CITY OF OREGON CITY
CITY COMMISSION REGULAR MEETING - REVISED
AGENDA

Commission Chambers, Libke Public Safety Facility, 1234 Linn Ave, Oregon City
Wednesday, January 04, 2023 at 7:00 PM

REGULAR MEETING OF THE CITY COMMISSION

Ways to participate in this public meeting:

- *Attend in person, location listed above*
- *Register to provide electronic testimony (email recorderteam@orcity.org or call 503-496-1509 by 3:00 PM on the day of the meeting to register)*
- *Email recorderteam@orcity.org (deadline to submit written testimony via email is 3:00 PM on the day of the meeting)*
- *Mail to City of Oregon City, Attn: City Recorder, P.O. Box 3040, Oregon City, OR 97045*

1. CONVENE MEETING AND ROLL CALL

2. FLAG SALUTE

3. CEREMONIES AND PROCLAMATIONS

3a. Oaths of Office for Mayor and City Commissioners

3b. Election and Oath of Office for Commission President for 2023

4. CITIZEN COMMENTS

Citizens are allowed up to 3 minutes to present information relevant to the City but not listed as an item on the agenda. Prior to speaking, citizens shall complete a comment form and deliver it to the City Recorder. The City Commission does not generally engage in dialog with those making comments but may refer the issue to the City Manager. Complaints shall first be addressed at the department level prior to addressing the City Commission.

5. PRESENTATIONS

6. ADOPTION OF THE AGENDA

7. CONSENT AGENDA

This section allows the City Commission to consider routine items that require no discussion and can be approved in one comprehensive motion. An item may only be discussed if it is pulled from the consent agenda.

7a. Clackamette Park Master Plan Amendment

7b. Change Order No. 2 for the Sanitary Sewer I/I Rehabilitation – Rivercrest Basin Project: Phase 3 (CI 20-010)

7c. Minutes of the June 7, 2022 City Commission Work Session

8. PUBLIC HEARINGS

8a. First Reading of Ordinance No. 22-1010, Approving the 11th Amendment to the Downtown/North End Urban Renewal Plan

9. GENERAL BUSINESS

9a. Update on Park Master Fee Schedule Implementation, Contracts, and MOU's

9b. Regional Mobility Pricing Project National Environmental Protection Act Scoping Comment Letter

9c. Removal of An Imminent Hazard Tree Located in An Unimproved Public Right-of-Way Adjacent to 1506 Monroe Street

10. COMMUNICATIONS

City Manager

a. Comprehensive Annual Financial Report for the Fiscal Year ending June 30, 2022

Commissioners

Mayor

b. Mayoral Appointments to City Boards and Committees

c. Updates to the City Commissioner's Committee Assignments

11. ADJOURNMENT

PUBLIC COMMENT GUIDELINES

Complete a Comment Card prior to the meeting and submit it to the City Recorder. When the Mayor/Chair calls your name, proceed to the speaker table, and state your name and city of residence into the microphone. Each speaker is given three (3) minutes to speak. To assist in tracking your speaking time, refer to the timer on the table.

As a general practice, the City Commission does not engage in discussion with those making comments.

Electronic presentations are permitted but shall be delivered to the City Recorder 48 hours in advance of the meeting.

ADA NOTICE

The location is ADA accessible. Hearing devices may be requested from the City Recorder prior to the meeting. Individuals requiring other assistance must make their request known 48 hours preceding the meeting by contacting the City Recorder's Office at 503-657-0891.

Agenda Posted at City Hall, Pioneer Community Center, Library, City Website.

Video Streaming & Broadcasts: The meeting is streamed live on the Oregon City's website at www.orcity.org and available on demand following the meeting. The meeting can be viewed on Willamette Falls Television channel 28 for Oregon City area residents as a rebroadcast. Please contact WFMC at 503-650-0275 for a programming schedule.

CITY OF OREGON CITY

Staff Report

625 Center Street
Oregon City, OR 97045
503-657-0891

To: City Commission **Agenda Date:** 01/04/2023

From: Parks & Recreation Director Kendall Reid

SUBJECT:

Clackamette Park Master Plan Amendment

STAFF RECOMMENDATION:

Staff recommend City Commission approve amendment of original contract to supplement current Clackamette Park Master Plan graphics and plans. Duration of contract to be extended an additional six months beyond original terms. Contract price shall be increased by the amount of $36,500.00, with total not to exceed $85,500.00.

BACKGROUND:

Contract was executed November 29, 2021, for Lango Hansen Landscape Architects to complete the Clackamette Park Master Plan. Through the current contract, there is a need to supplement current Clackamette Park Master Plan graphics with plans and text as needed to document site design information as outlined in Oregon City Municipal Code and as specified in the preapplication meeting notes.

OPTIONS:

1) Approve Lango Hansen Landscape Architects amendment as presented
2) Approve Lango Hansen Landscape Architects amendment with specific modifications
3) Deny amendment. If Commission chooses to deny contract, staff request direction on how to proceed.

BUDGET IMPACT:

Amount: $36,500.00
FY(s): 2021-2023
Funding Sources(s): Professional Services

CITY OF OREGON CITY
Amendment No. 1 to Personal Services Agreement

Clackamette Park Master Plan

This is an Amendment to the Personal Services Agreement by and between the City of Oregon City (hereinafter City), and **Lango Hansen Landscape Architects**, which was previously entered into on November 29, 2021 ("Contract") for **Clackamette Park Master Plan** and Whereas, the parties wish to amend the Contract as set forth below:

WITNESSETH:

1. The **Scope of Work** is hereby amended as follows:

   Supplement current Clackamette Park Master Plan graphics with plans and text as needed to include narrative statement and general development plans. Work will include the following: vicinity map, existing conditions plans including current land uses, physical characteristics, natural resources, site utilities, proposed development plan showing roads, parking structures, park features, public facilities impacts, and impacts of development on surrounding neighborhoods.

2. The **Duration of Contract** is hereby amended as follows:

   Duration of the contract will extend an additional six month beyond the original terms. The new duration of the contract will be 12/01/2021-06/30/2023.

3. The **Payment Provisions** are hereby amended as follows:

   For provision of revision of fee schedule described above, the contract price shall be increased by an amount not to exceed **thirty-six thousand five hundred dollars and 00/100 ($36,500.00).** The total not to exceed amount of the Agreement shall be **eighty-five thousand five hundred dollars and 00/100 ($85,500.00).**

All other provisions of the Personal Services Agreement referenced above shall remain in full force and effect.

Lango Hansen Landscape Architects
11000 NW Glisan Street #3~~B~~ A
Portland, OR 97209
Attention: Kurt Lango

By: _____
Name: Kurt Lango
Title: Principal
Date: Dec 16. 2022

CITY OF OREGON CITY
PO Box 3040
Oregon City, OR 97045
Attention: Kendall Reid

By: _____

Kendall Reid
Parks and Recreation Director

Date: _____

Date Authorized by Commission, if applicable:

_____

Point of Contact: Kendall Rei
Term of Contract: December 1, 2021 to December 31, 2022

CITY OF OREGON CITY
PERSONAL SERVICES AGREEMENT

CLACKAMETTE PARK MASTER PLAN

This PERSONAL SERVICES AGREEMENT ("Agreement") is entered into between the CITY OF OREGON CITY ("City") and **Lango Hansen Landscape Architects** ("Consultant").

RECITALS

A. City requires services that Consultant is capable of providing under the terms and conditions hereinafter described.

B. Consultant is able and prepared to provide such services as City requires under the terms and conditions hereinafter described.

The parties agree as follows:

AGREEMENT

1. Term. The term of this Agreement shall be from the date the contract is fully executed until **December 31, 2022**, unless sooner terminated pursuant to provisions set forth below. However, such expiration shall not extinguish or prejudice City's right to enforce this Agreement with respect to (i) breach of any warranty; or (ii) any default or defect in Consultant's performance that has not been cured.

2. Compensation. City agrees to pay Consultant on a time-and-materials basis for the services required. Total compensation, including reimbursement for expenses incurred, shall not exceed **forty-nine thousand dollars and 00/100 cents ($49,000.00).**

3. Scope of Services. Consultant's services under this Agreement shall consist of services as detailed in Exhibit A, attached hereto and by this reference incorporated herein.

4. Standard Conditions. This Agreement shall include all of the standard conditions as detailed in Exhibit B, attached hereto and by this reference incorporated herein.

5. Schedule. The components of the project described in the Scope of Services shall be completed according to Term, above.

6. Integration. This Agreement, along with the description of services to be performed attached as Exhibit A and the Standard Conditions to Oregon City Personal Services Agreement attached as Exhibit B, contain the entire agreement between and among the parties, integrate all the terms and conditions mentioned herein or incidental hereto, and supersede all prior written or oral discussions or agreements between the parties or their predecessors-in-interest with respect to all or any part of the subject matter hereof.

7. Notices. Any notices, bills, invoices, reports or other documents required by this Agreement shall be sent by the parties by United States mail, by hand delivery or by electronic means. All notices shall be in writing and shall be effective when delivered. If mailed, notices shall be deemed effective forty-eight (48) hours after mailing, unless sooner received.

To the City:

City of Oregon City
PO Box 3040
625 Center Street
Oregon City, OR 97045
Attention: Kendall Reid

To Consultant:

Lango Hansen Landscape Architects
11000 NW Glisan St #3B,
Portland, OR 97209
Attention: Kurt Lango

Consultant shall be responsible for providing the City with a current address. Either party may change the address set forth in this Agreement by providing notice to the other party in the manner set forth above.

8. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the state of Oregon without resort to any jurisdiction's conflicts of law, rules or doctrines.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly appointed officers on this —— day of December 2021.

CITY OF OREGON CITY

By: Kendall Reid
Kendall Reid
Title: Parks & Recreation Director

DATED: 11/29/2021, 2021.

By: A. K D TR
Anthony J. Konkol III
Title: City Manager

DATED: 11/29, 2021.

Lango Hansen Landscape Architects

By: _____
Kurt Lango
Title: Principal

DATED: Nov, 30., 2021.

ORIGINAL CITY COMMISSION APPROVAL (IF APPLICABLE):

DATE: _____

lango.hansen LANDSCAPE ARCHITECTS PC

December 12, 2022

Kendall Reid, Parks and Recreation Director
City of Oregon City
625 Center St.
Oregon City, Oregon 97045

RE: Clackamette Park Master Plan

Dear Kendall:

We appreciate the opportunity to submit this proposal for Landscape Architectural Services for the Clackamette Park Master Plan adoption project.

SCOPE OF SERVICES
The following is summary of our understanding of LHLA's responsibilities and scope of services. Lango Hansen Landscape Architects will be responsible for providing documentation for the submittal of a General Development Plan for the Master Plan of Clackamette Park. This includes master plan site graphics along with narrative text that addresses how the plan meets the Oregon City municipal code requirements for General Development Plans.

Additionally, LHLA will engage a transportation engineer to develop a Transportation Analysis Letter that addresses.

TASKS
Supplement current Clackamette Park Master Plan graphics with plans and text as needed to document site design information as outlined in OCMC 17.65.050 and as specified in the preapplication meeting notes. This will include a narrative statement, and General Development Plans that show the following: a vicinity map, existing conditions plans including current land uses, physical characteristics, natural resources, site utilities as well as the proposed development plan that shows roads, parking, structures, park features, public facilities impacts, and impacts of the development on the surrounding neighborhoods.

Deliverables:
General Development Plan Graphics and Text
Master Plan Narrative
Traffic Analysis Letter

FEES:

LHLA	$18,000
Kittelson Engineers	$14,000
KPFF Engineers	$4,500
TOTAL	$36,500

Reimbursable expenses will be billed at cost.

Billing Rates:

Kurt Lango, Principal	$155/hr
Brian Martin, Senior Associate	$100/hr
Staff	$85/hr

langohansen.com
1100 nw glisan st #3b portland OR 97209 t 503 295 2437

Thank you for the opportunity to submit this proposal and we are very excited with our continued collaboration with the City of Oregon City. Please let me know if you have any questions or comments.

Sincerely,
Lango Hansen Landscape Architects

Brian Martin
Senior Associate

CITY OF OREGON CITY

Staff Report

625 Center Street
Oregon City, OR 97045
503-657-0891

To: City Commission **Agenda Date:** 01/04/2023

From: Public Works Director John M. Lewis, PE

SUBJECT:

Change Order No. 2 for the Sanitary Sewer I/I Rehabilitation – Rivercrest Basin Project: Phase 3 (CI 20-010)

STAFF RECOMMENDATION:

Authorize the City Manager to execute Change Order No. 2 in the amount of $262,009.42 for the Sanitary Sewer I/I Rehabilitation – Rivercrest Basin Project: Phase 3 (CI 20-010).

EXECUTIVE SUMMARY:

Change Order No. 2 for modifications to the Sanitary Sewer I/I Rehabilitation – Rivercrest Basin Project: Phase 3. This change order adds the emergency repair of the Sunset Chapel sewer main to an already open contract to expedite its construction, as well as several other minor field modifications. Change Order No. 2 adds $262,009.42 to the contract amount.

BACKGROUND:

On June 15, 2022, the City entered into a Public Improvement Contract with Landis & Landis Construction, in the amount of $2,947,708.00 to construct the Sanitary Sewer I/I Rehabilitation – Rivercrest Basin Project: Phase 3.

The City's 2014 Sanitary Sewer Master Plan calls for an Infiltration and Inflow (I/I) Abatement Program to reduce surface and subsurface water that is entering the sanitary sewer collection system. Flow metering, smoke testing, and CCTV inspections identified the Rivercrest Neighborhood as the highest priority for an I&I sewer rehabilitation project. Rehabilitation includes approximately 14,000 linear feet of mainline sewer pipes that range in size from 4-inch to 10-inch, 38 manholes, and approximately 214 sewer service laterals in City right-of-way. Trenchless methods such as pipe bursting and cured-in-place pipe (CIPP) lining of the mainlines and laterals were taken into consideration during the design phase.

The City noted recently that the public sewer main serving the Sunset Chapel and an adjoining home was actively deteriorating to the point where the main can no longer be safely cleaned. Staff determined that this constitutes a “sewer failure,” and that urgent action was needed to restore adequate service to the affected properties. Neither property served by the failed sewer line are experiencing sewer backups currently, but if the lines clog again, both properties will lose sewer service until the line is replaced.

When evaluating options to quickly and efficiently replace the failed sewer line, staff determined the best course of action was to attach the design and construction of this small repair project to open construction and consultant contracts. This ensures the design will occur quickly and cost-effectively and expedites installation of the repair line. The Sanitary Sewer I/I Rehabilitation – Rivercrest Basin Project was selected as the appropriate contract to attach this work to, as the contractor (Landis & Landis) is currently on site, simplifying the process of adding this work to the active contracts. Century West Engineering (CWE) was authorized on November 16, 2022 to design this repair as an amendment to their design and construction services contract.

Change Order No. 1 was previously approved administratively as it decreased the contract amount by $40,906.39. This change order converted a substantial portion of the open trench pipe installation to pipe bursting to save the City money while still receiving an quality end product, and also provided some compensation to Landis & Landis for unforeseen site complications. This change order also extended the contract through May 15, 2023 to ensure that pavement restoration is done when the weather improves.

Change Order No. 2 will increase the contract amount by $262,009.42. This change order added sewer main, manholes, and lateral reconnections necessary to build a new pipe system in a new location and abandon the failed Sunset Chapel public sewer main located in the public alleyway between 7th Street and 8th Street, off of John Adams Street. In addition, the change order will add work necessary to replace several deteriorated ladder rungs in manholes in the Rivercrest Basin project area.

The original contract price was awarded at $2,947,708.00. Change Order 1 decreased the contract amount by $40,906.39 and Change Order 2 increases the contract amount by $262,009.42. The combined contract increase across both change orders is $221,103.03, increasing the contract amount by 7.5% to $3,168,811.03.

OPTIONS:

1. Authorize the City Manager to execute the Change Order.
2. Authorize the City Manager to execute the Change Order with specific modifications.
3. Deny the Change Order. If the Commission chooses to deny the Change Order, staff requests direction on how to proceed.

BUDGET IMPACT:

Amount:	$221,103.03
FY(s):	2022-2023
Funding Source(s):	Sewer Fund

Point of Contact: Josh Wheeler
Term of Contract: _____

SECTION III A
CONTRACT AGREEMENT

This Agreement, made and entered into this 15 day of June, 2022 between the CITY OF OREGON CITY ("CITY"), acting by and through the City Commission and **LANDIS & LANDIS CONSTRUCTION** ("CONTRACTOR").

Witnesseth, that the CONTRACTOR and the CITY, for the considerations stated herein, agree as follows:

ARTICLE I - Scope of Work
The CONTRACTOR hereby agrees to furnish all of the materials, equipment and labor necessary, and to perform all of the work for the project entitled: **Sanitary Sewer I/I Rehabilitation – Rivercrest Basin Project: Phase 3 (CI 20-010)** in accordance with the contract documents which are hereby made a part of this agreement.

The contract documents consist of:

Invitation to Bid Scope of Work Instructions to Bidders Bid Proposal and Bid Schedule Compliance with ORS 279C.840 Resident Bidder Status Certification of Drug Testing Program Non-Collusion Statement Asbestos Certification Registrations Certification of Non-Discrimination Certification of Compliance with Tax Law Bidder Responsibility Form Bid Bond First Tier Subcontractor Disclosure Form Customer Service Acknowledgment Form Contract Agreement Oregon City Public Improvement Standard Conditions	Statutory Conditions to Contract Agreement Performance Bond Payment Bond State of Oregon Statutory Public Works Bond General Conditions Prevailing Wage Rates for Public Works Contracts in Oregon, dated January 1, 2022 Amendments to the Prevailing Wage Rates for Public Works Contracts in Oregon dated April 1, 2021 Prevailing Wage Apprenticeship Rates dated January 1, 2022 Definitions of Covered Occupations for Public Works Contracts in Oregon dated July 1, 2018 Special Provisions Contract Drawings City of Oregon City Standard Details Technical Specifications 2018 Oregon Standard Specifications for Construction (ODOT and APWA) as referenced by these documents All items included within these Contract Documents.

The order of items cited above does not constitute an order of precedence different than that established in the special or standard specifications. Equivalent titles, which may be substituted for the above listed items, are included as if specifically named.

ARTICLE II - Time of Completion

The project shall be substantially complete by **December 31, 2022**, or within 179 calendar days, whichever comes first as identified in 00180.50(b) of the Special Provisions.

ARTICLE III – Contract Amount

The Contract Amount for the work covered by this Agreement is estimated to be **two million, nine hundred forty seven thousand, seven hundred eight dollars and no cents ($2,947,708.00).**

ARTICLE IV - Warranty and Quality of Work

In addition to all other warranties, express or implied, that are part of this Agreement, the Contractor expressly warrants to the City for a period of one year from acceptance of the work by the City that all materials and equipment furnished under this contract will be new, unless otherwise specified, and that the work will be of good quality, free from faults and defects and in conformance with the City's specifications. Work that does not conform to these standards shall be considered defective.

Contractor shall, at its own expense, make good and repair any and all defects arising from faulty workmanship or materials, if the defective work is discovered within the one-year warranty period and notice thereof is given to the Contractor within 60 days after the expiration of the warranty period. If required by the City, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment used to repair the defect.

In witness whereof, the parties hereto have executed this agreement, the day and year first above written.

CITY OF OREGON CITY

by: Anthony J. Konkol III
Anthony J. Konkol III
City Manager

by: Dayna Webb
~~John M. Lewis, P.E.~~ Dayna Webb, PE
Public Works Director
Acting

LANDIS & LANDIS CONSTRUCTION

Myke Landis
Printed Name

by: Myke Landis
Authorized signature

CFO Admin
Title

52-2337537
Federal Taxpayer ID Number

Approved as to Legal Sufficiency:

by: _____
City Attorney

Address:

PO Box 50
Marylhurst OR 97036

City Commission Award Date:

6/1/22

CHANGE ORDER

No. 1

DATE OF ISSUANCE 11/14/2022 EFFECTIVE DATE

PROJECT: **Sanitary Sewer I/I Rehabilitation – Rivercrest Basin Project: Phase 3**

OWNER **City of Oregon City**

CONTRACTOR **Landis & Landis**

Contract:

OWNER's Contract No. CI 20-010 ENGINEER's Project No. 41339.014.01

ENGINEER Century West Engineering

You are directed to make the following changes in the Contract Documents:

Change Order 1

Item 1.1 – Change from Open-cut to Pipe Burst
Item 1.2 – Narain Ct Storm Line Conflict
Item 1.3 – Restricted Work Hours
Item 1.4 – Additional Manhole
Item 1.5 – Contract Time Extension

You are directed to make the following changes in the Contract Documents:

Item 1.1: Change from Open-cut to Pipe Burst

Description: The following sewer lines were changed from replacement by open-cut to replacement by pipe bursting:

(1) Sheet C2.2 - MH-10873 to MH-10877 – 265 LF of 8"
(2) Sheet C2.3 - MH-10872 to MH-10873 – 253 LF of 8"
(3) Sheet C2.10 - MH-10887 to MH-10851 – 396 LF of 10"
(4) Sheet C2.11 - MH-10887 to MH-10850 – 350 LF of 8"
(5) Sheet C2.16 - MH-10854 to MH-10001 – 238 LF of 8"

Reason for Change Order: This change order item was requested by the Contractor in RFI #003. Pipe bursting in lieu of open-cut minimizes surface disturbances while reducing impacts to traffic.

Quantity and Cost Changes:

ITEM NO.	ITEM DESCRIPTION	UNIT	BID QUANTITY	CONTRACT UNIT COST	CHANGE IN CONTRACT QUANTITY	CHANGE IN CONTRACT COST
8	Pipe Bursting, 8-Inch	LF	1,417	$139	+ 1,106	+ $153,734
9	Pipe Bursting, 10-Inch	LF	2,204	$149	+ 396	+ $59,004
10	Lateral Pipe Connection, Fusion Weld	EA	36	$3,100	+ 32	+ $99,200
16	8-Inch D3034 PVC, All Depths	LF	2,328	$202	- 1,106	- $223,412
17	10-Inch D3034 PVC, All Depths	LF	396	$203	- 396	- $80,388
18	Lateral Pipe Connection, Tee	EA	54	$700	- 32	- $22,400
25	Cold Plane Pavement Removal, 2-Inch Deep	SY	4,970	$16	- 1240	- $19,840
26	Level 2, ½ Inch ACP Mixture, Temp	TN	290	$220	- 110	- $24,200
27	Level 2, ½ Inch ACP Mixture	TN	770	$190	- 250	- $47,500

Change in Contract Price: Work under Change Order Item 1.1 will result in a decrease to the contract price totaling **$105,802**.

