital assets:				
Capital assets, net	<u>531,838</u>	<u>-</u>	<u>-</u>	<u>531,838</u>
Total assets	<u>684,071</u>	<u>158,622</u>	<u>13,052</u>	<u>855,745</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Related to pensions	4,200	-	-	4,200
Deferred outflows related to OPEB	<u>9</u>	<u>-</u>	<u>-</u>	<u>9</u>
Total deferred outflows of resources	<u>4,209</u>	<u>-</u>	<u>-</u>	<u>4,209</u>
Total assets & deferred outflows	<u>688,280</u>	<u>158,622</u>	<u>13,052</u>	<u>859,954</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts Payable	3,026	-	-	3,026
Accrued compensated absences	<u>695</u>	<u>-</u>	<u>-</u>	<u>695</u>
Total current liabilities	<u>3,721</u>	<u>-</u>	<u>-</u>	<u>3,721</u>
Noncurrent liabilities:				
Net pension liability	9,234	-	-	9,234
Net OPEB liability	<u>296</u>	<u>-</u>	<u>-</u>	<u>296</u>
Total liabilities	<u>13,251</u>	<u>-</u>	<u>-</u>	<u>13,251</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	2,867	-	-	2,867
Deferred inflows related to OPEB	<u>186</u>	<u>-</u>	<u>-</u>	<u>186</u>
Total deferred Inflows of resources	<u>3,053</u>	<u>-</u>	<u>-</u>	<u>3,053</u>
<b>NET POSITION</b>				
Net investment in capital assets	531,838	-	-	531,838
Unrestricted	<u>140,138</u>	<u>158,622</u>	<u>13,052</u>	<u>311,812</u>
Total net position	<u>\$ 671,976</u>	<u>\$ 158,622</u>	<u>\$ 13,052</u>	<u>\$ 843,650</u>

**CITY OF CANNON BEACH, OREGON**

**STORM DRAIN ENTERPRISE**

Combining Statement of Revenues, Expenses, and Changes in Net Position

June 30, 2023

	028 - Storm Drain Fund	058 - Storm Drain Reserve Fund	029 - Storm SDC Fund	Total
Operating Revenues:				
Charges for services	\$ 279,683	\$ -	\$ -	\$ 279,683
Other revenue	<u>39</u>	<u>-</u>	<u>-</u>	<u>39</u>
Total operating revenues	<u>279,722</u>	<u>-</u>	<u>-</u>	<u>279,722</u>
Operating Expenses:				
Personal services	13,792	-	-	13,792
Materials and services	199,464	-	-	199,464
Depreciation	<u>25,037</u>	<u>-</u>	<u>-</u>	<u>25,037</u>
Total operating expenses	<u>238,293</u>	<u>-</u>	<u>-</u>	<u>238,293</u>
Operating income (loss)	41,429	-	-	41,429
Capital contributions	-	-	5,497	5,497
Transfers in	27,621	156,437	-	184,058
Transfers out	<u>(156,437)</u>	<u>-</u>	<u>-</u>	<u>(156,437)</u>
Change in net position	(87,387)	156,437	5,497	74,547
Net Position:				
Beginning of year	<u>759,363</u>	<u>2,185</u>	<u>7,555</u>	<u>769,103</u>
End of year	<u>\$ 671,976</u>	<u>\$ 158,622</u>	<u>\$ 13,052</u>	<u>\$ 843,650</u>

**CITY OF CANNON BEACH, OREGON**

**STORM DRAIN ENTERPRISE**

**Combining Statement of Cash Flows**

June 30, 2023

	Business-type Activities - Enterprise Funds			
	028 - Storm Drain Fund	058 - Storm Drain Reserve Fund	029 - Storm SDC Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 271,573	\$ -	\$ -	\$ 271,573
Payments to suppliers and contractors	(126,035)	-	-	(126,035)
Payments to employees	(13,471)	-	-	(13,471)
Payments for interfund services	(71,721)	-	-	(71,721)
Net cash provided by (used in) operating	<u>60,346</u>	<u>-</u>	<u>-</u>	<u>60,346</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers within enterprise, net	(156,437)	156,437	-	-
Transfers in	<u>27,621</u>	<u>-</u>	<u>-</u>	<u>27,621</u>
Net cash provided by (used in) noncapital financing activities	<u>(128,816)</u>	<u>156,437</u>	<u>-</u>	<u>27,621</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital contributions	-	-	5,497	5,497
Acquisition and construction of capital assets	<u>(20,438)</u>	<u>-</u>	<u>-</u>	<u>(20,438)</u>
Net cash used in capital and related financing activities	<u>(20,438)</u>	<u>-</u>	<u>5,497</u>	<u>(14,941)</u>
Net change in cash and cash equivalents	(88,908)	156,437	5,497	73,026
Cash and cash equivalents:				
Beginning of year	<u>216,538</u>	<u>2,185</u>	<u>7,555</u>	<u>226,278</u>
End of year	<u>\$ 127,630</u>	<u>\$ 158,622</u>	<u>\$ 13,052</u>	<u>\$ 299,304</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ 41,429	\$ -	\$ -	\$ 41,429
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	25,037	-	-	25,037
Pension adjustments	105	-	-	105
(Increase) decrease in assets:				
Receivables	(8,149)	-	-	(8,149)
Increase (decrease) in liabilities:				
Trade Accounts Payable	1,709	-	-	1,709
Accrued compensated absences	<u>215</u>	<u>-</u>	<u>-</u>	<u>215</u>
Net cash provided by (used in) operating activities	<u>\$ 60,346</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,346</u>

**CITY OF CANNON BEACH, OREGON**

024 - WATER FUND

Schedule of Resources and Requirements

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Resources:</b>				
Beginning fund balance	\$ 875,000	\$ 875,000	\$ 1,032,379	\$ 157,379
Charges for services	1,470,163	1,470,163	1,408,067	(62,096)
Other revenue	8,000	8,000	15,583	7,583
Loan proceeds	<u>3,807,000</u>	<u>3,807,000</u>	<u>571,317</u>	<u>(3,235,683)</u>
Total resources	<u>\$ 6,160,163</u>	<u>\$ 6,160,163</u>	<u>\$ 3,027,346</u>	<u>\$ (3,132,817)</u>
<b>Requirements:</b>				
Water Program:				
Personal services	\$ 349,391	\$ 473,231	\$ 346,515	\$ 126,716
Materials and services	965,822	969,332	730,595	238,737
Capital outlay	100,000	106,813	25,287	81,526
Debt service	<u>41,000</u>	<u>41,000</u>	<u>-</u>	<u>41,000</u>
Total program-specific	1,456,213	1,590,376	1,102,397	487,979
Transfers out	4,217,800	4,217,800	982,117	3,235,683
Contingency	<u>291,243</u>	<u>157,080</u>	<u>-</u>	<u>157,080</u>
Total expenditures	5,965,256	5,965,256	2,084,514	3,880,742
Ending fund balance	<u>194,907</u>	<u>194,907</u>	<u>942,832</u>	<u>(747,925)</u>
Total requirements	<u>\$ 6,160,163</u>	<u>\$ 6,160,163</u>	<u>\$ 3,027,346</u>	<u>\$ 3,132,817</u>

**Reconciliation to GAAP Basis:**

Ending fund balance - budget basis	\$ 942,832
Inventory	133,864
Capital assets, net	4,587,731
Deferred outflows related to pensions	128,919
Deferred outflows related to OPEB	282
Accrued interest payable	(5,547)
Accrued compensated absences	(20,009)
Long-term debt	(723,590)
Net pension liability	(283,447)
Net OPEB liability	(9,092)
Deferred inflows related to pensions	(87,988)
Deferred inflows related to OPEB	<u>(5,712)</u>
Ending net position - GAAP basis	<u>\$ 4,658,243</u>

**CITY OF CANNON BEACH, OREGON****054 - WATER RESERVE FUND****Schedule of Resources and Requirements****Budget and Actual (Budgetary Basis)****For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Resources:</b>				
Beginning fund balance	\$ 350,000	\$ 350,000	\$ 366,639	\$ 16,639
Transfers in	<u>4,217,800</u>	<u>4,217,800</u>	<u>982,117</u>	<u>(3,235,683)</u>
Total resources	<u>\$ 4,567,800</u>	<u>\$ 4,567,800</u>	<u>\$ 1,348,756</u>	<u>\$ (3,219,044)</u>
<b>Requirements:</b>				
Water Program:				
Materials and services	\$ 6,000	\$ 6,000	\$ 5,321	\$ 679
Capital outlay	<u>3,966,000</u>	<u>3,966,000</u>	<u>567,180</u>	<u>3,398,820</u>
Total program-specific	<u>3,972,000</u>	<u>3,972,000</u>	<u>572,501</u>	<u>3,399,499</u>
Contingency	<u>595,800</u>	<u>595,800</u>	<u>-</u>	<u>595,800</u>
Total expenditures	<u>4,567,800</u>	<u>4,567,800</u>	<u>572,501</u>	<u>3,995,299</u>
Ending fund balance	<u>-</u>	<u>-</u>	<u>776,255</u>	<u>(776,255)</u>
Total requirements	<u>\$ 4,567,800</u>	<u>\$ 4,567,800</u>	<u>\$ 1,348,756</u>	<u>\$ 3,219,044</u>

**CITY OF CANNON BEACH, OREGON****025 - WATER SDC FUND****Schedule of Resources and Requirements****Budget and Actual (Budgetary Basis)****For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 13,000	\$ 13,000	\$ 13,047	\$ 47
Capital contributions	<u>16,264</u>	<u>16,264</u>	<u>14,775</u>	<u>(1,489)</u>
Total resources	<u>\$ 29,264</u>	<u>\$ 29,264</u>	<u>\$ 27,822</u>	<u>\$ (1,442)</u>
Requirements:				
Capital outlay	<u>\$ 29,264</u>	<u>\$ 29,264</u>	<u>\$ -</u>	<u>\$ 29,264</u>
Total expenditures	<u>29,264</u>	<u>29,264</u>	<u>-</u>	<u>29,264</u>
Ending fund balance	<u>-</u>	<u>-</u>	<u>27,822</u>	<u>(27,822)</u>
Total requirements	<u>\$ 29,264</u>	<u>\$ 29,264</u>	<u>\$ 27,822</u>	<u>\$ 1,442</u>

**CITY OF CANNON BEACH, OREGON**

**026 - WASTEWATER FUND**

Schedule of Resources and Requirements

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Resources:</b>				
Beginning fund balance	\$ 440,000	\$ 440,000	\$ 563,386	\$ 123,386
Charges for services	1,593,410	1,593,410	1,530,324	(63,086)
Other revenue	-	-	613	613
Transfers in	50,959	50,959	50,959	-
Loan proceeds	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>(300,000)</u>
Total resources	<u>\$ 2,384,369</u>	<u>\$ 2,384,369</u>	<u>\$ 2,145,282</u>	<u>\$ (239,087)</u>
<b>Requirements:</b>				
Wastewater Program:				
Personal services	\$ 386,099	\$ 399,859	\$ 349,393	\$ 50,466
Materials and services	1,169,002	1,191,392	951,150	240,242
Capital outlay	12,000	18,813	17,088	1,725
Debt service	<u>11,540</u>	<u>11,540</u>	<u>986</u>	<u>10,554</u>
Total program-specific	1,578,641	1,621,604	1,318,617	302,987
Transfers out	490,000	490,000	190,000	300,000
Contingency	<u>315,728</u>	<u>272,765</u>	<u>-</u>	<u>272,765</u>
Total expenditures	2,384,369	2,384,369	1,508,617	875,752
Ending fund balance	<u>-</u>	<u>-</u>	<u>636,665</u>	<u>(636,665)</u>
Total requirements	<u>\$ 2,384,369</u>	<u>\$ 2,384,369</u>	<u>\$ 2,145,282</u>	<u>\$ 239,087</u>

**Reconciliation to GAAP Basis:**

Ending fund balance - budget basis	\$ 636,665
Inventory	55,850
Capital assets, net	6,180,463
Deferred outflows related to pensions	127,458
Deferred outflows related to OPEB	279
Accrued interest payable	(155)
Accrued compensated absences	(9,610)
Long-term debt	(128,784)
Net pension liability	(280,235)
Net OPEB liability	(8,989)
Deferred inflows related to pensions	(86,992)
Deferred inflows related to OPEB	<u>(5,648)</u>
Ending net position - GAAP basis	<u>\$ 6,480,302</u>

**CITY OF CANNON BEACH, OREGON**

## 056 - WASTEWATER RESERVE FUND

## Schedule of Resources and Requirements

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 230,000	\$ 230,000	\$ 217,381	\$ (12,619)
Transfers in	<u>490,000</u>	<u>490,000</u>	<u>190,000</u>	<u>(300,000)</u>
Total resources	<u>\$ 720,000</u>	<u>\$ 720,000</u>	<u>\$ 407,381</u>	<u>\$ (312,619)</u>
Requirements:				
Wastewater Program:				
Capital outlay	\$ 600,000	\$ 600,000	\$ 127,440	\$ 472,560
Contingency	<u>120,000</u>	<u>120,000</u>	<u>-</u>	<u>120,000</u>
Total expenditures	720,000	720,000	127,440	592,560
Ending fund balance	<u>-</u>	<u>-</u>	<u>279,941</u>	<u>(279,941)</u>
Total requirements	<u>\$ 720,000</u>	<u>\$ 720,000</u>	<u>\$ 407,381</u>	<u>\$ 312,619</u>



