



City Council Agenda

Mayor
Christine Lundberg

City Council
Sean VanGordon, Ward 1
Hillary Wylie, Ward 2
Sheri Moore, Ward 3
Dave Ralston, Ward 4
Marilee Woodrow, Ward 5
Joe Pishioneri, Ward 6

City Manager:
Gino Grimaldi
City Recorder:
Amy Sowa 541.726.3700

City Hall
225 Fifth Street
Springfield, Oregon 97477
541.726.3700
Online at www.springfield-or.gov

The meeting location is wheelchair-accessible. For the hearing-impaired, an interpreter can be provided with 48 hours notice prior to the meeting. For meetings in the Council Meeting Room, a "Personal PA Receiver" for the hearing impaired is available. To arrange for these services, call 541.726.3700.

Meetings will end prior to 10:00 p.m. unless extended by a vote of the Council.

All proceedings before the City Council are recorded.

March 28, 2016

5:30 p.m. Work Session
Jesse Maine Room

*(Council work sessions are reserved for discussion between Council, staff and consultants;
therefore, Council will not receive public input during work sessions.
Opportunities for public input are given during all regular Council meetings)*

CALL TO ORDER

ROLL CALL - Mayor Lundberg ____, Councilors VanGordon ____, Wylie ____, Moore ____, Ralston ____, Woodrow ____, and Pishioneri ____.

1. Fiscal Year 2015 Federal Grant Compliance Report.
[Nathan Bell] (30 Minutes)
2. Lane Regional Air Protection Agency (LRAPA) Report.
[Gino Grimaldi] (45 Minutes)

ADJOURNMENT

AGENDA ITEM SUMMARY

Meeting Date: 3/28/2016
Meeting Type: Work Session
Staff Contact/Dept.: Nathan Bell/Finance
Staff Phone No: 726-2364
Estimated Time: 30 Minutes
Council Goals: Financially Responsible
and Stable Government
Services

**SPRINGFIELD
CITY COUNCIL**

ITEM TITLE:

FISCAL YEAR 2015 FEDERAL GRANT COMPLIANCE REPORT

ACTION

REQUESTED: Review the City's Fiscal Year 2015 Federal Grant Compliance Report

ISSUE

STATEMENT: In accordance with compliance requirements related to the City expending more than \$500,000 in federal awards, the City is required to complete an A-133 audit (the Single Audit). The report will be presented to the City Council at the April 4th, 2016 regular meeting on the consent calendar.

ATTACHMENTS:

Attachment 1: City's Fiscal Year 2015 Federal Grant Compliance Report

**DISCUSSION/
FINANCIAL
IMPACT:**

Grove, Mueller & Swank, the City's independent auditors, has completed the Single Audit for the City's Fiscal Year 2015 and has issued their opinion thereon. Ryan Pasquarella, of Grove, Mueller & Swank, will review the audit process, the Independent Auditor's Reports, and the City's Federal Grant Compliance Report during the work session.

As a preliminary summary for the Council's information, you may note that the auditors found no material weaknesses or significant deficiencies in the internal controls over financial reporting. Additionally, the auditors found no material weaknesses in compliance with the requirements for federal awards and they issued an "unmodified opinion" on the City's Federal Grant Compliance Report. However, the auditors found two significant deficiencies in internal control over compliance with the requirements of the City's Community Development Block Grant program. A significant deficiency in internal control over compliance is a deficiency that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. In addition to Mr. Pasquarella, City staff will be present to address the audit findings.

CITY OF SPRINGFIELD, OREGON

**FEDERAL GRANT
COMPLIANCE REPORT**

Fiscal Year Ended June 30, 2015

Prepared by:

Finance Department
Accounting Division





GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor, Members of the
City Council and the City Manager
City of Springfield
225 5th Street
Springfield, Oregon 97477

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Springfield, Oregon (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 22, 2015.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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


CERTIFIED PUBLIC ACCOUNTANTS
December 22, 2015



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Honorable Mayor, Members of the
City Council and the City Manager
City of Springfield
225 5th Street
Springfield, Oregon 97477

Report on Compliance for Each Major Federal Program

We have audited the City of Springfield, Oregon's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2015. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City of Springfield, Oregon complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2015-001 and 2015-002. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2015-001 and 2015-002 that we consider to be significant deficiencies.

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

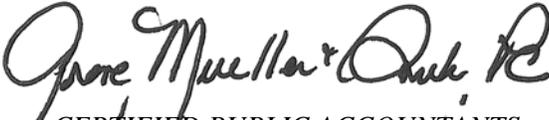
Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 22, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is 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 financial statements and certain additional procedures, including

comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Purpose of this Report

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


CERTIFIED PUBLIC ACCOUNTANTS

March 8, 2016

CITY OF SPRINGFIELD, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number or Pass-Through Entity Identifying Number	Federal Expenditures in Fiscal Year 2014-2015	Amount Provided to Subrecipients
<u>U.S. Department of Justice</u>				
Direct Programs:				
2011 Justice Assistance Grant - Local	16.738	N/A	\$ 1,450	
2012 Justice Assistance Grant - Local	16.738	N/A	10,282	
2013 Justice Assistance Grant - Local	16.738	N/A	16,944	
2014 Justice Assistance Grant - Local	16.738	N/A	17,147	
Total U.S. Department of Justice			45,823	
<u>U.S. Department of Homeland Security</u>				
Grants passed through State of Oregon:				
Presidential Major Disaster Declaration FEMA	97.073	4169-DR-OR	97,093	
Lane County Regional Interoperable Radio Enhancement	97.073	14-248	159,000	
State Ops Center Project Participation	97.073	13-241	13,363	
Total U.S. Department of Homeland Security			269,456	
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs:				
Community Development Block Grant	14.218	N/A	219,997	\$ 159,308
Community Development Block Grant Program Income	14.218	N/A	113,912	
City of Eugene:				
HOME Investment Partnership Programs	14.239	Unknown	15,000	
Total U.S. Department of Housing and Urban Development			348,909	
<u>U.S. Department of Transportation</u>				
<i>Highway Planning and Construction Cluster</i>				
Grants passed through State of Oregon:				
Surface Transportation Program - Urban	20.205	Agreement No. 29760	11,106	
Surface Transportation Program - Urban	20.205	Agreement No. 29458	43,131	
Grants passed through Lane Council of Governments:				
Federal Surface Transportation Planning (STP-U)	20.205	Unknown	3,678	
Federal Surface Transportation Planning (STP-U)	20.205	Unknown	21,118	
<i>Total Highway Planning and Construction Cluster</i>			<u>79,033</u>	
<i>Highway Safety Cluster</i>				
Grants passed through State of Oregon:				
Springfield PD Safety Belt Overtime Enforcement Grant	20.600	OP-14-45-03NNN	2,487	
Total U.S. Department of Transportation			81,520	
<u>U.S. Department of the Interior</u>				
Grants passed through State of Oregon:				
State Historic Preservation Office	15.904	HPF OR-14-18	1,451	
State Historic Preservation Office	15.904	HPF OR-12-19	70	
Total U.S. Department of the Interior			1,521	
Total Expenditures of Federal Awards			\$ 747,229	\$ 159,308

City of Springfield, Oregon

NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS

June 30, 2015

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the City under programs of the federal government for the year ended June 30, 2015. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

NOTE C – LOANS RECEIVABLE OUTSTANDING

The City had the following loan balances outstanding at June 30, 2015

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Outstanding</u>
Community Development Block Grant	14.218	\$ 974,334
HUD HOME Grant	14.239	<u>2,482,516</u>
		<u>\$ 3,456,850</u>

NOTE D – LOANS PAYABLE OUTSTANDING

As of June 30, 2015, the City did not have any loan balances outstanding included in the Schedule of Expenditures of Federal Awards.