Change in Contract Time: No change in Contract time was requested by the Contractor.

Item 1.2: Narain Ct Storm Line Conflict

Description: 52 linear feet of an existing 10" storm line was demolished and replaced to allow for the open-trench replacement of the underlying sanitary main.

Reason for Change Order: To compensate the Contractor for the extra time and money that was required to install a 52 linear foot run of 10" PVC storm pipe.

Change in Contract Price: Work under Change Order Item 1.2 will be measured by time and materials and paid at the agreed unit change order price for the new Bid Item CO1.2. The total increase in contract price is **$4,615.44**.

Change in Contract Times: The efficiency delays experienced by the Contractor results in **one (1)** additional calendar day.

Item 1.3: Restricted Work Hours

Description: The City is imposing work hour restrictions that are outside the scope of the Contract. As a result, the Contractor will lose approximately one (1) hour of production time per day when working on Johnson St, Ethel St and Hood St.

Reason for Change Order: To compensate the Contractor for lost production time associated with the additional work hour restrictions and for additional lighting equipment necessary to perform early starts.

Change in Contract Price: Work under Change Order Item 1.3 will be paid at the agreed unit change order price for the new Bid Item CO1.3. The total increase in contract price is **$48,530.17**.

Change in Contract Times: The efficiency delays experienced by the Contractor results in **two (2)** additional calendar days.

Item 1.4: Additional Manhole

Description: An additional manhole is being installed on Leonard St, STA 4+56 (Sheet C2.17).

Reason for Change Order: The additional manhole will allow the Contractor to burst the line in 2 phases, thus allowing for greater scheduling flexibility to minimize traffic impacts around Gardiner Middle School. Furthermore, the addition manhole will provide an additional access point to the sewer system along an existing 462' long line.

Quantity and Cost Changes:

ITEM NO.	ITEM DESCRIPTION	UNIT	BID QUANTITY	CONTRACT UNIT COST	CHANGE IN CONTRACT QUANTITY	CHANGE IN CONTRACT COST
18	Lateral Pipe Connection, Tee	EA	54	$700	+ 1	+ $700
20	Concrete Sanitary Sewer Manhole	EA	1	$8,500	+ 1	+ $8,500
25	Cold Plane Pavement Removal, 2-Inch Deep	SY	4,970	$16	+ 25	+ $400
26	Level 2, ½ Inch ACP Mixture, Temp	TN	290	$220	+ 2	+ $440
27	Level 2, ½ Inch ACP Mixture	TN	770	$190	+ 9	+ $1,710

Change in Contract Price: Work under Change Order Item 1.4 results in an increase to the contract price totaling **$11,750**.

Change in Contract Time: The efficiency delays experienced by the Contractor results in **one (1)** additional calendar day.

Item 1.5: Contract Time Extension

Description: The City is extending the substantial completion date to May 15th, 2023.

Reason for Change Order: To allow the Contractor to place ACP when the surface temperature and weather is acceptable as defined in the Specifications.

Change in Contract Price: None.

Change in Contract Time: **One-hundred thirty-one (131)** calendar days.

Reason for Change Order:

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIMES:
Original Contract Price: $2,947,708.00	Original Contract Times: Substantial Completion: December 31st, 2022 Ready for final payment December 31st, 2022 (days or dates)
Net Increase from previous Change Orders No. 0 to No. 0: $0	Net change from previous Change Orders No. 0 to No. 0 Substantial Completion: December 31st, 2022 Ready for final payment: December 31st, 2022 (days)
Contract Price prior to this Change Order: $2,947,708.00	Contract Times prior to this Change Order: Substantial Completion: December 31st, 2022 Ready for final payment: December 31st, 2022 (days or dates)
Net Increase of this Change Order: $ -40,906.39	Net Increase (Decrease) of this Change Order: Substantial Completion: 135 Ready for final payment: 135 (days)
Contract Price with all approved Change Orders: **$ 2,906,801.61**	Contract Times with all approved Change Orders: Substantial Completion: May 15th, 2023 Ready for final payment: May 15th, 2023 (days or dates)

RECOMMENDED:

By: _____
ENGINEER (Authorized Signature)

Date: 11/14/2022

APPROVED:

By: _____
OWNER (Authorized Signature)

Date: 11-14-2022

ACCEPTED:

By: _____ CFO
CONTRACTOR (Authorized Signature)

Date: 11/23/22

EJCDC No. 1910-8-B (1996 Edition)

Prepared by the Engineers Joint Contract Documents Committee and endorsed by The Associated General Contractors of America and the Construction Specifications Institute.

CHANGE ORDER

No. 2

DATE OF ISSUANCE 12/28/2022 EFFECTIVE DATE

PROJECT: **Sanitary Sewer I/I Rehabilitation – Rivercrest Basin Project: Phase 3**

OWNER **City of Oregon City**

CONTRACTOR **Landis & Landis**

Contract:

OWNER's Contract No. CI 20-010 ENGINEER's Project No. 41339.014.01

ENGINEER Century West Engineering

You are directed to make the following changes in the Contract Documents:

Change Order 2

Item 2.1 – Sunset Chapel Sewer Work
Item 2.2 – Manhole Steps

You are directed to make the following changes in the Contract Documents:

Item 2.1: Sunset Chapel Sewer Work

Description: The sewer main in the alley adjacent to Sunset Chapel has been a source of constant issues for City crews. The line is shallow, broken, leaky, and is constantly backed up with sewage. Furthermore, the dead-end line doesn't contain a cleanout or manhole, so it is impossible to flush-out. To alleviate the problem, the City would like to abandon the existing sewer alignment and reroute a new line east to Jefferson St, and south to 7th St, complete with manholes and lateral cleanouts.

Reason for Change Order: The City would like to use the Rivercrest Basin Project: Phase 3 contract to expedite the repair process.

Price Adjustments:

ITEM NO.	ITEM DESCRIPTION	UNIT	CO #1 COST	CO #2 COST	CHANGE IN CONTRACT COST
1	Extra Work as Authorized	LS	$0	$30,000	+ $30,000
2	Mobilization	LS	$368,000	$396,000	+ $28,000
3	Temporary Work Zone Traffic Control Complete	LS	$70,000	$81,750	+ $11,750
4	Erosion Control	LF	$7,500	$8,250	+ $750

Total Change in Contract Cost = + $70,500

Quantity Adjustments:

ITEM NO.	ITEM DESCRIPTION	UNIT	BID PRICE	CO #1 QUANTITY	CHANGE IN CONTRACT QUANTITY	CO #2 QUANTITY	CHANGE IN CONTRACT COST
5	Rock Excavation	CY	$200	100	+ 175	275	+ $35,000
6	Boulder Excavation	CY	$200	100	+ 175	275	+ $35,000
7	Trench Foundation	CY	$40	300	+ 20	320	+ $800
11	Mainline Video Inspection	LF	$5.50	6,170	+ 249	6,419	+ $1,369.50
12	Video Inspection of Sewers, Laterals	EA	$325	92	+ 2	94	+ $650
14	4-Inch D3034 PVC, All Depths	LF	$220	1,015	+ 27	1,042	+ $5,940
15	6-Inch D3034 PVC, All Depths	LF	$220	774	+ 248	1,022	+ $54,560
18	Lateral Pipe Connection, Tee	EA	$700	23	+ 1	24	+ $700
19	Two-Way Lateral Cleanout	EA	$800	91	+ 2	93	+ $1,600
20	Concrete Sanitary Sewer Manhole	EA	$8,500	2	+ 2	4	+ $17,000

25	Cold Plane Pavement Removal, 2-Inch Deep	SY	$16	3,755	+ 170	3,925	+
26	Level 2, ½ Inch ACP Mixture, Temp	TN	$220	182	+ 15	197	+ $3,300
28	Level 3, ½ Inch ACP Mixture	TN	$235	150	+ 40	190	+ $9,400
29	Concrete Curbs, Standard Curb	LF	$43	700	+ 18	718	+ $774
30	Concrete Driveways	SF	$16	1,440	+ 252	1,692	+ $4,032

Total Change in Contract Cost = + $172,845.50

Additional Items:

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	PRICE	CHANGE IN CONTRACT COST
36	Concrete Sanitary Sewer Manhole, Doghouse	EA	1	$12,500	+ $12,500

Change in Contract Price: Work under Change Order Item 2.1 will result in an increase to the contract price totaling **$255,845.50**.

Change in Contract Time: No change in Contract time is required.

Item 2.2: Manhole Steps

Description: A handful of existing manholes contain steps that are damaged/corroded and need to be replaced.

Reason for Change Order: To compensate the Contractor for installing manhole steps.

Additional Items:

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANTITY	PRICE	CHANGE IN CONTRACT COST
37	Manhole Steps	EA	24	$256.83	+ $6,163.92

Change in Contract Price: Work under Change Order Item 2.2 will result in an increase to the contract price totaling **$6,163.92**.

Change in Contract Times: No change in Contract time is required.

Reason for Change Order:

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIMES:
Original Contract Price: $2,947,708.00	Original Contract Times: Substantial Completion: December 31st, 2022 Ready for final payment December 31st, 2022 (days or dates)
Net Increase from previous Change Orders No. 0 to No. 1: $ -40,906.39	Net change from previous Change Orders No. 0 to No. 1 Substantial Completion: 135 Ready for final payment: 135 (days)
Contract Price prior to this Change Order: $2,906,801.61	Contract Times prior to this Change Order: Substantial Completion: May 15th, 2023 Ready for final payment: May 15th, 2023 (days or dates)
Net Increase of this Change Order: $262,009.42	Net Increase (Decrease) of this Change Order: Substantial Completion: 0 Ready for final payment: 0 (days)
Contract Price with all approved Change Orders: $ **3,168,811.03**	Contract Times with all approved Change Orders: Substantial Completion: May 15th, 2023 Ready for final payment: May 15th, 2023 (days or dates)

RECOMMENDED:	APPROVED:	ACCEPTED:
By:	By:	By:
ENGINEER (Authorized Signature)	OWNER (Authorized Signature)	CONTRACTOR (Authorized Signature)
Date: 12/28/2022	Date:	Date:

EJCDC No. 1910-8-B (1996 Edition)

Prepared by the Engineers Joint Contract Documents Committee and endorsed by The Associated General Contractors of America and the Construction Specifications Institute.

CITY OF OREGON CITY
CITY COMMISSION WORK SESSION
DRAFT MINUTES

Commission Chambers, Libke Public Safety Facility, 1234 Linn Ave, Oregon City
Tuesday, June 07, 2022 at 6:00 PM

CONVENE WORK SESSION AND ROLL CALL

Commission President McGriff convened the meeting at 6:03 PM.

PRESENT: 4 - Commissioner Frank O'Donnell, Commissioner Rocky Smith, Commission President Denyse McGriff, Commissioner Adam Marl

STAFFERS: 6 - City Manager Tony Konkol, Economic Development Manager James Graham, Economic Development Coordinator Ann Griffin, Police Chief James Band, Tourism Coordinator Daniel Gering, City Recorder Jakob Wiley

FUTURE AGENDA ITEMS

1. List of Future Work Session Agenda Items

Tony Konkol, City Manager added a youth advisory committee and the recent parking study presentation to future work session agenda items.

Commissioner McGriff suggested scheduling quarterly work sessions with the City of West Linn and meeting with the new superintendent of the Oregon City School District.

Commissioner O'Donnell supports the idea of quarterly work sessions with West Linn and would like to follow up on the old public works building on Center Street.

DISCUSSION ITEMS

2. Oregon City Entrepreneurial Opportunity Loan Program

James Graham, Economic Development Manager led the discussion of the proposed entrepreneurial loan program. Ann Griffin, Economic Development Coordinator presented background material on the proposed program.

Ms. Griffin introduced Katie Gillespie, representative of Clackamas Federal Credit Union, who provided a brief statement describing the credit union's support of underserved communities, such as emerging businesses.

Commissioner McGriff asked for more clarification on the substantial requirements indicated to qualify for the loan. She asked if Minority, Women Owned, Emerging Small Business (MWESB) would be considered and if Micro Enterprise Services of Oregon (MESO) would be reimbursed for their services. Mr. Graham said that MESO receives significant grant funding and would be working for free. Mr. Graham stated that business experience, collateral, marketable services, and financial projections would qualify as substantial requirements.

Commissioner Marl asked about the loan approval committee and if MESO would be on the committee. Mr. Graham indicated that they would not be on the committee because they would be providing technical assistance to clients, which would create a conflict.

Commissioner Marl asked if childcare facilities would be excluded from this loan program because of the loan proposals outlined for them in the Economic Development Strategic Plan. Mr. Graham confirmed that they would be excluded from this program.

Commissioner O'Donnell suggested that much will be asked of the loan committee, which consists of three people. He asked if criteria such as longevity, growth opportunities, targeting a specific industry, and filling a need rather than saturating the market would be included in the loan application. Mr. Graham responded that the loan program would be administered using Clackamas Federal Credit Union's application and systems.

3. City-Sponsored Special Event Program

Mr. Graham provided a brief introduction for the item. Daniel Gering, Tourism Coordinator provided information on the special events and marquee events to be promoted by the City's tourism program. Mr. Gering reviewed the marketing strategy and regions included in the marketing plan.

Mr. Graham discussed the criteria used to evaluate proposed City-sponsored special events. Mr. Graham outlined the members and functions of the review committee that would evaluate applications.

Commissioner Smith expressed that the program should be effective soon for the summer season. Mr. Gering reviewed the 2022 deadlines with reimbursements available for events already underway.

Commissioner Smith commented on the confusing terms used in the program. Commissioner Smith outlined several questions about the proposed event program and provided specific examples of issues that might occur in the proposed process.

4. Oregon City Economic Development Strategic Plan

Mr. Graham opened the discussion. Commissioner Smith asked if the City will be moving forward with adoption soon. Mr. Konkol mentioned that staff wanted to ensure that all questions from the Commission were answered before moving forward with a resolution adopting the plan.

Mr. Konkol asked the commission for guidance on next steps for approval of the plan. Commissioner Smith suggested bringing the plan back for approval on the June 15, 2022 regular meeting.

Commissioner Marl asked if there are performance metrics related to the marketing campaign. Mr. Gering discussed that the metrics are now being gathered and staff has conducted interviews with local tourism organizations regarding increases in attendance as a result of the marketing campaign.

Commissioner McGriff asked about updates on tourism related items. Mr. Gering discussed the upcoming brochures and maps to be published. Commissioner McGriff suggested that this type of information could assist the City Commission in having current information regarding the City's accomplishments. Mr. Gering offered to create a dashboard that would allow City Commissioners to view the data live.

5. Street Tree List Recommendation from Natural Resource Committee

Nancy Broshot, Chair of the Natural Resources Committee (NRC) introduced recommendations for updates to the tree list.

Samantha Wolf, vice chair of the NRC, discussed the development of the proposed tree list and her work with other agencies.

There was discussion of the NRC's recommendation to remove the requirement to replace a tree in planter strips less than 3 feet in width.

Commissioner O'Donnell asked that the 20-foot barrier requirement discussed in the January 2022 planning detail document be noted as applicable to new development only. He also requested that inspections be required of these barriers.

Commissioner McGriff suggested that arborists be certified to prevent conflicts of interest when cutting down trees.

Please note that this was the first discussion item of the meeting.

CITY MANAGER'S REPORT

Mr. Konkol did not have updates.

COMMISSION COMMITTEE REPORTS

6. Beavercreek Employment Area Blue Ribbon Committee - *Commissioner Frank O'Donnell*

7. Citizen Involvement Committee (CIC) Liaison - *Commissioner Adam Marl*

Commissioner McGriff attended the last CIC meeting in place of Commissioner Marl. Josh Wheeler, Development Project Manager presented updates on the new floodplain information being developed by FEMA and answered a question about the Natural Resources Committee (NRC) floodplain and steep slope overlap. Bridgeview Beer and Wine received a Downtown Oregon City Association (DOCA) grant for tenant improvements. A guest from Rivercrest Neighborhood would like to reactivate the Rivercrest Neighborhood Association in light of the passing of Karin Morey.

8. Clackamas County Coordinating Committee (C4) - Appointed: *Commissioner Adam Marl*

Commissioner Marl went to the June 2, 2022 meeting and provided updates on TriMet's "Forward Together" comprehensive service analysis for near-term, post-COVID ridership. A new TriMet connection from Oregon City to Tualatin is upcoming. Discussion occurred regarding updates and expansion to the Oregon City Transit Center. Progress is being made on the Supportive Housing Services Bond.

9. Clackamas County Coordinating Committee (C4) – Metro Subcommittee - Appointed: *Commissioner O'Donnell*

10. Clackamas County I-205 Tolling Diversion Committee - Appointed: *Commissioner Adam Marl* Alternate: *Commissioner Frank O'Donnell*

This meeting was cancelled.

11. Clackamas Heritage Partners - *Commissioner Rocky Smith, Jr.*

Commissioner Smith said the group was working on staffing, school group tours, and hopefully opening to the public.

12. Clackamas Water Environment Services Policy Committee - Appointed: *Commissioner Rocky Smith, Jr.*

Commissioner McGriff will assume responsibility for attending this committee.

13. Downtown Oregon City Association Board - *Commissioner Denyse McGriff*

Commissioner McGriff canvassed business owners between 7th and 6th on Main Street in follow up to a canvassing session she engaged in with Mr. Graham several months ago.

14. Metro Policy Advisory Committee (MPAC) - Appointed: *Commissioner Denyse McGriff*

Commissioner McGriff asked for a pause on the climate mandate from the state, along with other mayors in other cities.

15. OC 2040 Project Advisory Team - Appointed: *Commissioners Adam Marl and Denyse McGriff*

There was no meeting recently, but this item will soon come before the City Commission.

16. Oregon City Tourism Stakeholder's Group - Appointed: *Commissioners Frank O'Donnell and Rocky Smith, Jr.*

Commissioner O'Donnell attended a subcommittee meeting where projects related to river assets, bike trails, and art and history offerings were discussed.

17. Oregon City/West Linn Pedestrian and Bicycle Bridge Concept Plan Project Advisory Committee - Appointed: *Commissioner Denyse McGriff*

18. South Fork Water Board (SFWB) – *Commission President Denyse McGriff, Commissioners Frank O'Donnell, and Rocky Smith, Jr.*

Commission President McGriff has been appointed to vice chair of this committee. Commissioners O'Donnell and Smith will attend the American Water Works Association conference in San Antonio next week.

19. Willamette Falls and Landings Heritage Area - Appointed: *Commissioner Denyse McGriff* Alternate: *Commissioner Frank O'Donnell*

Commissioner McGriff said there will be a June 14, 2022 celebration of businesses that have existed for a century or more.

20. Willamette Falls Legacy Project Liaisons - *Commissioner Frank O'Donnell*

ADJOURNMENT

Commission President McGriff adjourned the meeting at 9:45 PM.

Respectfully submitted,

_____

Jakob S. Wiley, City Recorder

CITY OF OREGON CITY

Staff Report

625 Center Street
Oregon City, OR 97045
503-657-0891

To: City Commission **Agenda Date:** 01/04/2023

From: City Manager Tony Konkol

SUBJECT:

Urban Renewal Plan – Plan Review/Approval

STAFF RECOMMENDATION:

Staff recommends that the City Commission of Oregon City review and approve the proposed 11th Amendment to the Urban Renewal Plan by passing Ordinance No. 22-1010, AN ORDINANCE OF THE CITY OF OREGON CITY APPROVING THE ELEVENTH AMENDMENT TO THE DOWNTOWN/NORTH END URBAN RENEWAL PLAN.

EXECUTIVE SUMMARY:

On December 21, 2022, the Urban Renewal Commission approved the following amendments featuring the following updates/changes:

The amendment features the following updates/changes:

- The plan constitutes the 11th amendment to-date
- Is Classified as a City-Commission-Approved amendment because it authorizes additional projects, activities, and/or programs estimated to cost in excess of $500,000 in 2022 dollars over the duration of the plan and there are projects identified in the plan that will require City Commission approval to develop.
- Provides more emphasis on the goals associated with the City's Comprehensive Plan
- Incorporates the Urban Renewal Commission's vision and framework for decision-making with regard to project selection.
- Categorizes projects as public/private partnerships, publicly owned properties, and public infrastructure projects.
- Lists and identifies the projects that are a priority to the Urban Renewal Commission.
- The maximum amount of indebtedness of the Plan does not change.
- Contains a disclaimer recognizing that Section 59 of the Oregon City Municipal Code related to Urban Renewal is no longer enforceable as ordered on

December 15, 2022 by the Clackamas County Circuit Court (Court #16CV42887), Court of Appeals (#A167583).

BACKGROUND:

On October 5, 2022, Urban Renewal Commission identified the following projects as priorities: Rossman Landfill, Clackamette Cove, and the Stimson Property.

At its December 7, 2022 meeting, staff provided further information on each project. In addition to more project descriptions, staff provided suggested investment ranges and non-engineered estimates with regard to private investments.

New Urban Renewal Commission member Michael Mitchell stated his project choices in order of priority. They were:

1) Rossman Landfill/End of the Oregon Trail
2) The County Courthouse
3) The Cove
4) The Stimson Property
5) Quiet Zone

Though not identified as priority projects most URC members agreed that the second bunch of projects would include the County Courthouse, End of the Oregon Trail Interpretive Center, Quiet Zone, and 12th and Main Street.

URC member Shawn Cross made a motion to approve the project list as proposed. URC Commissioner McGriff provided further clarification to motion to read:

Review the proposed draft amendment of the Urban Renewal Plan, identify projects that are considered important to be included in the plan and require all projects that will need private investment to go through the Urban Renewal Commission's "Framework for Decision-Making" prior to funding. The motion was unanimously approved.