**CITY OF CANNON BEACH, OREGON****027 - WASTEWATER SDC FUND****Schedule of Resources and Requirements****Budget and Actual (Budgetary Basis)****For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 13,000	\$ 13,000	\$ 13,425	\$ 425
Capital contributions	<u>38,792</u>	<u>38,792</u>	<u>26,385</u>	<u>(12,407)</u>
Total resources	<u>\$ 51,792</u>	<u>\$ 51,792</u>	<u>\$ 39,810</u>	<u>\$ (11,982)</u>
Requirements:				
Capital outlay	<u>\$ 51,792</u>	<u>\$ 51,792</u>	<u>\$ -</u>	<u>\$ 51,792</u>
Total expenditures	<u>51,792</u>	<u>51,792</u>	<u>-</u>	<u>51,792</u>
Ending fund balance	<u>-</u>	<u>-</u>	<u>39,810</u>	<u>(39,810)</u>
Total requirements	<u>\$ 51,792</u>	<u>\$ 51,792</u>	<u>\$ 39,810</u>	<u>\$ 11,982</u>

# CITY OF CANNON BEACH, OREGON

## 020 - RV PARK FUND

### Schedule of Resources and Requirements

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance
Resources:				
Beginning fund balance	\$ 1,000,000	\$ 1,000,000	\$ 897,495	\$ (102,505)
Charges for services	2,686,709	2,686,709	2,724,474	37,765
Other revenue	-	-	10	10
Total resources	<u>\$ 3,686,709</u>	<u>\$ 3,686,709</u>	<u>\$ 3,621,979</u>	<u>\$ (64,730)</u>
Requirements:				
RV Park Program:				
Materials and services	\$ 2,487,283	\$ 2,487,283	\$ 2,180,072	\$ 307,211
Capital outlay	35,000	35,000	-	35,000
Transfers out	359,969	359,969	359,969	-
Contingency	<u>504,457</u>	<u>504,457</u>	<u>-</u>	<u>504,457</u>
Total expenditures	3,386,709	3,386,709	2,540,041	846,668
Ending fund balance	<u>300,000</u>	<u>300,000</u>	<u>1,081,938</u>	<u>(781,938)</u>
Total requirements	<u>\$ 3,686,709</u>	<u>\$ 3,686,709</u>	<u>\$ 3,621,979</u>	<u>\$ 64,730</u>

### Reconciliation to GAAP Basis:

Ending fund balance - budget basis	\$ 1,081,938
Inventory	47,948
Capital assets, net	<u>2,194,876</u>
Ending net position - GAAP basis	<u>\$ 3,324,762</u>

**CITY OF CANNON BEACH, OREGON**

**050 - RV PARK RESERVE FUND**

**Schedule of Resources and Requirements**

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 290,922	\$ 290,922	\$ 302,573	\$ 11,651
Transfers in	<u>59,969</u>	<u>59,969</u>	<u>59,969</u>	<u>-</u>
Total resources	<u>\$ 350,891</u>	<u>\$ 350,891</u>	<u>\$ 362,542</u>	<u>\$ 11,651</u>
Requirements:				
RV Park Program:				
Capital outlay	\$ 350,891	\$ 350,891	\$ -	\$ 350,891
Ending fund balance	<u>-</u>	<u>-</u>	<u>362,542</u>	<u>(362,542)</u>
Total requirements	<u>\$ 350,891</u>	<u>\$ 350,891</u>	<u>\$ 362,542</u>	<u>\$ (11,651)</u>

**CITY OF CANNON BEACH, OREGON**

022 - RECYCLING FUND

Schedule of Resources and Requirements

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance
<b>Resources:</b>				
Beginning fund balance	\$ 120,000	\$ 120,000	\$ 162,897	\$ 42,897
Charges for services	234,000	234,000	259,475	25,475
Other revenue	-	-	1,405	1,405
Total resources	<u>\$ 354,000</u>	<u>\$ 354,000</u>	<u>\$ 423,777</u>	<u>\$ 69,777</u>
<b>Requirements:</b>				
Recycling Program:				
Personal services	\$ 125,223	\$ 125,223	\$ 122,249	\$ 2,974
Materials and services	<u>155,122</u>	<u>155,122</u>	<u>115,096</u>	<u>40,026</u>
Total program-specific	280,345	280,345	237,345	43,000
Contingency	<u>56,069</u>	<u>56,069</u>	-	56,069
Total expenditures	336,414	336,414	237,345	99,069
Ending fund balance	<u>17,586</u>	<u>17,586</u>	<u>186,432</u>	<u>(168,846)</u>
Total requirements	<u>\$ 354,000</u>	<u>\$ 354,000</u>	<u>\$ 423,777</u>	<u>\$ (69,777)</u>

Reconciliation to GAAP Basis:

Ending fund balance - budget basis	\$ 186,432
Capital assets, net	155,513
Deferred outflows related to pensions	47,843
Deferred outflows related to OPEB	105
Accrued compensated absences	(7,978)
Net pension liability	(105,189)
Net OPEB liability	(3,374)
Deferred inflows related to pensions	(32,653)
Deferred inflows related to OPEB	<u>(2,120)</u>
Ending net position - GAAP basis	<u>\$ 238,579</u>

**CITY OF CANNON BEACH, OREGON**

**052 - RECYCLING RESERVE FUND**

**Schedule of Resources and Requirements**

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ <u>9,825</u>	\$ <u>9,825</u>	\$ <u>9,826</u>	\$ <u>1</u>
Total resources	\$ <u><u>9,825</u></u>	\$ <u><u>9,825</u></u>	\$ <u><u>9,826</u></u>	\$ <u><u>1</u></u>
Requirements:				
Recycling Program:				
Capital outlay	\$ <u>9,825</u>	\$ <u>9,825</u>	\$ <u>-</u>	\$ <u>9,825</u>
Ending fund balance	<u>-</u>	<u>-</u>	<u>9,826</u>	<u>(9,826)</u>
Total requirements	\$ <u><u>9,825</u></u>	\$ <u><u>9,825</u></u>	\$ <u><u>9,826</u></u>	\$ <u><u>(1)</u></u>

**CITY OF CANNON BEACH, OREGON**

028 - STORM DRAIN FUND

Schedule of Resources and Requirements

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Resources:</b>				
Beginning fund balance	\$ 198,000	\$ 198,000	\$ 231,674	\$ 33,674
Charges for services	286,000	286,000	279,683	(6,317)
Other revenue	-	-	39	39
Transfers in	<u>27,621</u>	<u>27,621</u>	<u>27,621</u>	<u>-</u>
Total resources	<u>\$ 511,621</u>	<u>\$ 511,621</u>	<u>\$ 539,017</u>	<u>\$ 27,396</u>
<b>Requirements:</b>				
Storm Drain Program:				
Personal services	\$ 16,747	\$ 16,747	\$ 13,471	\$ 3,276
Materials and services	279,240	279,240	199,464	79,776
Capital outlay	<u>-</u>	<u>20,439</u>	<u>20,438</u>	<u>1</u>
Total program-specific	295,987	316,426	233,373	83,053
Transfers out	156,437	156,437	156,437	-
Contingency	<u>59,197</u>	<u>38,758</u>	<u>-</u>	<u>38,758</u>
Total expenditures	511,621	511,621	389,810	121,811
Ending fund balance	<u>-</u>	<u>-</u>	<u>149,207</u>	<u>(149,207)</u>
Total requirements	<u>\$ 511,621</u>	<u>\$ 511,621</u>	<u>\$ 539,017</u>	<u>\$ (27,396)</u>

**Reconciliation to GAAP Basis:**

Ending fund balance - budget basis	\$ 149,207
Capital assets, net	531,838
Deferred outflows related to pensions	4,200
Deferred outflows related to OPEB	9
Accrued compensated absences	(695)
Net pension liability	(9,234)
Net OPEB liability	(296)
Deferred inflows related to pensions	(2,867)
Deferred inflows related to OPEB	<u>(186)</u>
Ending net position - GAAP basis	<u>\$ 671,976</u>

**CITY OF CANNON BEACH, OREGON**

**058 - STORM DRAIN RESERVE FUND**

**Schedule of Resources and Requirements**

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 2,184	\$ 2,184	\$ 2,185	\$ 1
Transfers in	<u>156,437</u>	<u>156,437</u>	<u>156,437</u>	<u>-</u>
Total resources	<u>\$ 158,621</u>	<u>\$ 158,621</u>	<u>\$ 158,622</u>	<u>\$ 1</u>
Requirements:				
Storm Drain Program:				
Capital outlay	\$ 132,184	\$ 132,184	\$ -	\$ 132,184
Contingency	<u>26,437</u>	<u>26,437</u>	<u>-</u>	<u>26,437</u>
Ending fund balance	<u>-</u>	<u>-</u>	<u>158,622</u>	<u>(158,622)</u>
Total requirements	<u>\$ 158,621</u>	<u>\$ 158,621</u>	<u>\$ 158,622</u>	<u>\$ (1)</u>

**CITY OF CANNON BEACH, OREGON****029 - STORM SDC FUND****Schedule of Resources and Requirements****Budget and Actual (Budgetary Basis)****For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Beginning fund balance	\$ 7,000	\$ 7,000	\$ 7,555	\$ 555
Capital contributions	<u>3,392</u>	<u>3,392</u>	<u>5,497</u>	<u>2,105</u>
Total resources	<u>\$ 10,392</u>	<u>\$ 10,392</u>	<u>\$ 13,052</u>	<u>\$ 2,660</u>
Requirements:				
Capital outlay	<u>\$ 10,392</u>	<u>\$ 10,392</u>	<u>\$ -</u>	<u>\$ 10,392</u>
Total expenditures	<u>10,392</u>	<u>10,392</u>	<u>-</u>	<u>10,392</u>
Ending fund balance	<u>-</u>	<u>-</u>	<u>13,052</u>	<u>(13,052)</u>
Total requirements	<u>\$ 10,392</u>	<u>\$ 10,392</u>	<u>\$ 13,052</u>	<u>\$ (2,660)</u>



### **INTERNAL SERVICE FUND**

*Internal Service Funds* are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis. Funds included in this category are:

***Administrative Services Fund*** - Accounts for expenditures related to city-wide functions, including executive, finance, and central services expenditures.

**CITY OF CANNON BEACH, OREGON**

060 - ADMINISTRATIVE SERVICES FUND

Schedule of Resources and Requirements

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Resources:				
Charges for services	\$ 2,297,831	\$ 2,297,831	\$ 2,068,976	\$ (228,855)
Other revenue	<u>-</u>	<u>-</u>	<u>738</u>	<u>738</u>
Total resources	<u>\$ 2,297,831</u>	<u>\$ 2,297,831</u>	<u>\$ 2,069,714</u>	<u>\$ (228,117)</u>
Requirements:				
Executive	\$ 664,866	\$ 664,866	\$ 562,394	\$ 102,472
Finance	611,275	611,275	577,491	33,784
IT	293,685	293,685	264,764	28,921
Central Services	270,890	270,890	261,836	9,054
Public Works	<u>457,115</u>	<u>457,115</u>	<u>403,229</u>	<u>53,886</u>
Total expenditures	2,297,831	2,297,831	2,069,714	228,117
Ending fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total requirements	<u>\$ 2,297,831</u>	<u>\$ 2,297,831</u>	<u>\$ 2,069,714</u>	<u>\$ 228,117</u>

Reconciliation to GAAP Basis:

Ending fund balance - budget basis	\$ -
Capital assets, net	47,945
Deferred outflows related to pensions	500,522
Deferred outflows related to OPEB	1,094
Accrued compensated absences	(84,071)
Net pension liability	(1,100,465)
Net OPEB liability	(35,300)
Deferred inflows related to pensions	(341,608)
Deferred inflows related to OPEB	<u>(22,176)</u>
Ending net position - GAAP basis	<u>\$ (1,034,059)</u>

COMPLIANCE SECTION

**SCHEDULE OF CONTINUING DISCLOSURES  
RELATED TO GENERAL OBLIGATION BONDS AND FULL FAITH & CREDIT BONDS**

<b>TOP TEN TAXPAYERS - 2022-2023</b>	<b>TOP TEN TAXPAYERS - 2021-2022</b>
Georgia Pacific Consumer Products	Georgia Pacific Consumer Products
Lewis & Clark Tree Farms LLC	Lewis & Clark Tree Farms LLC
Pacificorp	Pacificorp
Pacific Coast Seafood	Hampton Lumber Mills Inc.
Hampton Lumber Mills Inc.	Northwest Natural Gas Co.
WorldMark The Club	WorldMark The Club
Northwest Natural Gas Co.	Charter Communications
Charter Communications	Weyerhaeuser Columbia Timberlands LLC
Weyerhaeuser Columbia Timberlands LLC	Pacific Coast Seafood
Lumen Technologies	Lumen Technologies

