

**RESOLUTION NO. 2125**

**A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT TO REINSTATE THE INTERGOVERNMENTAL AGREEMENT FOR TELECOMMUNICATIONS FINANCIAL REVIEW SERVICES.**

WHEREAS, in 2002, the City of Wilsonville ("City") entered into an Intergovernmental Agreement to hire one or more consultants to review and analyze revenues received from incumbent local exchange carriers as compensation for the rights and privileges to operate in the public right-of-way ("Telecommunications Financial Review Services");

WHEREAS, the Telecommunications Financial Review Services have not been completed and the Intergovernmental Agreement has terminated by the passage of time; and

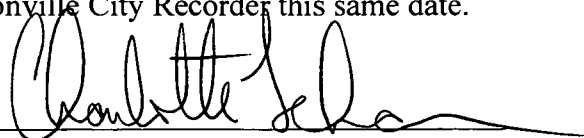
WHEREAS, the City desires to complete the Telecommunications Financial Review Services under the terms of the Intergovernmental Agreement, and therefore desires to reinstate and amend the term of the Intergovernmental Agreement.

NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

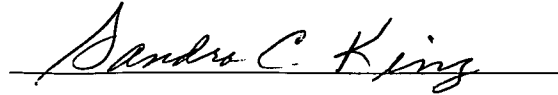
Section 1. The City Manager is authorized to execute the Intergovernmental Agreement, attached hereto as Exhibit A, for the purpose of reinstating and amending the term of the Intergovernmental Agreement for Telecommunications Financial Review Services.

Section 2. This resolution is effective immediately following adoption by the City Council and signature by the Mayor.

ADOPTED by the City Council of the City of Wilsonville at a regular meeting thereof this 16TH day of June 2008 and filed with Wilsonville City Recorder this same date.

  
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CHARLOTTE LEHAN, Mayor

ATTEST:



Sandra C. King, MMC, City Recorder

SUMMARY OF VOTES:

Charlotte Lehan, Mayor - Yes

Alan Kirk, Council President - Yes

Tim Knapp, Councilor - Yes

Michelle Ripple, Councilor - Yes

Celia Núñez, Councilor - Yes

## INTERGOVERNMENTAL AGREEMENT

This Intergovernmental Agreement ("Reinstatement Agreement") is entered into between all of the municipalities (the "Parties") listed in Exhibit A to the Intergovernmental Agreement for Telecommunication Financial Review Services ("Agreement"), effective December 31, 2002 and attached hereto as Attachment 1, for the purpose of reinstating and amending the Agreement.

### Recitals

- A. The Parties entered into the Agreement "to hire one or more consultants ("Consultant") to review and analyze revenues received from incumbent local exchange carriers as compensation for the rights and privileges to operate in the public right-of-way ("Telecommunications Financial Review Services");"
- B. The Consultant has been hired and the Telecommunications Financial Review Services have commenced, but have not concluded;
- C. Pursuant to paragraph 12 of the Agreement, which states that "[t]his Agreement shall terminate upon the earlier of five (5) years from the Effective date or until the completion of the Franchise Telecommunications Financial Review," the Agreement terminated on December 31, 2007; and
- D. The Parties desire to complete the Telecommunications Financial Review Services under the terms of the Agreement, and therefore desire to reinstate and amend the term of the Agreement as set forth herein.

### The Parties agree to the following:

- 1. The Parties agree to reinstate the Agreement attached hereto as Attachment 1 and incorporated into this Reinstatement Agreement as if fully set forth herein, except as set forth in paragraph 2 below.
- 2. Paragraph 12 of the Agreement shall be amended to state as follows:

"This Agreement shall terminate upon the earlier of January 1, 2010, or the completion or other resolution of the Franchise Telecommunications Financial Review. This Agreement may be terminated earlier upon mutual written consent of the majority of the Parties."
- 3. Upon execution by the Parties, this Reinstatement Agreement shall be effective as of January 1, 2008.
- 4. This Reinstatement Agreement may be executed in any number of counterparts by any one or more of the Parties hereto, and all of these counterparts will be one Reinstatement Agreement. To facilitate execution of this Reinstatement Agreement, the Parties may execute by facsimile transmission the counterparts of the signature pages.

**Signature Section for the Reinstatement of the Intergovernmental Agreement for  
Telecommunication Financial Review Services:**

**Name:** City of Wilsonville, Oregon

**By:** \_\_\_\_\_

**Date:** \_\_\_\_\_



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## **MEMORANDUM**

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Date: June 16, 2008

To: Mayor Lehan and City Council

From: Gary Wallis, Finance Director

Subject: Reinstatement of Intergovernmental Agreement - OMARC

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**SUMMARY:**

The City has been a member of Oregon Municipal Audit Review Committee (OMARC). The intergovernmental agreement (IGA) with OMARC has expired but the underlying audit work has not been completed. In order to preserve Wilsonville's involvement in the audit staff requests Council approval of the reinstatement of the IGA for a period not to exceed another two years.

**BACKGROUND:**

In 2002 the City of Wilsonville joined approximately 25 other cities in a joint audit of Verizon for franchise fee payments. To conduct a combined audit a special entity was created called Oregon Municipal Audit Review Committee (OMARC). OMARC was led by a handful of steering committee members, of which I am one. OMARC contracted with Maximus to conduct the audit of Verizon. The original intergovernmental agreement was set to expire no later than December 31, 2007. The audit has taken far longer than anyone anticipated and as a result the IGA has expired before the audit report could be issued.

**CURRENT:**

The audit, while very close to completion, is still several months away at a minimum. OMARC continues to meet and move the audit along but on a legal basis needs the entity reinstatement in order to effectively deal with Verizon and Maximus.

**RECOMMENDATION:**

Approve the accompanying Resolution and attached IGA.

**MORE BACKGROUND:**

Why has the audit taken so long? OMARC asks itself the same thing. Many factors contribute to the delays. Briefly, there has been tremendous turnover within OMARC as almost everyone on the original OMARC steering committee has retired or has a new job. Maximus, the auditor, has undergone structural changes. Verizon changed the addressing method partway through the review requiring all cities to redo their work. Numerous technical issues had to be resolved on Oregon tariffs and how Verizon applied them. Feedback from member cities was less than prompt. The auditor was unavailable for extended periods. Verizon presented new challenges when we thought we were done.

Are we really close to being done? Yes, or so it would seem. OMARC has been forceful with Maximus in bringing this audit to a close. We now have the support of their supervisors to push for completion. Verizon is anxious to wrap up the audit as well.

Will this cost Wilsonville more money? No. OMARC and Maximus have agreed that all necessary fees for the Verizon audit have been paid. All that is needed now is for Maximus to issue the report.

What happens next? OMARC will continue to push Maximus towards specific performance. When the report is released to us a copy will be sent to Verizon. OMARC expects Verizon to take issue with some of the findings. OMARC can provide guidance on how to deal with certain Verizon objections, but final settlement will be left to each city.