The Revised Urban Renewal Plan (City Commission-Approved Amendments)

This will be the 11th amendment to the Downtown/North End Plan. The proposed amendment is not a substantial amendment to the plan because it does not add land to the current boundary of the Urban Renewal District, and it does not increase the amount of maximum indebtedness to be issued or incurred.

The amendment features the following updates/changes:

- The plan constitutes the 11th amendment to-date
- Is Classified as a City-Commission-Approved Amendment because it authorizes additional projects, activities, and/or programs estimated to cost in excess of $500,000 in 2022 dollars over the duration of the plan and there are projects identified in the plan that will require City Commission approval to develop.

- Provides more emphasis on the goals associated with the City's Comprehensive Plan
- Incorporates the URC's vision and framework for decision-making with regard to project selection.
- Categorizes projects as public/private partnerships, publicly owned properties, and public infrastructure projects.
- Lists and identifies the projects that are a priority to the Urban Renewal Commission.
- The maximum amount of indebtedness of the Plan does not change.
- Contains a disclaimer recognizing that Section 59 or the Oregon City Municipal Code related to Urban Renewal is no longer enforceable as ordered on December 15, 2022 by the Clackamas County Circuit Court (Court #16CV42887), Court of Appeals (#A167583).

Staff recommends that the Oregon City Commission review and approve Ordinance N0. 22-1010, AN ORDINANCE OF THE CITY OF OREGON CITY APPROVING THE ELEVENTH AMENDMENT TO THE DOWNTOWN/NORTH END URBAN RENEWAL PLAN.

OPTIONS:

1. Review and approve the proposed 11th Amendment to the Urban Renewal Plan.
2. Do not approve the proposed 11th Plan Amendment to the Urban Renewal Plan.

ORDINANCE NO. 22-1010

AN ORDINANCE OF THE CITY OF OREGON CITY APPROVING THE ELEVENTH AMENDMENT TO THE DOWNTOWN/NORTH END URBAN RENEWAL PLAN AND DIRECTING THAT NOTICE OF APPROVAL BE PUBLISHED

WHEREAS, The Oregon City Urban Renewal Commission (URC) has prepared and has proposed to the City Commission an Eleventh Amendment to the Downtown/North End Urban Renewal Plan (the Plan) that will require the Plan's amendments to be approved by the City Commission; and

WHEREAS, such Eleventh Amendment to the Plan has been prepared in conformity with the requirements of ORS 457.085 and with the public involvement in all stages of the development of the plan; and

WHEREAS, pursuant to ORS 457, the City Commission of Oregon City has reviewed the Eleventh Amendment to the Plan; and

WHEREAS, the City Commission finds the Eleventh Amendment to the Plan should be adopted and approved, based on the findings listed below; and

NOW, THEREFORE, OREGON CITY ORDAINS AS FOLLOWS:

Section 1. Findings. In support of adoption of the Eleventh Amendment to the Plan, the following findings of fact and conclusions are adopted:

FINDINGS:

1. The area described in the Eleventh Amendment to the Plan is blighted.
2. Rehabilitation and redevelopment is necessary to protect the public health, safety, or welfare of the City of Oregon City.
3. The Eleventh Amendment to the Plan conforms to the City's Comprehensive Plan and economic development plans of Oregon City as a whole and provides an outline for accomplishing the urban renewal projects the Plan proposes.
4. The real property provided for in the Plan is necessary to effectuate the purpose of the Plan.
5. Adoption and carrying out of the Plan is economically sound and feasible.
6. Oregon City shall assume and complete any activities prescribed by the Plan.
7. Oregon City hereby incorporates by reference the Eleventh Amendment to the Plan, attached to this ordinance as Exhibit A, as support for its Urban Renewal Plan.

Section 2. Conclusions.

1. The City Commission hereby adopts and approves the Eleventh Amendment to the Plan, pursuant to the provision of ORS Chapter 457, and directs the City Recorder to publish notice of the adoption of this ordinance in accordance with the requirements of ORS 457.115.

2. The City Commission hereby directs the City Recorder to record a copy of the ordinance approving the Eleventh Amendment to the Plan with the Recording Office of Clackamas County, pursuant to ORS 457.125 and directs the City Recorder to send a copy of this ordinance to the Oregon City Urban Renewal Commission.
3. Pursuant to ORS 457.135 this amendment having been adopted in conformance with all applicable legal requirements will be conclusively presumed valid for all purposes 90 days after adoption of this amendment by ordinance of the governing body of the municipality and no direct or collateral attack on the action may be commenced after April 4, 2023.

Read for the first time at a regular meeting of the City Commission held on the 4th day of January, and the City Commission finally enacted the foregoing ordinance this 18th day of January 2023.

DENYSE C. MCGRIFF
Mayor

Attested to this day of January 2023,

Approved as to legal sufficiency:

Jakob Wiley, City Recorder

City Attorney

EXHIBIT A

Urban Renewal Plan

Downtown / North End

THROUGH PROPOSED 11TH PLAN AMENDMENT

CITY OF OREGON CITY, OREGON
CITY URBAN RENEWAL AGENCY
January 2023

Prepared by:

City of Oregon City Staff

Anthony J. Konkol, III, City Manager
James N. Graham, CEcD., Economic Development Manager
Matthew R. Zook, Finance Director
Aquilla Hurd-Ravich, Community Development Director

Consultant:

GEL Oregon, Inc.
220 NW Oregon Avenue, Suite 202
Bend, Oregon 97701

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Urban Renewal Plan and Amendments

This Plan incorporates all text plan amendments through July 31, 2022 and proposed amendments with the 11th Plan Amendment (August 2022).

Sequence and Purpose of Amendments

1st Resolution 91-01, Sept. 25, 1992
Inserts latest date for bonded indebtedness

2nd Ordinance 95-1017, Sept. 20, 1995
Authorizes acquisition of Stimson property

3rd Resolution96-02, Dec. 4, 1996
Adds Tumwater Sewer as a project activity

4th Ordinance 98-1014, June 17, 1998
Inserts maximum indebtedness per BM50

5th Ordinance 00-1012, May 3, 2000
Changes to goals, extensive revisions to working of project activities, acquisition and amendment procedures

6th Ordinance 00-1029, December 6, 2000
Authorizes 10th & Main Street property acquisition and Stimson parcel as two Lots

7th Ordinance 01-1016, May 16, 2001
Authorizes acquisition of Art's Cafe

8th Ordinance 02-1003
Authorizes property acquisition at 7th and Railroad, TL 22E31AB06500

9th Ordinance 07-1001
Authorizes potential acquisition of comprehensive list of properties (as per Oregon City Futures, economic development plan, etc.)

10th Ordinance 07-1014
Substantial plan amendment to increase maximum indebtedness to $130,100,000.

11th Ordinance - 22-1010
City-Commission-Approved Amendment authorizes additional projects, activities, and/or programs estimated to cost in excess of $500,000 in 2022 dollars over the duration of the plan and there are projects identified in the plan that require City Commission approval to develop.

Note: Not all Plan Amendments Required Changes to the Report.

100. Introduction

The purpose of this Plan is to implement strategies that will eliminate blighting influences found in the Urban Renewal Area and to implement goals and objectives of Oregon City's Comprehensive Plan, and the "Oregon City Futures" report on Economic Development created in 2004.

Originally adopted on December 19,1990, an Urban Renewal Plan for the Downtown area came into being and was the only urban renewal plan for the Downtown area. In 1990, the Oregon City Commission amended the Oregon City Downtown Renewal Plan of 1983 to remove the downtown area from the plan, to add project activities, and to rename the 1983 plan the Hilltop Urban Renewal Plan. The Hilltop Urban Renewal District was closed in 2005 and saw a 1.100% increase in assessed value.

In October of 2004, a report, *Oregon City Futures,* was prepared by Leland Consulting Group, Real Estate Strategists, and StastnyBrun Architects, Inc. that described a strategy to assist Oregon City in implementing its Metro 2040 designation. As a result of an extensive public involvement process initiated by the City in March 2004, The Futures Report gave considerable attention to the designation by Metro of Oregon City as a Regional Center in Metro's Region 2040 Growth Concept (one of seven such designations within the Portland Metro area). The report provided a series of recommendations on policy issues and development strategies to realize economic development success citywide and achieve the objectives of the Urban Renewal Plan.

Regional Center

Oregon City is one of seven Regional Centers designated in the Metro Region 2040 Growth Concept, which covers the entire tri-county area of Clackamas, Multnomah, and Washington counties. The term Regional Center is described as a concentration of activity and investment that serves an area of activity and investment for several cities.

The Urban Renewal District plays a major role in helping transform Oregon City into a true Regional Center. The Urban Renewal District is not only a designated geographic area within Oregon City, but it is an economic development tool that provides an opportunity to attract and create real estate investments and develop programs that help to further its adopted vision.

Oregon City/North End Plan

The Urban Renewal Advisory Committee and City Commission directed staff to prepare a new Urban Renewal Plan for downtown Oregon City, and to include additional areas adjacent to the downtown that suffer from blighting conditions. In 2007, a new plan named the Downtown Oregon City/North End Urban Renewal Plan was developed. It is the only Urban Renewal District designated in Oregon City as of 2007.

200. Definitions

The following definitions will govern the construction of this Plan unless the context otherwise requires:

"Agency, Renewal Agency, or Urban Renewal Agency" is a separate municipal corporation responsible for governing Oregon City's existing designated urban renewal area. ORS 457.045 provides that a municipality's governing body may choose to exercise the powers of a separate entity that has the authority to provide direction and approval of projects and programs to invest in and improve a specific geographic area of the City.

"Blighted Areas" means areas which, by reason of deterioration, faulty planning, inadequate or improper facilities, deleterious land use or the existence of unsafe structures, or any combination of these factors, are detrimental to the safety, health or welfare of the community; and are characterized by the existence of conditions as described in ORS 457.010.

"City" means the City of Oregon City, Oregon.

"City Commission" means the elected governing commission of the City of Oregon City, Oregon.

"Comprehensive Plan" means the City's Comprehensive Land Use Plan and the implementation of ordinances, policies, and development standards.

"County" means the County of Clackamas, State of Oregon.

"Displaced" person or business means any person or business who is required to relocate as a result of action by the Urban Renewal Commission to vacate a property for public use or purpose. The methods to be used for the temporary or permanent relocation of such persons living in, and businesses situated in the Urban Renewal District shall be in accordance with State Law as specifically set forth in ORS 281.045 to 281.105.

"Exhibit" means an attachment, either narrative or map, to the Urban Renewal Plan

"Goal" means a general idea of the future or desired result envisioned as depicted in Section 500 **of** this Plan.

"Objective" means a definitive and measurable result toward an overall goal as identified in Section 500 of this plan.

"ORS" means Oregon Revised Statutes (State Law) and specifically Chapter 457 thereof.

"Plan, Renewal Plan, Urban Renewal Plan" means the Urban Renewal Plan for Downtown Oregon City, the boundaries of which are indicated in Exhibits 1 and 3

"Planning Commission" means the Planning Commission of the City of Oregon City, Oregon.

"Project, Activity or Project Activity" means any undertaking or activity within the plan District, such as a public improvement, street project or other activity, which is authorized and for which implementing provisions are set forth in the Urban Renewal Plan.

"Regional Center" indicates a designation in Metro's 2040 Growth Concept Plan, describing a concentration of activity and investment that serves an area of multiple cities and towns.

"Report" refers to the report accompanying the urban renewal plan as provided in ORS 457.085 (3).

"State" means the State of Oregon.

"Tax Increment Financing" refers to a method of financing urban renewal project activities through a division of ad valorem taxes, as provided in ORS 457.420 through 457.450.

"Taxing Bodies" refers to governmental bodies levying taxes within the Urban Renewal Area.

"Text" means the Urban Renewal Plan for the Downtown Oregon City Urban Renewal Plan, Part One: Text and Exhibits.

300. Boundary and Legal Description

The boundary of the Urban Renewal District comprises approximately 855 acres including the Downtown area, Clackamette Cove, the landfill redevelopment site, the Washington/7th Corridor, and the End of the Oregon Trail Interpretive Center. The boundary of this Urban Renewal Plan is shown as Exhibit 1 of this Urban Renewal Plan. A legal description of the Urban Renewal District is depicted in Exhibit 2 of this Plan.

400. THE VISION STATEMENT OF THE OREGON CITY URBAN RENEWAL COMMISSION

Oregon City is a historically, culturally, and geographically unique place in the Portland Metro Region. It was established in 1829 and in 1844 was the first incorporated city west of the Missouri River. The community's history establishes it as the State's original hometown. In Oregon City there are historic houses, museums, and the Willamette Falls situated within the community that stand as testament to the City's historical significance to the State of Oregon and to the United States.

Oregon City is one of the hubs of the Portland Metro Area. It seeks to attract visitors, new residents who appreciate the community's commitment to quality of life. The City's core is a recognizable, vibrant destination with public and private investment in small-scale shops, a mix of restaurants, and cultural amenities that reflect the area's diversity.

Within the Urban Renewal District ("the District") it is envisioned that residents will live, work, and play while having access to various amenities including vibrant visitor experiences that will attract the public during both the day and night; well-presented historical venues will provide visitors with different vantage points of the community's past; enjoyable recreational opportunities of various types and venues will be established; livable environs will exist that enhances one's quality of life, efficient transportation options will move people in and around the District; and sound investments in public infrastructure will be made to complement and support private investment.

Overall, the District's project expenditures are fiscally conservative and do not saddle future generations with long term environmental or economic burdens. For-profit business operations provide long-term employment, helps broaden the tax base, and provides a positive rate of return to the District.

500. GOALS AND OBJECTIVES OF THE URBAN RENEWAL COMMISSION

By accomplishing the following goals, the District becomes an important economic development tool that contributes to the realization of the Urban Renewal Commission's vision:

A. LIVABILITY

Livability is about building community amenities that enhance the quality of life through action to improve local environments and provide safe conditions in places where people live.

The following objectives are essential in accomplishing the goal of livability:

Objectives

- Protection of community neighborhoods' unique identities, locating tourism amenities in appropriate places except neighborhoods
- Provision of various housing options with different price points
- Presence of unique shopping amenities

- Existence of recreational opportunities
- Offering of varied dining options
- Establishment of quality childcare services
- Provision of good water quality
- Development of good job opportunities
- Creation of efficient multi-modal transportation services
- Presence of safe living conditions
- Existence of a quiet zone along the railroad route downtown

B. TOURISM OPPORTUNITIES

Creating an environment that offers amenities that establish a sense of vitality, excitement and wonder and attracts visitors during the day and the night. The District will offer amenities that are designed to solidify the City's brand as being Oregon's Hometown.

The following objectives will enhance tourism not only within the district but throughout the community:

Objectives

- Enhanced and upgraded End of the Oregon Trail Interpretive Center
- Increased use and improved Amtrak Train Station
- Increased use of the Clackamette Park RV area
- Projects that complement and enhance the downtown
- Hotels and convention meeting space
- Visitor parking
- Transportation options including shuttles and/or trolleys
- River transportation and recreational opportunities
- Public restrooms
- Transportation linkage(s) between tourism destination assets
- Good water quality (Cove, Clackamas, and Willamette Rivers)
- Willamette Falls Legacy Project

C. RECREATIONAL OPPORTUNITIES

The ability to establish recreational opportunities offering various types of outdoor and indoor amenities, man-made and/or natural and can contribute to a higher quality of life for residents. Investments in establishing the type of recreational investments supported by the Urban Renewal Plan are necessary in accomplishing this goal.

Objectives

The following investments are important to increasing recreational opportunities within the district:

- Trails, Biking, Walking
- Good water quality (Cove, Willamette, and Clackamas Rivers)
- Accessible recreation at Clackamette Park and Jon Storm
- Increased accessibility to the Cove, Willamette, and Clackamas Rivers

D. INFRASTRUCTURE INVESTMENTS

New investments in a variety of infrastructure projects are designed to helped mitigate the challenges of growth in the district to allow visitors to enjoy all of the amenities that the District has to offer.

Objectives

As visitors drive into Oregon City, the provision of the following assets will assist them too efficiently move in and around the District from one end to the other and to engage in various events and activities taking place.

- Public restrooms
- Lighting enhancements downtown
- Quiet Zone along the railroad route downtown
- Adaptive reuse of existing properties
- Walking and Biking Trails
- Adaptive reuse of existing buildings (i.e., seismic, ADA, etc.)
- Visitor parking structure(s)
- Multi-modal transportation

The attributes of livability, infrastructure improvements, recreational and tourism opportunities are interdependent and serve to enable the District to provide a positive rate of return and helps Oregon City solidify its status as a regional center within the Portland Metro Region.

600. RELATIONSHIP TO CITY'S COMPREHENSIVE PLAN

A. City of Oregon City's Comprehensive Plan

ORS 457.085 requires that an Urban Renewal Plan relate to definite local objectives. The City's Comprehensive Plan considers a wide range of goals and policies relating to land uses, traffic, transportation, public utilities, recreation and community facilities, and other public improvements. Specific goals, objectives, and policies, which relate to the City's Comprehensive Plan are found in that Plan. This updated Urban Renewal Plan is consistent with the goals, objectives and policies found in the City's Comprehensive Plan.

As amendments to the Comprehensive Plan are made from time to time in order to reflect the goals of the community, this Urban Renewal Plan will be amended as needed in order to remain consistent to the Comprehensive Plan.

B. Overall Goals as Stated in "Oregon City Comprehensive Plan:"

a. Healthy and Welcoming Communities

1. Implement and maintain a community engagement program that provides broad and Inclusive opportunities for all Oregon City community members to learn about and understand city government processes, including land use planning, and participate meaningfully in decisions that impact their communities.

2. Acknowledge, protect, enhance, and commemorate Oregon City's historic and cultural resources.

3. Strengthen well-being and quality of life across all Oregon City neighborhoods by creating places that are safe and comfortable with convenient access to community services.

4. Integrate diversity, equity, and inclusion (DEI) best practices when evaluating all city functions, including land use strategies, programs, and regulations.

5. To fulfill Metro Region 2040Growth Concepts, that are consistent with the City's Comprehensive Plan.

b. Diverse Economy

1. Provide opportunities for a variety of goods, services, and employment options to work toward a dynamic, ecologically sound, and socially equitable economy.

2. Provide housing options, including both rental and ownership opportunities, that are attainable for the full range of Oregon City households.

3. Guide growth and development in a manner that implements the City's 2040 Vision and maintains an urban growth boundary that supports and accommodates projected population and employment during the 20-year planning period.

4. Encourage and support new development that incorporates supportive community features and sustainability principles in site design and building construction.

5. Establish, and amend when appropriate, the Urban Growth Boundary in the unincorporated area around the city that contains sufficient land to accommodate growth during the planning period for a full range of city land uses, including residential, commercial, industrial, and institutional.

c. Connected Infrastructure

1. Provide a safe, comfortable, and accessible transportation network that serves all modes of travel, including nonmotorized modes.

2. Ensure public utilities and infrastructure are maintained and improved to adequately serve all existing areas of Oregon City and can be extended to serve newly developing areas in a logical and fiscally responsible manner.

3. Serve the health, safety, and welfare of all Oregon City residents through provision of comprehensive public facilities and services.

4. Promote and support energy conservation, sustainability, and resiliency through best practices in infrastructure planning, operations, and management.

d. Protected Environment

1. Provide and maintain a comprehensive system of parks, trails, natural resource areas, and recreation amenities that is accessible to residents of all ages and abilities, enhances the environmental and aesthetic quality of the community, and encourages healthy living.

2. Conserve, protect, and enhance the function, health, and diversity of the City's natural resources and ecosystems.

3. Ensure the safety of residents and property by supporting plans, programs, and investments that minimize the impacts of future natural hazard events and aid in rapid response and recovery.

4. Ensure the environmental and economic health of the Willamette River Greenway (WRG) as a key feature of Oregon City and the broader region

700. Proposed Land Uses

A. Land Use Plan

The Land Use Plan consists of the Land Use (Plan Map (Exhibit 3) (showing the Comprehensive Plan designations of property within the District), the Zoning Map (Exhibit 4) (Showing the zoning designations of property within the District), and the descriptive material and regulatory provisions contained in this Section (both those directly stated and those herein included by reference).

This Plan shall be in accordance with the approved Comprehensive Plan of the City of Oregon City and with its implementing ordinances and policies. The use and development of land in the Urban Renewal District (including maximum density and building requirements) shall be in accordance with the regulations prescribed in the City's Comprehensive Plan, Zoning Ordinance, City Charter, or any other applicable local, state or federal laws regulating the use of property in the District. The Zoning classifications correspond to the Comprehensive Plan designations.

Land uses proposed for sites within the Urban Renewal District are indicated in the project list of this updated version of the Urban Renewal Plan.

B. Plan and Design Review

The Urban Renewal Commission shall be notified of any building permit, conditional use or other development permits requested within the District. Redevelopers, as defined in this Plan, shall comply with obligations identified in Section 1100 of this Plan.

800. Outline for Development

The Urban Renewal District initiative is designed to treat the causes of blight and deterioration in the District. This Urban Renewal District is characterized by underdevelopment, and unproductive conditions of land. Conditions that impair development include inadequate streets, traffic circulation problems, environmental-related challenges and inadequate public facilities and utilities. Project activities to treat these conditions may include, but are not limited to:

- Street and related improvements, to improve access to land in the project area, and improve traffic safety and circulation.
- Parking improvements, to improve the supply of public parking spaces and parking management in support of commercial and recreational uses.
- Streetscape and pedestrian improvements, to improve the safety and aesthetic character of Area streets in order to enhance streets for commercial activities.
- Park and recreation improvements, to meet the recreation needs of Oregon City residents and visitors, and to take advantage of the recreation potential offered by the Willamette and Clackamas Rivers.
- Storm drainage, water, and sewer improvements, to permit more productive use of land in the area.

- Development assistance programs, to assist property owners and tenants to renovate existing structures, and to develop areas consistent with the Comprehensive Plan.

- Public facility and services improvements, to improve the services needed for the Area.

- Disposition and Redevelopment of Land. One of the main advantages of the Urban Renewal District is that it is designed to help improve or mitigate a variety of challenges associated with land within its boundaries. Resources can be marshalled by the Urban Renewal District to improve utilities and rights-of-way, improve or mitigate environmental challenges, remove incompatible land uses, and further the development goals and objectives of this Plan.