CITY OF SPRINGFIELD, OREGON, FEDERAL GRANT COMPLIANCE REPORT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control reporting:	
· Material weakness(es) identified?	No
· Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
· Material weakness(es) identified?	No
· Significant deficiencies identified?	Yes
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	Yes

Identification of major program:

CFDA Numbers

Name of Federal Program or Cluster

14.218

Community Development Block Grants/Entitlement Grants

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualifies as low-risk auditee?	Yes

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2015-001 – Community Development Block Grants/Entitlement Grants (CDBG) – CFDA#14.218 – Quarterly Financial Reporting (Significant Deficiency)

Criteria: Per the compliance supplement issued annually by the Office of Budget and Management and CFR 85.41 CDBG recipients are required to submit form SF-425, *Federal Financial Report* quarterly. Additionally, general requirements set forth in OMB Circular A-133 require that grantees develop and maintain procedures to ensure the accuracy and completeness of submitted reports.

Condition: The federal financial reports for the quarters ending December 31, 2014, March 31, 2015, and June 30, 2015 were not submitted as required. Additionally, the City did not have procedures in place to verify the accuracy of the data submitted and there was inaccurate data in the report submitted for the quarter ending September 30, 2014.

CITY OF SPRINGFIELD, OREGON, FEDERAL GRANT COMPLIANCE REPORT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

Finding 2015-001 – Community Development Block Grants/Entitlement Grants (CDBG) – CFDA#14.218
– Quarterly Financial Reporting (Significant Deficiency) (Continued)

Cause: The City experienced staff turnover in the position responsible for this grant. Procedures were not adequately documented to ensure that the new employee was aware of these requirements nor did the City have procedures in place to verify the accuracy of reports to be submitted.

Effect: Failure to submit required reports may result in a delay of payment from HUD and/or reduction of funding in the future. There was one error found in the SF-425 report for the quarter ending September 30, 2014 that resulted in the total reported cash disbursements being overstated by approximately \$83,000 and total reported cash on hand being understated by the same amount.

Recommendation: We recommend that the City develop a tracking mechanism that provides assurance that all required reports are submitted as required. We also recommend that the City implement controls that involve a secondary review the data before it is submitted to ensure accuracy and completeness.

Views of Responsible Official and Corrective Action Plan: The City has developed procedures to ensure the timely submission of the SF-425 quarterly report and prior to submission to HUD will process the documents through the Finance Department to ensure accuracy of the data. The City has requested technical assistance from HUD related to the development of policies and procedures that will address this finding.

Finding 2015-002 – Community Development Block Grants/Entitlement Grants (CDBG) – CFDA#14.218
– Subrecipient Monitoring (Significant Deficiency)

Criteria: Per OMB Circular A-133, when an entity passes federal funds to a subrecipient there are monitoring requirements that are required to be followed. Below are two of those requirements:

- **Award Identification:** At the time of the subaward, identifying to the subrecipient the Federal award information (i.e., CFDA title and number, award name and name) and the applicable compliance requirements.
- **Subrecipient Audits:** Ensuring that subrecipients expending \$500,000 or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of OMB Circular A-133 and that the required audits are completed within 9 months of the end of the subrecipient's audit period. If there are findings in the subrecipient report, the entity must issue a management decision on audit findings within 6 months after receipt of the subrecipient's audit report, and ensure that the subrecipient takes timely and appropriate corrective action on all audit findings.

Condition: The City passed through to subrecipients \$159,308 of their overall \$333,909 CDBG federal expenditures. 2 out of the 2 contracts that were sampled did not contain the appropriate award identification. The contracts included language referencing requirements of CDBG funding however the contract did not specify that the City considered them a subrecipient nor did the contract contain the CFDA number.

During the application process for subrecipients they are required to submit an audited financial statement (if they are required to have an audit). The City did not request subsequent audit reports from their subrecipients to determine that audits were conducted (when required). Projects generally span multiple years and as such the report submitted with the application is usually a few years old when the project is completed.

Cause: The City experienced staff turnover in the position responsible for this grant. Procedures were not adequately documented to ensure that the new employee was aware of these requirements.

CITY OF SPRINGFIELD, OREGON, FEDERAL GRANT COMPLIANCE REPORT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

Finding 2015-002 – Community Development Block Grants/Entitlement Grants (CDBG) – CFDA#14.218
– Subrecipient Monitoring (Significant Deficiency) (Continued)

Effect: Failure to properly identify the award information at the time of the contract could lead to inaccurate reporting by the subrecipient. Subrecipients could have findings in their audit reports that the City is unaware of if the reports are not submitted.

Recommendation: We recommend that the City develop a tracking mechanism that provides assurance that audit reports are received annually for all subrecipients (if required). We also recommend that all contracts with subrecipients contain the appropriate award identification.

Views of Responsible Official and Corrective Action Plan: The City has requested technical assistance from HUD related to the development of policies and procedures that will address this finding. As part of this technical assistance, City staff will work with HUD to develop the necessary internal tracking mechanisms to ensure that required audit reports are received annually for all subrecipients (when required) and that contract documents contain needed language.

AGENDA ITEM SUMMARY**SPRINGFIELD
CITY COUNCIL****Meeting Date:** 3/28/2016
Meeting Type: Work Session
Staff Contact/Dept.: Gino Grimaldi/CMO
Staff Phone No: 541.726.3700
Estimated Time: 45 Minutes
Council Goals: Promote and Enhance our Hometown Feel while Focusing on Livability and Environmental Quality

ITEM TITLE:LANE REGIONAL AIR PROTECTION AGENCY (LRAPA) REPORT.

ACTION**REQUESTED:** None. Informational only.

ISSUE**STATEMENT:** The intergovernmental agreement to form LRAPA in 1968 has allowed local governments to more effectively and efficiently reduce air pollution and improve air quality within Lane County. LRAPA is asking local jurisdictions to consider an updated IGA to reflect recent changes in Oregon Statutes by the 2015 Legislature.

ATTACHMENTS: Attachment 1: Proposed LRAPA IGA
Attachment 2: Final Verbal Testimony to Legislature
Attachment 3: Power Point Presentation

DISCUSSION/**FINANCIAL****IMPACT:**The LRAPA Board of Directors has approved a revised Intergovernmental Agreement consistent with changes in Oregon Statutes by the 2015 Legislature. The statute changes allow a second position for cities with populations under 25,000. For LRAPA, the changes would essentially convert an at-large board position so that both Oakridge and Cottage Grove would have positions on the 9-member LRAPA Board.

Springfield currently has two positions, Eugene has four, and Lane County has one. For the revised IGA to take effect, all five IGA partners (Lane County and the cities of Eugene, Springfield, Cottage Grove and Oakridge) would need to approve.