Source: Clatsop County, Oregon Taxation and Assessment

<b>PROPERTY VALUATIONS</b>	<b>Real Market Value</b>	<b>Assessed Value</b>
2022-23 - City of Cannon Beach	\$ 2,302,409,609	\$ 1,091,431,474
2021-22 - City of Cannon Beach	\$ 1,743,243,619	\$ 1,050,750,628
2020-21 - City of Cannon Beach		\$ 1,017,352,175
2019-20 - City of Cannon Beach		\$ 980,770,506
2018-19 - City of Cannon Beach		\$ 948,238,200
2017-18 - City of Cannon Beach		\$ 913,777,685
2016-17 - City of Cannon Beach		\$ 883,574,038
2015-16 - City of Cannon Beach		\$ 856,606,004

Source: Clatsop County, Oregon Taxation and Assessment

<b>TAX COLLECTION RECORD AND REPRESENTATIVE LEVY RATE FOR DEBT SERVICE</b>								
Fiscal Year	2010 G.O. Bond	2010 G.O. Bond	2012 G.O. Bond	2012 G.O. Bond	2022 G.O. Bond	2022 G.O. Bond	Total	Total
	Tax Collections	Representative Levy Rate	Tax Collections	Representative Levy Rate	Tax Collections	Representative Levy Rate	Combined Tax Collections	Combined Levy Rate
2022-23	\$ -	-	\$ -	-	\$ 406,972	0.39390	\$ 406,972	0.39390
2021-22	19,885	0.01990	199,858	0.20005	179,665	0.17984	399,408	0.39980
2020-21	223,678	0.23119	239,464	0.24751	-	0.27231	463,142	0.47870
2019-20	187,852	0.20302	215,021	0.23238	-	0.22473	402,873	0.43540
2018-19	146,554	0.16361	211,830	0.23649	-	0.23649	358,384	0.40010
2017-18	134,163	0.15527	201,174	0.23283	-	0.23283	335,337	0.38810
2016-17	147,579	0.17749	226,418	0.27231	-	0.27231	373,997	0.44980
2015-16	114,134	0.14177	180,929	0.22473	-	0.22473	295,063	0.36650
2014-15	114,863	0.14756	56,252	0.07227	-	0.07227	171,115	0.21983
2013-14	114,215	0.14845	58,693	0.07629	-	0.07629	172,908	0.22473
2012-13	112,418	0.15070	33,529	0.04495	-	0.04495	145,947	0.19564
2011-12	135,432	0.19560	n/a	n/a			135,432	0.19560

Sources: Calculated from City of Cannon Beach Annual Budgets, Financial Reports, and Clatsop County Tax Table 4a.

<b>TAX COLLECTION RECORD AND REPRESENTATIVE LEVY RATE FOR OPERATIONS</b>			
Fiscal Year	Total Tax Collections	Total Levy Rate	
2022-23	\$ 728,236	0.70490	
2021-22	704,235	0.70490	

Sources: Calculated from City of Cannon Beach Annual Budgets, Financial Reports, and Clatsop County Tax Table 5a



1976 Garden Ave.  
Eugene, OR 97403  
541.342.5161  
www.islercpa.com

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

To the Honorable Mayor, Members of the City Council  
City of Cannon Beach, Oregon

We have audited the basic financial statements of the City of Cannon Beach, Oregon (City), as of and for the year ended June 30, 2023 and have issued our report thereon dated December 20, 2023. 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's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing nothing came to our attention that caused us to believe the City 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**

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. 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's internal control over financial reporting.

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

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

This report is intended for the information of management, the City Council and the Secretary of State, Audits Division, of the State of Oregon. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "Paul R. Nielson". The signature is written in a cursive, flowing style.

by Paul R Nielson, CPA, a member of the firm  
Eugene, Oregon  
December 20, 2023



CITY OF CANNON BEACH

2023

# Communication to City Council

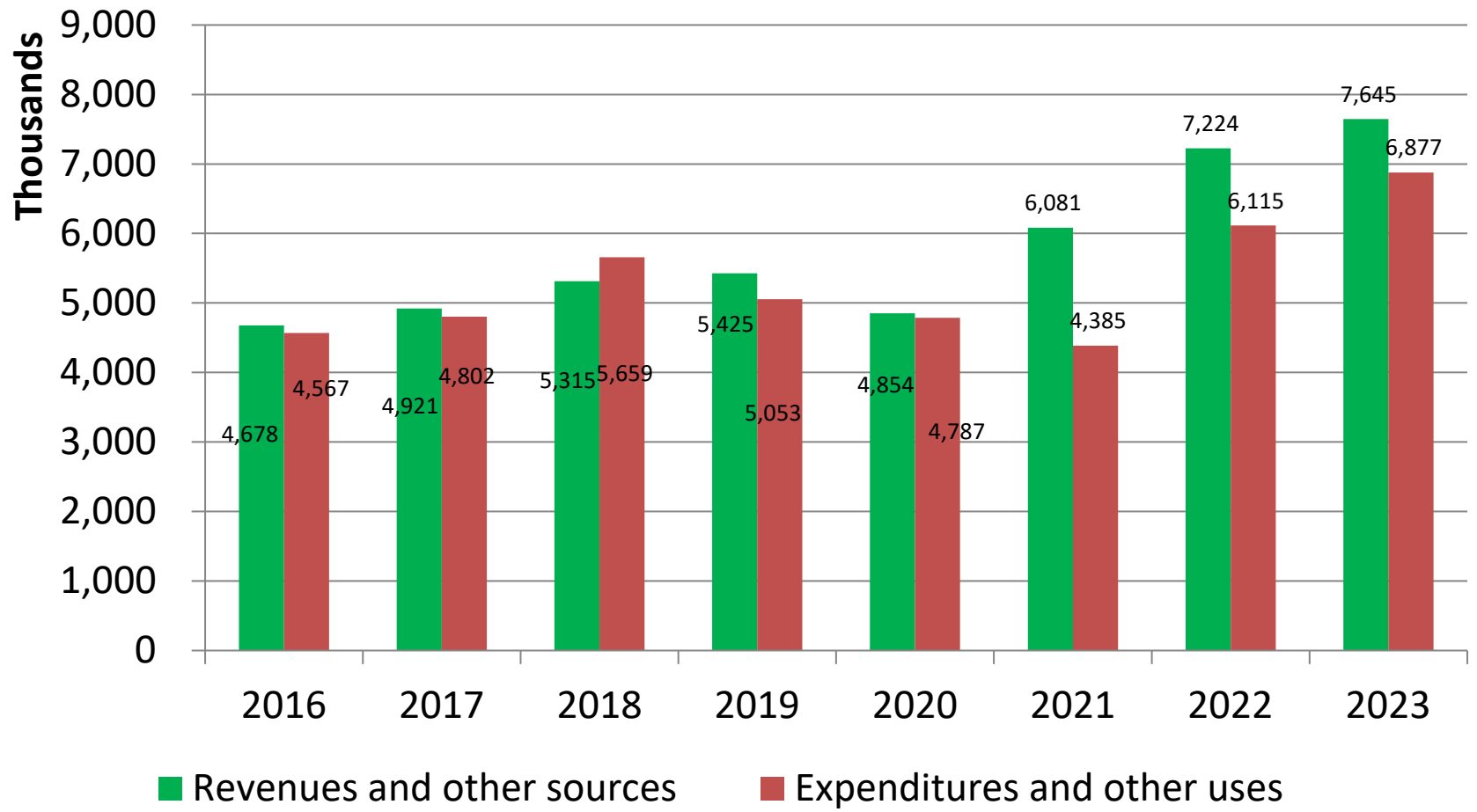
- Auditor's responsibilities
- Significant findings
- Difficulties encountered during the audit
- Corrected and uncorrected misstatements
- Disagreements with management
- Management representations
- Management consultations with other auditors
- Other findings and issues



# Oregon Minimum Standards

- Deposits of public funds
- Debt limitations
- Budget testing
- Insurance
- Programs funded from outside sources
- Highway revenues testing
- Investment of public funds
- Public contracting

## General Fund: Change in Fund Balance





# CANNON BEACH CITY COUNCIL

## STAFF REPORT

### APPOINTMENT OF CITY COMMITTEE/BOARD/COMMISSION

---

**Tourism and Arts Commission: ONE (1) vacancy** to fill a four-year term beginning immediately.

Applicant: Thom Allison

*Council will vote by roll call if more than one applicant.*

*If the Council wishes to appoint an applicant to the Parks and Community Services Committee an appropriate motion is in order.*

*“I move to appoint \_\_\_\_\_ to the Tourism and Arts Commission beginning immediately.”*



# CITY OF CANNON BEACH

## APPLICATION FOR CITY COMMITTEE, BOARD, OR COMMISSION

Applicant Name: <u>Thom Allison</u>	Type of Application:
Mailing Address: [REDACTED]	<input checked="" type="checkbox"/> New
Telephone (Home): [REDACTED]	<input type="checkbox"/> Renewal
Alt. Telephone: [REDACTED]	
Email Address: [REDACTED]	

Which Committee, Board, or Commission would you like to serve upon (see full qualifications required for each Committee on reverse)? Submit completed application questionnaire with this application.

<input type="checkbox"/> Budget Committee <b>Must provide copy of voter registration card with application</b>	<input type="checkbox"/> Parks & Community Services Committee
<input type="checkbox"/> Design Review Board	<input type="checkbox"/> Planning Commission
<input type="checkbox"/> Farmers Market Committee	<input type="checkbox"/> Public Works
<input checked="" type="checkbox"/> Tourism and Arts Commission (TAC) <b>See specific requirements in Municipal Code Chapter 2.32.040 D</b>	

Please indicate which committee(s) you are already a member of: \_\_\_\_\_

If you are applying for more than one committee, are you willing to serve on both? If not, indicate your order of preference for service:

Applicants must have resided within the city or its urban growth boundary during the one year immediately preceding appointment; or at the time of appointment, shall have owned real property located within the city or its urban growth boundary for at least one year immediately preceding appointment. **Note:** Tourism and Arts Commission applicants are not required to reside in Cannon Beach and are eligible if he or she has worked, at least part-time, within the City of Cannon Beach for at least one year immediately preceding appointment. Do you meet this criterion?

Why are you interested in this position? Please use extra sheets as necessary.

I would like to use my interest and experience in the arts along with my business development skills to promote the Cannon Beach arts community.

What knowledge, skills or experience can you bring to this position? Please use extra sheets as necessary.

Board member + past president - Bellevue Philharmonic Orchestra, Board member Bellevue Arts Museum. Helped raise \$21 million for new museum building. Business owner with new business development responsibilities.

What is your current occupation?

Retired after selling my financial planning business.

Applicant Signature: T. Allison Date: 12/14/23

PO Box 368 Cannon Beach, Oregon 97110 • (503) 436-1581 • TTY (503) 436-8097 • FAX (503) 436-2050

[www.ci.cannon-beach.or.us](http://www.ci.cannon-beach.or.us) • [cityhall@ci.cannon-beach.or.us](mailto:cityhall@ci.cannon-beach.or.us)



# CITY OF CANNON BEACH

## APPLICATION FOR TOURISM & ARTS COMMISSION

Applicant Name: <u>Thom Allison</u>	Type of Application:
Mailing Address: [REDACTED]	<input checked="" type="checkbox"/> Tourism & Arts Commission
Telephone (Home):	
Alt. Telephone:	
Email Address:	

Please answer the questions below and return with your application. Use extra pages as necessary.

1. Have you read the ordinance defining this committee to understand its purpose and duties?  
Yes
2. Are you willing to learn and follow the Oregon ethics rules, including those regarding conflict of interest?  
<https://www.oregon.gov/ogec/Pages/Guide-for-Public-Officials.aspx> for details.  
Yes
3. Will you be able to regularly attend the meetings and possible work sessions?  
Yes

4. What is it about this committee that attracts you?

I served as a board member for 2 arts organization and my late wife was an artist. I have an appreciation for the value a strong arts community brings to Cannon Beach as well as the challenges arts organizations face. I want to use my experience to promote C.B. Arts.

5. What would you like to accomplish by being a member of this committee?

I want to promote Cannon Beach as a destination for people who want to enjoy both visual and performing art. Also, I want to help assure the C.B. Arts community is on firm financial footing both by promoting galleries as places to purchase art and through fund raising.

6. Have you read and understand the TAC Guidelines as well as the ordinance and ORS that define the operating rules of this commission?

Yes

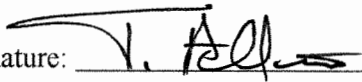
7. Do you work for, or are a member of any board or special committee of one of the non-profit organizations that typically apply for TAF grants? If so, please list.

None

8. Can you make an un-biased funding decision on a grant request that benefits an organization that either you or a member of your household is affiliated with?

Yes

Applicant Signature:



Date:

12/11/23



# CANNON BEACH CITY COUNCIL

## STAFF REPORT

FINDINGS OF FACT AND CONCLUSION FOR JAY ORLOFF, OF TOLOVANA ARCHITECTS, ON BEHALF OF OWNER PAUL WHITE, REQUEST FOR A TREE REMOVAL PERMIT TO REMOVE A 50 INCH SPRUCE TREE

---

**Agenda Date:** January 2, 2024

**Prepared by:** Steve Sokolowski  
Community Development Director

## BACKGROUND

At their meeting on December 12, 2023, the Cannon Beach City Council rendered a decision to deny the removal of the 50-inch Sitka Spruce tree, labeled S-1 on the site plan, and requiring the applicant to take all action necessary to maintain 50-inch Sitka Spruce tree, labeled S-1 on the site plan, as part of the construction of an accessory dwelling unit (ADU) in conjunction with a new single-family dwelling on an undeveloped parcel, Taxlot 600, on E. Tanana Avenue.