- Additional planning, administration, and co-ordination of development in the Project Area.

900. Description of Project Activities

In order to achieve the goals and objectives of this Plan, the following project activities will be undertaken on behalf of the City by the Urban Renewal Commission (hereinafter referred to as "Commission") in accordance with applicable federal, state, county and city laws, policies, and procedures. Exhibit 5 shows the general location of project activities. Exhibit 6 shows the location of City-owned and District-owned properties acquired to carry out the objectives of this Plan.

A. Public/Private Partnerships (Property Not Owned by the Urban Renewal Commission)

In situations where property is owned privately and not by the Urban Renewal Commission, but the developer needs financial assistance to further develop the property, the Urban Renewal Commission can exercise its leverage to have the property in question developed in such a manner that meets some or all of the Commission's vision for the District.

Some of the properties that most likely fit the aforementioned scenario are listed in Exhibit 7, Tables 1 and 2.

B. Publicly Owned Property

Acquisition of real property is determined necessary to carry out the objectives of this Plan. Accordingly, this Plan authorizes the Urban Renewal Commission to purchase property where detrimental land uses or conditions such as incompatible uses, flood plain, or adverse influences from noise, smoke or fumes exist, or where there exist conversions to incompatible types of uses, and it is determined by the Agency that acquisition of such properties and the rehabilitation or demolition of the improvements are necessary to remove blighting influences.

In instances where the Commission already owns property, the Commission has the option of selling its property to private developers that will develop the site(s) in a way that conforms with the vision of the Urban Renewal Commission. Alternatively, the Urban Renewal Commission could develop its own property. Hence, ensuring that the project complies with the expectations of the body. Table 1 shows property that the Urban Renewal District already owns as well as property that the District may acquire.

1 Acquisition and Disposition of Property for Development or Redevelopment

The acquisition and future disposition of property acquired for redevelopment or development by the Urban

Renewal Commission will be addressed in accordance with this Plan. Prior to property acquisition, shall be amended to identify the specific property or interest to be acquired. The type of amendment to acquire property for Redevelopment is:

Acquisition for redevelopment will require a minor amendment to this Plan as described in Section **1300 A(1)** of this Plan, and also will require City Commission approval of the minor amendment per **Section 1300 B(2) of** this Plan. Such amendments will be accompanied by findings to the Agency describing the property to be acquired, the anticipated disposition of such property, and an estimated time schedule for such acquisition and disposition.

Some of the properties that are currently owned by the Urban Renewal Commission are identified in Exhibit 7, Table 1.

C. Public Infrastructure Projects

Over the years, Oregon City has commissioned various infrastructure-related plans that have identified several deficiencies with regard to infrastructure development. Traffic and pedestrian circulation and safety, parking and other infrastructure deficiencies have been identified as issues constraining future development in the Urban Renewal District. To correct these deficiencies, the Urban Renewal Commission is positioned to participate in the planning, design, funding, and construction of infrastructure-related public improvements throughout the area.

Infrastructure improvements may include the construction, reconstruction, repair, or replacement of streets, traffic control devices, traffic railroad safety devices, bikeways, pedestrian ways, and multi-use paths. Other improvements may include the building of parking facilities and installation of sidewalks, public restrooms, tables, benches and other street furniture, signage, kiosks, decorative, fountains, streetlights, and acquisition of property and right of way for public infrastructure improvement.

Infrastructure improvements that are planned include, but are not limited to, the following:

- Parking Garage
- Public Restrooms
- Water
- Wastewater
- Stormwater
- Utility Relocation

D. Parks, Open Space and Recreation Improvements

The shorelines of both the Clackamas and Willamette Rivers are located within the Urban Renewal District, offering opportunities to provide diverse recreational activities for Oregon City and the region. To promote these opportunities while contributing to the economic value of the district and Oregon City, the Urban Renewal Plan recognizes that the Urban Renewal Commission will be participating in the planning, design, and construction of parks, open spaces, and recreational facilities and related public improvements, including but not limited to:

- Increased accessibility to Clackamette Cove, Willamette, and Clackamas Rivers
- Accessible recreation at Clackamette Park and Jon Storm
- Good water quality (Cove, Willamette, and Jon Storm)
- Installation and/or improvement of walking and biking trails

E. Development and Redevelopment Assistance

Redevelopment either through new construction or rehabilitation may be achieved by public or private property owners, with or without financial assistance from by the Commission.

1 Redevelopment Through New Construction

To encourage redevelopment through new construction, the Renewal Agency is authorized to set financial guidelines, establish loan programs and provide below-market interest rate and market rate loans, and provide such other forms of financial assistance to property owners and those desiring to acquire and redevelop property as it may deem appropriate in order to achieve the vision of the Urban Renewal Commission.

2 Preservation, Rehabilitation, and Conservation

The purpose of this activity is to conserve and rehabilitate existing buildings where they may be adapted for uses that further Plan goals. Rehabilitation and conservation may be achieved by owner and/or tenant activity, with or without financial assistance by the Commission. To encourage rehabilitation and conservation, the Commisson is authorized to create guidelines, establish loan and grant programs and provide below-market interest rate and market rate loans to the owners of buildings (or those intending to acquire buildings), which are in need of rehabilitation and for which rehabilitation and reuse is economically feasible.

Encouraging residential living on the upper floors of downtown buildings within the District has been an important economic development objective. Having residents living in the downtown area contributes to less crime and creates an economic eco-chamber for residents and downtown businesses alike. However, to enable such an environment to exist, the appropriate types of infrastructure investments and life-style amenities must be established.

On the eastern edge of the downtown area, train tracks run along much of the downtown corridor: carrying trains that consistently sound their horns. In addition, much of the downtown area is slated as high impact with regard to earthquakes.

To address these challenges, the Urban Renewal Commission may provide financial assistance to help pay for seismic retrofits for certain downtown building structures thereby enabling the upper floors of applicable buildings to be used as residences. The Commission may make this assistance available, as it deems necessary to achieve the goals and objectives of this Plan.

F. Planning and Administration

Project resources may be utilized to prepare the Urban Renewal Plan, design plans and master plans for the Urban Renewal District, transportation plans, miscellaneous land use and public facility studies as needed during the course of the urban renewal plan. Activities related to marketing program for the District that may utilize project funds. Project funds may also be utilized to pay for personnel, overhead and other administrative costs incurred in the management of the urban renewal plan.

G. Property Acquisition

Acquisition of real property is determined necessary to carry out the objectives of this Plan. Accordingly, this Plan authorizes the following property acquisitions within the

Urban Renewal District, including but limited to:

- Where detrimental land uses or conditions such as incompatible uses, flood plain, or adverse influences from noise, smoke or fumes exist, or conversions to incompatible types of uses, and it is determined by the Urban Renewal Commission that acquisition of such properties and the rehabilitation or demolition of the improvements are necessary to remove blighting influences.

- Where it is determined by the Commission that the property is needed for the following purposes:

1 Property to be Acquired for Public Improvement and Facilities

It may be necessary for the Urban Renewal Commission to purchase additional real property to carry out the public use objectives of this plan such as right-of-way acquisition for streets, alleys, bicycle and pedestrian ways, and other public improvements. Prior to acquisition, this Plan shall be amended to identify the specific property or interest to be acquired. The type of amendment required to acquire property for Public Improvements and Facilities is:

a) Right-of-way acquisition for streets, alleys, bicycle and pedestrian ways that do not require the use of eminent domain will require a minor amendment to this Plan, as described in **Section 1300 A(1)** of this Plan. City Commission approval will be required for these acquisitions.

b) Acquisition for other public improvements, uses, and facilities will require a minor amendment to this Plan, **as described in Section 1300 A(1) of this Plan**, and also will require City Commission approval of the minor amendment, **per Section 1300 B(2)** of this Plan.

c) Any acquisition of property for public improvements and facilities that requires the use of eminent domain will require a minor amendment to this Plan, as described in **Section1300 A(1)** of this Plan, and also will require City Commission approval of the Minor amendment, per **Section 1300 B(2**) of this Plan. Such amendments will be accompanied by findings to the Commission describing the property to be acquired, the anticipated disposition of such property, and an estimated time schedule for such acquisition and disposition.

2 Property to be Acquired for Redevelopment Property

Property to be acquired for redevelopment may be obtained by the Commission and sold to a public or private developer in accordance with this Plan. Prior to acquisition, this Plan shall be amended to identify the specific property or interest to be acquired.

a) Acquisition for redevelopment will require a minor amendment to this Plan as described in **Section 1300 A(1)** of this Plan, and also will require City Commission approval of the minor amendment per **Section 1300 B(2)** of this Plan. Such amendments will be accompanied by findings to the Agency describing the property to be acquired, the anticipated disposition of such property, and an estimated time schedule for such acquisition and disposition.

H. Property Disposition

The Urban Renewal Commission will dispose of property acquired within the Urban Renewal District for purposes specified in this Plan. Properties shall be subject to disposition in accordance with the vision, goals, and objectives of the Urban Renewal Commission.

The Urban Renewal Commission may enter into agreements to acquire land, to hold land for future development, to dispose of any land it has acquired at fair reuse value, and to define the fair reuse value of land.

I. Oregon City Municipal Code (Urban Renewal Agency)

Section 59 - Urban Renewal Agency.
The urban renewal agency of the city (the "Agency") shall not issue bonded indebtedness after the effective date of this section unless the bonded indebtedness complies with the restrictions of this section. The commission shall not approve any amendment to an urban renewal plan after the effective date of this section unless the plan requires that bonded indebtedness issued to carry out the plan be issued in compliance with the restrictions of this section.

A. Bonded indebtedness issued by the Agency after the effective date of this section shall either:
(i) Be approved by the voters of the city;
(ii) Be issued to refund lines of credit, bonds or other borrowings that were executed before the effective date of this section; or,
(iii) Be issued to finance written commitments of the Agency that were entered into before the effective date of this section.

B. Each urban renewal plan of the Agency that exists on the effective date of this section is hereby amended to add the following provision: "No bonded indebtedness shall be issued under this plan except in compliance with the requirements of the Charter of the City of Oregon City. Any amendment of the preceding sentence must be approved by a non-emergency ordinance of the city."

C. For purposes of this section "bonded indebtedness" has the meaning defined for that term in ORS 310.140(3), as that section of the statutes exists on the date this section of the charter is approved by the voters of the city. That statute defines "bonded indebtedness" to mean "any formally executed written agreement representing a promise by a unit of government to pay to another a specified sum of money, at a specified date or dates at least one year in the future."

D. This section shall not limit the Agency's rights or obligations under any lines of credit, bonds or other borrowings that were executed prior to the effective date of this section.

E. PREVIOUS TEXT REMOVED FROM THIS PLAN FOR THE FOLLOWING REASON……

(Res. No. 12-27, adopted by voters at the City election held November 6, 2012; Charter Ord. of 6-30-16; Res. No. 16-25, adopted by voters at the City election held November 8, 2016 which added part E. to Section 59. Clackamas County Court Case #16CV42887 declared that part E. of Section 59 is unenforceable as preempted by state law).

UPDATE: On December 15, 2022, the Clackamas County Circuit Court (Court Case #16CV42887, Court of Appeals, Court of Appeals #A167583) reaffirmed that Section 59, part E is unenforceable as preempted by state law.

1000. Urban Renewal Projects

The tax increment financing created in the District and the existing cash on hand allows the Urban Renewal Commission to invest approximately $40 million, provided authority to distribute bonds to attract funding to invest in projects is approved by the voters. The Urban Renewal Commission has identified three priority projects, Rossman Landfill, Clackamette Cove, and the Stimson

Property (1795 Washington Street) to initially use bond distribution proceeds to invest in.

The Urban Renewal Commission has estimated investment ranges for each project utilizing bond proceeds. It has also project potential private investments that may be attracted to each project during development.

Rossman Landfill

Category	Urban Renewal Investment	Private Investment	Total
Public/Private Partnership	$20,000,000 – $30,000,000	$240,000,000	$260,000,000- $270,000,000

-The property served as the area's landfill for many years and has been underdeveloped since the 1970s.
-The property is considered a brownfield site, which means it has existing pollutants that makes it very difficult to be developed.
-The site is comprised of 62 acres and is privately owned
-With a well experienced and capable developer, the property could feature various amenities including housing opportunities, retail options, hotel property, entertainment venues, and infrastructure improvements, hence, enhancing the community's economic growth

Clackamette Cove ("the Cove")

Category	Urban Renewal Investment Range	Private Investment	Total
Publicly Owned	$4,000,000 – $8,000,000	$80,000,000	$84,000,000 $88,000,000

-The Cove was once a gravel quarry up to 1993
-The site is now owned by the Urban Renewal Commission
-The subject property is 75.57 acres
-The Cove faces several environmental-related challenges, not least of which is the seasonal reoccurring appearance of blue-green algae blooms
-The site will need to undergo extensive environmental mitigation in order for it to realize its true economic and recreational development potential
-As a developed site, it is envisioned as having a water-based recreation amenity along with retail and housing opportunities

Stimson Property (1795 Washington Street)

Category	Urban Renewal Investment Range	Private Investment	Total
Publicly Owned	$4,000,000 – $10,000,000	$60,000,000	$64,000,000 – $70,000,000

-Property is owned by the Urban Renewal Commission

-Property is 6.83 acres
-The site has an existing structure on it that is being leased to a commercial tenant
-The property is underutilized and has not reached its full economic development potential
-The entire property is within a flood zone
-There have been discussions about putting a hotel on the site that would complement tourism-related development that might occur on the Rossman Land Fill Property and on other nearby properties.

The Urban Renewal Commission has identified additional projects of interest that may be invested in during a possible second wave of bond revenue generation. These projects include the County Court House, End of the Oregon Trail Interpretive Center (1726 Washington Street), The Quiet Zone, and 12 & Main Street.

County Court House

Category	Urban Renewal Investment Range	Private Investment	Total
Publicly Owned	$5,000,000 – $10,000,000	Unknown at this time	Unknown at this time

-807 Main Street
-County owned property
-Completed in 1936
-Three story historic brick building, sitting on .94 acres
-The courthouse facility has deteriorating foundation challenges and would require significant spending to keep the entire structure from collapsing, especially during an earthquake.
-If significant investment is made to shore up the foundation of the Courthouse, the site should continue its contribution to the economic vitality of the downtown.

End of the Oregon Trail Interpretive Center (1726 Washington St.)

Category	Urban Renewal Investment Range	Private Investment	Total
Publicly Owned	$1,000,000 – $3,000,000	$0	$1,000,000 - $3,000,000

-Property owned by the City
-Tenant is the Clackamas County Historical Partners
-Property sits on 8.08 acres
-Total square footage of buildings is 33,700
-The parking lot has severe alligator cracking
-There are significant cracks in the Henderson Farm walls
-Previous awnings covering the main building's wagons were damaged and removed
-Several exterior walls of various structures of the facility need to be replaced
-Structural flooring/decking is in poor condition and should be replaced
-Repair costs are estimated at $3 million

Quiet Zone

Category	Urban Renewal Investment Range	Federal Government Investment	Total
Public Infrastructure	$600,000	$2,000,000	$2,600,000

-Public infrastructure project
-A "quiet zone" is an area where railroads are directed to cease the routine sounding of train horns when approaching public highway-rail grade crossings, though train horns may still be used in emergency situations.
-At-grade crossings within a quiet zone still have standard flashing signals and audible bells.
-Railroad track crossings at 10th and 11th street.
-Having this feature installed will enhance the development potential on sites along the downtown route for retail and/or housing options.

12th and Main Street (Vacant Property)

Category	Urban Renewal Investment Range	Private Investment	Total
Publicly Owned	$2,000,000 – $5,000,000	$25,000,000	$27,000,000 – $30,000,000

-Property is owned by the Urban Renewal Agency
-Property is 0.43 acres
-The site is vacant and encumbered with utility infrastructure through the site impacting the development Opportunities
-The property is underutilized and has not reached its full economic development potential -There have been discussions about putting a mixed-use residential/retail development on the property

1100. Developer's Obligations

The Urban Renewal Plan implements the development guidelines approved by the Urban Renewal Commission. The overall intent of these guidelines emphasizes that:

- The Urban Renewal Commission will consider using tax increment financing to assist private developments in those circumstances in which proposed private projects fit the vision, goals, and objectives of the Urban Renewal Commission and demonstrate a need to fill financing gaps.

- Investments in public infrastructure shall serve to complement other projects and implement urban renewal district goals and objectives.

- Direct public investments into areas with the greatest development and redevelopment potential.

Developers that adhere to the follow the controls and program guidelines approved by the Urban Renewal Commission will be considered in compliance with the expectations of the Urban Renewal Commission:

- The developer shall engage the Urban Renewal Commission in one of the following ways:

- respond to an Urban Renewal Commission "Request for Proposals;" or
- submit an unsolicited proposal.

- The developer will submit information and documents required by the Urban Renewal Commission in order for it to conduct a preliminary review to ascertain whether there is an interest in the developer's proposal by the Urban Renewal Commission.

- If the Urban Renewal Commission has continued interest in the developer's proposal, the developer will work with and submit all required documents and information to all relevant reviewing bodies.

- During the review stage by various agencies, as more is learned about the developer's proposal, a preliminary or draft disposition and development agreement ("DDA") may be crafted involving agents of the Urban Renewal Commission.

- After the developer has complied with the requirements cited during its pre-application conference and other requirements of other reviewing bodies, a final draft of a disposition and development agreement may be negotiated involving the agents of the Urban Renewal Commission.

- The developer shall not affect any instrument whereby the sale, lease, or occupancy of the real property, or any part thereof, is restricted upon the basis of age, race, color, religion, sex, marital status, or national origin.

- After all parties have agrees with the terms and conditions of the DDA, the developer will move forward to the Land Use approval process.

1200. Relocation

This Plan anticipates no business or residential relocation. Should conditions arise, which would cause the acquisition of developed and occupied property by the Urban Renewal Commission, relocation assistance will be provided to persons or businesses displaced.

All persons or businesses, that may be displaced, will be contacted to determine their relocation needs. They will be provided information on available space and will be given assistance in moving. All relocation activities will be undertaken, and payments made, in accordance with the requirements of ORS 281.045-281.105 and any other applicable laws or regulations. Relocation payments will be made as provided in ORS 281.060. Payments made to persons displaced from dwellings will have available to them decent, safe, and sanitary dwellings at costs or rents within their financial reach. Payment for moving expenses will be made to residences and businesses displaced.

1300. Future Amendments

It is anticipated that this plan will be reviewed periodically during the execution of the Project. The plan may be changed, modified, or amended as future conditions warrant.

A. Minor Amendments

Minor changes to the Plan shall be made by a duly approved resolution of the Urban Renewal Commission that describes the details of the minor change. Minor changes shall

include:

1. Identification of property to be acquired for any purpose set forth in **Section 900, G(1)(a) of this Plan.**

2. Changes to the Plan which are not specifically identified as requiring a Substantial Amendment, or a City Commission-Approved Amendment.

B. City Commission-Approved Amendments

City Commission approved amendments to the Plan shall require approval by the Agency by Resolution and approval by the City Commission by Ordinance. City Commission Approved amendments are:

1. Adding a project, activity, or program that differs substantially from a project, program, or activity in the Plan, and is estimated to cost in excess of the equivalent of $500,000 in first quarter year 2022 dollars over the duration of the Plan. The $500,000 threshold shall be adjusted annually at a rate equal to the Construction Cost Index (CCI), also referred to as the ENR Index for Construction published by the Engineering News Record.

2. Identification of land for acquisition which requires City Commission approval per **Sections 900 G.1(b), G.1(c), or 900 G. 2(a)** of this Plan.

C. Substantial Amendments

Substantial amendments shall require the notice, hearing, and approval procedures required by ORS 457.095, and special notice as provided in ORS 457.120. Substantial amendments are:

1. Adding land to the urban renewal area, except for an addition of land that totals not more than one percent of the existing area of the urban renewal area.

2. Increasing the amount of maximum indebtedness that can be issued or incurred under the plan.

1400. Latest Date for Bonded Indebtedness

(Section inserted via 1st Amendment, Sept. 25, 1991)
Note: The requirement for a latest date provision was removed from urban renewal law after passage of Ballet Measure 50. Ballet Measure 50 requires that plans contain a maximum debt provision.

1500. Financing Methods

A. General

The Urban Renewal Commission may borrow money and accept advances, loans, grants and other forms of financial assistance from the federal government, the state, city, county or other public body, or from any sources, public or private for the purposes of undertaking and carrying out this plan. In addition, the Agency may borrow money from, or lend money to a public agency in conjunction with a joint undertaking of a project authorized by this plan. If such funds are loaned, the Agency may promulgate rules and procedures for the methods and conditions of

payment of such loans.

The funds obtained by the Agency shall be used to pay or repay any costs, expenses, advances and indebtedness incurred in planning or undertaking project activities or in otherwise exercising any of the powers granted by ORS Chapter 457.

B. Tax Increment Financing

The costs of carrying out this Plan will be financed in whole or in part by tax increment financing, as authorized in ORS457.420 through ORS 457.450.

1600 – Establishment of Maximum Indebtedness

The maximum amount of indebtedness that may be issued or incurred under this Urban Renewal Plan is $130.1 million. This maximum amount of indebtedness does not include any indebtedness incurred to complete Plan projects prior to and any indebtedness outstanding on the date of adoption of this amendment.