**AMENDED AND RESTATED
LANE REGIONAL AIR PROTECTION AGENCY
INTERGOVERNMENTAL AGREEMENT**

THIS AGREEMENT is entered into between LANE COUNTY, a political subdivision of the State of Oregon, the CITY OF EUGENE, a municipal corporation of the state of Oregon, the CITY OF SPRINGFIELD, a municipal corporation of the State of Oregon, the CITY OF COTTAGE GROVE, a municipal corporation of the State of Oregon and, the CITY OF OAKRIDGE, a municipal corporation of the state of Oregon.

RECITALS

A. On or about November 30, 1967, the Cities of Eugene and Springfield and Lane County entered into an intergovernmental agreement to form the Lane Regional Air Pollution Authority, nka Lane Regional Air Protection Agency. The November 30, 1967 intergovernmental agreement was subsequently amended in 1970, 1992 and 2006.

B. The purpose of this Amended and Restated Intergovernmental Agreement ("AGREEMENT") is to administer a joint air pollution control program, and to comply with and to conform to the requirements of federal and state law.

C. Recent changes in state law have changed the makeup of the Board of Directors which requires a change of the Intergovernmental Agreement between the parties.

D. This AGREEMENT incorporates the changes and amendments made by previous Intergovernmental Agreements.

E. This AGREEMENT has been authorized by resolutions of the governing bodies of the parties.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals, the parties agree as follows:

1. Name. The name of the regional air quality control authority to be continued hereunder shall be the LANE REGIONAL AIR PROTECTION AGENCY, hereinafter referred to as the AGENCY.

2. Boundaries. The boundaries of the AGENCY shall be the boundaries of the county of Lane, State of Oregon. The AGENCY shall exercise its powers throughout the entirety of the county, including both incorporated and unincorporated areas.

3. Purpose and Intent. Air pollution is affected by the weather, topography, population, transportation, agriculture and industrial development, which factors vary greatly from area to area and causes problems of control and prevention which are primarily regional in nature. The rapid growth of Lane County and the urbanization and industrial development attendant thereto is resulting in potential danger to the public health and welfare and deterioration of property. Furthermore, failure to control excessive air pollution can result in loss of financial assistance for economic and transportation development within Lane County. Therefore, the intentions of this AGREEMENT are to participate in a statewide program of air quality control by establishing standards and regulations for the promotion of clean air and to secure for the citizens of Lane County the benefits of cleaner air through uniform regulations throughout the county. It shall be the objectives of the AGENCY to: (1) reduce contamination of air resources in Lane County to the end that the least possible injury should be done to human, plant or animal life or to property; (2) enhance the public's sense of well-being; (3) ensure continued eligibility for available federal financial assistance through maintenance of clean air; (4) ensure, where required, that development of transportation infrastructures themselves, including expansion of public roadways, is in conformity with applicable air quality plans.

4. Relationship With Transportation and Public Roadways. Among the most important long-term growth-induced air pollution issues are those related to transportation and the expansion of the public

roadways. Such pollution, if unchecked, jeopardizes human health and environment and places at risk certain federal assistance for development of transportation programs. In addition to other responsibilities, the AGENCY shall perform certain analytical and administrative services provided by federal or state law to ensure conformity of transportation plans and projects with applicable air quality plans. These services may generally include, but not be limited to:

a. Adoption of rules to review project conformity with applicable air quality plans, as approved by appropriate local, state and federal agencies.

b. Performance of air quality monitoring to determine compliance with ambient air quality standards.

c. Providing information on effects of specific projects upon the air resources of Lane County.

d. Making findings of conformity of plans and projects which affect the air resources of Lane county.

e. Issuance, modification or denial of permits for projects, as required by federal and state laws, and AGENCY's rules and regulations.

5. Corporate Powers. The AGENCY shall be a body corporate, having perpetual succession and may:

a. Sue and be sued except it shall not be sued in a tort action unless otherwise provided by law.

b. Adopt a seal.

c. Acquire and hold real and other property and sell or otherwise dispose of such property.

d. Do all other acts necessary and incidental to the exercise of its authority and functions as permitted by law.

6. Board of Directors.

a. The authority and powers of the Lane Regional Air Protection Agency are exercised by the Board of Directors.

b. The Board of Directors shall consist of not fewer than five nor more than nine members, designated as follows:

i. One member of the Board of County Commissioners of Lane County to be designated by the Board of County Commissioners.

ii. One member of the governing body of each participating CITY and of each nonparticipating CITY of 25,000 or more population located in Lane County, to be designated by the respective governing bodies at the time of the execution of this AGREEMENT, this means one representative from the Eugene CITY Council and one representative from the Springfield CITY Council.

iii. One additional member for each 35,000 population over 25,000 in a participating CITY, not to exceed three members from the CITY, to be designated by the governing body of the CITY. Any additional member designated under this paragraphs may be either a member of the governing body or a resident of the participating CITY, if such resident status of a member is consistent with state law. At the time of the execution of this AGREEMENT, this means three additional representatives from the CITY of Eugene and one additional representative from the CITY OF Springfield.

iv. one member of the governing body of each participating CITY of less than 25,000 but more than 2,000 population, located within a participating county, not to exceed two members. If the number of participating cities described by this paragraph exceeds two, the governing bodies of the participating cities described by this paragraph shall jointly designate the two members. At the time of the execution of this AGREEMENT, this means one representative from the Cottage Grove City Council and one representative from the Oakridge City Council.

v. One or more additional members if the Board would otherwise consist of an even number of members, or less than the minimum number required by section 6.b. of this article, to be selected by the members designated under paragraphs "i" to "iv" of this section, which member or members may be either a member of the governing body or a resident of a participating CITY or county, if such resident status of a member is consistent with state law.

c. A member designated under paragraphs "i", "ii", "iii", or "iv" who is a member of a governing body of section 6.b. shall hold office at the pleasure of the governing body by which he or she was designated.

Any member designated under paragraph "v" of section 6.b. shall serve for a term of two years, each year beginning on February 1 and ending on January 31 of the second following calendar year.

d. The term of any member shall terminate at any time when he or she is no longer a member of the governing body of the county or CITY by which he or she was designated under paragraphs "i,ii or iv" of section 6.b. The term of any member shall terminate if that member was appointed as a resident under paragraph "iii or v" of section 6.b., when the member is no longer a resident of the participating CITY or county for which the member was designated.

e. The BOARD shall elect one of its members to serve as chair for a term of one year, which term shall terminate on January 31 of each year. No member shall serve more than two successive years as chair. The chair shall, when present, preside at all meetings and hearings of the BOARD. The chair may sign, with any other officer or employee of the AGENCY thereunto authorized by the BOARD, any deeds, leases, contracts or other instruments which the BOARD has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the BOARD to some other officer or agent of the AGENCY, or shall be required by law to be otherwise signed or executed. In general, the chair shall perform all

duties incidental to the position of chair and such other duties as may be prescribed by the BOARD from time to time.

f. The BOARD shall elect one of its members to serve as vice-chair for a term of one year, which term shall also terminate on January 31 of each year. The vice-chair shall perform the duties of the chair in his or her absence.

g. A majority of the members of the BOARD shall constitute a quorum for the transaction of business at any meeting or hearing of the BOARD. The act of the majority of the members of the BOARD shall be the act of the BOARD.

h. No member of the BOARD shall be entitled to receive any salary in addition to that salary, if any, paid by his or her respective governing body. However, each member shall receive reimbursement for actual necessary expenses incurred in the performance of his or her duties as a member of the BOARD.