Attached are the proposed findings of fact for Council consideration and adoption.

## RECOMMENDATION

Staff recommends the findings be adopted and suggest the following motion:

“I move to approve the findings of fact and conclusion of law for the condition of approval for APP 23-06.”

## LIST OF ATTACHMENTS

A. Findings of Fact and Conclusions of Law





# CANNON BEACH CITY COUNCIL

## FINDINGS OF FACT AND CONCLUSIONS OF LAW

JAY ORLOFF, OF TOLOVANA ARCHITECTS, ON BEHALF OF OWNER PAUL WHITE, REQUEST FOR A TREE REMOVAL PERMIT TO REMOVE A 50 INCH SPRUCE TREE AS PART OF THE DEVELOPMENT. THIS WAS A CONDITION OF APPROVAL BY THE CITY COUNCIL FOR THE CONSTRUCTION OF AN ACCESSORY DWELLING UNIT (ADU) IN CONJUNCTION WITH A NEW SINGLE-FAMILY DWELLING ON E. TANANA AVENUE (TAXLOT00600, MAP51032BC). APP 23-06

THE COUNCIL APPROVED THE APPEAL WITH THE FOLLOWING CONDITION:

PRIOR TO ISSUANCE OF A BUILDING PERMIT, IF THE APPLICANT SEEKS TO REMOVE THE TREE LABELLED S-1 ON THE ATTACHED SITE PLAN, THE TREE REMOVAL APPLICATION SHALL BE REVIEWED BY THE CITY COUNCIL TO DETERMINE WHETHER REMOVAL OF S-1 WOULD BE CONSISTENT WITH THE REQUIREMENTS OF CHAPTER 17.44 OF THE CITY CODE.

---

**Agenda Date:** January 2, 2024

**Prepared by:** Steve Sokolowski, Director  
Community Development Department

## SUMMARY & BACKGROUND

The proposed project is the construction of an accessory dwelling unit (ADU) in conjunction with a new single-family dwelling on an undeveloped parcel, Taxlot 600, on E. Tanana Ave. The applicant proposes to construct an ADU on the second floor of a detached garage located behind the single-family dwelling. This proposal was brought before the Design Review Board as new dwellings that contain an accessory dwelling are subject to the design review requirements [CBMC 17.54.080(C)].

The subject property is an undeveloped 7,000 square foot parcel measuring 50 x 140 and zoned R1 Residential Moderate Density. Adjacent neighborhood uses are primarily residential. The proposed accessory dwelling would be located above a two-car garage behind the primary dwelling and would provide 576 square feet of living area. Additional parking would be provided by two 9 x 18-foot parking spaces in the driveway adjacent to the west side of the home that would be accessible from E. Tanana Avenue.

The City of Cannon Beach Design Review Board (DRB) rendered a decision to deny the construction of an accessory dwelling unit (ADU) in conjunction with a new single-family dwelling on E. Tanana Avenue (TAXLOT00600), DRB 23-08, at its August 17, 2023, regularly scheduled Design Review Board meeting.

Jay Orloff of Tolovana Architects, on the behalf of owner Paul White, requested a review of the decision in an appeal application received by the City on September 1, 2023, within the 14-day appeal period from the date the final order was signed for DRB #23-08 on August 22, 2023.

The City Council held a Scope of Review meeting as a non-public hearing item on September 12, 2023, and determined that the appeal would be heard on the record of the decision made by the Design Review



Board, according to Section 17.88.160 of the Cannon Beach Municipal Code, according to Section 17.88.160 of the Cannon Beach Municipal Code.

At their October 3, 2023, meeting, the City Council rendered a decision to approve, with conditions, the construction of the accessory dwelling unit (ADU) in conjunction with a new single-family dwelling on E. Tanana Avenue (TAXLOT00600), APP#23-06.

During the appeal hearing, the City Council has concerns that the landscape plan as submitted requires the removal of multiple Sitka Spruce trees of varying diameter to accommodate the proposed development. The Council wanted the applicant to see what could be done to save the existing 50-inch Sitka Spruce tree located, labelled as tree “S-1” on the site plan attached to this decision. The Council approved the appeal with the following condition:

*Prior to issuance of a building permit, if the applicant seeks to remove the tree labelled S-1 on the attached site plan, the tree removal application shall be reviewed by the City Council to determine whether removal of S-1 would be consistent with the requirements of Chapter 17.44 of the City Code.*

At their November 14, 2023, meeting, the City Council reviewed information from the applicant that indicated that the applicant could not save the tree due to the proposed excavation and construction of the new dwelling.

The applicant stated the owner would like to pursue the removal of the 50” Sitka Spruce (S-1) as it is part of the nurse log that is source of all the trees in the center of the lot of which are to be removed. There is concern that there will be future unforeseen issues with the tree itself and/or its proximity to the structure. The applicant indicated his intent to follow the recommendation of the arborist to replant with a 2:1 ratio of new large conifer trees to include Redwood and medium deciduous trees.

At the November 14 City Council meeting, the Council questioned if City Arborist Jeff Gerhardt had specifically reviewed the 50-inch Sitka Spruce tree, S-1. Staff informed the Council that in an August 9, 2023, letter the City arborist had reviewed the entire tree removal permit which included six (6) trees proposed for removal from this property for the new home and garage/ADU development (Tree S-1, the 50-inch Sitka Spruce tree, was one of the six reviewed). The Council tabled this matter because they did not believe the original letter provided enough detailed information to make a decision about the 50-inch Sitka Spruce tree labeled S-1. The Council requested that the city arborist specifically review and provide information on 50-inch Sitka Spruce tree labeled S-1.

The specific items the Council want addressed for the 50-inch spruce tree labeled S-1 include:

- Appears S-1 canopy covers the entire front of this 50-foot-wide lot and the footprint of the home and driveway. How does the proposed development (house, garage, driveway) and excavation work impact the tree?
- Is the root structure of S-1 connected to the other trees on the nurse log? How does their removal impact S-1?
- Can S-1 remain viable both short term and long term based on the excavation, development, and removal of the other trees?
- Comments from Joe Balden’s March 28 letter and Austin Wienecke information regarding tree S-1.
- Any other information that would be pertinent regarding the development and its impact on S-1.....can the tree remain viable based on the approved development proposed for the site.

At the December 12, 2023, meeting, the City Council reviewed the information provided by City Arborist Jeff Gerhardt in his November 25, 2023, letter reviewing this specific 50-inch Sitka Spruce tree, labeled S-1 on the site plan, which stated:

- Question 1: Appears S-1 canopy covers the entire front of this 50-foot-wide lot and the footprint of the home and driveway. How does the proposed development (house, garage, driveway) excavation work impact the tree?

Answer: The excavation work, as proposed, will negatively impact over 50% of the trees Critical Root Zone. Anchoring roots vital to the tree's stability will be severed or damaged to some degree. Soil compaction from machinery will decrease the ability for feeder roots to absorb water and nutrients. Root protection measures including a Tree Protection Zone fencing will be a necessity if tree retention is pursued.

- Question 2: Is the root structure O/S-I connected to the other trees on the nurse log? How does their removal impact S-1?

Answer: Yes, the root system of S-1 is entwined with the roots from adjacent trees. Removing the adjacent trees and subsequently removing the stumps will weaken the root structure of S-1. Minimizing root disturbance is crucial for success in safely preserving S-1. Soil probing can be performed to determine the layout of the root system.

- Question 3: Can S-1 remain viable both short term and long term based on the excavation, development, and removal of the other trees?

Answer: S-1 has a dense and healthy canopy and the ability to remain viable long term despite damage from development. This tree is a great candidate for "Wind-sail reduction" pruning to further aid in structural stability.

- Question 4: Comments from Joe Balden's March 28 letter and Austin Wienecke information regarding tree S-1.

Answer: Letter from Joe Balden does not include any reference to soil probing or other root mapping means. I recommend a more detailed inspection of the root system be acquired. Input from Austin Wienecke for replanting the site is commended, although preserving an established mature tree is preferable.

- Question 5: Any other information that would be pertinent regarding the development and its impact on S-1 can the tree remain viable based on the approved development proposed for the site.

Answer: Despite the challenges in safely retaining this tree, it is worth pursuing. I recommend an additional professional opinion be sought from Consulting Arborist, Todd Prager from Lake Oswego. He has worked on other projects in Cannon Beach and can better exact the feasibility and measures for safely retaining S-1.

Based on the information provided by the City Arborist Jeff Gerhardt's November 25, 2023 letter and discussion on this proposed condition, the City Council rendered a decision to deny the removal of the 50-inch Sitka Spruce tree, labeled S-1 on the site plan, and requiring the applicant to take all action necessary to maintain 50-inch Sitka Spruce tree, labeled S-1 on the site plan, as part of the construction of an accessory dwelling unit (ADU) in conjunction with a new single-family dwelling on an undeveloped parcel, Taxlot 600, on E. Tanana Avenue.

## **APPLICABLE CRITERIA**

### **17.70.020, Permit Issuance - Criteria**

*The city shall issue a tree removal permit if the applicant demonstrates that one of the following criteria is met:*

- A. Removal of a tree which poses a safety hazard. The applicant must demonstrate that:*
  - 1. The condition or location of the tree presents either a foreseeable danger to public safety, or a foreseeable danger of property damage to an existing structure; and*
  - 2. Such hazard or danger cannot reasonably be alleviated by pruning or treatment of the tree.*
- B. Removal of a tree damaged by storm, fire, or other injury and which cannot be saved by pruning.*
- C. Removal of a dead tree.*
- D. Removal of a tree(s) in order to construct a structure or development approved or allowed pursuant to the Cannon Beach Municipal Code, including required vehicular and utility access, subject to the requirements in Section 17.70.030(B) and (Q).*
- E. Removal of a tree where required to provide solar access to a solar energy system where pruning will not provide adequate solar access to permit effective operations of the solar energy system.*

The additional requirements referenced in criterion D are detailed below:

#### *17.70.030 Additional Requirements*

- B. For actions which require the issuance of a building permit, tree removal shall occur only after a building permit has been issued for the structure requiring the removal of the tree(s).*
- Q. An application for a tree removal permit under Section 17.70.020(D), submitted under the direction of a certified tree arborist for removal of a tree(s) to construct a structure or development, must include the following:*
  - 1. A site plan showing the location of the tree(s) proposed for removal, the location of the proposed structure or development, and the location of any other trees six-inch DBH or larger on the subject property or off site (in the adjoining right-of-way or on adjacent property) whose root structure might be impacted by excavation associated with the proposed structure, or by soil compaction caused by vehicular traffic or storage of materials.*
  - 2. Measures to be taken to avoid damaging trees not proposed for removal, both on the subject property and off site (in the adjoining right-of-way or on adjacent property).*
  - 3. The area where a tree's root structure might be impacted by excavation, or where soil compaction caused by vehicular traffic or storage of materials might affect a tree's health, shall be known as a tree protection zone (TPZ).*

4. *Prior to construction the TPZ shall be delineated by hi-visibility fencing a minimum of three and one-half feet tall, which shall be retained in place until completion of construction. Vehicular traffic, excavation and storage of materials shall be prohibited within the TPZ.*

**Finding:**

Based on City Arborist Jeff Gerhardt August 9, 2023 and November 25, 2023 letters, the council determines that the removal of the 50-inch Sitka Spruce tree, labeled S-1 on the site plan, was not necessary for the construction of the house and garage/ADU. As discussed above, the arborist specifically found that, although removal of adjacent trees could weaken the root structure, the tree has “a dense and healthy canopy and the ability to remain viable long term despite damage from development. Accordingly, the applicant has not shown that the applicant meets the criteria in the code and is, therefore, denied.

**DECISION AND CONDITIONS**

**Motion:** Having considered the evidence in the record, based on a motion by Councilor Kerr, seconded by Councilor Ogilvie, the Cannon Beach City Council determined that the removal of the 50-inch Sitka Spruce tree, labeled S-1 on the site plan, was not necessary for the construction of the house and garage/ADU.

The vote was 4 to 1 with Mayor Knop, Council President McCarthy, Councilor Hayes and Councilor Kerr voting to retain the tree and deny the tree removal permit and with Councilor Ogilvie voting to grant the tree removal permit for the 50-inch Sitka Spruce, labeled S-1 on the site plan.



# CANNON BEACH CITY COUNCIL

## **BEFORE THE CITY COUNCIL OF THE CITY OF CANNON BEACH**

JAY ORLOFF, OF TOLOVANA ARCHITECTS, ON BEHALF OF OWNER PAUL WHITE, REQUEST FOR A TREE REMOVAL PERMIT TO REMOVE A 50 INCH SPRUCE TREE AS PART OF THE DEVELOPMENT. THIS WAS A CONDITION OF APPROVAL BY THE CITY COUNCIL FOR THE CONSTRUCTION OF AN ACCESSORY DWELLING UNIT (ADU) IN CONJUNCTION WITH A NEW SINGLE-FAMILY DWELLING ON E. TANANA AVENUE (TAXLOT00600, MAP51032BC). APP 23-06

THE COUNCIL APPROVED THE APPEAL WITH THE FOLLOWING CONDITION:

PRIOR TO ISSUANCE OF A BUILDING PERMIT, IF THE APPLICANT SEEKS TO REMOVE THE TREE LABELLED S-1 ON THE ATTACHED SITE PLAN, THE TREE REMOVAL APPLICATION SHALL BE REVIEWED BY THE CITY COUNCIL TO DETERMINE WHETHER REMOVAL OF S-1 WOULD BE CONSISTENT WITH THE REQUIREMENTS OF CHAPTER 17.44 OF THE CITY CODE.