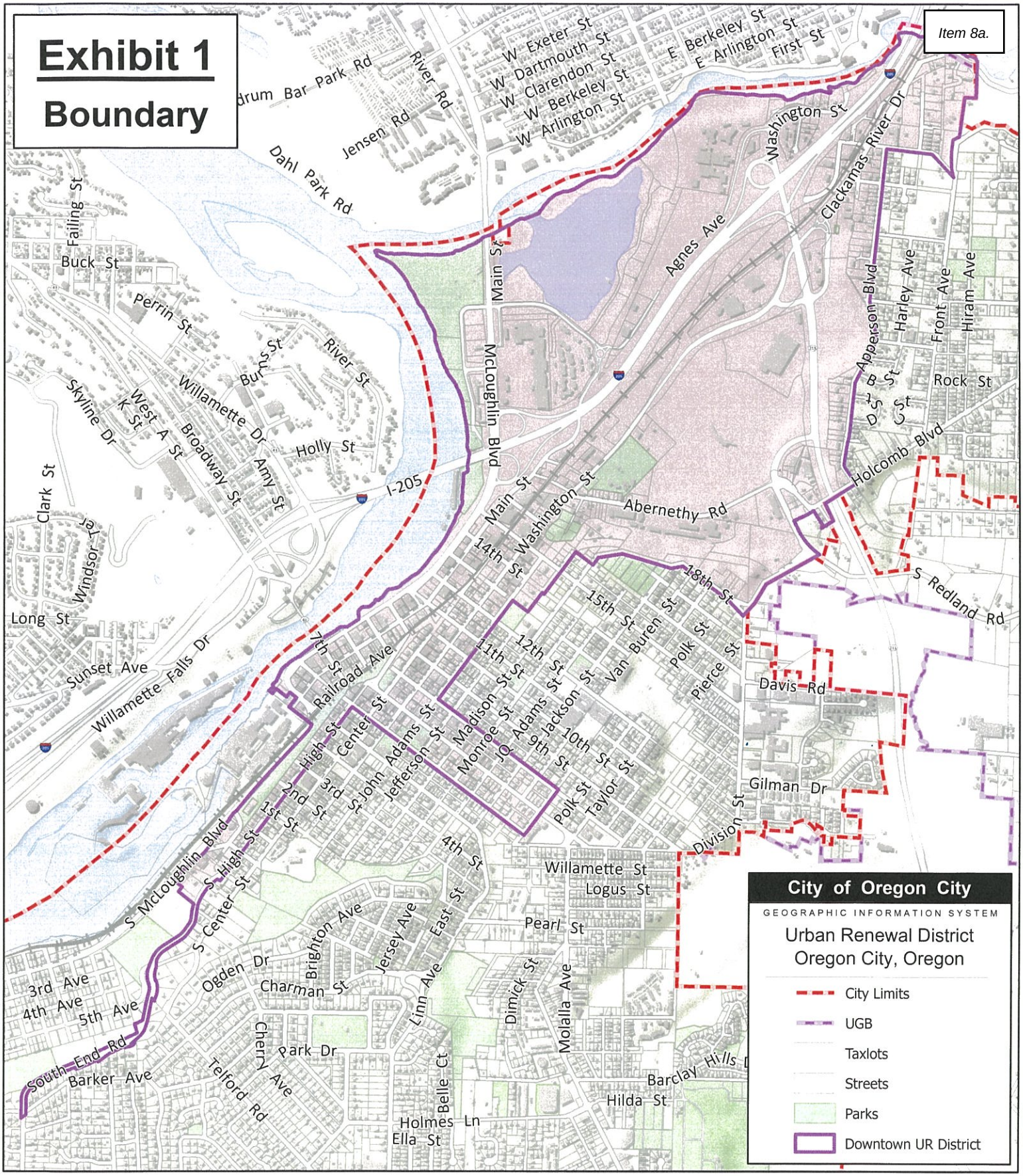
The maximum amount of indebtedness noted above is the amount necessary to complete the projects in the Plan as measured in 2022 dollars. To complete all projects anticipated in this Plan it is anticipated that the greatest amount of increment possible will need to be acquired. Current costs were not adjusted for inflation due to the significant uncertainty and variation in timing of projects due to the need for private sector participation, inflation and changes in building requirements during the anticipated Plan period.

Exhibits to Text

Urban Renewal Plan
Downtown Oregon City/North End

Exhibit 1 - Boundary Map of Project Area
Exhibit 2 – Legal Description of Project Area
Exhibit 3 – Land Use Map of Project Area
Exhibit 4 – Zoning Map of Project Area
Exhibit 5 – Map of Proposed Project Activities
Exhibit 6 - Map of Property Locations
Exhibit 7 - Properties
Exhibit 8 - Framework for Decision-Making

Exhibit 1
Boundary



The City of Oregon City makes no representations, express or implied, as to the accuracy, completeness and timeliness of the information displayed. This map is not suitable for legal, engineering, or surveying purposes. Notification of any errors is appreciated.

N
W E
S

0 1,000 2,000 4,000 Feet

0 0.5 1 Miles

City of Oregon City
P.O. Box 3040
625 Center St
Oregon City, OR 97045
503-657-0891 phone
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www.orcity.org

OREGON

Plot date: July 19, 2022
Plot name: Exhibit 1 - UR District Boundary - 8x10P - 202
Map name: Urban Renewal District Boundary - Urban Renewal District maps.aprx

Exhibit 2 - Legal Description of Project Area

CORRECTED

LEGAL DESCRIPTION OF DOWNTOWN/NORTH END

URBAN RENEWAL DISTRICT BOUNDARY

This legal description is being re-recorded to correct an erroneous legal description on Oregon City Ordinance No. 90-1062, An Ordinance Adopting the Downtown/North End Urban Renewal Plan and Making Certain Findings and Determinations, recorded on December 21, 1990, Clackamas County Deed Records, Fee No. 90-62748.

The legal description attached to Ordinance No. 90-1062, recorded December 21, 1990, failed to include the following two exceptions:

EXCEPT THEREFROM that portion lying within the City Limits of the City of Gladstone.

EXCEPT THEREFROM that portion lying outside the existing corporate City Limits of the City of Oregon City.

The entire legal description of the Downtown/North End Urban Renewal District Boundary is attached hereto to be re-recorded with the corrected legal description. This document relates back to Ordinance No. 90-1062, recorded on December 21, 1990, Clackamas County Deed Records, Fee No. 90-62748.

This correction duly adopted on motion by the City Commission this 17th day of April, 1991.

CITY OF OREGON CITY

Daniel W. Fowler

DANIEL W. FOWLER, Mayor

ATTESTED this 17th day of April, 1991.

Jean K. Elliott

JEAN K. ELLIOTT, City Recorder

more or less, to the intersection with the Southeasterly extension of the Northeast line of Apperson Boulevard (County Road No. 1744, a 40 foot right-of-way at this point); THENCE Northwest along said Southeasterly extension and Northeast line of Apperson Boulevard a distance of 4400 feet, more or less, to the intersection with the South line of Forsythe Road (County Road No. 374, a 50 foot right-of-way); THENCE Easterly along the South line of said Forsythe Road a distance of 950 feet, more or less, to the intersection with the West line of Front Street (County Road No. 2370, a 50 foot right-of-way); THENCE North crossing said Forsythe Road a distance of 100 feet, more or less, to an angle point on the North line thereof; THENCE North and Northest along the West line and North line of said Forsythe Road a distance of 445 feet, more or less, to a point on the East line of the Hiram Straight D.L.C. No. 42; THENCE North along the East line of said Straight D.L.C. No. 42 a distance of 200 feet, more or less, to the Southwest corner of the James Winston D.L.C. No. 69; THENCE North along the West line of said Winston D.L.C. No. 69 a distance of 310 feet, more or less, to the most Westerly Northwest corner thereof; THENCE East along the North line thereof a distance of 150 feet, more or less, to the Southwest corner of that certain tract of land conveyed to Clackamas County, State of Oregon, as recorded in Book 281, Page 467, Clackamas County Deed Records; THENCE North along the West line of said Clackamas County tract and its Northerly extension a distance of 450 feet, more or less, to a point on the Southerly bank of the Clackamas River; THENCE West and Southwest along the Southerly bank of said Clackamas River a distance of 6500 feet, more or less, to the intersection with the Easterly bank of the Willamette River; THENCE South and Southwest along the East bank of said Willamette River a distance of 7000 feet, more or less, to the intersection woth the Northwesterly projection of the the centerline of a 10 foot alley between Lots 6 and 7 of Block 3 of the duly recorded plat of Oregon City (County Plat No. 123); THENCE Southeast along Northwesterly projection a distance of 35 feet, more or less, to a point on the Northwest line of Water Street (a 60 foot right-of-way, Vacated) THENCE Northeast along the Northwest line thereof a distance of 75 feet, more or less, to the intersection with the Northwesterly projection of the Southwest line of Lot 8 of said Block 3; THENCE Southeast along said Northwesterly projection and the Southwest line of said Lot 8 a distance of 165.00 feet to the most Southerly corner thereof; THENCE Northeast along the Southeast line of said Lot 8 a distance of 69.70 feet to the Southwesterly line of 5th Street (U.S. Hwy No. 99E); THENCE Southeast along the Southwesterly line of said 5th Street a distance of 105.00 feet to the intersection with the Northwest line of Main Street; THENCE Southwest along the Northwest line of said Main Street a distance of 149.70 feet to the intersection with the Northwesterly extension of the Northeasterly line of Lots 3 and 6 of Block 27 of said plat of Oregon City; THENCE Southeast along said Northwesterly extension and Northeast lines of Lots 3 and 6, a distance of 270.00 feet to the most Easterly corner of said Lot 3; THENCE continuing Southeast along the Southeasterly extension of the Northeast line of said Lot 3 a distance of 75 feet, more or less, to the Southeast line of McLoughlin Boulevard (U.S. Hwy. No. 99E); THENCE Southwest along the Southeast line of said McLoughlin Boulevard a distance of 2700 feet, more or less, to the most Northerly corner of that certain tract of land conveyed to Portland General Electric Company (PGE), as recorded in Book 209, Page 001 and Recorder Fee No. 83-5806, Clackamas County Deed Records; THENCE Southeast along the Northeast line of said PGE tract a distance of 120 feet, more or less, to an angle point; THENCE Southwest along the Southeast line of said PGE tract a distance of 75 feet, more or less, to an angle point; THENCE Southeast

Legal Description
of
Downtown/North End
Urban Renewal District Boundary

1

A tract of land situated in Sections 20, 21, 29, 30, 31, and 32 in Township 2 South, Range 2 East; Section 36 in Township 2 South, Range 1 East; Section 1 in Township 3 South, Range 1 East; and Section 6 in Township 3 South, Range 2 East; of the Willamette Meridian, Clackamas County, Oregon, and being more particularly described as follows:

BEGINNING at the intersection of the Southeast line of High Street (a 60 foot right-of-way) and the Southwest line of 6th Street (a 60 foot right-of-way); THENCE Southeast along the Southwest line of said 6th Street, a distance of 2700 feet, more or less, to the intersection with the Southeast line of Harrison Street (a 60 foot right-of-way); THENCE Northeast along the Southeast line of said Harrison Road a distance of 730 feet, more or less, to the intersection with the Northeast line of 8th Street (a 60 foot right-of-way); THENCE Northwest along the Northeast line of said 8th Street a distance of 1900 feet, more or less, to Southeast line of John Adams Street (a 60 foot right-of-way); THENCE Northeast along the Southeast line of said John Adams Street a distance of 1560 feet, more or less, to the a point in the centerline of vacated 13th Street (74-34043, a 60 foot right-of-way); THENCE Southeast along said centerline of 13th Street a distance of 240.00 feet to a point in the centerline of vacated Jefferson Street (74-34043, a 60 foot right-of-way); THENCE Northeast along said centerline of Jefferson Street a distance of 304.00 feet to the Southwest line of 14th Street (a 60 foot right-of-way); THENCE Southeast along the Southwest line of said 14th Street a distance of 30.00 feet to the intersection with the Southeast line of said Jefferson Street; THENCE Northeast along the Southeast line of Jefferson Street (not vacated) a distance of 660 feet, more or less, to the intersection with the Southwest line of 16th Street (a 60 foot right-of-way); THENCE Southeast along the Southwest line of said 16th Street a distance of 270.00 feet to the intersection with the Southeast line of Madison Street (a 60 foot right-of-way); THENCE Northeast along the Southeast line of said Madison Street a distance of 120 feet, more or less, to the intersection with the South line of McLoughlin Avenue (a 60 foot right-of-way); THENCE Easterly along the South line of said McLoughlin Avenue a distance of 940 feet, more or less, to the intersection with the Southwest line of 18th Street (a 60 foot right-of-way); THENCE Southeasterly along the Southwest line of said 18th Street a distance of 1080 feet, more or less, to the intersection with the Southwesterly extension of the Southeast line of South Anchor Way (a 60 foot right-of-way); THENCE Northeasterly along said Southwesterly extension and said Southeast line of South Anchor Way a distance of 1200 feet, more or less, to the intersection with the Southerly line of Redland Road (a 60 foot right-of-way); THENCE Easterly along the Southerly line of said Redland Road a distance of 960 feet, more or less, to the intersection with the Northeast line of Trail's End Highway (Oregon State Hwy. No. 213, Oregon City Bypass, a variable width right-of-way); THENCE Northwest along the Northeast line of said Trail's End Highway a distance of 1200 feet, more or less, to the intersection with the Southeast line of Holcomb Road (County Road No. 354, a 60 foot right-of-way); THENCE Northeast along the Southeast line of said Holcomb Road a distance of 210 feet,

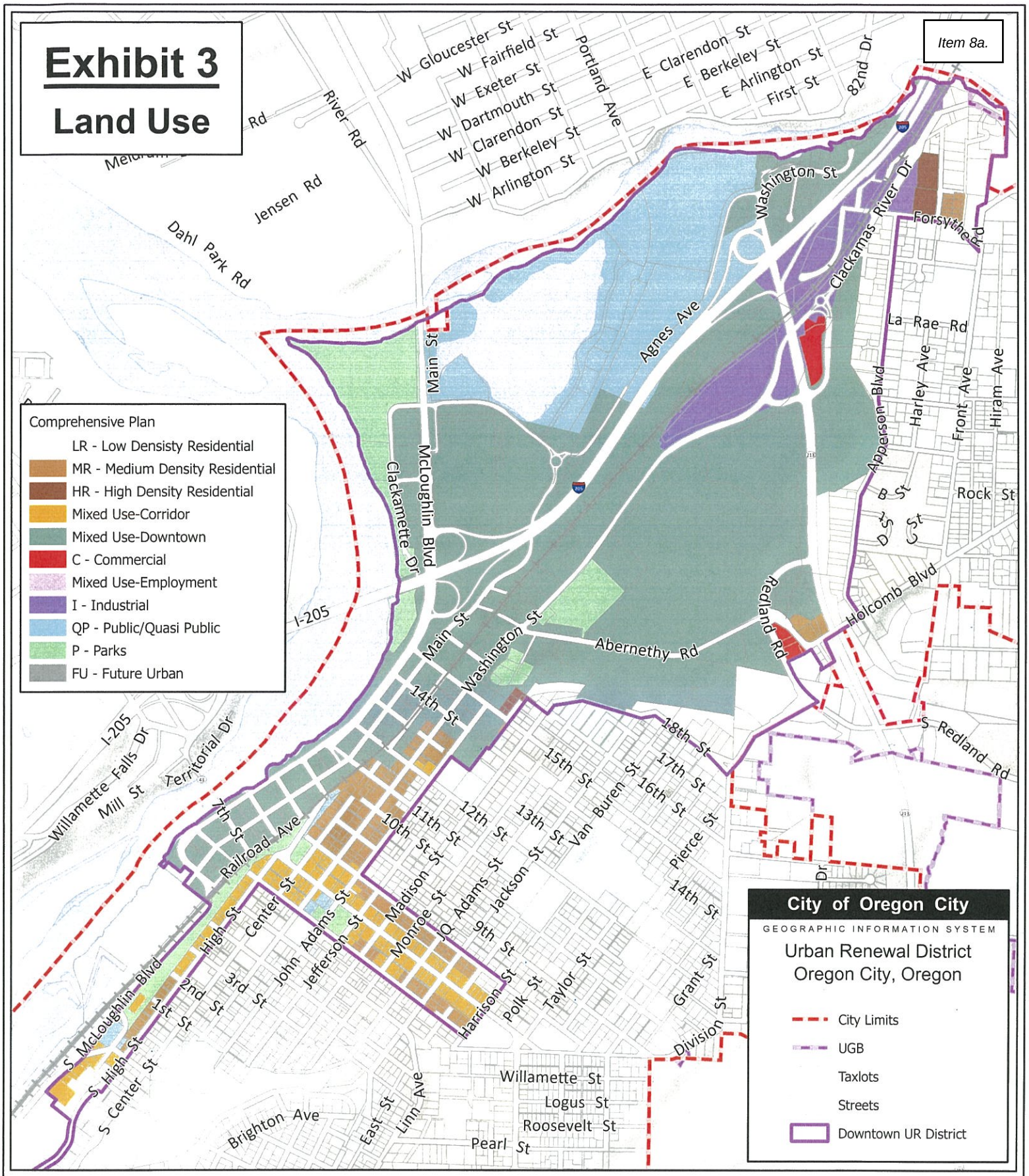
along the Northeast line of said PGE tract a distance of 260 feet, more or less, to a point on the Northwest line of South End Road (County Road No. 945, a 60 foot right-of-way); THENCE Southwesterly along the Northwest and West lines of said South End Road a distance of 4100 feet, more or less, to the intersection of the West line of said South End Road with the Southwesterly extension of the Southeast line of Barker Avenue (a 50 foot right-of-way), said line being also the Northwest line of the duly recorded plat of Lawton Heights (County Plat No. 289); THENCE N. 52° 55' E. along said Southwesterly extension a distance of 75 feet, more or less, to the East line of said South End Road; THENCE North and Northeast along the East and Southeast lines of said South End Road a distance of 4400 feet, more or less, to the intersection with the South line of said High Street; THENCE Southeast along the South line of said High Street a distance of 35 feet, more or less, to the intersection with the Southeast line thereof; THENCE Northeast along the Southeast line of said High Street a distance of 2750 feet, more or less, to the **POINT OF BEGINNING.**

EXCEPT THEREFROM that portion lying within the City Limits of the City of Gladstone.

EXCEPT THEREFROM that portion lying outside the existing corporate City Limits of the City of Oregon City.

STATE OF OREGON
91 NOV 25 PM 12:09
91 18607
JOHN F. KAUFFMAN
County Clerk

Exhibit 3
Land Use



The City of Oregon City makes no representations, express or implied, as to the accuracy, completeness and timeliness of the information displayed. This map is not suitable for legal, engineering, or surveying purposes. Notification of any errors is appreciated.

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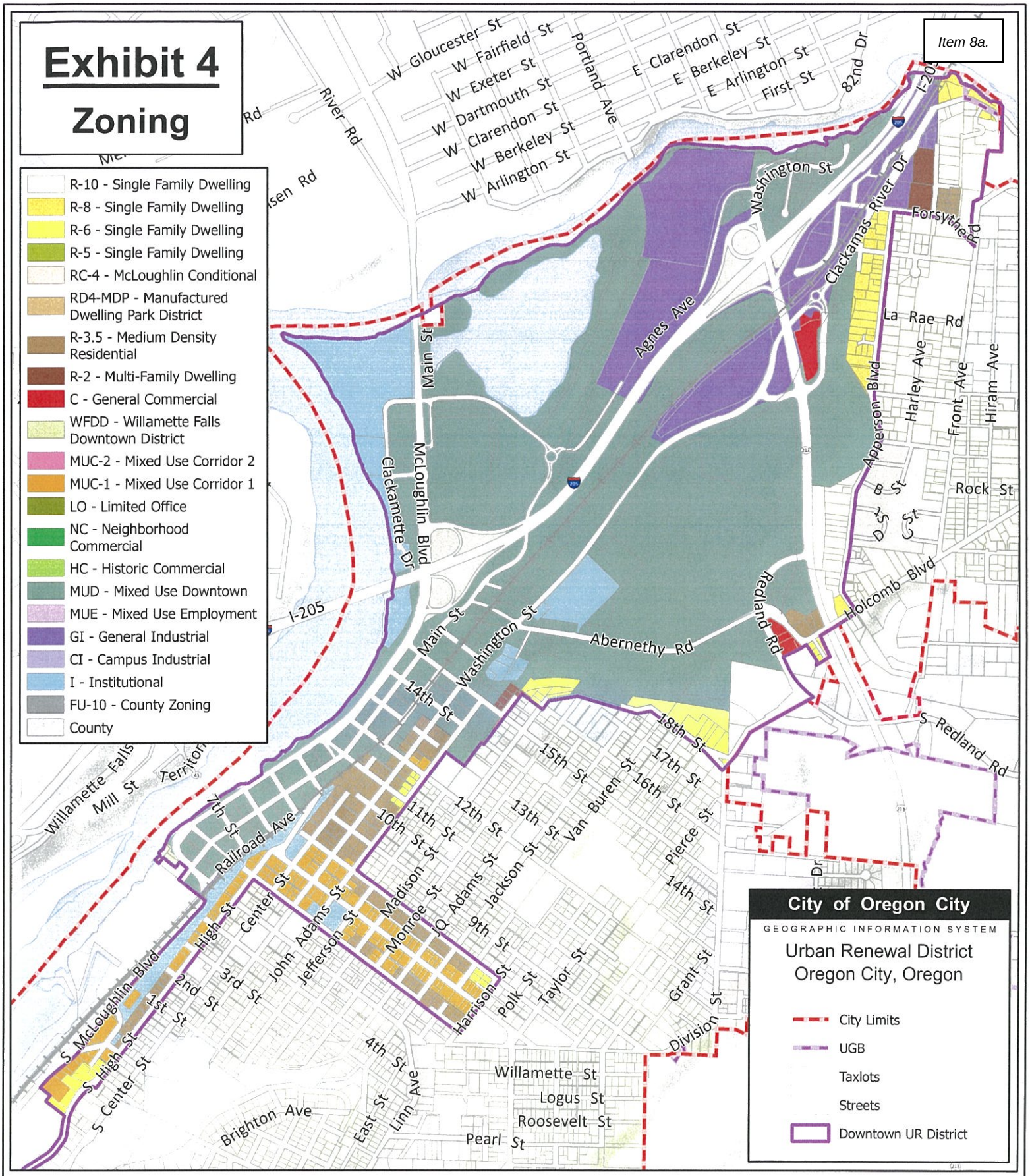
City of Oregon City
P.O. Box 3040
625 Center St
Oregon City, OR 97045
503-657-0891 phone
503-657-6629 fax
www.orcity.org

OREGON

Plot date: July 19, 2022
Plot name: Exhibit 3 - UR District with Comp - 8x10P - 2022
Map name: Urban Renewal District with Comp - Urban Renewal District maps.aprx