7. General Powers of the BOARD. For the purpose of carrying out the objectives of the AGENCY, the BOARD shall have the power:

a. To establish an air pollution control office and to provide for the staffing thereof.

b. To appoint a Director, define the duties and fix the compensation of the Director.

c. To accomplish studies and investigations relative to air pollution.

d. To adopt and enforce standards and rules regarding air pollution controls.

e. To receive grants, gifts and donations in the name of the AGENCY, and to budget, receive and expend funds.

f. To apply for and receive funds from the State or the Federal Government and from public and private agencies.

g. To enter into contracts for technical, laboratory and such other assistance deemed necessary to carry out the objectives of the AGENCY.

h. To adopt rules of practice and procedure to regulate the conduct of meetings and hearings of the AGENCY and BOARD and the issuance of permits.

i. To adopt and enforce air quality standards and regulations when authorized to do so by state or federal law.

j. To carry out the functions of the Oregon Environmental Quality Commission and Department of Environmental Quality within the boundaries of the AGENCY when so authorized to do so.

k. To exercise such other powers and duties so as to carry out the objectives of the AGENCY and state and federal laws regulating air pollution.

8. Advisory Committee

a. The BOARD shall appoint an advisory committee to advise it in matters pertaining to the AGENCY and particularly as to methods and procedures for the protection of public health and welfare and of property from adverse effects of air pollution.

b. The advisory committee shall consist of at least seven members appointed for a term of three years with at least one representative from each of the following groups within Lane County:

- i. Public health agencies.
- ii. Agriculture.
- iii. Industry.
- iv. Community planning.
- v. Transportation planning.
- vi. Fire Suppression agencies.
- vii. General public.

c. The advisory committee shall select a chair and vice-chair and such other officers as it deems necessary. Members shall serve without compensation, but may be allowed actual necessary expenses incurred in the discharge of their duties. The advisory committee shall meet as frequently as it or the BOARD considers necessary.

9. Financing. In order to finance its operations after June 30, 1968, the BOARD shall on or before March 1 of each year estimate and determine the amount of money required by the AGENCY for the

purpose of carrying out its objectives for the ensuing fiscal year beginning July 1. The BOARD shall also determine the percentage of that estimate which it feels is fair and equitable to be charged to each party hereto. Not later than April 15 of each year the BOARD shall forward to each party hereto said estimate and apportionment for each party so that the same may be reviewed and approved by each governing body no later than May 15 of each year. Upon approval, each party hereto shall include within its budget for the ensuing fiscal year such amount as will equal the respective proportionate share charged thereto, and thereafter pay one-half of the same to the AGENCY no later than July 15 of the said ensuing fiscal year and balance of said share no later than December 15 of the same fiscal year. An alternative schedule of payments may be established by agreement of each party and the AGENCY which does not disrupt the fiscal integrity of the AGENCY's operations.

10. Dissolution. The AGENCY may be dissolved by written consent of the parties hereto. Upon dissolution any assets remaining after payment of all debts shall be divided among the parties hereto in direct proportion to the total amount contributed by each. However, all rules, standards, orders, and permits of the AGENCY shall continue in effect until superceded by action of the Oregon Environmental Quality Commission or Department of Environmental Quality.

11. Withdrawal by a Party. A party may end its participation in the AGENCY only after providing written notice to the other parties no later than January 1 of the year in which its participation is to end. Such withdrawal shall not diminish the powers of the AGENCY within the boundaries of the withdrawing party. Any residual asset or contribution from the withdrawing party shall remain with the AGENCY.

12. Amendments. This AGREEMENT contains all the terms and conditions agreed upon by the parties and no other agreements, oral or otherwise, conflicting with, changing or extending the responsibility and rights of any party hereunder shall be deemed to exist or bind any of the parties hereto. No alterations or amendments of the terms of

this AGREEMENT shall be valid unless made in writing and signed by the duly authorized officers or agents of each of the parties hereto.

13. Effective Date. This AGREEMENT shall commence and continue in full force and effect from the date the last party executes this AGREEMENT.

IN WITNESS WHEREOF the parties hereto have executed this AGREEMENT on the dates opposite their respective signatures, pursuant to a resolution regularly adopted by each governing body, a copy of each resolution attached hereto and made a part hereof.

CITY OF EUGENE:

Date: _____

By _____

CITY OF SPRINGFIELD:

Date: _____

By _____

CITY OF COTTAGE GROVE:

Date: _____

By _____

CITY OF OAKRIDGE:

Date: _____

By _____

LANE COUNTY:

Date: _____

By _____



LRAPA
Lane Regional Air Protection Agency

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Springfield, OR 97477

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E-mail: lrapa@lrapa.org

March 19, 2015

Dear Chair Representative Jessica Vega Pederson and members
of the House Committee on Energy and Environment:

My name is Mike Fleck, and I am speaking today as a citizen member and the current Chair of the Board of Directors of the Lane Regional Air Protection Agency (LRAPA). Also with me today are Merlyn Hough, Executive Director of LRAPA, and Maurie Denner, current Chair of the LRAPA Citizens Advisory Committee.

To quickly review, LRAPA is a regional air quality control authority established under ORS 468A.105; the requirements for the LRAPA Board of Directors are specified in ORS 468A.120; and the responsibilities of the LRAPA Citizens Advisory Committee are outlined in ORS 468A.130.

The intergovernmental agreement to form LRAPA in 1968 has allowed local governments to more effectively and efficiently reduce air pollution within Lane County. A recent evaluation of air quality activities in Lane County confirms that LRAPA is the most cost-effective way to meet air quality standards in our area.

LRAPA supports HB 3050 which modifies requirements for boards of directors of regional air quality control authorities.

The proposed changes in the statute are a consensus recommendation of the LRAPA Board of Directors in order to provide more equitable representation on the LRAPA Board. The proposed changes would essentially convert an at-large board position to allow the cities of Oakridge and Cottage Grove to each have their own seat on the Board instead of a shared position that rotates every two years. [The current statute does not require an at-large member unless necessary to prevent an even number of members on the board.]

The proposed changes would not change the overall make-up of the LRAPA Board of Directors: the City of Eugene would continue to have four representatives, and the City of Springfield two representatives, based on population; the Lane County Board of Commissioners would continue to have its representative; and the LRAPA Board would continue to have nine total members, consistent with the current statutory limit in ORS 468A.120. The current membership of the LRAPA Board is attached.

We are happy to answer any questions you may have for us.