---

Jay Orloff, Of Tolovana Architects, on behalf of owner Paul White, Appeal of a Design Review Board Decision Regarding APP# 23-06 to deny construction of an accessory dwelling unit (ADU) in conjunction with a new single-family dwelling on E. Tanana Avenue (TAXLOT600). Residential Moderate Density (R1) Zone

### FINDINGS OF FACT, CONCLUSIONS AND ORDER NUMBER – APP# 23-06

Applicant: Paul White  
P.O. Box 726  
Cannon Beach, OR, 97110

The above-named applicant applied to the city for the construction of an accessory dwelling unit (ADU) in conjunction with a new single-family dwelling on an undeveloped parcel on E. Tanana Avenue (TAXLOT600). The ADU was to be constructed on the 2<sup>nd</sup> floor of the garage to be constructed in conjunction with the new home. The property is zoned Residential Moderate density (R1).

This proposal was brought before the Design Review Board as new dwellings that contain an accessory dwelling are subject to the design review requirements CBMC 17.54.080(C).

At their August 17, 2023, meeting, the City of Cannon Beach Design Review Board rendered a decision to deny an application by Jay Orloff of Tolovana Architects, on the behalf of owner Paul White, to construct an accessory dwelling unit (ADU) in conjunction with a new single-family dwelling on E. Tanana Avenue.

Jay Orloff of Tolovana Architects, on the behalf of owner Paul White, requested a review of the decision in an appeal application received by the City on September 1, 2023, within the 14-day appeal period from the date the final order was signed for DRB #23-08 on August 22, 2023. The applicant requested that the matter be reviewed on the record.

The City Council held a Scope of Review meeting as a non-public hearing item on September 12, 2023, and determined that the appeal will be heard on the record of the decision made by the Design Review Board, according to Section 17.88.160 of the Cannon Beach Municipal Code, according to Section 17.88.160 of the Cannon Beach Municipal Code.

The public hearing on the appeal was opened before the City Council on October 3, 2023; the City Council closed the public hearing at the October 3, 2023, meeting and approved with conditions the construction of the accessory dwelling unit (ADU) in conjunction with a new single-family dwelling on E. Tanana Avenue (TAXLOT600).

The Council approved the appeal with the following condition:

*Prior to issuance of a building permit, if the applicant seeks to remove the tree labelled S-1 on the attached site plan, the tree removal application shall be reviewed by the City Council to determine whether removal of S-1 would be consistent with the requirements of Chapter 17.44 of the City Code.*

The City Council reviewed information submitted by the applicant addressing the condition of approval at the November 14, 2023, meeting. The applicant indicated they could not save the tree due to the proposed excavation and construction of the new dwelling. The Council tabled this matter to have the City Arborist review questions the Council had regarding the potential to maintain the 50-inch Sitka Spruce labeled S-1 on the site plan.

The City Council reviewed information from both the applicant and the City Arborist addressing the condition of approval at the December 12, 2023, meeting. The City Council rendered a decision denying the permit seeking to remove the 50-inch Sitka Spruce tree, labeled S-1 on the site plan, as part of the construction of an accessory dwelling unit (ADU) in conjunction with a new single-family dwelling on an undeveloped parcel, Taxlot 600, on E. Tanana Avenue.

THE CITY COUNCIL HEREBY ORDERS that the application to remove the 50-inch Sitka Spruce tree is DENIED and that the tree shall be maintained and adopts the findings of fact contained in Exhibit "A." The effective date of this ORDER is 21 days following the signing of this order, subject to the findings contained in Exhibit "A."

This decision may be appealed to the State of Oregon Land Use Board of Appeals (LUBA) by an affected party by filing a notice of intent to appeal a land use decision within 21 days after the date of the decision sought to be reviewed becomes final.

All information submitted to and utilized by the Design Review Board and City Council to make this decision are adopted by reference (including but not limited to applications, plans, documentation, written and oral testimony, exhibits, etc.).

The complete case, including the final order is available for review at the city.

CANNON BEACH CITY COUNCIL

---

Mayor Barb Knop

---

Date



# CANNON BEACH CITY COUNCIL

## STAFF REPORT

CIDA INC., ON BEHALF OF THE CITY OF CANNON BEACH, APPEAL OF A DESIGN REVIEW BOARD DECISION TO DENY THE REJUVENATION OF THE FORMER CANNON BEACH ELEMENTARY SCHOOL BUILDINGS AND NECUS PARK SITE FOR USE BY CANNON BEACH VISITORS AND RESIDENTS, BUSINESSES, AND THE CLATSOP NEHALEM CONFEDERATED TRIBE FOR A VARIETY OF COMMUNITY INTERESTES INCLUDING USE AS A TOURISM ORIENTED FACILITY LOCATED AT 268 BEAVER ST (TAX LOTS 4000, 4100, 4101, 4200, 4301, AND 5700, MAP 51020BC). APP 23-07

---

**Agenda Date:** January 2, 2024

**Prepared by:** Steve Sokolowski  
Community Development Director

## BACKGROUND

The Cannon Beach City Council held a hearing on December 5, 2023, and rendered a decision to approve with conditions the rejuvenation of the former Cannon Beach elementary school buildings into a tourism-oriented facility located at 268 Beaver Street. The council requested that staff draft finding of fact to support the decision to approve the project.

At the December 12, 2023, City Council meeting, the Council amended some of the findings and staff updated the application number.

Attached are the amended findings of fact for Council consideration.

## RECOMMENDATION

Staff recommends the findings be adopted and suggests the following motion:

“I move to approve the findings of fact and conclusion of law for the Appeal of APP 23-07”

## List of Attachments

A. Findings of Fact and Conclusion of Law



# CANNON BEACH CITY COUNCIL

## FINDINGS OF FACT AND CONCLUSIONS OF LAW – APP# 23-07

CIDA INC., ON BEHALF OF THE CITY OF CANNON BEACH, APPEAL OF A DESIGN REVIEW BOARD DECISION TO DENY THE REJUVENATION OF THE FORMER CANNON BEACH ELEMENTARY SCHOOL BUILDINGS AND NECUS PARK SITE FOR USE BY CANNON BEACH VISITORS AND RESIDENTS, BUSINESSES, AND THE CLATSOP NEHALEM CONFEDERATED TRIBE FOR A VARIETY OF COMMUNITY INTERESTES INCLUDING USE AS A TOURISM ORIENTED FACILITY LOCATED AT 268 BEAVER ST (TAX LOTS 4000, 4100, 4101, 4200, 4301, AND 5700, MAP 51020BC).

**Agenda Date:** December 12, 2023

**Prepared by:** Steve Sokolowski,  
Community Development Director

### SUMMARY & BACKGROUND

The City of Cannon Beach Design Review Board (DRB) rendered a decision to deny the rejuvenation of the former Cannon Beach Elementary school buildings into a tourism-oriented facility located at 268 Beaver Street (Tax Lots 4000, 4100, 4101, 4200, 4301, and 5700, Map 51020BC), DRB# 23-09, at its October 19, 2023, regularly scheduled Design Review Board meeting.

Dustin Johnson of CIDA, Inc., on the behalf of owner City of Cannon Beach, requested a review of the decision, in an application received October 27, 2023, within the 14-day appeal period, from the date the final order was signed for DRB# 23-09 on August 22, 2023.

The City Council held a Scope of Review meeting as a non-public hearing item on November 7, 2023, and determined that the appeal will be heard on the record of the decision made by the Design Review Board, according to Section 17.88.160 of the Cannon Beach Municipal Code, according to Section 17.88.160 of the Cannon Beach Municipal Code.

The City Council rendered a decision to approve, with conditions, the rejuvenation of the former Cannon Beach elementary school buildings into a tourism-oriented facility located at 268 Beaver Street (Tax Lots 4000, 4100, 4101, 4200, 4301, and 5700, Map 51020BC), APP#23-07, at its December 5, 2023, regularly scheduled City Council meeting.

### APPLICABLE CRITERIA

Approval criteria are in the Design Review Standards (17.44) sections of the Municipal Code: These are excerpted below.

#### 17.44.080 Site Design Evaluation Criteria

The City Council finds that the site plan meets the applicable evaluation criteria.

- A. *The arrangement of all functions, uses, and improvements has been designed so as to reflect and harmonize with the natural characteristics and limitations of the site and adjacent sites.*



**Finding:**

The Cannon Beach Elementary Rejuvenation Project is an adaptive re-use project aimed at reactivating the former Cannon Beach Elementary School and Ne' Cus Park site for use by Cannon Beach visitors, residents, and local businesses as a cultural and ecological interpretive center capable of hosting a variety of tourism-related events and public recreation.

The only alteration proposed with respect to building footprint is the enclosure of the open area currently separating the classroom and the gymnasium. Enclosing this area so that it is coterminous with the pre-existing front facades of either building required a variance to reduce the front setback to the same degree as the existing development. The encroachment into the front yard resulting from this enclosure has no effect on the "natural characteristics" of the site and is, in fact, reflective of the "limitations" imposed by pre-existing development. The Council acknowledges that coupled with the road vacation the structure will maintain a wider front setback from Beaver Street than currently exists.

*B. In terms of setback from the street or sidewalk, the design creates a visually interesting and compatible relationship between the proposed structures and/or adjacent structures.*

**Finding:**

The former elementary school building is a pre-existing non-conforming structure which is built out to the property's southern boundary line. Planned pedestrian improvements include new and wider sidewalks along the north side of Beaver Street and an entry pavilion that will be located along the front of the gym building and a planned addition that will connect the gym to the classroom building. A change in the setback requirements will also increase the amount of space between the building's entrance and sidewalks and vehicle traffic on Beaver Street.

The vacated area will provide a location where off-street parking requirements can be met without necessitating significant alterations to the site plan or using space north of the structures to provide parking. In January 2023 the Commission approved an off-street parking variance (V#23-01) which reduced the number of required off-street parking stalls from 31 to 7. During that public hearing the Commission heard the applicant's intention to place angled parking along the Beaver St. in conjunction with modification to that street's right-of-way. The applicant's plan shows 7 angled parking spaces adjacent to Beaver Street with two (2) of those spaces being ADA accessible.

The southern property line will be adjusted 20'-0" further to the south to bring the property further into compliance with current setback requirements, to encompass the proposed off-street parking and to accommodate a safe pedestrian connection from the SE Entry Plaza to the facility's main entrance. Additionally, the project has previously received a parking variance that reduces the minimum required off-street parking to 7 stalls, two of which are proposed to be ADA accessible.

The purpose of the setback reduction was to accommodate planned pedestrian improvements and amenities for the former elementary school's adaptive reuse project. The vacation intended to remedy issues relating to pedestrian access and provide a location for off-street parking to be provided at the property.

The open space between the buildings and Ecola Creek will be improved with landscaping that will enhance its value. An improved walking trail along the northern edge of the property will connect to the adjacent trail system that runs along the south shore of Ecola Creek.

*C. The design incorporates existing features such as streams, rocks, slopes, vegetation (i.e., making use of a small stream rather than placing it in a culvert).*

**Finding:**

Minimal grading of the site is anticipated, in large part, to preserve archaeological artifacts and history of the site. The grading plan details new and existing stormwater features including surface drainage direction which is largely as it currently exists.

*D. If the project is unusually large, or if it is located so as to become part of an introduction/transition to the city or to a particular district or to the beach, the design acknowledges the special impact the project would have on the entire community by addressing these design criteria in an exemplary, standard-setting manner.*

**Finding:**

The Cannon Beach Elementary Rejuvenation Project is an adaptive re-design project aimed at reactivating the former Cannon Beach Elementary School and Ne'Cus Park site for use by Cannon Beach visitors, residents, and local businesses as a cultural and ecological interpretive center capable of hosting a variety of tourism and community related events and public recreation. The proposed building and site improvements acknowledge the fact that this facility will be what you see as you enter the City of Cannon Beach. As such, the facility and ground are well designed and welcoming. The Council finds that this design is exemplary, given the project parameters to retain the existing gym and classroom buildings, and that it will serve as a welcoming gateway into the city.

The materials for this project are meant to complement the City of Cannon Beach's existing design vernacular by using natural cedar siding in a variety of product types. There are many forms of cedar siding proposed to create architectural interest with various textures and natural color variations.

The second roofing material is envisioned to be a standing seam metal roof which is proposed at the Gym Building. We recognize that metal standing seam roofing is limited to only a few existing buildings in Cannon Beach, however its unique properties make it an optimal selection for this structure, including its ability to conform to the curve of the barrel vault, a significantly longer lifespan than composite or cedar shingles, and a much needed appearance of 'permanence' for a structure that has existed in disrepair for many years and that acts as a landmark structure for people entering Cannon Beach from the Fir Street Bridge.

*E. Where appropriate, the design relates or integrates the proposed landscaping/open space to the adjoining landscaping/open space in order to create a pedestrian pathway and/or open system that connects several properties.*

**Finding:**

The improvements to the site provide much easier and more accessible visual and physical access to the facility and property.