Exhibit 4

Zoning



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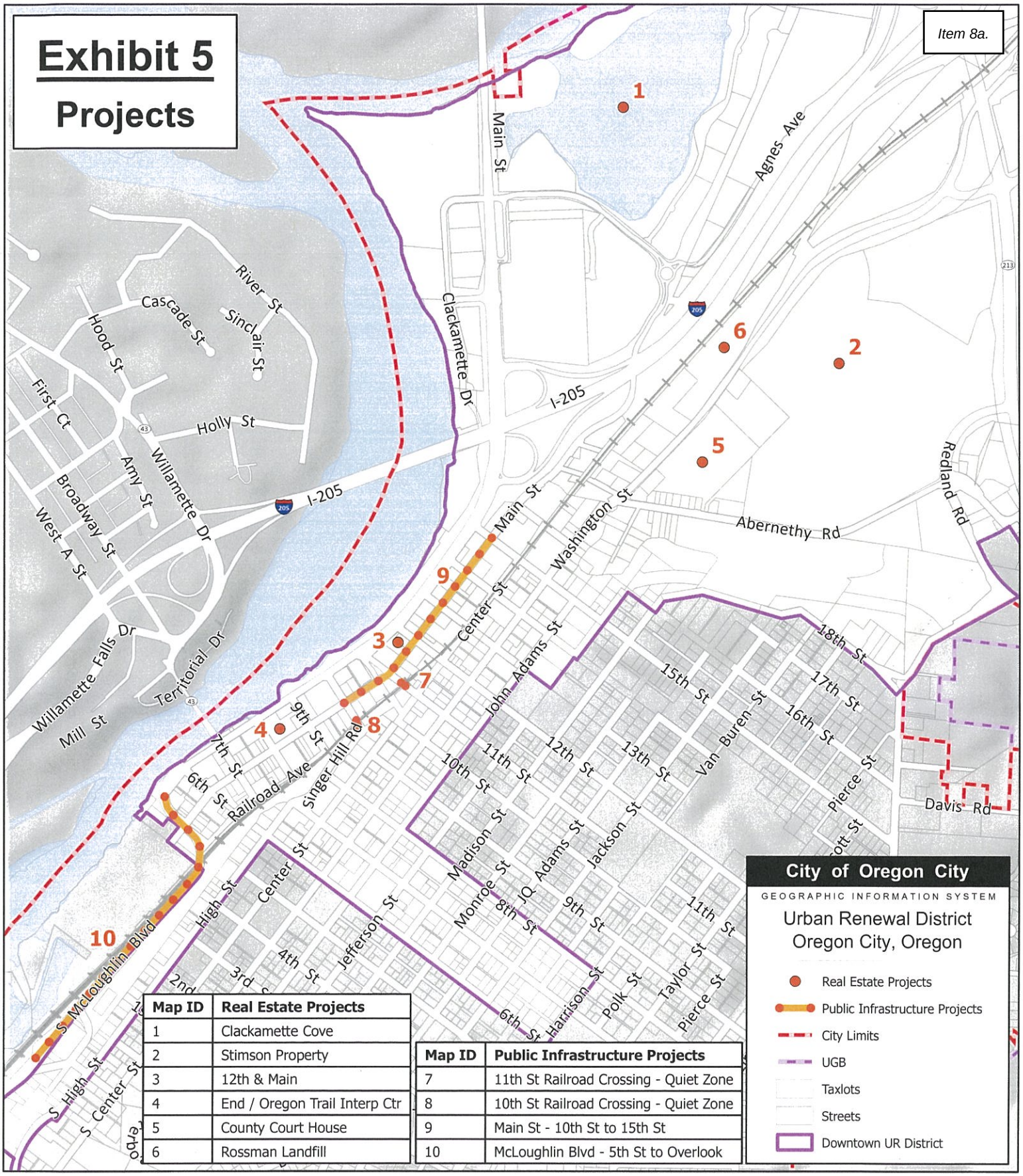
Plot date: July 19, 2022
Plot name: Exhibit 4 - UR District with Zoning - 8x10P - 202
Map name: Urban Renewal District with Zoning - Urban Renewal District maps.aprx

Exhibit 5
Projects



Map ID	Real Estate Projects
1	Clackamette Cove
2	Stimson Property
3	12th & Main
4	End / Oregon Trail Interp Ctr
5	County Court House
6	Rossman Landfill

Map ID	Public Infrastructure Projects
7	11th St Railroad Crossing - Quiet Zone
8	10th St Railroad Crossing - Quiet Zone
9	Main St - 10th St to 15th St
10	McLoughlin Blvd - 5th St to Overlook

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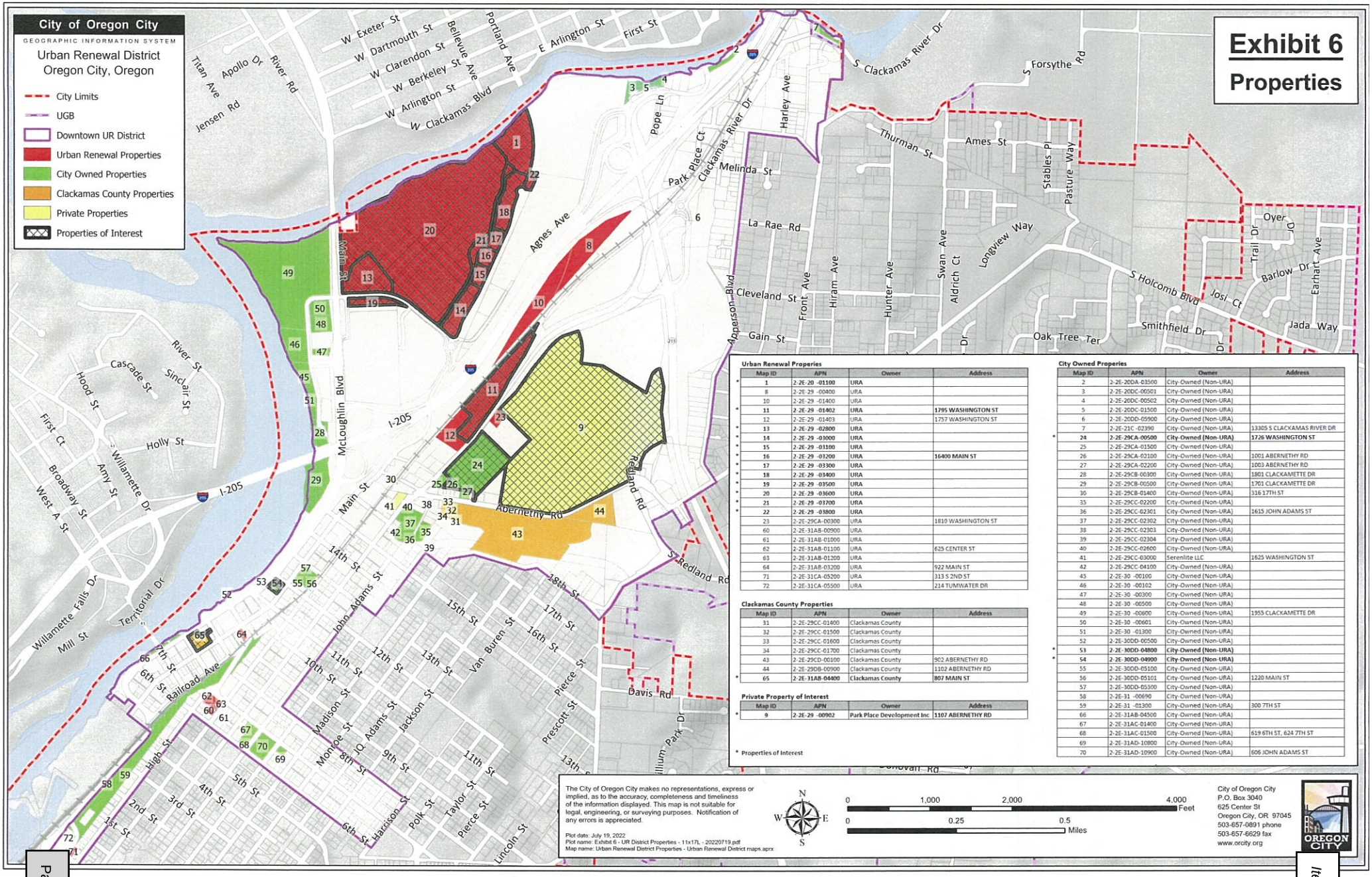
OREGON

Plot date: July 19, 2022
Plot name: Exhibit 5 - UR District Projects - 8x10P - 2022
Map name: Urban Renewal District Projects - Urban Renewal District maps.aprx

Exhibit 6
Properties



Urban Renewal Properies

Map ID	APN	Owner	Address
* 1	2-2E-20 -01100	URA	
8	2-2E-29 -00400	URA	
10	2-2E-29 -01400	URA	
* 11	2-2E-29 -01402	URA	1795 WASHINGTON ST
12	2-2E-29 -01403	URA	1757 WASHINGTON ST
* 13	2-2E-29 -02800	URA	
* 14	2-2E-29 -03000	URA	
* 15	2-2E-29 -03100	URA	
* 16	2-2E-29 -03200	URA	16400 MAIN ST
* 17	2-2E-29 -03300	URA	
* 18	2-2E-29 -03400	URA	
* 19	2-2E-29 -03500	URA	
* 20	2-2E-29 -03600	URA	
* 21	2-2E-29 -03700	URA	
* 22	2-2E-29 -03800	URA	
23	2-2E-29CA-00300	URA	1810 WASHINGTON ST
60	2-2E-31AB-00900	URA	
61	2-2E-31AB-01000	URA	
62	2-2E-31AB-01100	URA	625 CENTER ST
63	2-2E-31AB-01200	URA	
64	2-2E-31AB-03200	URA	922 MAIN ST
71	2-2E-31CA-05200	URA	313 S 2ND ST
72	2-2E-31CA-05500	URA	214 TUMWATER DR

Clackamas County Properties

Map ID	APN	Owner	Address
31	2-2E-29CC-01400	Clackamas County	
32	2-2E-29CC-01500	Clackamas County	
33	2-2E-29CC-01600	Clackamas County	
34	2-2E-29CC-01700	Clackamas County	
43	2-2E-29CD-00100	Clackamas County	902 ABERNETHY RD
44	2-2E-29DB-00900	Clackamas County	1102 ABERNETHY RD
* 65	2-2E-31AB-04400	Clackamas County	807 MAIN ST

Private Property of Interest

Map ID	APN	Owner	Address
* 9	2-2E-29 -00902	Park Place Development Inc	1107 ABERNETHY RD

* Properties of Interest

City Owned Properies

Map ID	APN	Owner	Address
2	2-2E-20DA-03500	City-Owned (Non-URA)	
3	2-2E-20DC-00501	City-Owned (Non-URA)	
4	2-2E-20DC-00502	City-Owned (Non-URA)	
5	2-2E-20DC-01500	City-Owned (Non-URA)	
6	2-2E-20DD-05900	City-Owned (Non-URA)	
7	2-2E-21C -02390	City-Owned (Non-URA)	13305 S CLACKAMAS RIVER DR
* 24	2-2E-29CA-00500	City-Owned (Non-URA)	1726 WASHINGTON ST
25	2-2E-29CA-01500	City-Owned (Non-URA)	
26	2-2E-29CA-02100	City-Owned (Non-URA)	1001 ABERNETHY RD
27	2-2E-29CA-02200	City-Owned (Non-URA)	1003 ABERNETHY RD
28	2-2E-29CB-00300	City-Owned (Non-URA)	1801 CLACKAMETTE DR
29	2-2E-29CB-00500	City-Owned (Non-URA)	1701 CLACKAMETTE DR
30	2-2E-29CB-01400	City-Owned (Non-URA)	316 17TH ST
35	2-2E-29CC-02200	City-Owned (Non-URA)	
36	2-2E-29CC-02301	City-Owned (Non-URA)	1615 JOHN ADAMS ST
37	2-2E-29CC-02302	City-Owned (Non-URA)	
38	2-2E-29CC-02303	City-Owned (Non-URA)	
39	2-2E-29CC-02304	City-Owned (Non-URA)	
40	2-2E-29CC-02600	City-Owned (Non-URA)	
41	2-2E-29CC-03000	Serenlite LLC	1625 WASHINGTON ST
42	2-2E-29CC-04100	City-Owned (Non-URA)	
45	2-2E-30 -00100	City-Owned (Non-URA)	
46	2-2E-30 -00102	City-Owned (Non-URA)	
47	2-2E-30 -00300	City-Owned (Non-URA)	
48	2-2E-30 -00500	City-Owned (Non-URA)	
49	2-2E-30 -00600	City-Owned (Non-URA)	1955 CLACKAMETTE DR
50	2-2E-30 -00601	City-Owned (Non-URA)	
51	2-2E-30 -01300	City-Owned (Non-URA)	
52	2-2E-30DD-00500	City-Owned (Non-URA)	
* 53	2-2E-30DD-04800	City-Owned (Non-URA)	
* 54	2-2E-30DD-04900	City-Owned (Non-URA)	
55	2-2E-30DD-05100	City-Owned (Non-URA)	
56	2-2E-30DD-05101	City-Owned (Non-URA)	1220 MAIN ST
57	2-2E-30DD-05300	City-Owned (Non-URA)	
58	2-2E-31 -00690	City-Owned (Non-URA)	
59	2-2E-31 -01300	City-Owned (Non-URA)	300 7TH ST
66	2-2E-31AB-04500	City-Owned (Non-URA)	
67	2-2E-31AC-01400	City-Owned (Non-URA)	
68	2-2E-31AC-01500	City-Owned (Non-URA)	619 6TH ST, 624 7TH ST
69	2-2E-31AD-10800	City-Owned (Non-URA)	
70	2-2E-31AD-10900	City-Owned (Non-URA)	606 JOHN ADAMS ST

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Plot date: July 19, 2022
Plot name: Exhibit 6 - UR District Properties - 11x17L - 20220719.pdf
Map name: Urban Renewal District Properties - Urban Renewal District maps.aprx

N W E S

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0 0.25 0.5 Miles

City of Oregon City
P.O. Box 3040
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OREGON CITY

EXHIBIT 7 PROPERTIES

Table 1: Publicly Owned Property (with status as of June 30, 2022)

Tax Map	Tax Lot	Property Description	Acquisition Status
2-2E-29	3600	Clackamette Cove – 52.85 acres	URD Own/Undeveloped
2-2E-29	2800	Clackamette Cove – 4.4 acres	URD Own/Undeveloped
2-2E-29	3700	Clackamette Cove – 2.60 acres	URD Own/Undeveloped
2-2E-29	3000	Clackamette Cove – 2.79 acres	URC Own/ Undeveloped
2-2E-29	3100	Clackamette Cove - .91 acres	URC Own/ Undeveloped
2-2E-29	3200	Clackamette Cove - 1.00 acres	URC Own/ Undeveloped
2-2E-29	3300	Clackamette Cove - .90 acres	URC Own/Undeveloped
2-2E-29	3400	Clackamette Cove – 3.16 acres	URC Own/ Undeveloped
2-2E-29	1100	Clackamette Cove – 5.22 acres	URC Own/ Undeveloped
2-2E-29	3800	Clackamette Cove - .50 acres	URC Own/ Undeveloped
2-2E-29	3500	Clackamette Cove – 1.24 acres	URC Own/ Undeveloped
2-2E-29	1402	Stimson Property (1795 Washington St) 6.83 acres	URC Own/Existing Structure/Further Development Needed
2-2E-30DD	4800	12 & Main - .27 acre	City Own/vacant lot/ Undeveloped
2-2E-30DD	4900	12 & Main - .16 acre	City Own/vacant lot/ Undeveloped
2-2E-31AB	4400	807 Main St. - .94 acre	County Own/County Court House/To be vacated
2-2E-29CA	500	1726 Washington St. – 7.65 acres	End of the Oregon Trail
2-2E-29CA	1500	1726 Washington St - .43 acres	End of the Oregon Trail
		Riverwalk P (falls access and viewing)	City owned

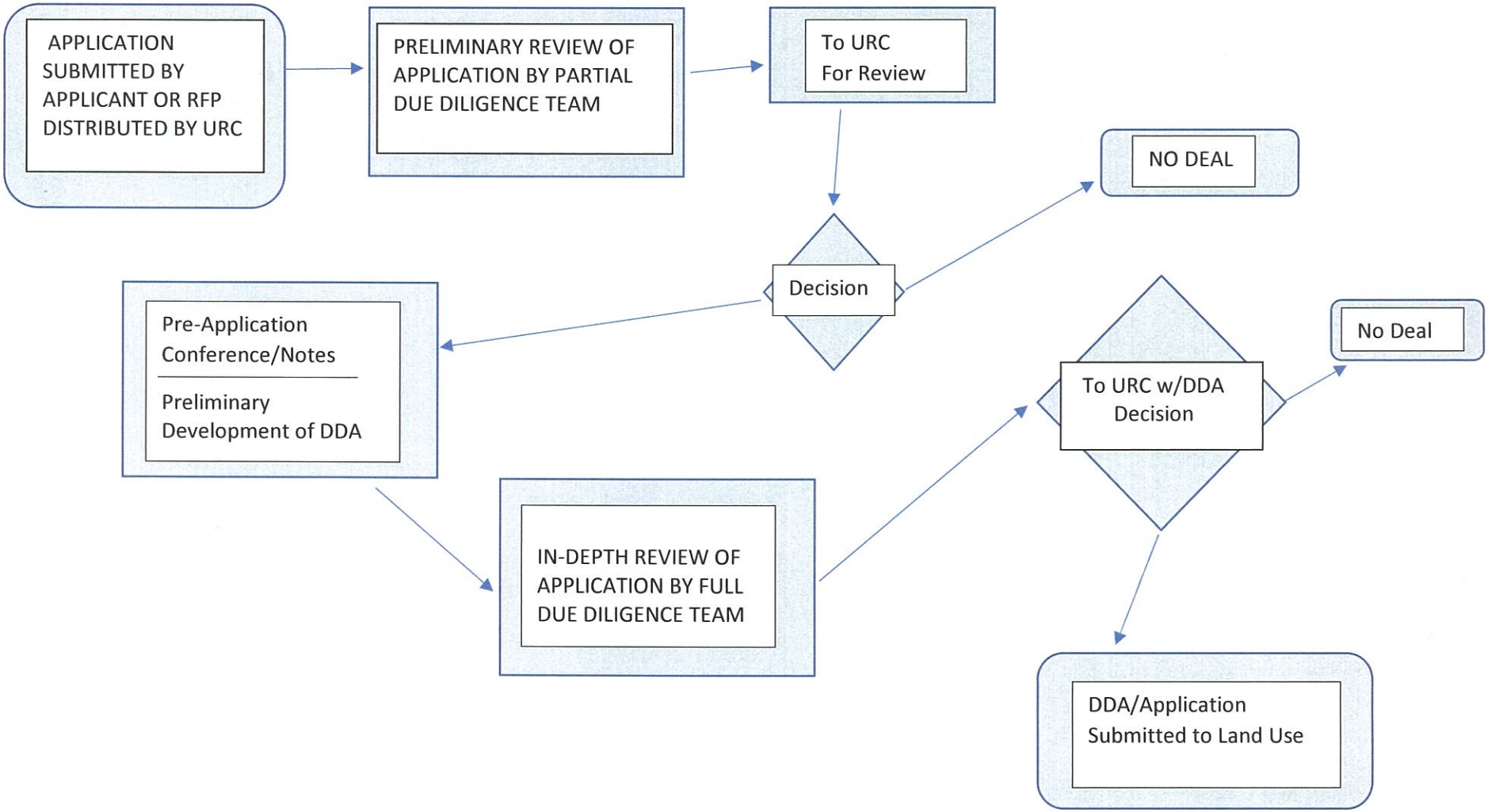
Table 2: Private Property of Interest (with status as of June 30, 2022)

Tax Map	Tax Lot	Property Description	Acquisition Status
2-2E-29	902	Rossman Landfill (Park Place Dev., Inc.) – 1105 Abernethy RD – 65.53 acres	Private Ownership/Under Contract

Table 3: Infrastructure Projects (with status as of June 30, 2022)

Name	Tax Lot	Property Description	Acquisition Status
Quiet Zone	N/A	Railroad Track Crossings at 10th and 11th Streets	Union Pacific Railroad Owner/Federal Funding Approved. Local Match Required
McLoughlin Blvd. to Tunnel	N/A	6th Street/McLoughlin through Tunnel to Tumwater Drive/McLoughlin	To be completed
Main Street	N/A	From 10th to 15th Street	To be completed

Framework for Decision-Making
Urban Renewal Project Procedures Diagram



CITY OF OREGON CITY

Staff Report

625 Center Street
Oregon City, OR 97045
503-657-0891

To: City Commission Meeting **Agenda Date:** January 4, 2023

From: Parks and Recreation Director, Kendall Reid

SUBJECT:

Update on Park Master Fee Schedule Implementation, Contracts, and MOU's

STAFF RECOMMENDATION:

The Oregon City Parks and Recreation staff recommend the City Commission continue to support the Parks & Recreation Department plans to use the Financial Support & Sustainability Strategy Model for operating, maintaining, and reinvesting in the future of the parks and recreation.

EXECUTIVE SUMMARY:

In October 2020 Oregon City Parks and Recreation Department invested in a department-wide cost recovery analysis and policy creation to help sustain and grow efforts to create play, protect habitat, and enhance recreation opportunity for the Community.

The Cost Recovery analysis required a consultant to compile, analyze, and then guide the development of a strategy reflected in the adopted Financial Support and Sustainability Policy. The policy helps balance community benefit and cost. If a parks and recreation service or program is more individualized then the program is subsided at a lower rate, while programs and services that have a higher community benefit receive higher subsidies. Changes to rates and subsides began July 1, 2022.

BACKGROUND:

Oregon City Parks and Recreation staff contracted with Amilia Consulting USA to help in a department-wide cost recovery analysis, and methodology creation. This work was completed in March 2021. This work entailed public engagement that included input from several community stakeholders, staff, and elected officials.

Those invited included, Oregon City Parks Foundation, Citizen Involvement Committee, McLoughlin Neighborhood Association, Barkley Hill Neighborhood Association, Canemah and Rivercrest Neighborhood Associations, Two-Rivers Neighborhood Association, Downtown Oregon City Association, Clackamas Heritage Partners, Unite Oregon City, Oregon City Chamber ED, County Aging & Disability Community Coordinator, and 9 staff members on the cost recovery taskforce.