Sincerely,
Mike Fleck,
Chair of the LRAPA Board of Directors

Lane Regional Air Protection Agency (LRAPA) Board of Directors

The current make-up of the LRAPA Board of Directors is:

	<u>Jurisdiction</u>	<u>Representative</u>	<u>Category</u>	<u>Appointing Authority</u>
1.	Eugene	Betty Taylor	Eugene City Councilor	Appointed by Mayor
2.	Eugene	Joe Gonzales	Eugene appointee	Appointed by Mayor
3.	Eugene	Jeannine Parisi**	Eugene appointee	Appointed by Mayor
4.	Eugene	Scott Lucas	Eugene appointee	Appointed by Mayor
5.	Springfield	Dave Ralston	Springfield City Councilor	Appointed by Mayor
6.	Springfield	Vacant	Springfield appointee	To be appointed by Mayor
7.	Lane County	Jay Bozievich	Lane County Commissioner	Appointed by Chair of BCC
8.	CG/Oakridge	Mike Fleck*	Cottage Grove City Councilor	Appointed by Mayor
9.	At-Large	Bill Brommelsiek	Mohawk Valley citizen	Selected by LRAPA Board

* 2015 Chair

** 2015 Vice-Chair

MLH:mlh (03/17/2015)

February 2016 Update:

Lane Regional Air Protection Agency (LRAPA) Board of Directors

The current make-up of the LRAPA Board of Directors is:

	<u>Jurisdiction</u>	<u>Representative</u>	<u>Category</u>	<u>Appointing Authority</u>
1.	Eugene	Betty Taylor	Eugene City Councilor	Appointed by Mayor
2.	Eugene	Joe Gonzales	Eugene appointee	Appointed by Mayor
3.	Eugene	Jeannine Parisi*	Eugene appointee	Appointed by Mayor
4.	Eugene	Scott Lucas	Eugene appointee	Appointed by Mayor
5.	Springfield	Dave Ralston	Springfield City Councilor	Appointed by Mayor
6.	Springfield	Bill Carpenter	Springfield appointee	Appointed by Mayor
7.	Lane County	Jay Bozievich**	Lane County Commissioner	Appointed by Chair of BCC
8.	At-Large	Mike Fleck	Cottage Grove City Councilor	Selected by LRAPA Board
9.	Oakridge/CG	Jim Coey	Mohawk Valley citizen	Appointed by Mayor

* 2016 Chair

** 2016 Vice-Chair

MLH:mlh (02/16/2016)