The southern property line will be adjusted 20'-0" further to the south to bring the property further into compliance with current setback requirements, to encompass the proposed off-street parking and to accommodate a safe pedestrian connection from the SE Entry Plaza to the facility's main entrance.

Existing pathways and sidewalks that provide pedestrian access in and around the site are to be enhanced and will also include additional handicap accessibility. In addition, the new landscaping and site improvements will offer individuals many more opportunities to access the facility and grounds.

*F. The arrangement of the improvements on the site do not unreasonably degrade the scenic values of the surrounding area.*

**Finding:**

The project will both enhance the scenic values of the site and surrounding area by vastly improving the design of the building and the improvement to the grounds compared to what the facility looks like today.

*G. The improvements on the site enhance and/or do not deny solar access, light or air within the site or to adjacent sites or structures.*

**Finding:**

The improvements to the building and site will not deny solar access, light or air within the site or to adjacent sites or structures.

*H. Where appropriate, the design includes a parking and circulation system that encourages a pedestrian rather than vehicular orientation, including a separate service area for delivery of goods.*

**Finding:**

The setback reduction and reconfigured Beaver Street vastly improves the safety to and from the front entrance to the site and encourages a pedestrian rather than vehicular orientation.

The Thunderbird Garden, the Story Circle and the courtyard all encourage and vastly improve pedestrian access to the facility and grounds.

The City lawfully obtained approval to reduce the number of off-street spaces under the City's code. During the Planning Commission's review to adjust the parking standards, that body concluded that the provision of 7 off-street spaces is more than the number of spaces that exist today and that a publicly accessible parking at the City owned park directly across Fir Street and the trail system provides pedestrian access to downtown parking lots will mitigate for any on-street shortfall. There is a turnout at the entrance to accommodate deliveries and drop-offs as required by this standard.

*I. The arrangement of the improvements on the site does not unreasonably block or greatly degrade scenic vistas enjoyed from neighboring (especially public) sites.*

**Finding:**

The improvements to the building and site do not unreasonably block or greatly degrade scenic vistas enjoyed from neighboring (especially public) sites.

*J. The various functions and elements of the site design have been integrated into a unified whole, except in those cases where separation is appropriate. The overall design is visually harmonious when viewed either from within the site or from outside the site.*

**Finding:**

The goal of the project is to unify the various functions and elements of the site design, so people can enjoy the programming occurring inside the venue while at the same time being able to enjoy enhancements to the

outdoor areas. The improved facility and grounds will continue to educate people about the history, the culture, and the environment of Cannon Beach.

*K. The design gives attention to the placement of storage or mechanical equipment so as to screen it from view.*

**Finding:**

The accessory storage room will remain and see some renovations with it. It will have new T&G siding and a new standing seam roof. The reason for the standing seam roof on the accessory storage room is because it slopes down to Fir Street and will be visible at the pedestrian level. This is proposed so the storage room blends in with the rest of the improvements to the building.

*L. If the project is adjacent to, or visible from, US Highway 101, the design minimizes its visual impact on the scenic character of Highway 101.*

**Finding:**

The improvements to the facility and grounds positively impact the scenic character of the city when viewed from HWY 101.

*M. The arrangement of functions, uses and improvements on the site have been designed to provide access to and within the site for individuals with disabilities.*

**Finding:**

The southern property line will be adjusted 20'-0" further to the south to bring the property further into compliance with current setback requirements, to encompass the proposed off-street parking and to accommodate a safe pedestrian connection from the SE Entry Plaza to the facility's main entrance.

Existing pathways and sidewalks that provide pedestrian access in and around the site are to be enhanced and will also include additional handicap accessibility. In addition, the new landscaping and site improvements will offer all individuals many more opportunities to access the facility and grounds.

Around the Story Circle, a timber structure is proposed close to the beach estuary. It can be used for tribal and non-tribal events, particularly those related to salmon events. The path from the courtyard to the structure will be paved to provide safe ADA access rather than the crushed rock paving provided elsewhere allowing all to enjoy the path as well as the events and activities to take place at the Story Circle.

The improvements to the front of the building, as well as the improvements to the site enhance access to and within the site for individuals with disabilities. The building and grounds have been improved so all individuals can enjoy the property.

#### **17.44.090 Architectural Design Evaluation Criteria**

*A. The design avoids either monotonous similarity or excessive dissimilarity with existing structures, or structures for which a permit has been issued, in its section of town (i.e., downtown, midtown, etc.). If the development includes multiple structures, the design avoids either monotonous similarity or excessive dissimilarity between the component structures.*

**Finding:**

It was important to create a cohesive aesthetic through the project, despite three (3) very differing existing buildings. The proposed design creates a cohesive aesthetic through the project, despite very different existing buildings in terms of design, materials, and colors.

Criteria A is further addressed in the findings for criteria D, E, F, G below.

*B. The size, shape and scale of the structure(s) are architecturally compatible with the site and with the surrounding neighborhood. The structure is sufficiently modest in scale to enhance the village character of the community.*

**Finding:**

The facilities have been located at this site for decades and unfortunately have become tired and weathered over time. The improvements to the buildings and grounds enhance the village character of the community and are architecturally compatible with the site and surrounding neighborhood in terms of design, materials, colors, etc.

*C. The proposed materials and colors are compatible with the character and coastal setting of the city.*

**Finding:**

The improvements to the buildings and grounds enhance the village character of the community and are architecturally compatible with the site and surrounding neighborhood in terms of design, materials, colors, etc.

The materials for this project are meant to complement the City of Cannon Beach's existing design vernacular by using natural cedar siding in a variety of product types. There are many forms of cedar siding proposed to create architectural interest with various textures and natural color variations. The different forms of siding include vertical T&G plank siding, cedar shakes, and board and batten siding. All of these cedar sidings will retain their natural color and texture with the exception of where an accent paint is depicted at the Heritage Lobby and various window trims.

There are two types of roofing materials for the project; The first is a white TPO for low-slope roof surfaces not exposed to view and to match the existing classroom roofing material. This material helps to create a 'cool roof' and is envisioned on the roofs of the Classroom Building, Heritage Lobby, and covered walkways. The second roofing material is envisioned to be a standing seam metal roof which is proposed at the Gym Building. We recognize that metal standing seam roofing is limited to only a few existing buildings in Cannon Beach, however its unique properties make it an optimal selection for this structure, including its ability to conform to the curve of the barrel vault, a significantly longer lifespan than composite or cedar shingles, and a much needed appearance of 'permanence' for a structure that has existing in disrepair for many years and that acts as a landmark structure for people entering Cannon Beach from the Fir Street Bridge.

*D. The design avoids monotony and provides visual interest and charm by giving sufficient attention to architectural details and to such design elements as texture, pattern and color.*

*E. If the project includes a large structure or structures, such as a large motel or condominium, the design avoids a monolithic expanse of frontages and rooflines and diminishes the massing of the buildings by breaking up building sections, or by the use of such elements as variable planes, projections, bays, dormers, setbacks, or changes in the roofline.*

*F. If the project is unusually large, or if it is likely to become a village landmark, or if it is located so as to become part of an introduction/ transition to the city or to a particular district or to the beach, the design acknowledges the special impact the project would have on the entire community by addressing the design criteria in an exemplary, standard-setting fashion.*

### **Finding:**

It was important to create a cohesive aesthetic through the project, despite three (3) very differing existing buildings consistent with the reuse parameters established within the project scope.

The east elevation shows the gym with the proposed standing seam metal roof. Standing seam was chosen because of climate conditions the site resides in. This roofing solution allows for more durability, increasing its longevity as opposed to typical single roofing solutions. Along the perimeter of the gym is a 2-foot board-form concrete stem wall. While concrete may not be a natural building material, it is useful for dealing under harsh weather conditions. This in turn helps increase the longevity of the natural wood siding used throughout the exterior. Further, this concrete base will help to ground the building and add variation to the overall elevation. The east elevation showcases the mural wall which will display local artwork which is proposed to be rotated annually or bi-annually. Again, this mural will help to break up the monotony of the overall mass. Furthermore, past the mural wall and plaza, the accessory storage room will remain and will see some renovations. It will have new T&G siding and a new standing seam roof. The reason for the standing seam roof on the accessory storage room is because it slopes down to Fir Street and will be visible at the pedestrian level. This elevation also shows the canopy leading visitors from the plaza to the main entryway.

The north elevation includes a newly renovated north facade of the gym, classrooms, and new addition. The gym will have a recessed entry with large windows and divided lites to let in as much light as possible and will have new cedar shingles with a natural finish to evenly weather as time passes. The new addition will have natural cedar board and batten siding and a similar window aesthetic. Looking at its roof, note that the addition is divided with a step-up roof. This is to allow for clerestory windows to run on both east and west facades, bringing in more light. Both the new addition and gym will have wooden frames bordering the window and door openings. The classrooms will also have cedar shingles, and the same framing along its windows and doors. This elevation also details the height of the canopy surrounding the north courtyard supported by round wooden columns and beams.

The west elevation shows the same material solution; however, the west side of the gym will have vertical T&G siding with framed punch outs which will be used to exhibit cultural artwork. In this elevation, the clerestory windows are shown to be running along the slope of the roof. The slope of the new roof will have the same pitch as the existing classrooms for a cohesive aesthetic which further ties the two spaces together.

The south elevation shows the new facade of the classrooms. Looking at the existing classrooms, it will have natural cedar shingle siding on the south facade as well a similar window and door strategy seen on the north facade. The canopy can be seen reaching the SE plaza and moving to the entryway of the main entry. The new addition will have the same standing seam roof seen on the gym. Circling back to the mural wall on the eastside, it's also proposed that the wall will wrap around the corner of the gym and be part of the south facade to which it terminates to a wooden T&G wall.

The courtyard rendering showcases the threshold between the lobby and the outside. The beams of the canopy extend past the columns to match the beams of the New Addition. The columns are also used to frame the entry from the north side. The addition is seen with a stepped-up roof to make space for the

clerestory windows. The project's goal is to maximize the amount of natural light coming into the space. To do so, the north side of the New Addition has multiple window systems starting from the grade and reaching near the underside of the roof. The end result is to have the appearance of 3 vertical systems underneath each roof. To retain the iconic shape of the gym, the addition attaches to the gym in such a way that it looks like it's being cut into. The interior space is designed to take this transition into account and makes sure the lobby space is still a usable and comfortable space to reside in.

*G. The height of the structure(s) is architecturally compatible with the site and the surrounding neighborhood. The height of the structures contributes to the village scale.*

*H. The height of the structure(s) is such that it does not unreasonably destroy or degrade the scenic values of the surrounding area.*

*I. The height of the structure(s) is such that it does not unreasonably block or greatly degrade the views of scenic vistas as seen from neighboring sites.*

*J. The height of the structure(s) is such that it does not unreasonably deny solar access, light or air to an adjacent structure, on or off the site.*

### **Finding:**

It was important to create a cohesive aesthetic through the project, despite three (3) very differing existing buildings including their heights.

Structure 1: Referred to as the 'Classroom Building' is an approximately 4,520 square foot wood frame structure with slab-on-grade foundation built in 1950. The building currently consists of classrooms, administrative offices and ancillary spaces including a covered walkway on the north side of the building.

Structure 2: Referred to as the 'Gym Building' is an approximately 7,034 square foot wood framed barrel vault structure with slab-on-grade foundation containing an open vaulted gym space and a 964 square foot classroom mezzanine with cafeteria and ancillary spaces below. The building also contains a 415 square foot addition at the northeast corner formerly housing the school's kitchen.

While this project is considered primarily an adaptive re-use project it does feature deconstruction of the east end of the Classroom Building reducing its footprint to 2,940sqft. However, the new addition will be used to infill the gap between the Classroom Building and Gym Building to create an open and welcoming Heritage Lobby of approximately 2,170 square feet that will serve as the main access to the site.

The gym has existed at this height for over 50 years. It is historically significant to the community and project as it served as the gymnasium for the elementary school. Because the pre-existing gym is so highly recognizable as the entry to the City, the decision was made to do what can be done to improve the existing condition and have it contribute to the significance of the project in its' reuse instead of removing it from the project. The Council understands that design review considers only that development which is "new" or proposed to be changed as a result of the proposal. Here the only change with respect to the overall gymnasium roof height will increase only as necessary to add the standing seam roof with insulation and therefore any increase in height will be de minimis. The Council concludes that this de minimis height increase, when coupled with the mural and material changes will be more compatible with the surrounding neighborhood and will complement the surrounding environment rather than detract from it. These changes will have no impact on neighboring views, light, or solar access.

*K. The design sufficiently addresses the relationship of the structure(s) to the sidewalk and to pedestrian activity so as to foster human interaction.*

**Finding:**

The former school buildings did not conform to the minimum 25-foot setback from the public right-of-way described in the Institutional (IN) zone that came into effect after construction. In May 2023 the Planning Commission approved a setback reduction, SR 23-05, in order for the design team to be able to create a buffer between the building and Beaver Street and provide for off-street parking. The amount of separation between Beaver Street and the building's frontage will be between 23 and 30 feet, which is significantly greater than current conditions. The gym building is approximately 60 feet from the Fir St. right-of-way, this area will be used for the entry plaza and gardens which the Council finds will foster human interaction.