On April 22, 2021, the Department brought the draft policy to the Parks and Recreation Advisory Committee (PRAC) for review and comments. PRAC unanimously supported the policy as written and has supplied a letter of support which is attached to the Commission packet.

On June 8, 2021, the Department brought forth the draft policy to Commission in a work session. The Commission discussion was overall support, but a request was made to see the policy in practice as it relates to fees, as well as the Departments Communication plan.

On August 10,2021, the Department returned with a master fee schedule and a communication plan. During this meeting it was expressed that Commission overall supports the Department's efforts regarding the cost recovery policy, but a focus should be made on the special event permitting process, as well as working towards defining a City sponsored special event.

On October 20, 2021, the Department requested approval of the "Financial Support & Sustainability Strategy Policy" and the policy was officially approved via resolution.

In November 2021, the Department began the process of implementing the communication plan to the public and stakeholders the 'why' and 'how' the Department plans to use the Financial Support & Sustainability Strategy Model for operating, maintaining, and reinvesting in the future of parks and recreation.

- Displayed Model on Website summarizing work and listing objectives and intentions with revised master fee schedule with restructured membership and drop-in fees – December 2021
- Meet with community user groups to discuss user agreements and fee adjustments – November 2021 – Present
- Posted fee adjustments in Spring Trail News, monthly E-Trail News, social media channels, and press releases were made. – November 2021 –Present
- Added the RV Park and Ermatinger Rental Fees to Master Fee Schedule – July 2022

On March 24, 2022, the Department returned with the results of the external review of the special event processes to move forward with the Cost Recovery plan. The consultant conducted a thorough analysis of the City's website, assessed the ease of access to materials, conducted a survey of 34-40 agencies to research 'best practices' and then evaluated the best practices against the Departments current

practices. There was also an online survey of all special event users. In these findings, 94% of community members said that the process was either extremely easy or very easy to find information about hosting special events. In response to this survey, the department wanted to address the 6% who stated it was not so easy or extremely difficult to obtain the information. Some areas for improvement included assessing the definition of a special event, renaming the process to Park Rental to eliminate definition confusion, repairing broken links, website edits, updated pricing, creating an FAQ page, and updated site maps. These changes were implemented on July 1st to align with the Cost Recovery timeline.

Aquatics

Drop-in Fees, Punch Cards, and Memberships
Pricing structures were evaluated and restructured to provide a simpler pricing strategy. This involved rounding everything to the nearest dollar vs. quarter. It makes cash handling easier and communication of pricing easier.

For Punch Cards, we found that most facilities do not use a punch card system, or if they do, it is only a 10-punch card, so we adopted a similarly structure so that if someone did want to try our facility 10 times before committing to a quarterly or annual membership, they could.

Our membership pricing was increased, but we were also able to include more programs within those memberships. For example: our memberships now include access to our Indoor Playground that takes place in the Community Room at the Pool.

With our new recreation software, we are also able to implement an option to pay in increments, verses all at once.

Scholarships and Price Reductions

Swim Lessons
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No agreement could be agreed upon with Hillendale Pickleball Club for the use of the sports courts and negotiations have been ongoing. At the last meeting and discussion, there was nothing signed nor were they willing to sign the City's agreement. Therefore, it was requested that they remove their items from City property. Negotiations have continued with no resolve at this time.

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Throughout our analysis and review by consultants involved with our Financial Support & Sustainability Strategy, we identified a significant revenue discrepancy within our rentals category. A big part of this category involved contractors who utilized our spaces to run their private business. There was a need to align our practices with industry standards.

Conversations began with some contractors in October of 2021, for those whose contract ended in December of 2021. Other contractors who were at the Pioneer Community Center did not have dates on their contracts, and a direction was given to management to begin conversations in March of 2021 to have the new percentages start on July 1, 2022.

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Additionally, our department created a new application for interested contractors, a list of the services and amenities provided, and a PSA template. This was created back in March of 2022 and put into effect at that time.

For certain services that are contracted, other percentages may be evaluated on a case-by-case basis, but this is the standard for most contractors.

OPTIONS:

1. Continue to support the Departments plans to use the Financial Support & Sustainability Strategy Model with no changes.
2. Recommend changes to the Financial Support & Sustainability Strategy with changes to the master fee schedule

CITY OF OREGON CITY

Staff Report

625 Center Street
Oregon City, OR 97045
503-657-0891

To: City Commission Meeting **Agenda Date:** January 4, 2023

From: Parks and Recreation Director, Kendall Reid

SUBJECT:

Update on Park Master Fee Schedule Implementation, Contracts, and MOU's

STAFF RECOMMENDATION:

The Oregon City Parks and Recreation staff recommend the City Commission continue to support the Parks & Recreation Department plans to use the Financial Support & Sustainability Strategy Model for operating, maintaining, and reinvesting in the future of the parks and recreation.

EXECUTIVE SUMMARY:

In October 2020 Oregon City Parks and Recreation Department invested in a department-wide cost recovery analysis and policy creation to help sustain and grow efforts to create play, protect habitat, and enhance recreation opportunity for the Community.

The Cost Recovery analysis required a consultant to compile, analyze, and then guide the development of a strategy reflected in the adopted Financial Support and Sustainability Policy. The policy helps balance community benefit and cost. If a parks and recreation service or program is more individualized then the program is subsided at a lower rate, while programs and services that have a higher community benefit receive higher subsidies. Changes to rates and subsides began July 1, 2022.

BACKGROUND:

Oregon City Parks and Recreation staff contracted with Amilia Consulting USA to help in a department-wide cost recovery analysis, and methodology creation. This work was completed in March 2021. This work entailed public engagement that included input from several community stakeholders, staff, and elected officials.

Those invited included, Oregon City Parks Foundation, Citizen Involvement Committee, McLoughlin Neighborhood Association, Barkley Hill Neighborhood Association, Canemah and Rivercrest Neighborhood Associations, Two-Rivers Neighborhood Association, Downtown Oregon City Association, Clackamas Heritage Partners, Unite Oregon City, Oregon City Chamber ED, County Aging & Disability Community Coordinator, and 9 staff members on the cost recovery taskforce.

On April 22, 2021, the Department brought the draft policy to the Parks and Recreation Advisory Committee (PRAC) for review and comments. PRAC unanimously supported the policy as written and has supplied a letter of support which is attached to the Commission packet.

On June 8, 2021, the Department brought forth the draft policy to Commission in a work session. The Commission discussion was overall support, but a request was made to see the policy in practice as it relates to fees, as well as the Departments Communication plan.

On August 10,2021, the Department returned with a master fee schedule and a communication plan. During this meeting it was expressed that Commission overall supports the Department's efforts regarding the cost recovery policy, but a focus should be made on the special event permitting process, as well as working towards defining a City sponsored special event.

On October 20, 2021, the Department requested approval of the "Financial Support & Sustainability Strategy Policy" and the policy was officially approved via resolution.

In November 2021, the Department began the process of implementing the communication plan to the public and stakeholders the 'why' and 'how' the Department plans to use the Financial Support & Sustainability Strategy Model for operating, maintaining, and reinvesting in the future of parks and recreation.

- Displayed Model on Website summarizing work and listing objectives and intentions with revised master fee schedule with restructured membership and drop-in fees – December 2021
- Meet with community user groups to discuss user agreements and fee adjustments – November 2021 – Present
- Posted fee adjustments in Spring Trail News, monthly E-Trail News, social media channels, and press releases were made. – November 2021 –Present
- Added the RV Park and Ermatinger Rental Fees to Master Fee Schedule – July 2022

On March 24, 2022, the Department returned with the results of the external review of the special event processes to move forward with the Cost Recovery plan. The consultant conducted a thorough analysis of the City's website, assessed the ease of access to materials, conducted a survey of 34-40 agencies to research 'best practices' and then evaluated the best practices against the Departments current

practices. There was also an online survey of all special event users. In these findings, 94% of community members said that the process was either extremely easy or very easy to find information about hosting special events. In response to this survey, the department wanted to address the 6% who stated it was not so easy or extremely difficult to obtain the information. Some areas for improvement included assessing the definition of a special event, renaming the process to Park Rental to eliminate definition confusion, repairing broken links, website edits, updated pricing, creating an FAQ page, and updated site maps. These changes were implemented on July 1st to align with the Cost Recovery timeline.

Aquatics

Drop-in Fees, Punch Cards, and Memberships
Pricing structures were evaluated and restructured to provide a simpler pricing strategy. This involved rounding everything to the nearest dollar vs. quarter. It makes cash handling easier and communication of pricing easier.

For Punch Cards, we found that most facilities do not use a punch card system, or if they do, it is only a 10-punch card, so we adopted a similarly structure so that if someone did want to try our facility 10 times before committing to a quarterly or annual membership, they could.

Our membership pricing was increased, but we were also able to include more programs within those memberships. For example: our memberships now include access to our Indoor Playground that takes place in the Community Room at the Pool.

With our new recreation software, we are also able to implement an option to pay in increments, verses all at once.

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OPTIONS:

1. Continue to support the Departments plans to use the Financial Support & Sustainability Strategy Model with no changes.
2. Recommend changes to the Financial Support & Sustainability Strategy with changes to the master fee schedule

Oregon City Parks and Recreation 2022 Master Fee Schedule, Effective July 1, 2022

Aquatics and Recreation

Drop-in Pricing	
Youth/Seniors	$4 R | $6 NR
Adult	$5 R | $7 NR
Family Swim	$9 R | $11 NR
Water Exercise Drop in pricing	
Youth/Seniors	$6 R | $7 NR
Adult	$7 R | $8 NR
Punch Cards	
Youth/Seniors - 10 punch	$40 R | $60 NR
Adult - 10 punch	$50 R | $70 NR
Memberships	
Youth/Seniors - Quarterly	$55 R | $90 NR
Adult - Quarterly	$75 R | $115 NR
Youth/Seniors - Annual	$130 R | $195 NR
Adult - Annual	$160 R | $240 NR
Family Memberships	
Family - Quarterly	$150 R | $185 NR
Family- Annual	$300 R | $400 NR
Swim Lessons	
Group Lessons (9, 27 min classes)	$50 R | $70 NR
Private Lessons	$30.00
Semi-Private Lesson	$43.00
Pool Facility Rentals	
Hourly Pool Rental	$86 R | $106 NR
Hourly Community Room Rental	$40 R | $60 NR
Hourly Patio Rental	$40 R | $60 NR
Summer Camps*	
Pre-K Camp	$60 R | $80 NR
Rivercrest Camp	$190 R | $210 NR
Aqua Camp	$92 R | $112 NR
Red Cross Certification Classes	
Lifeguard Classes	$200 R | $220 NR
Lifeguard Review	$150 R | $170 NR
CPR/First Aid Classes	$70 R | $90 NR

Parks

Shelter Reservations	**1-35 Attendees**	**1-50 Attendees**	**50-100 Attendees**
Atkinson Park	NA	$67 R | $87 NR	$87 R | $107 NR
Canemah Children's Park	NA	$67 R | $87 NR	$87 R | $107 NR
Clackamette Park General Shelter	NA	$67 R | $87 NR	$87 R | $107 NR
Clackamette Park Horseshoe Shelter	NA	$67 R | $87 NR	$87 R | $107 NR
End of the Oregon Trail	NA	$67 R | $87 NR	$87 R | $107 NR
Hazel Grove Park (35 people max)	$67 R | $87 NR	NA	NA
Hillendale Park	NA	$67 R | $87 NR	$87 R | $107 NR
Jon Storm Park	NA	$67 R | $87 NR	$87 R | $107 NR
Rivercrest Park	NA	$67 R | $87 NR	$87 R | $107 NR
Rivercrest Spray Park (35 people max)	$67 R | $87 NR	NA	NA
Tyrone S. Woods Memorial Park	NA	$87 R | $107 NR	$107 R | $127 NR
Wesley Lynn Park	NA	$87 R | $107 NR	$107 R | $127 NR

Park Rental - Clackamette and End of the Oregon Trail (EOT)

Park Rental Application Fee: **$50** **Due at time of Application Submission**

Resident Rate	**EOT / Clackamette No Alcohol**	**EOT Only Rental with Alcohol**
0-100 people (No portable restroom or drop box required)	$750	$800
101-200 people (1 ADA restroom and 1 drop box)	$1,179	$1,249
201-500 people (1 ADA and 1 standard restroom - 1 drop box)	$1,515	$1,605
501-1,000 people (1 ADA and 2 standard restroom - 1 drop box)	$1,835	$1,965
More than 1,000 (1 ADA and 3 std RR min - 1 drop box min)	$2,480	$2,715

Non-Resident	**EOT / Clackamette No Alcohol**	**EOT Only Rental with Alcohol**
0-100 people (No portable restroom or drop box required)	$800	$860
101-200 people (1 ADA restroom and 1 drop box)	$1,229	$1,309
201-500 people (1 ADA and 1 standard restroom - 1 drop box)	$1,565	$1,665
501-1,000 people (1 ADA and 2 standard restroom - 1 drop box)	$1,885	$2,025
More than 1,000 (1 ADA and 3 standard RR min - 1 drop box min)	$2,530	$2,775

1) Fees above include portable restrooms and drop box/garbage service

2) Fees above include fully refundable $500 cleaning/damage deposit if no staff time is required following rental

3) For rentals requiring additional staff services (i.e. barricades, locating, etc), additional charges to apply

4) Review of other park locations may be considered for rentals if Clackamette or EOT are not available or other circumstances warrant alternate park locations

Pioneer Center

Facility Rentals	
Ballroom Rental-No Alcohol	$75 R | $95 NR
Ballroom Rental-Alcohol	$95 R | $115 NR
Ballroom Serving Area	$135 R | $155 NR
Basement/Classroom Rental	$30 R | $50 NR
Basement Rental-After Hours	$30 R | $50 NR

Ermatinger House

Drop-in Pricing	
Youth/Seniors	$4 | $5 NR
Adults	$6 R | $7 NR
Family	$9 R | $11 NR
Field Trips	$3 per person

Parks - Sports Fields

Field Use/Rentals	
Hourly Field Rentals	$10 R | $15 NR
Implement User agreements for anything outside hourly use	

The Oregon City Parks and Recreation Department has invested in a department-wide cost recovery analysis and policy creation to help sustain and grow efforts to create play, protect habitat, and enhance recreation opportunity for the Community.

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Changes to rates and subsides begin July 1, 2022. Notice of Rate Increases:
Updated fees will be enacted on July 1st, 2022. For an example of fee increases and the Swimming Pool's new membership structures, please see the fee schedule, continuum, etc. below.

Ongoing Efforts to Maintain Equitable Programs:
These changes allow parks and recreation to maintain financial stability as well as provide more equitable events and services to the community. The changes include providing more scholarships, allowing payment plans, and more.

Financial Support & Sustainability Strategy

2021-2023

DRAFT 2-9-2021

The Cost Recovery Continuum

Low Subsidy – High Cost Recovery

High Subsidy – Low Cost Recovery

Common Good
(i.e., essential, community-wide interests, far-reaching impact, universal value, access for all)

Individualized
(i.e., discretionary, self-interest, limited impact, exclusive, access for some)

*Inclusion	Open access	Community Events	Drop-in Activities	Human Services	Enrichment & Wellness	Skill-based Beg/Int	Special Events	Skill-based Adv/Comp	Specialized Services	Rentals	Food & Beverage	Merchandise
Subsidy 95-100% [CR 0-5%]	Subsidy 95-100% CR 0-5%	Subsidy 70-95% CR 5-30%	Subsidy 60-85% [CR 15-40%]	Subsidy 55-70% [CR 30-45%]	Subsidy 30-55% [CR 45-70%]	Subsidy 0-30% [CR 70-100%]	Subsidy 0-30% [CR 70-100%]	Subsidy 0% [CR 100-120%]	Subsidy 0% [CR 100-150%]	Subsidy 0% [CR 100-170%]	Subsidy 0% [CR 170-200%]	Subsidy 0% [CR 170-200%]

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PARKS & RECREATION

*Inclusion is a federal mandate of the Americans with Disabilities Act (ADA) and therefore, must be fully subsidized

Common Good

Individualized

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OREGON CITY

Parks and Recreation

1211 Jackson Street | Oregon City OR 97045
Ph (503) 657-8273 | fax (503) 656-0037 | www.orcity.org

Contracted Service Provider Information and Requirements

1. **Business License.** If you are a sole proprietor or a business/corporate entity, we will check on your business status with the State of Oregon Corporation Division. You can make sure your Assumed Business Name or corporation is in active status at **www.filinginoregon.com** and provide the City with a Metro or Oregon City Business License.

2. **Background Check Consent Form.** Parks & Recreation is required to conduct annual background checks on contractors (you) and on any of your employees, subcontractors or volunteers who will be working with participants in Parks & Recreation programs. The consent form should be filled out completely and signed.

3. **Signature Page.** Sign and initial where indicated, if applicable; fill in the date where indicated. Then return an originally signed copy to Parks & Recreation. We're sorry, but we cannot accept faxed signed contracts because the signatures must be original signatures.

4. **Insurance.** Please refer to the Insurance clause in your contract. It requires comprehensive liability; Workers' Comp coverage, and it may require auto liability coverage as well. The City requires proof of insurance in the form of a Certificate of Insurance, issued by your various insurance carriers. The Certificates of Insurance must include the following:

- The date the Certificate was issued
- The name of the insurance company
- The name of your agent or broker
- The name of the insured (you personally, or your company)
- Listing 'City of Oregon City' as additionally insured
- The type of insurance and the coverage amount (the City usually requires at least $2,000,000 for single occurrence and $4,000,000 in the aggregate)
- Sexual abuse and molestation insurance of at least $500,000 may be required if minors are involved.

- Automobile liability may be required. (At least $2,000,000 per accident-combined single limit or $2,000,000 bodily injury and $1,000,000 property damage)

The policy numbers

- The effective date and the expiration date of the policy
- An endorsement naming the City of Oregon City its officers, boards, commissions and

employees as an additional insured (except Workers Comp insurance).

- "Certificate Holder" section, showing the City of Oregon City P.O. Box 3040 Oregon City, OR 97045 as Certificate Holder
- A cancellation section that must say the following:
    - "Should any of the above-described policies be cancelled before the expiration date thereof, the issuing company will mail 30 days written notice to the Certificate Holder named to the left. Such notice shall impose no obligation or liability of any kind upon the company, its agents, or representatives."
- Note that it must not say the insurance company will only endeavor to mail written notice, and it cannot be less than 30 days written notice.
- The Certificate of Insurance must also contain the signature of an authorized representative of the insurance carrier.
- The City's legal department is specific and emphatic about the insurance requirements. You should make your insurance agent or broker aware of these requirements.

If you (or your insurance agent/broker) have any questions about the contract, particularly the insurance requirements, please call Melissa Sebastian and/or Jessica Spencer 503-974-5516 or e-mail mtierney@orcity.org. You or your agent can fax the insurance certificate along with the endorsement page to 503-697-6579.
Invoices

5. **Roster and Payment Information**

Once the class session is completed (you can start this process in the final week of class session), you may contact OCPR Office at 503-657-8273 to receive your final rosters for classes.

Pro-rated students (This will show up on the final roster) For example, you may

notice that a person only paid $87, instead of the $102. Anything less than the full fee showing will mean it was pro-rated. Pro-rates will happen if someone registers for the class after the first class (& there is still space available) or they can't continue due to medical reasons.

Include "Payable Upon Receipt"
3. E-mail the Parks and Recreation Employee pertaining to the class or mail invoice to the Supervisor at the P.O. Box 3040, Oregon City, OR 97045
4. Your business will also need to provide an Electronic Fund Transfer information document to us for our Finance Dept.
5. Taxpayer Identification Report / Date and Method of Payment. No payment shall be due to the Contractor until the Contractor has submitted to the City's Finance Department IRS Form

W-9 Request for Taxpayer Identification and Certification
Payment shall be tendered, when due within 30 days from the date of receipt of the invoice

OREGON CITY

Parks and Recreation

1211 Jackson Street | Oregon City OR 97045
Ph (503) 657-8273 | fax (503) 656-0037 | www.orcity.org

Contracted Service Provider Information and Requirements

Facility Use. Oregon City Parks and recreation will provide the facility and space for you to offer your class. We provide staff to unlock/lock the facility, do facility maintenance, and general housekeeping.

Registration Software. Oregon City Parks and Recreation makes it convenient for you to gain class participants through a customer friendly and accessible registration software. Classes that are registered for can be viewed on the registration software app.

Marketing. Oregon City Parks & Recreation will provide marketing for programs including, but not limited to, the following:

1. **Trail News Publication.** The trail news is mailed to 20,000 Oregon City residents and is available in an electronic format at www.orcity.org
2. **Social Media platforms.** We currently have a Facebook page 'City of Oregon City Parks and Recreation' with close to 3,000 followers and post impressions reaching up to _____ and an Instagram account '@oregoncityparks' with over 1500 followers.
3. **Oregon City Website.** **www.orcity.org** is where our Parks and Recreation pages are and where class information is shared.
4. **Oregon City Activity Registration.** **www.ocrecreation.activtyreg.com** is where class registration and information is found, and where thousands of visitors go to on main registration dates.
5. **Printed Materials.** Oregon City Parks and Recreation will put printed materials out at facility counters and bring to large community events that our department participates in, including but not limited to Oregon City's Farmers Market and the First City Celebration.

Communication. We can help with communicating any facility closures that may take place due to inclement weather, staff shortages, or facility use being impacted by unforeseen circumstances.