Protecting Air Quality in Springfield

Report to Springfield City Council

- **Merlyn Hough, Director**
- **Jo Niehaus, Public Affairs Manager**

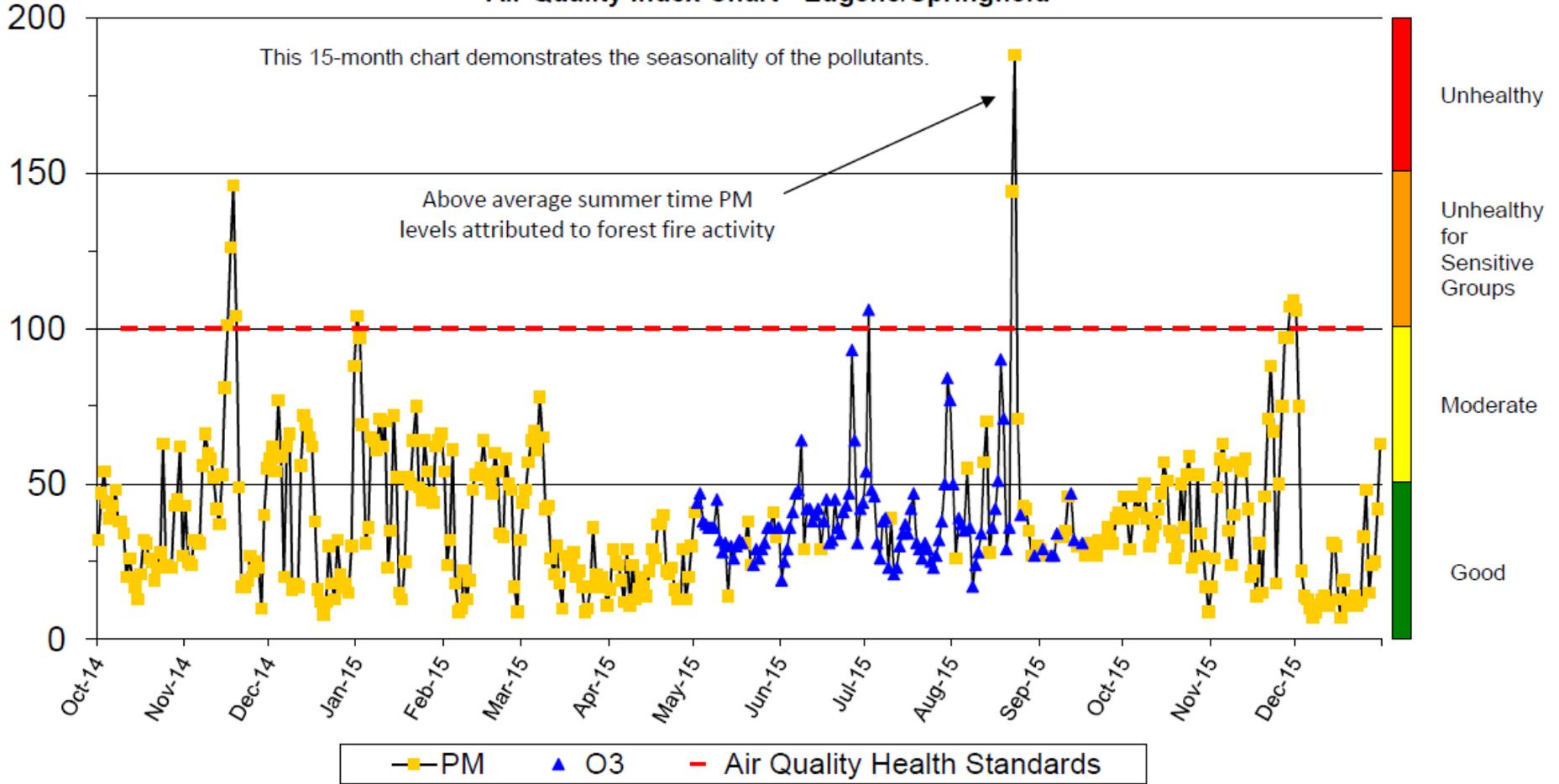
Lane Regional Air Protection Agency

March 28, 2016

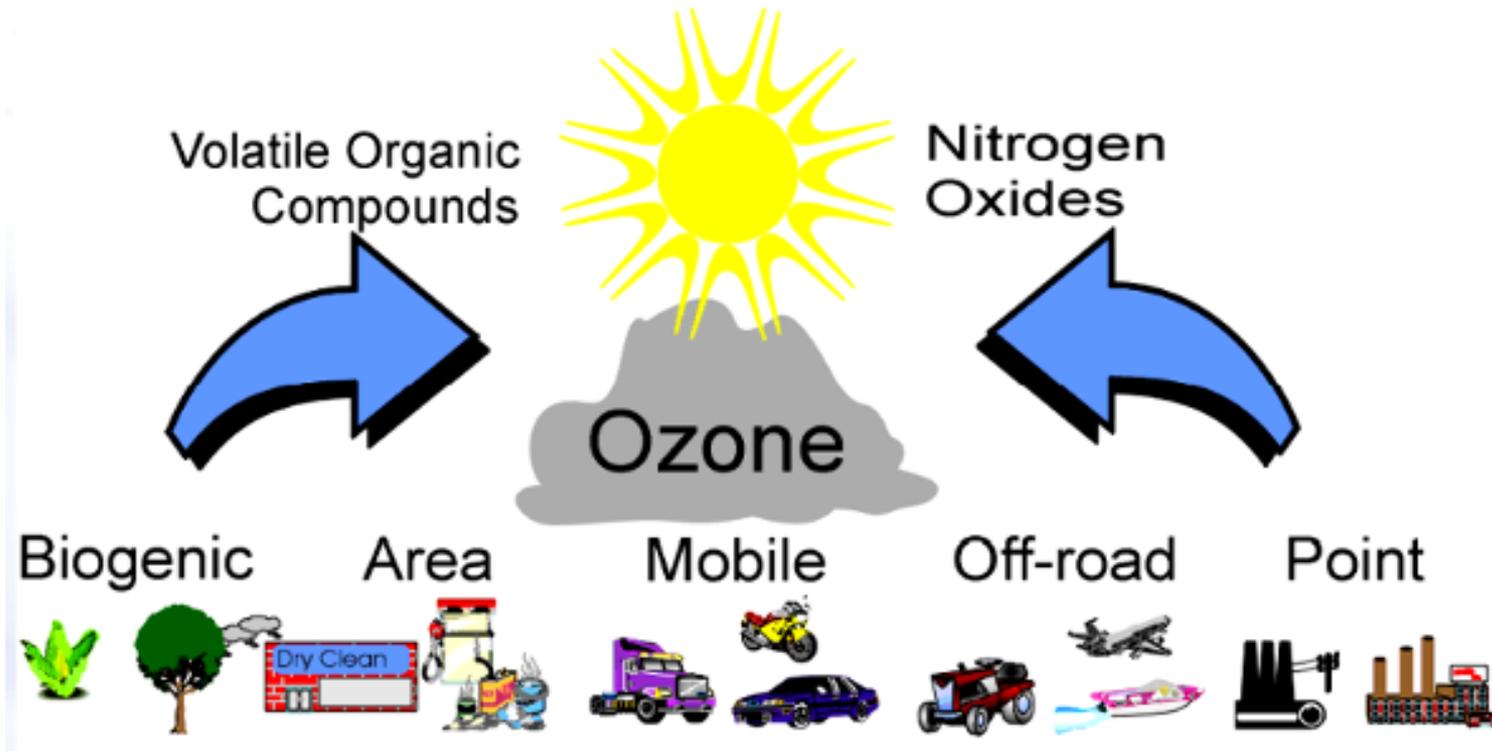
Updates

- **Quick review of air quality trends in Springfield and other parts of Lane County.**
- **Revised LRAPA Intergovernmental Agreement requires approval of all IGA partners.**
- **The LRAPA Citizens Advisory Committee has recommended local rule changes that would affect Springfield and depend on city ordinance revisions:**
 - **Outdoor burning requirements.**
 - **Home wood heating requirements.**
- **Recent LRAPA website updates.**

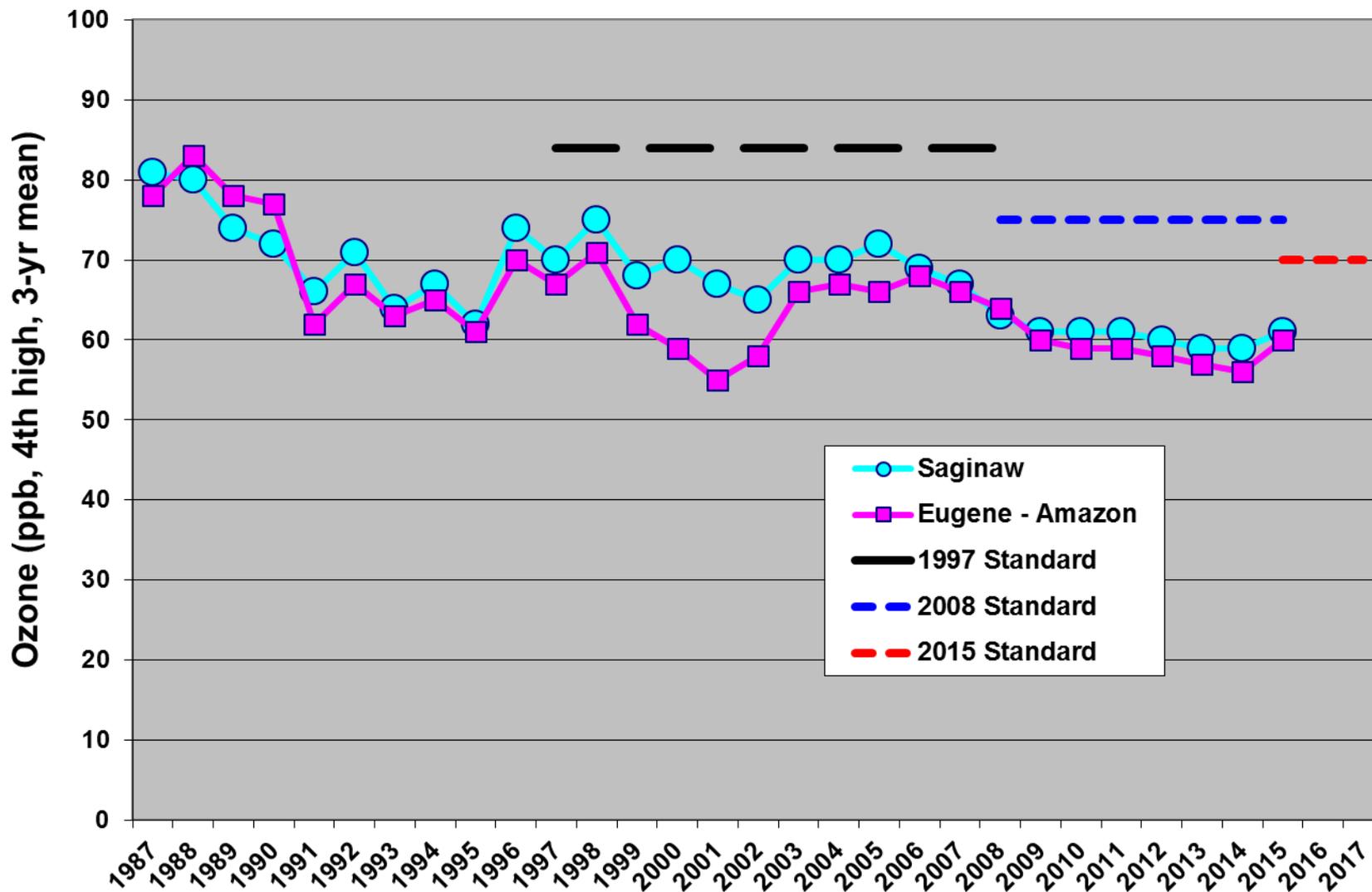
Air Quality Index Chart - Eugene/Springfield