*L. The proposed signage harmonizes with the other structures in terms of form, materials and scale.*

**Finding:**

Although a blade sign was conceptually shown on some of the site renderings, the application did not include a request for the review and approval of any signage. Therefore, this criterion does not apply.

*M. Lighting fixtures: (1) are compatible with the architectural design; (2) produce illumination sufficiently subdued to be compatible with the village character; (3) avoid casting glare on adjoining property; (4) are sufficient for night-time safety, utility, security, and commerce; and (5) do not exceed the illumination values in the table at Section [17.44.150](#).*

**Finding:**

The site lighting plan details the proposed location and type of lighting fixtures on the site, along with the intensity of the lights. It was important that the design included enough lighting throughout the site for safety measures while also complying with the City's Dark Sky requirements.

The exterior lighting will include linear wall lighting added to the top of the mural wall to illuminate the revolving community artwork. The plaza will house soft linear edge lighting along the seating and upper planters to create a comfortable nighttime seating environment while softly illuminating the Welcoming Woman. The parking stalls will be illuminated by a single 14 feet tall floodlight on a natural wooden pole – This light will feature a horizontal cut-off so as not to create glare for adjacent residences. The canopies on the north and south side of the building will have surface mounted cylinders flanking each side of the wooden clad columns. The cylinders are singular downlines accenting the columns along the corridors. Additionally, there are 39" tall LED solar powered bollards that will illuminate an ADA Accessible pathway from the courtyard to a covered shelter located adjacent to the amphitheater.

Overall, the approach to exterior lighting is Dark Sky compliance and preserving the existing nighttime ambiance of Cannon Beach, while using minimal lighting for safety and wayfinding purposes.

*N. The project incorporates design elements or building improvements which result in the conservation of energy.*

**Finding:**

Lighting, HVAC, Plumbing, and Architectural features are some of the topics for energy conservation measures within the project. Sustainability and green measures were brought up several times by the community and it's something that the project addresses in many different ways.



The goal of the lighting strategy is to allow as much natural light to enter the space as possible. The new addition will have large window openings on the north and south side, as well as clerestory windows facing east and west. The gym building is to take advantage of the project's goals to increase windows on the end walls. The building will be equipped with controls to limit light output when daylighting is possible. LED lighting fixtures will be installed throughout equipped with occupancy sensors.

As for the HVAC, the building will utilize an Energy Recover Ventilator (ERV) for all air ventilation. Additionally, all heating is to be electric resistance meaning the building will be free from natural gas. Due to the physical location and climate conditions of the site, the building will not utilize any mechanical cooling.

For plumbing, a heat pump will be used for the hot water heater. The facility will have controls to turn off the water heater and recirculation pump during non-occupied times.

Finally, there are some architectural features that have been incorporated into the design that provide energy savings, including all flat roofs which will have a cool roof (SRI greater than 89%). Also, all window openings will use a thermally broken glazing system with 1" glazing units to replace what is existing. Additionally, overhangs will be used to reduce solar heat gain which is particularly effective on the south facades of the structures.

*O. The design of the project ensures continued privacy for the occupants of adjacent structures. In cases of multifamily housing, this item is to be rated as x3.*

**Finding:**

The design of the project ensures continued privacy for the occupants of adjacent structures.

#### **17.44.100 Landscape Design Evaluation Criteria**

*A. The design substantially complements the natural environment of Cannon Beach and the character of the site.*

**Finding:**

As the site of the former Clatsop-Nehalem Tribal village of 'Ne'Cus' for generations (perhaps over a thousand years) the site is nationally recognized as culturally significant and is considered one of the last best preserved Native American heritage sites on the West Coast. Given its location on the estuary where Ecola Creek discharges to the Pacific Ocean as well as the diversity of resident and migrating wildlife that frequent the bordering riparian area, the site is also recognized as both geographically and ecologically significant.

The landscape plan has been developed to reestablish some of the vegetation community that may have existed on the site historically, especially highlighting those species that are of ethnobotanical significance to Clatsop and Nehalem-Tillamook peoples who formerly occupied NeCus village. The use of such a planting palette is proposed in part to restore natural and scenic values to the park area, while also facilitating public interpretation of cultural and natural history.

This restoration landscape plan is designed to provide NeCus visitors with a sense of being surrounded by native habitats, and to provide visitors with an opportunity to envision the natural landscape as seen by the original inhabitants of the village. Ethnobotanically significant plant species will be used to create visual buffers between the park area and adjacent residential areas, while leaving views of natural features relatively open to

the north and west. Where restoration will require removal of existing plants, a “best practices” protocol is recommended: efforts will be made to retain native plants while invasive species (such as Himalayan blackberry) will be removed in a manner that discourages propagation on-site or at later disposal sites.

The City Council interprets this criterion to allow a determination of the degree to which the landscaping design reinforces the “natural environment” as well as the site character. Although the manicured lawn supported a functioning elementary school, the character of this site upon redevelopment is to recognize the former Clatsop-Nehalem Tribal village of NeCus and to educate about Native American heritage that reflects the ecological significance of this location. Although the interpretive garden organized around the Thunderbird design filed with native plants goes a long way to reflect this heritage, the Council finds that as proposed, it is overly complicated and too locationally constrained. Rather than produce a formally, manicured Interpretive Garden, the Council would prefer to see a more organic, informal and natural garden space that allows the visitor to amble through the entire site, learning along the way, rather than constraining the educational opportunities solely to the east side of the property.

Based on this finding, the Council has identified that with the following modification to the design, the landscaping throughout the site can reinforce the ecological and tribal significance of the site:

“The applicant shall submit a revised landscaping plan that includes a continuous path connecting the welcoming courtyard, the heritage garden and the story circle in an obvious loop along the riverbank complete with interpretive signage celebrating the overall site heritage. The Council shall approve these modifications, after a public hearing coupled with notice to owners within 100 feet of subject property, prior to building permit issuance.”

*B. The design harmonizes with and enhances the architectural design.*

*C. The landscape design acknowledges the growing conditions for this climatic zone and the unique requirements that its specific site location makes upon plant selection (i.e., salt, wind and wind exposure, soil condition, light, shade, etc.).*

*D. Provision has been made for the survival and continuous maintenance of the landscape and its vegetation.*

*E. Where it is desirable to do so, the design provides amenities for the public.*

*F. The design makes use of existing vegetation and incorporates indigenous planting materials.*

*G. The selection and arrangement of plant materials provides visual interest by the effective use of such design elements as color, texture and size differentiation.*

### **Finding:**

#### **The Thunderbird Garden:**

The plan includes the welcoming courtyard at the intersection of Fir Street and Beaver Street that transitions into a heritage garden with labels for the planting and with their names and how the plants were used by the indigenous population. This garden pathways are oriented to reflect the image of the Thunderbird, as recommended by the tribal partners who contributed to the garden design. The northern end of the garden uses the same plant material but will not include labels. The pathways will be a hard surface for easy access for wheelchairs.

Although the Council appreciates the effort that went into intentionally designing this garden to serve multiple purposes, the Council echoes the concerns raised by the Design Review Board, that the circular pathways and number of plantings remains too complex. The Council did not recommend installation of elk fencing but acknowledged that elk foraging may require additional adjustments or replanting until the plants are established. Therefore, the Council finds that compliance with these landscaping criteria can be satisfied through the implementation of the following condition of approval:

“The applicant shall submit a revised landscaping plan showing a simplification of the garden plantings to reflect a more natural arrangement. The Council acknowledges that this may require relocating the Thunderbird to allow for the trail to loop to the creek and on into the Story Circle area. The Council shall approve these modifications, after a public hearing coupled with notice to owners within 100 feet of subject property, prior to building permit issuance.”

A play area is provided adjacent to the northeast side of the gym building and extends into the new native planting. A wooden play structure closest to the building is provided and designed for young children. The play area is extended north with a pole structure offering more imaginative play followed by a covered structure for seasonal protected play. The area is bounded on the east by a symbolic rock creek that widens out as it moves north with boulders for active play. Logs and fallen wood are added for play within the northern garden area.

#### The Courtyard Landscape Plan:

The planting proposed on this sheet is dominated by the playfield lawn, the riverbank and limited planting in the front of the classroom portion of the building. A small mound separates the play field from the area facing the story circle. Paving within the courtyard is shown indicating a proposed pattern to be created by different colors of pavers.

#### Story Circle Landscape Plan:

The Story Circle will be a space where people can perform, gather, and tell stories around a fire and in a comfortably scaled natural landscape. The plan creates a transition from a maintained lawn area to a native meadow planting and then into the sandy estuary beach grass and wooded existing vegetation. Two features have been added to the site. One is a traditional story circle with a centered fire pit. Seating around the circle's edge is composed of basalt boulders and driftwood log sections. The surfacing is crushed rock with basalt pavers around the fire pit. Native grasses are encouraged within the crushed rock surface.

A timber structure is proposed close to the beach estuary. It can be used for tribal and non-tribal events, particularly those related to salmon events. The path from the courtyard to the structure will be paved to provide safe ADA access rather than the crushed rock paving provided elsewhere.

Planting between the story circle and the structure will be a native meadow blend and shrubs. Driftwood log section will be placed in the area for seating during larger events in the story circle.

A dense row of native shrubs will be planted to provide a separation between the vehicular access to the food bank and the pedestrian spaces. The existing trees behind the food bank are to remain with native meadow seeding.

#### Southeast Plaza Landscaping:

The Southeast Plaza space will be an area to gather prior to filtering into the site. This area showcases the entry of the plaza with the Welcoming Lady being front and center standing on a pedestal of boulders and vegetation. Dune grass is placed around the boulders with more shrubs and plants behind the statue. Running along behind the benches are planter boxes with flowers and shrubs native to the site. The western side of the plaza has native

ground coverage and two large logs placed to serve as more seating for visitors. Behind the plaza you can see the trees from the heritage garden. Because the topography slopes down as you move to the heritage garden, a natural boulder retaining wall is placed on the border of the heritage garden.

#### Heritage Garden Landscaping:

The Heritage Garden will be a natural landscape with plants that are significant to the Tribe and are local non-invasive plants. As you walk from the heritage garden south towards the Southeast Entry Plaza, there will be a range of plants from trees, bushes and natural ground ranging in colors and textures. Other features you can see are some natural basalt rock formations and the proposed optional light bollards.

#### Ne'Cus Park:

Ne'Cus Park is an open space that can still function as a park space since it is well used and loved by locals and tourists alike.

The landscape design acknowledges the growing conditions for this climatic zone and the unique requirements that its specific site location makes upon plant selection (i.e., salt, wind and wind exposure, soil condition, light, shade, etc.).

*H. The hard surface portion of the design makes use of visually interesting textures and patterns.*

#### **Finding:**

The existing asphalt paving that currently is between the three existing buildings is envisioned to be replaced with plaza pavers that feature a traditional Clatsop/Nehalem tribal basket weave pattern. The Reception Courtyard will be an indoor/outdoor space that is shared from the north side of the Gym, where people can flow from one space to the other during events. The Heritage Playground will be a space for kids to play, mainly using natural materials that reference the history of the site. While there are many improvements to the site, each is proposed with the intention of educating visitors about the cultural heritage and ecological significance of this unique site.

*I. Where it is desirable to do so, the design provides visual interest through the creation of a variety of elevations.*

#### **Finding:**

The Thunderbird Garden plan includes the welcoming courtyard at the intersection of Fir Street and Beaver Street. The rendering shows the Welcoming Women standing on a mound of basalt boulders. The figure of the woman will be provided by our tribal partners who also provided the image of the Thunderbird that defines the garden's pathways. Because the topography slopes down as you move to the heritage garden, a natural boulder retaining wall is placed on the border of the heritage garden.

The Courtyard plan includes the playfield lawn, the riverbank and limited planting in the front of the classroom portion of the building. A small mound separates the play field from the area facing the story circle. Paving within the courtyard is shown indicating a proposed pattern to be created by different colors of pavers.

*J. The design contributes to the stabilization of slopes, where applicable.*

#### **Finding:**

The plan calls for the removal of invasive plants, particularly Himalayan blackberry along the riverbank. It will be replaced with cutting of native shrubs, willow, and herbaceous plants.

*K. The design successfully delineates, and separates use areas, where it is desirable to do so.*

**Finding:**

There are numerous areas throughout the site that are delineated and separated for different uses and activities. These areas are referred to as The Thunderbird Garden, the courtyard, the Story Circle, the Southeast Plaza, the Heritage Garden, etc. These plantings and uses of these areas have been previously described.

*L. The lighting fixtures and level of illumination are compatible with the landscape design. The level of illumination produced enhances the overall project and does not cast glare on adjacent property or into the night sky.*

**Finding:**

The site lighting plan details the proposed location and type of lighting fixtures on the site, along with the intensity of the lights. It was important that the design included enough lighting throughout the site for safety measures while also complying with the City's Dark Sky requirements.

The exterior lighting will include linear wall lighting added to the top of the mural wall to illuminate the revolving community artwork. The plaza will house soft linear edge lighting along the seating and upper planters to create a comfortable nighttime seating environment while softly illuminating the Welcoming Woman. The parking stalls will be illuminated by a single 14-foot tall floodlight on a natural wooden pole – This light will feature a horizontal cut-off so as not to create glare for adjacent residences. The canopies on the north and south side of the building will have surface mounted cylinders flanking each side of the wooden clad columns. The cylinders are singular downlines accenting the columns along the corridors. Additionally, there are 39" tall LED solar powered bollards that will illuminate an ADA Accessible pathway from the courtyard to a covered shelter located adjacent to the amphitheater.

