

Memorandum

Date: June 14, 2012

To: John Kovash, Mayor
Members, West Linn City Council

From: Chris Jordan, City Manager 

Subject: Miscellaneous Items

Audit of Comcast Revenues

Chief Financial Officer Richard Seals provides the following report regarding an audit that has been completed of Comcast's franchise:

The independent auditing firm of Deloitte & Touche LLP has completed an audit of Comcast's franchise fee revenue issuing an unqualified opinion (see attached). Deloitte found that Comcast's reported West Linn revenues are presently fairly and suggest no adjustments at \$7.7 million. For your information, West Linn received 5% of Comcast's reported West Linn revenues amounting to \$387,000 per year. Now that West Linn is part of MACC, these types of audits are included providing that extra assurance.

Summer Projects

Attached is an updated status report of Capital projects. Please note that several projects are beginning construction in the next couple of weeks, including the Rosemont Trail which will start on June 20.

Trillium Creek School

Building Official Dave Davies plans to issue a Temporary Occupancy permit for the school in the next few days. This will allow the District to begin moving furniture into the school. The Certificate of Occupancy will likely be issued in July provided that all the conditions have been met.

Water System Improvement Task Force

The task force has completed its meetings and developed a recommendation for the City Council. According to the Council's 2012 Goals, this information is to be provided to the Council by the end of June. We plan to have a written report to the Council by the end of this month with a brief discussion scheduled for the July 2 work session.

Attachment



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INDEPENDENT AUDITORS' REPORT

Board of Directors and Stockholder
Comcast of Oregon II, Inc.
Philadelphia, Pennsylvania

We have audited the accompanying schedule of gross receipts, as defined in Section 2 (s) of the Cable Television Franchise Agreement dated November 13, 1995 (the "Agreement"), of Comcast of Oregon II, Inc. (the "Company") for the franchise area of the City of West Linn, Oregon (the "Schedule") for the year ended December 31, 2011. This Schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this Schedule based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free of material misstatement. An audit includes consideration of internal control over financial reporting as it relates to the Schedule as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting as it relates to the Schedule. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such Schedule presents fairly, in all material respects, the gross receipts, as defined in the Agreement referred to above, of Comcast of Oregon II, Inc. for the franchise area described above for the year ended December 31, 2011.

This report is intended solely for the information and use of the Board of Directors and Stockholder of Comcast of Oregon II, Inc. and the City of West Linn, Oregon and is not intended to be and should not be used by anyone other than these specified parties.

March 28, 2012

COMCAST OF OREGON II, INC.

**SCHEDULE OF GROSS RECEIPTS
CITY OF WEST LINN, OREGON
YEAR ENDED DECEMBER 31, 2011**

GROSS RECEIPTS

\$7,740,117

NOTE: The amount of gross receipts above is recorded in accordance Section 2 (s) of the Cable Television Franchise Agreement dated November 13, 1995 for the franchise area of the City of West Linn, Oregon, and includes franchise fees charged to subscribers.

In accordance with the Federal Communications Commission (the "FCC") ruling that determined cable modem service is not a "cable service" as defined by the Communications Act, the gross receipts above do not include cable modem service revenues.



CITY OF West Linn

PUBLIC WORKS WEEKLY UPDATE

June 14, 2012

Capital Improvement Projects

PW0906 Bolton Reservoir Replacement

Issued Change Order for \$5,500 to consultant contract for additional geo-tech scope. Revised completion date for geo-tech and estimate report July 19th.

PW1014 Bland Pump Station and Intertie (No change)

Public Works Director has discussed the easement and negotiations status with Jeff Bennett of Jordan, Ramis, and has spoken with Craig Zell who prepared the easement appraisal for the City. PW Director is also contacting Mr. Wei and Mr. DeVries to set up a final meeting to discuss the easement and constraints.

PW1202 Tualatin Avenue Improvements

Pre-construction meeting held 6/14. Tentative schedule is for construction to commence 7/5 and complete by 7/19.

PW1203 2012 Crack Sealing Project

Weather permitting, work to begin 6/25 and complete by end of July.

PW1204 2012 Slurry Seal Project

Pre-construction meeting held June 13th. Contractor scheduled to start work 7/25 and complete on 7/28

PW1205 2012 Pavement Project

Pre-construction meetings held last week and 6/14. Rosemont Road section prep work and excavation to take place next week (6/18 – 6/22) and paving tentatively scheduled for following week (starting 6/25).

PW1207 PW-OPS Fuel Tank Expansion

Staff met with the low proposer June 5th. Cost cutting ideas firmed up, expectations reviewed. Staff awaiting proposal resubmission from low proposer. Staff hopes for award soon.

PW1208 Rosemont Water Reservoir Utility Improvements (No change)

Staff has been coordinating with T-Mobile regarding installation of a utilidor into the site that is currently crowded with individual underground utilities. We have received a design from PGE for vault and transformer relocation. We are awaiting a cost estimate (and cost share) from T-Mobile's representative in order to check available funding before committing.



CITY OF West Linn

PW1211 2012 Sidewalk Infill

Salamo Road sidewalk infill planned for this summer. Staff is working construction easements with abutting property owners.

PW1212 Ramp Replacement for ADA compliance

Project complete. FINAL REPORT.

PW1214 Sanitary Sewer Rehabilitation Project Phase 3 [\(No change\)](#)

Next phase of Cured-in-Place Pipe (CIPP) sanitary sewer lining project. In pre-design phase.

PW1217 Barrington Storm Line Improvement

Contract awarded. Pre-construction meeting May 31st. Construction started. Completion by July 15th.