OZONE



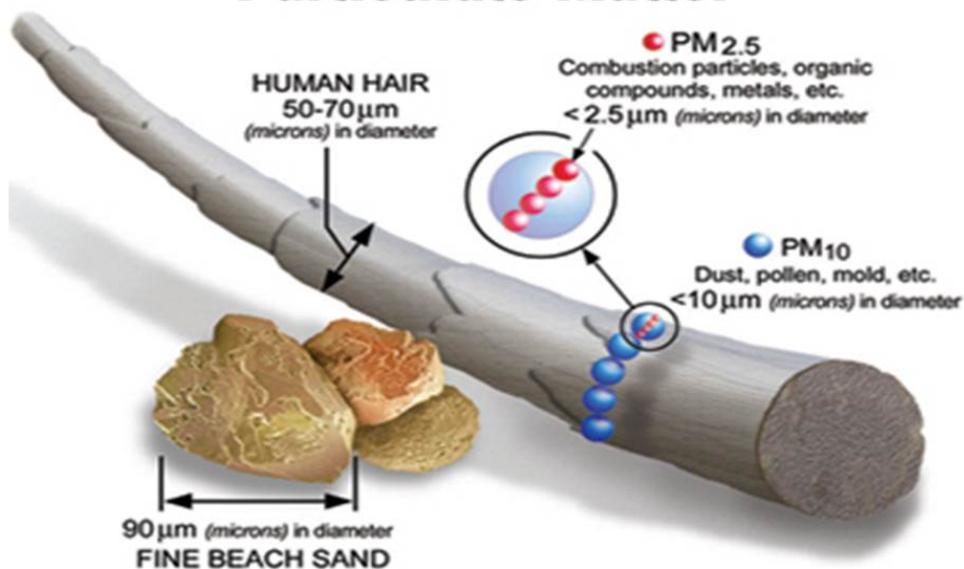
Ozone in Lane County



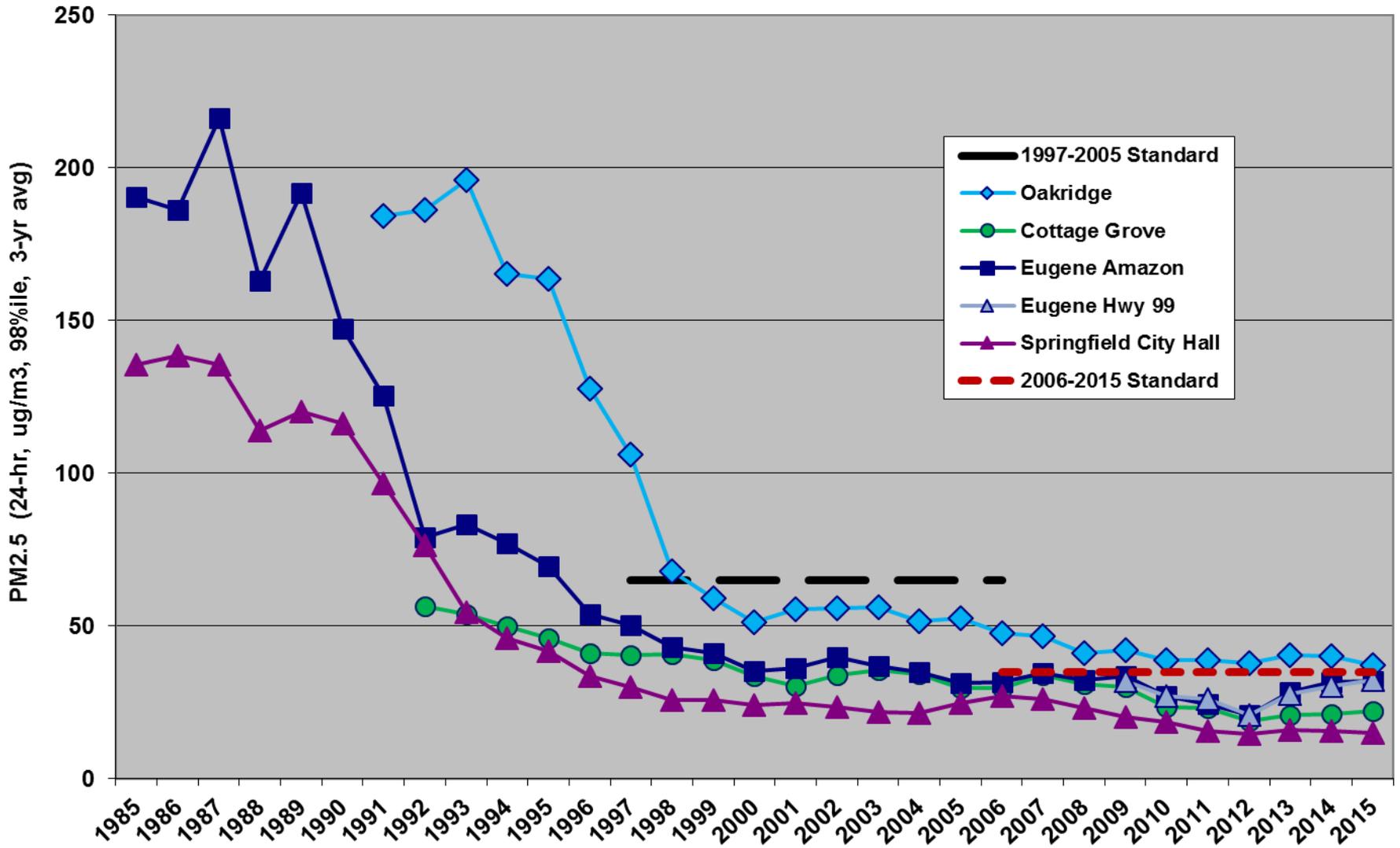
PARTICULATE MATTER



Relative Size of Particulate Matter



Respirable Particulate Matter (PM2.5) in Lane County



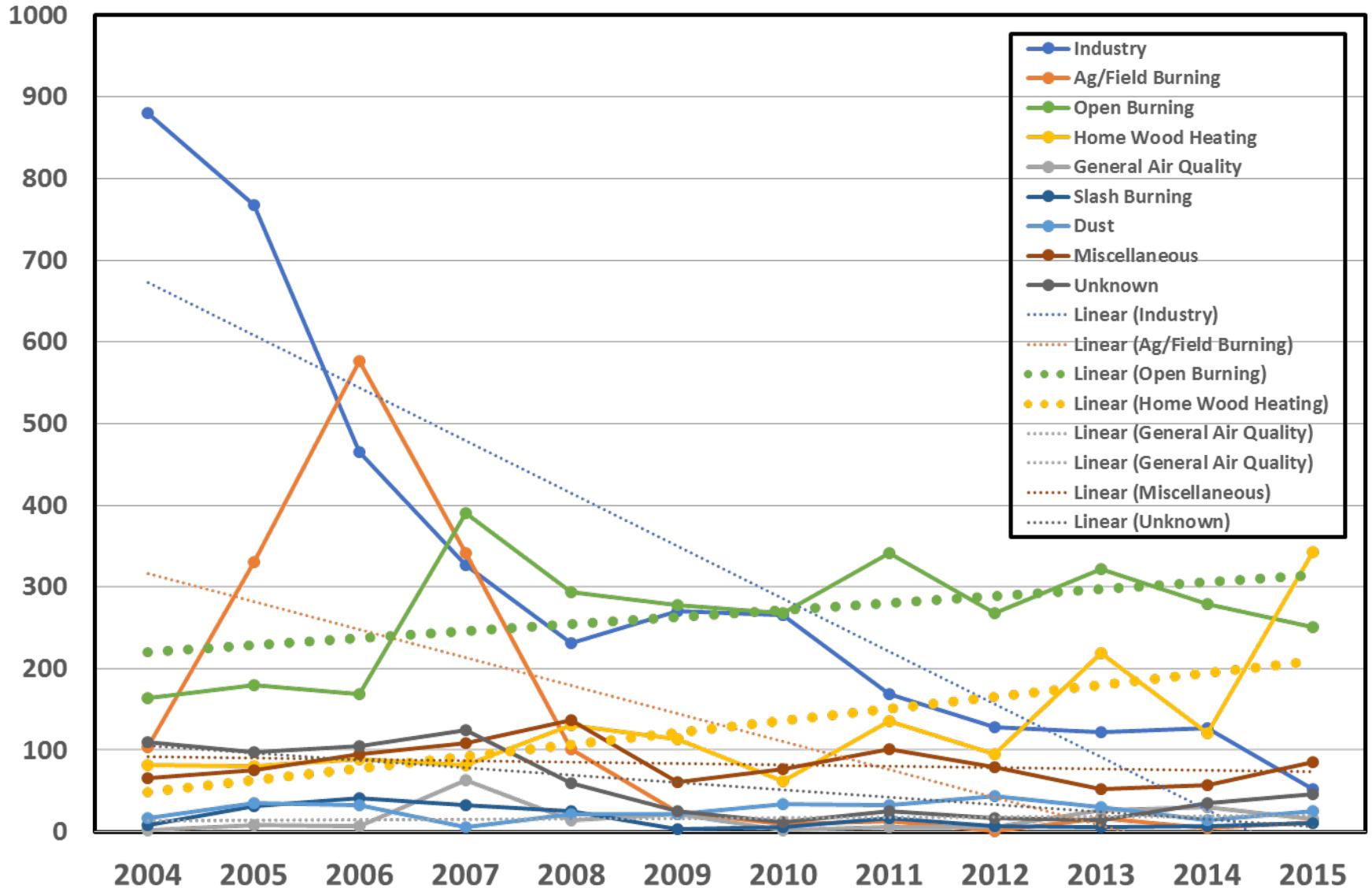
Revised IGA

- **The LRAPA Board of Directors has approved a revised Intergovernmental Agreement consistent with changes in Oregon Statutes by the 2015 Legislature.**
- **The statute changes allow a second position for cities with populations under 25,000.**
- **For LRAPA, the changes would essentially convert an at-large board position so that both Oakridge and Cottage Grove would have positions on the 9-member LRAPA Board.**
- **Springfield currently has two positions, Eugene has four, and Lane County has one.**
- **For the revised IGA to take effect, all five IGA partners (Lane County and the cities of Eugene, Springfield, Cottage Grove and Oakridge) would need to approve.**

Air Pollution Complaints in Lane County:

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Dust	17	35	33	6	21	21	34	33	44	30	14	25
Ag/Field Burning	103	330	576	341	101	24	9	13	1	17	4	12
General Air Quality	2	8	7	63	14	21	2	6	6	26	30	15
Home Wood Heating	82	80	89	82	130	113	62	135	95	219	121	342
Industry	880	768	465	327	231	270	265	169	128	122	127	52
Open Burning	163	179	169	390	293	277	268	341	268	321	279	251
Slash Burning	8	31	41	33	25	3	5	16	7	5	7	11
Miscellaneous	66	75	95	109	137	61	77	101	79	52	57	85
Unknown	110	97	105	124	59	25	12	25	17	14	35	46
Total	1525	1719	1643	1496	1011	815	734	839	645	806	674	839

Air Pollution Complaints in Lane County



Proposed Outdoor Burning Changes

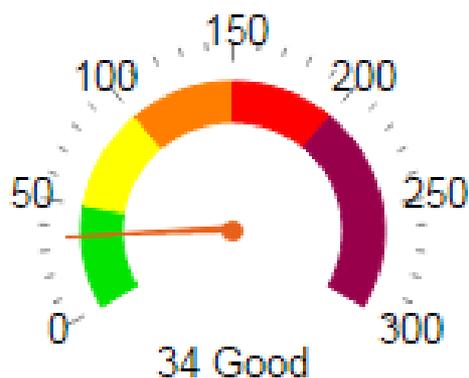
- **Limits size of ceremonial fires. Larger fires would require bonfire letter permits with conditions.**
- **Prohibits outdoor burning in barrels, based on frequent pattern of burning garbage and other prohibited materials, and inefficient combustion.**
- **Prohibits outdoor burning of grass clippings in Lane County based on heavy smoke.**
- **Prohibits outdoor burning of fallen leaves within city limits based on heavy smoke.**
- **Prohibits outdoor burning in the Eugene and Springfield urban growth boundaries (UGBs).**