Overall, the approach to exterior lighting is Dark Sky compliance and preserving the existing nighttime ambiance of Cannon Beach, while using minimal lighting for safety and wayfinding purposes.

## **DECISION AND CONDITIONS**

**Motion:** Having considered the evidence in the record, based on a motion by Councilor Hayes seconded by Councilor Ogilvie, the Cannon Beach City Council unanimously moved to approve with conditions the City of Cannon Beach application to reuse and remodel the former Cannon Beach elementary school facility into a tourism-oriented facility at 268 Beaver Street (Tax Lots 4000, 4100, 4101, 4200, 4301, AND 5700,), APP# 23-07, as discussed at this public hearing subject to the following conditions:

1. The applicant shall submit a revised landscaping plan that includes a continuous path connecting the welcoming courtyard, the heritage garden and the story circle in an obvious loop along the riverbank celebrating the overall site heritage. The Council shall approve these modifications, after a public hearing coupled with notice to owners within 100 feet of subject property, prior to building permit issuance.
2. The applicant shall submit a revised landscaping plan showing a simplification of the garden plantings to reflect a more natural arrangement. The Council acknowledges that this may require relocating the Thunderbird to allow for the trail to loop to the creek and on into the Story Circle area. The Council shall approve these modifications, after a public hearing coupled with notice to owners within 100 feet of subject property, prior to building permit issuance.



# CANNON BEACH CITY COUNCIL

## **BEFORE THE CITY COUNCIL OF THE CITY OF CANNON BEACH**

IN THE MATTER OF AN APPEAL OF A DESIGN REVIEW BOARD DECISION REGARDING THE REJUVENATION OF THE FORMER CANNON BEACH ELEMENTARY SCHOOL BUILDINGS AND NECUS PARK SITE FOR USE BY CANNON BEACH VISITORS AND RESIDENTS, BUSINESSES, AND THE CLATSOP NEHALEM CONFEDERATED TRIBE FOR A VARIETY OF COMMUNITY INTERESTS INCLUDING USE AS A TOURISM ORIENTED FACILITY ON THE FOLLOWING PROPERTY:

City of Cannon Beach Appeal of a Design Review Board Decision Regarding APP# 23-07 for the adaptive reuse of the former Cannon Beach Elementary School located at 268 Beaver Street (Tax Lots 4000, 4100, 4101, 4200, 4301, AND 5700).

### FINDINGS OF FACT, CONCLUSIONS AND ORDER NUMBER – APP# 23-07

Applicant: City of Cannon Beach  
163 E. Gower Street  
P.O. Box 368  
Cannon Beach, OR, 97110

Zone: Institutional (IN) Zone

The above-named applicant applied to the city for the adaptive reuse of the former Cannon Beach Elementary School. The property is owned by the City of Cannon Beach and is located at 268 Beaver Street (Tax Lots 4000, 4100, 4101, 4200, 4301, AND 5700). The property is owned by the City of Cannon Beach.

The proposed adaptive reuse of the former Cannon Beach Elementary School was reviewed against the criteria of the Municipal Code, Section 17.44, Design Review Standards.

The public hearing on the above-entitled matters was opened before the Design Review Board on September 21, 2023, and the matter was continued. The application was further discussed at the October 19, 2023, Design Review Board meeting; the Design Review Board closed the public hearing at the October 19, 2023, meeting and concluded that the adaptive reuse of the former Cannon Beach Elementary School be denied. The applicant sought review of the Design Review Board's decision by the City Council.

The City Council held a Scope of Review meeting as a non-public hearing item on November 7, 2023, and determined that the appeal will be heard on the record of the decision made by the Design Review Board, according to Section 17.88.160 of the Cannon Beach Municipal Code, according to Section 17.88.160 of the Cannon Beach Municipal Code.

The public hearing on the appeal was opened before the City Council on December 5, 2023; the City Council closed the public hearing at the December 5, 2023, meeting and approved with conditions the adaptive reuse of the former Cannon Beach Elementary School

THE CITY COUNCIL HEREBY ORDERS that the proposed adaptive redesign of the former Cannon Beach Elementary School is APPROVED and adopts the findings of fact, conclusions and conditions contained in Exhibit “A.” The effective date of this ORDER is 21 days following the signing of this order, subject to the findings contained in Exhibit “A.”

This decision may be appealed to the State of Oregon Land Use Board of Appeals (LUBA) by an affected party by filing a notice of intent to appeal a land use decision within 21 days after the date of the decision sought to be reviewed becomes final.

All information submitted to and utilized by the Design Review Board and City Council to make this decision are adopted by reference (including but not limited to applications, plans, documentation, written and oral testimony, exhibits, etc.).

The complete case, including the final order is available for review at the city.

CANNON BEACH CITY COUNCIL

---

Mayor Barb Knop

---

Date

**City of Cannon Beach  
Monthly Status Report**

**To:** Mayor and City Council  
**From:** City Manager Bruce St. Denis  
**Date:** January 2, 2024

**Community Development Monthly Report, November 2023**

**Planning Commission:** The Planning Commission meeting scheduled for November 21, 2023, was cancelled.

**Design Review Board:** The Design Review Board met on November 16, 2023 to have general discussion.

**The Chair of the DRB, approved minor modifications for the following addresses:**  
None

**Short-term Rentals**

Program	Number of permits
14-day permit	149
Lifetime Unlimited permit	43
5-year Unlimited permit	5
Total permits	197
New short-term rentals this month	2
Pending short-term rentals	4

**Tree Report**

Date	Location	Hazard	Dead	Const.	Health other	Solar	Replant Req.
	None						

**Other Planning/Building Matters:**

- CD Staff continues to support and work with Urbswork on the Wetlands Amendments and Code Audit.
- CD staff met with the Tree Ordinance Focus Group to discuss amendments to the Tree Removal and Protection section of the Zoning Ordinance.



- CD Staff participated with CREST and regional planning partners for the Ecola Creek Design project.
- CD Staff participated with CREST and regional planning partners for Clatsop Regional Housing Task Force.
- CD Staff continues to participate in the Cannon Beach Elementary School, Police Station, and City Hall projects.
- CD Staff continues working with the attorney preparing for the Roberts and Burton LUBA appeals.
- CD Staff participated in DPW admin interviews.

#### Building Department Permit Fees: November 1-30, 2023

Building	Issued	Permit Fees	Value	Affordable Housing Tax Fund*
New SFR				\$3,264.00 Correction from March
Addition	1	5,303.36	403,200.00	Billed in December will be paid in January
Alteration				
Repair				
Replacement	2	1,798.37	49,038.28	
Tenant Improvements				
Commercial				
<b>Total</b>	<b>3</b>	<b>\$7,101.73</b>	<b>\$452,238.28</b>	<b>\$3,264.00</b>

\*Affordable Housing Tax Collection is 1% of the value of the building permit and is distributed as follows: Four percent as an administrative fee to recoup the expenses of the city. After deducting the administrative fee, Fifteen percent is distributed to the Housing and Community Services Department to fund home ownership programs that provide down payment assistance (paid to the state). Fifty percent to fund developer incentives allowed or offered and Thirty-five percent for programs and incentives of the city related to affordable housing. This eighty-five percent goes into the City's Affordable Housing Fund.

Affordable Housing Summary	Month to Date	Year to Date	Total to Date
Residential	\$3,264.00	\$10,355.04	\$332,786.29
Commercial	\$0	\$0	\$64,823.42
<b>Total</b>	<b>\$3,264.00</b>	<b>\$10,355.04</b>	<b>\$397,609.71</b>

Other Permits	Issued	Permit Fees
Mechanical	11	\$1,393.00
Plumbing	7	\$1,081.00
<b>Total</b>	<b>18</b>	<b>\$2,474.00</b>

### **Public Works Department Report – December**

#### Parks:

- Installed Christmas lights at city locations in town
- Removed soccer nets and stored
- Baseball field maintenance for the winter
- Trimmed trees throughout town
- Working on irrigation system plan
- General maintenance.
- Center Street beach access has been pre-fitted the new handrails
- Trees Planted: 1 redwood at Ecola Pump Station, 1 shore pine at 2nd St Restroom, 4 cedars at 6th and Laurel where we did planting with elementary school kids

#### Water:

- Tee and valves installed at S Elm and E Harrison, now complete.
- Repaired service line leaks including 1 ½ service line repair at Sea Ranch.
- 4032 Ocean leak caused by contractor digging without locates.
- Valve turning exercise at reservoirs.
- Plumber assist, 188 S Laurel, moved meter, installed new setter and box.
- Plumber assist, 1287 Pacific.
- New service line installed for 332 E Harrison.
- Installed fresh battery for solar panel SCADA at Tolovana Reservoir.
- Collecting data for water audit report.
- Educated customers on Eye on Water (Total: 840 signed up).
- Updated meter data and sent to GeoMoose.
- Daily reads and checks completed at PW yard, Filter plant and City Hall.
- Completed weekly locates and work orders.
- Performed standby and callout duties.
- Notified multiple users of water leaks and high use.
- Entered LTE data into Beacon and Caselle.
- Weather data collected and posted.

#### Wastewater:

- Continued construction on Siuslaw pump station building and generator installation
- New tap at 188 Hills Ln.
- Continued maintenance at each of our pump stations (Check operation of the controls, alarms, redundant systems. Exercise isolation valves)

- Update computer systems at the Pacific pump station and wastewater treatment plant.
- Respond to local atmospheric river conditions.

#### Roads:

- Storm clean-up from the large rain event
- Cleaning storm drains catch basins ditches
- Overhead tree trimming and road rebuilding for the water tank job so the drill rig could take drill samples
- Resurfacing rock roads and adding new storm pipes
- Cleaning the ramps to the beach and the outfalls so everything keeps draining
- Picking up trash and organizing the PW yard

#### **Emergency Management – December**

- Wayfinding Wednesday –December 6th
- Cache site radio antenna builds
- Regional visit to discuss building resiliency hubs development in all hazard communities
  - Hamlet – Oregon Department of Human Services
- Resiliency Hub participation with state for January Kickoff
- Cache site Gutter/Rain barrel ordering
- CERT 2024 training – planning group – Continued for January Kickoff
- SPIRE grant award for Fuel Trailer - Arriving in 2024 – Valued at \$35,000
- Moving the TANGO cache site possibilities for the Police Station build
- Assist community members following Flooding event December

#### **Haystack Rock Awareness Program (HRAP) – December**

- November 2023 Total Contacts:
- Our last beach shift was November 28th. Our program will resume operation on the beach on Presidents Day Weekend. We hope to have volunteers out on the beach during the offseason depending on weather and availability.
- Hosted our Staff and Volunteer Appreciation Party on December 9th. Michelle Schwegmann was named Interpreter of the Year, Yvana Iovino was named Volunteer of the Year, and Hadassah Davis was named Junior Volunteer of the Year.
- Received a budget adjustment to purchase a roof, doors, and a cover for our UTV.

#### **Public Safety Report – November 2023**

<b>Staffing:</b>	<b>Authorized</b>	<b>Assigned</b>
Sworn	9	8
Code Enforcement	1	1
Admin/Support	2	2
Parking/Information	6	0

Lifeguards

10

0 (15 incl. fire  
personnel)

**Station Activity:**

	<b>2023</b>	<b>2022</b>
CBPD Walk-in	116	124
CBPD Incoming Phone	190	202
SPD Dispatched Calls	98	109
Overnight Camping Warnings	34	27
Local Security Checks	3344	3594
Parking Citations	13	2
Traffic Warnings	234	224
Traffic Citations	25	39
DUI Arrests	1	0
Alarm Responses	5	10
AOA, Including FD	29	37
Citizen Assists	9	16
Transient Contacts	4	11
<b><u>Total Case File Reports</u></b>	<b>157</b>	<b>183</b>

**Cases of Significance:**

Suspicious Circumstance	13 Cases	Domestic Disturbance:	1 Case
Crim Mis III:	2 Cases	Welfare Check:	4 Cases
Identity Theft:	1 Case	Drug Laws:	1 Case
Domestic Disturbance:	1 Case	Weapons Laws:	1 Case
DUI:	1 Case	Welfare Check:	4 Cases
Hit & Run:	1 Case	Weapons Laws:	1 Case
Theft I:	1 Case	Theft III:	1 Case
Burglary I:	1 Case	Overnight Camping: Cite issued	1 Case

**Traffic Citations:**

Driving with Suspended License: violation	5 Citations	Driving on the Ocean Shore	1 Citation
Expired Registration:	1 Citation	Fail to Perform Duties of Driver:	1 Citation
No Insurance:	4 Citations	Fail to Renew Plates:	1 Citation
Reckless Driving:	1 Citation	Open Container of Alcohol	1 Citation
DUI: (0.09%)	1 Citation	Fail to Signal:	1 Citation
Cell Phone Use:	1 Citation	No Operator's License:	2 Citations
Violation of Basic Rule/Speeding:	5 Citations (74/55, 79/55, 80/55, 79/55, 60/50)		

**Code Enforcement Activities:** During this period, **12** municipal code violations were addressed and resolved or pending resolution.