Proposed Home Wood Heating Changes

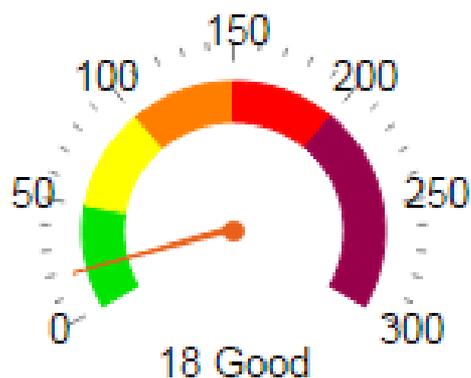
- Clarifies that smoke-density limits (“opacity limits”) also apply to low-income exempt homes which are allowed to burn even on RED advisory days.
- Reduces the smoke-density limits to 20% opacity, consistent with Oakridge and other areas of the Pacific Northwest, if approved by Eugene and Springfield in their city ordinances.
- Extends the home wood heating advisory season to October-May (from November-February) beginning October 1, 2015.

Recent Website Updates

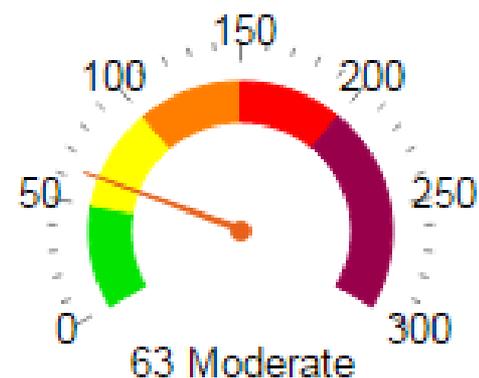
Today's Air Quality



Cottage Grove
 Jan 22, 2016 at 10:00AM
 Pollutant: Particulate Matter



Eugene/Springfield
 Jan 22, 2016 at 10:00AM
 Pollutant: Particulate Matter



Oakridge
 Jan 22, 2016 at 10:00AM
 Pollutant: Particulate Matter

AQI Forecast for 1/22/2016

Cottage Grove	Eugene/Springfield	Oakridge
 Good [PM2.5]	 Good [PM2.5]	 Good [PM2.5]

Recent Website Updates

Home Wood Heating Advisory

Home Wood Heating Advisory Date 01/22/2016

The 24 hour advisory is updated each day by 2pm and goes into effect at 4pm.

Eugene/Springfield		Allowed
Oakridge		Allowed

Home Wood Heating Advisory History

Advisory Date	Eugene/Springfield	Oakridge
01/21/2016	 Allowed	 Allowed
01/20/2016	 Allowed	 Allowed
01/19/2016	 Allowed	 Allowed
12/04/2015	 Allowed	 Allowed
12/03/2015	 Allowed	 Allowed
12/02/2015	 Caution	 Caution
12/01/2015	 Prohibited	 Prohibited
11/30/2015	 Prohibited	 Prohibited
11/29/2015	 Prohibited	 Prohibited
11/28/2015	 Prohibited	 Caution
11/27/2015	 Caution	 Caution
11/26/2015	 Caution	 Caution

Review and Possible Next Steps

- **Revised LRAPA Intergovernmental Agreement requires approval of all IGA partners.**
- **Air quality trends in Springfield-Eugene have generally been good, but worsening particulate levels in Eugene are of special concern.**
- **Two categories of air pollution complaints are of concern in recent years:**
 - **Outdoor burning; and**
 - **Home wood heating.**
- **The LRAPA Citizens Advisory Committee has recommended local rule changes to address outdoor burning and home wood heating.**



LRAPA

Lane Regional Air Protection Agency