Update on Park Master Fee Schedule Implementation, Contracts, and MOU's

Kendall Reid, Parks & Recreation Director

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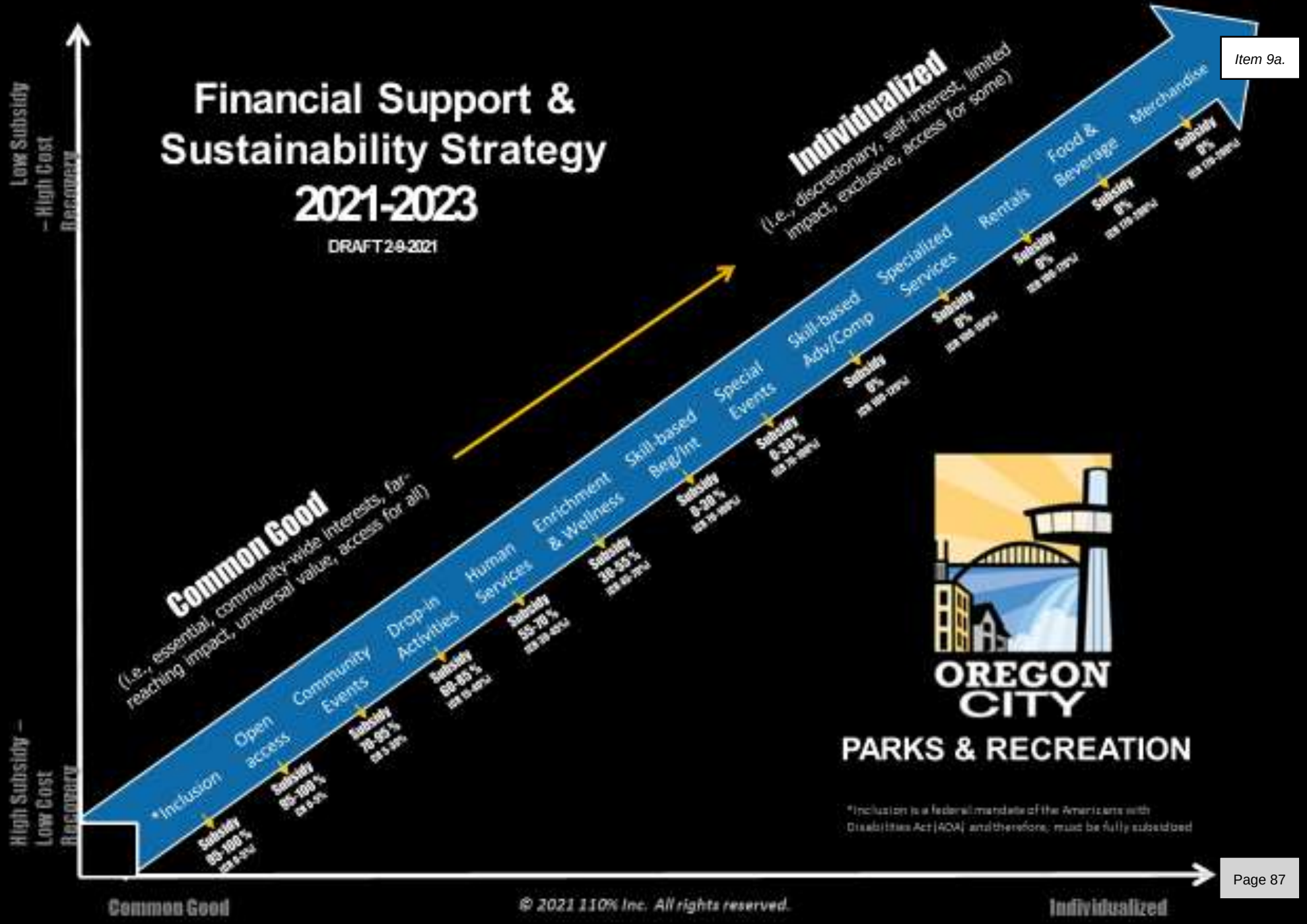
Background

- In October 2020, the Oregon City Parks and Recreation Department worked with Amilia Consulting USA to create the Financial Support & Sustainability Strategy Policy. The work was completed in March 2021.
- The work involved numerous public engagement meetings. The City Commission, Parks and Recreation Advisory Committee, and community stakeholders provided input on criteria to define Community Benefit and Individual Benefit. These criteria guided the placement of Service Categories on the Model and ultimately, tax dollar investment and cost recovery expectations (goals).
- On October 20, 2021, the Department requested approval of the “Financial Support & Sustainability Strategy Policy” and the policy was officially approved via resolution.

Objectives

- Breakdown systemic inequity issues and promote a culture where the focus is Department-wide financial sustainability.
- Discourage attempts to set fees and charges based upon special interests, age-based services, or individual values.
- Aligns subsidy allocation and cost recovery goals and expectations with beneficiary of service
- Promote practices that are fair, equitable, and responsible.

The Cost Recovery Continuum



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Communication Plan

The Department began the process of implementing the communication plan in November 2021

- Displayed model on website summarizing work and listing objectives and intentions with revised master fee schedule with restructured membership and drop-in fees
- Met with community user groups to discuss user agreements and fee adjustments
- Posted fee adjustments in Spring Trail News, monthly E-Trail News, social media channels, and created press releases
- Added the RV Park and Ermatinger Rental Fees to Master Fee Schedule – July 2022

Master Fee Schedule Implementation

- Aquatics
  - Pricing structures were evaluated and restructured to provide a simpler pricing strategy
  - Created a 10-punch card system
  - Implemented an option to pay in increments
  - Used scholarship funds to subsidize swim lessons and camps
  - Additional programs were included with the purchase of a membership (ex. Indoor Playground)
  - Waived all the fees for our lifeguard certification classes for those interested in trying to obtain a job at the pool
- Pioneer Center
  - Prices for building rentals were evaluated and raised on July 1, 2022. Brochures, forms, and online information was updated for consistent information sharing.

Master Fee Schedule Implementation

- Parks
  - Park shelter reservation fees were increased July 1, 2022. Resident and non-resident fees were also established and implemented. Most shelter reservations are now being completed online
  - Fee implementation at Clackamette RV Park increase occurred in October of 2022, with online registration implementation in November of 2022

Memorandums of Understanding

- Friends of the Ermatinger House
  - The Parks Department has been working with the Friends of the Ermatinger House (FEH) on the MOU. An MOU has been in place since 2018 and much of the same information stands in the MOU
  - The goal of both the FEH and the City is to work together on providing events and fundraising opportunities to reach the goals of the City and the FEH. Because of this, we have asked for all events we do to be split 50/50, allowing the FEH to do 12 hours' worth of events (estimating two days from 10am-4am) for any of their own fundraising efforts
  - No agreement has been reached with the Friends of the Ermatinger House and negotiations have been ongoing. The next meeting to discuss the MOU is the first week in January 2023
- Clackamas County Historical Society
  - The Parks Department has entered an MOU with the Clackamas County Historical Society to partner on Field Trip offerings and special events between the Ermatinger House and the Stevens Crawford House. Revenue from each will be split 50/50 between the two entities

Memorandums of Understanding

- Oregon City Youth Sports & Oregon City Soccer Club
  - The Parks Department has worked with Oregon City Youth Sports (OCYS) and Oregon City Soccer Club to implement memorandums of understanding. These MOU's will work as the guiding principles of agreement moving forward for the use of Oregon City Parks property. MOU's have been successfully executed and implemented with both OCYS and Oregon City Soccer Club. Agreed upon field use and the implementation of fees associated with use of City fields. The agreed upon amount is $5.00 year one, $7.50 in year two, and $10 for year three. This tiered-fee structure is being utilized to lighten the burden placed on these groups moving forward.
- Hillendale Pickleball Club
  - The Parks Department has attempted to negotiate an MOU with the Hillendale Pickleball Club for the use of the sports courts, but no agreement could be agreed upon. At the last meeting and discussion, there was nothing signed nor were they willing to sign the City's agreement. Therefore, it was requested that they remove their items from City property. Negotiations have continued with no resolve at this time

Independent Contractors

- An independent contractor is a person or business that performs services for another person or business. Both parties enter a contract that clearly defines the contractor's duties, pay, type of work, amount of work and more.
- We noticed a huge discrepancy with how we were managing our contractors at the pool and the senior center. There was a need to align our practices with industry standards.
- Conversations began with some contractors in October of 2021, for those whose contract ended in December of 2021. Other contractors who were at the Pioneer Community Center did not have dates on their contracts, and a direction was given to management to begin conversations in March of 2021 to have the new percentages start on July 1, 2022.

Independent Contractors

- Our original contractor splits were:
  - Aquatic Contractors: 70/30 or 50/50, depending on the program
  - Swimming Pool's Recreation Fitness Contractors: 80/20
  - Pioneer Center Contractors: 85/15
- This changed to:
  - Aquatic Contractors: 60/40 or staying at 50/50
  - Swimming Pool's Recreation Fitness Contractors: 70/30 for new contractors (to move to 60/40 during second year), and 60/40 for established contractors
  - Pioneer Center: 70/30 with plans to go to 60/40 the following year
- Additionally, our department created a new application for interested contractors, a list of the services and amenities provided, and a PSA template. This was created back in March of 2022 and put into effect at that time.
- For certain services that are contracted, other percentages may be evaluated on a case-by-case basis, but this is the standard for most contractors.

Options

1. Continue to support the Departments plans to use the Financial Support & Sustainability Strategy Model with no changes.
2. Recommend changes to the Financial Support & Sustainability Strategy with changes to the master fee schedule

Oregon City Parks and Recreation 2022 Master Fee Schedule, Effective July 1, 2022

Item 9a.

Aquatics and Recreation

Drop-in Pricing	
Youth/Seniors	$4 R | $6 NR
Adult	$5 R | $7 NR
Family Swim	$9 R | $11 NR
Water Exercise Drop in pricing	
Youth/Seniors	$6 R | $7 NR
Adult	$7 R | $8 NR
Punch Cards	
Youth/Seniors - 10 punch	$40 R | $60 NR
Adult - 10 punch	$50 R | $70 NR
Memberships	
Youth/Seniors - Quarterly	$55 R | $90 NR
Adult - Quarterly	$75 R | $115 NR
Youth/Seniors - Annual	$130 R | $195 NR
Adult - Annual	$160 R | $240 NR
Family Memberships	
Family - Quarterly	$150 R | $185 NR
Family- Annual	$300 R | $400 NR
Swim Lessons	
Group Lessons (9, 27 min classes)	$50 R | $70 NR
Private Lessons	$30.00
Semi-Private Lesson	$43.00
Pool Facility Rentals	
Hourly Pool Rental	$86 R | $106 NR
Hourly Community Room Rental	$40 R | $60 NR
Hourly Patio Rental	$40 R | $60 NR
Summer Camps*	
Pre-K Camp	$60 R | $80 NR
Rivercrest Camp	$190 R | $210 NR
Aqua Camp	$92 R | $112 NR
Red Cross Certification Classes	
Lifeguard Classes	$200 R | $220 NR
Lifeguard Review	$150 R | $170 NR
CPR/First Aid Classes	$70 R | $90 NR

Parks

Shelter Reservations	1-35 Attendees	1-50 Attendees	50-100 Attendees
Atkinson Park	NA	$67 R | $87 NR	$87 R | $107 NR
Canemah Children's Park	NA	$67 R | $87 NR	$87 R | $107 NR
Clackamette Park General Shelter	NA	$67 R | $87 NR	$87 R | $107 NR
Clackamette Park Horseshoe Shelter	NA	$67 R | $87 NR	$87 R | $107 NR
End of the Oregon Trail	NA	$67 R | $87 NR	$87 R | $107 NR
Hazel Grove Park (35 people max)	$67 R | $87 NR	NA	NA
Hillendale Park	NA	$67 R | $87 NR	$87 R | $107 NR
Jon Storm Park	NA	$67 R | $87 NR	$87 R | $107 NR
Rivercrest Park	NA	$67 R | $87 NR	$87 R | $107 NR
Rivercrest Spray Park (35 people max)	$67 R | $87 NR	NA	NA
Tyrone S. Woods Memorial Park	NA	$87 R | $107 NR	$107 R | $127 NR
Wesley Lynn Park	NA	$87 R | $107 NR	$107 R | $127 NR

Park Rental - Clackamette and End of the Oregon Trail (EOT)

Park Rental Application Fee:	$50	Due at time of Application Submission	
Resident Rate		EOT / Clackamette No Alcohol	EOT Only Rental with Alcohol
0-100 people (No portable restroom or drop box required)		$750	$800
101-200 people (1 ADA restroom and 1 drop box)		$1,179	$1,249
201-500 people (1 ADA and 1 standard restroom - 1 drop box)		$1,515	$1,605
501-1,000 people (1 ADA and 2 standard restroom - 1 drop box)		$1,835	$1,965
More than 1,000 (1 ADA and 3 std RR min - 1 drop box min)		$2,480	$2,715
Non-Resident		EOT / Clackamette No Alcohol	EOT Only Rental with Alcohol
0-100 people (No portable restroom or drop box required)		$800	$860
101-200 people (1 ADA restroom and 1 drop box)		$1,229	$1,309
201-500 people (1 ADA and 1 standard restroom - 1 drop box)		$1,565	$1,665
501-1,000 people (1 ADA and 2 standard restroom - 1 drop box)		$1,885	$2,025
More than 1,000 (1 ADA and 3 standard RR min - 1 drop box min)		$2,530	$2,775

1) Fees above include portable restrooms and drop box/garbage service

2) Fees above include fully refundable $500 cleaning/damage deposit if no staff time is required following rental

3) For rentals requiring additional staff services (i.e. barricades, locating, etc), additional charges to apply

4) Review of other park locations may be considered for rentals if Clackamette or EOT are not available or other circumstances warrant alternate park locations

Pioneer Center

Facility Rentals	
Ballroom Rental-No Alcohol	$75 R | $95 NR
Ballroom Rental-Alcohol	$95 R | $115 NR
Ballroom Serving Area	$135 R | $155 NR
Basement/Classroom Rental	$30 R | $50 NR
Basement Rental-After Hours	$30 R | $50 NR

Ermatinger House

Drop-in Pricing	
Youth/Seniors	$4 | $5 NR
Adults	$6 R | $7 NR
Family	$9 R | $11 NR
Field Trips	$3 per person

Parks - Sports Fields

Field Use/Rentals	
Hourly Field Rentals	$10 R | $15 NR
Implement User agreements for anything outside hourly use	

The Oregon City Parks and Recreation Department has invested in a department-wide cost recovery analysis and policy creation to help sustain and grow efforts to create play, protect habitat, and enhance recreation opportunity for the Community.

The Cost Recovery analysis required a consultant to compile, analyze, and then guide the development of a strategy reflected in the adopted Financial Support and Sustainability Policy. If a parks and recreation service or program is more individualized then the program is subsided at a lower rate, while programs and services that have a higher community benefit receive higher subsidies.

Changes to rates and subsides begin July 1, 2022. Notice of Rate Increases:

Updated fees will be enacted on July 1st, 2022. For an example of fee increases and the Swimming Pool's new membership structures, please see the fee schedule, continuum, etc. below.

Ongoing Efforts to Maintain Equitable Programs:

These changes allow parks and recreation to maintain financial stability as well as provide more equitable events and services to the community. The changes include providing more scholarships, allowing payment plans, and more.

Questions?

Thank you for your time.

CITY OF OREGON CITY

Staff Report

625 Center Street
Oregon City, OR 97045
503-657-0891

To: City Commission **Agenda Date:** 01/04/2023

From: Public Works Director John M. Lewis, PE

SUBJECT:

Regional Mobility Pricing Project National Environmental Protection Act Scoping Comment Letter

STAFF RECOMMENDATION:

Staff requests that City Commission review and provide feedback on the Draft Regional Mobility Pricing Project (RMPP) National Environmental Protection Act (NEPA) Scoping Comment Letter.

EXECUTIVE SUMMARY:

The Oregon Department of Transportation is requesting comments on the Regional Mobility Pricing Project's purpose, as well as the proposed project concept and primary issues to be studied that includes topics such as traffic congestion, transportation safety, social equity, economic impacts, and vehicle re-routing.

BACKGROUND:

The Oregon Department of Transportation is moving forward with the Regional Mobility Pricing Project (RMPP), which proposes to reduce congestion on I-5 and I-205 in the Portland metropolitan region through congestion pricing. Congestion pricing, using variable-rate tolls, is a key tool in ODOT's urban mobility strategy to reduce traffic jams and provide safer and more predictable trips for travelers. The RMPP will be implemented on I-5 and I-205 between the Boone Bridge and the Columbia River.

ODOT is beginning an environmental analysis to identify the project's potential benefits and impacts. The start of the analysis is called “scoping". The purpose of scoping is to invite input on the range or “scope" of community and environmental issues to study. Once complete, the results of the study will be published in a report called an Environmental Assessment, or EA for short.

The Federal Highway Administration (FHWA) and ODOT invites the public to give their input on an upcoming study about tolling I-5 and I-205 to reduce traffic congestion and

make travel safer and more predictable through the Portland metropolitan area. A 50-day public comment period is now open, with comments due by January 6, 2023.

What Type of Input is Needed During Scoping?

To inform the Environmental Analysis, ODOT is looking for feedback on the following:

- The *Draft Purpose and Need Statement*, which includes the project goals and objectives. Do you have comments on why the project is needed and what we hope to achieve?
- The *Proposed Action*, which describes the project concept we will study. Do you have any suggested changes to the congestion pricing project we are proposing?
- The C*ommunity and Environmental Resources* to be evaluated, such as air quality, neighborhood traffic, and the regional economy. An initial list of resource types has been identified based on comments received previously. Thinking

about how this project might affect you, your community, and the environment, are there other issues that you think we should study?

The RMPP NEPA scoping comment letters are due to ODOT by January, 6, 2023. Staff has completed a draft comment letter, attached for your review and feedback.

More information on the RMPP can be found at www.oregontolling.org.

OPTIONS:

1. Authorize staff to finalize this draft and send the RMPP National Environmental Protection Act (NEPA) Scoping Comment Letter as written.
2. Provide staff specific direction on changes needed to finalize the RMPP National Environmental Protection Act (NEPA) Scoping Comment Letter and send along once amended.
3. Make the determination that an Oregon City response letter is not something the City Commission is willing to authorize.

BUDGET IMPACT:

Amount: $0

FY(s):

Funding Source(s):

Share your input!

Oregon Department of Transportation (ODOT) proposes to reduce congestion on I-5 and I-205 in the Portland metropolitan area by applying congestion pricing. Congestion pricing, using variable rate tolls, is a key tool in ODOT's urban mobility strategy to reduce traffic jams and provide safer and more predictable trips for travelers. This proposal is known as the Regional Mobility Pricing Project.

We are beginning an environmental analysis to identify the project's potential benefits and impacts. The start of the analysis is called "scoping" – and we're looking for your input to help shape the study.

Please let us know your comments and interests regarding the project's purpose, as well as the proposed project concept and primary issues to be studied (such as traffic congestion, transportation safety, social equity, economic impacts, and vehicle rerouting).

What is scoping? The purpose of scoping is to invite input on the range or "scope" of community and environmental issues to study. Once complete, the results of the study will be published in a report called an Environmental Assessment.

Learn more and share your voice—now through Jan. 6, 2023!

Learn more and ask questions at an informational webinar on **Nov. 29, 11 a.m.** or **Nov. 30, 4 p.m** – visit our website for details.

Stay engaged! Sign up for updates at OregonTolling.org and click on "Contact Us" or call 503-837-3536 to talk with project staff.

Share comments by Jan. 6, 2023 by

Visiting oregontolling.org

Emailing oregontolling@odot.oregon.gov
Please include "Scoping Comments" in the subject line.

Calling 503-837-3536

Mailing comments to Oregon Department of Transportation, Attn: Oregon Tolling Team – Scoping Comment, 123 NW Flanders Street, Portland, Oregon, 97209.

What type of input is needed?

To inform the environmental analysis, we want your input by **Friday, Jan. 6, 2023**. All materials and a comment form are available at oregontolling.org:

- The **Draft Purpose and Need Statement**, which includes the project goals and objectives. Do you have comments on why the project is needed and what we hope to achieve?
- The **Proposed Action**, which describes the project concept we will study. Do you have any suggested changes to the congestion pricing project we are proposing?
- The **community and environmental resources** to be evaluated, such as air quality, neighborhood traffic, and the regional economy. An initial list of resource types has been identified based on comments received previously. Thinking about how this project might affect you, your community, and the environment, are there other issues that you think we should study?
- Our **planning studies and supporting documents** are posted with these materials. We welcome your comments on any of the posted materials on the Regional Mobility Pricing Project.

What are we proposing?

The Proposed Action has been informed by planning, public input and analysis over the past several years.

Tolling on all lanes of I-5 and I-205 in the Portland, Oregon metropolitan area. Tolling all lanes, instead of a single express lane, would provide congestion relief and keep costs low for all drivers. Tolls are being studied on I-5 between the Columbia River and the Boone Bridge in Wilsonville and on I-205 from the Columbia River to where I-205 intersects with I-5 in Tualatin. The toll boundaries may be adjusted during or after the environmental analysis.

Tolls based on a set schedule: Drivers would know the toll rate in advance. A set schedule allows drivers to determine the cost of their trip ahead of time to plan their travel.

Tolls based on location and time of day: Toll rates would vary based on time of day and location, known as variable rate tolls. Drivers would be charged higher toll rates at congested locations during morning and afternoon rush hours and lower tolls at less congested locations during other times of day. Drivers would only pay for the portions of I-5 and I-205 they use.

Drivers would pay a toll through an **all-electronic collection system** — Drivers would not stop to pay a toll.

Toll rates would be monitored and adjusted after tolling begins. The Oregon Transportation Commission will set toll rates.

What happens next?

All comments on these materials will be reviewed and summarized and will inform the environmental analysis. In 2023, we will share the results in the Draft Environmental Assessment for public review and comment. We will continue to provide ongoing project updates and opportunities for involvement. The earliest tolling could begin under the Regional Mobility Pricing Project is late 2025.

For Americans with Disabilities Act or Civil Rights Title VI accommodations, translation/interpretation services, or more information call 503-731-4128, TTY (800) 735-2900 or Oregon Relay Service 7-1-1.
Si desea obtener información sobre este proyecto traducida al español, sírvase llamar al 503-731-4128.
Nếu quý vị muốn thông tin về dự án này được dịch sang tiếng Việt, xin gọi 503-731-4128.
Если вы хотите чтобы информация об этом проекте была переведена на русский язык, пожалуйста, звоните по телефону 503-731-4128.
如果您想了解这个项目，我们有提供简体中文翻译，请致电: 503-731-4128
The information in this document, and the public and agency input received, may be adopted or incorporated by reference into a future environmental review process to meet the requirements of the National Environmental Policy Act.

Purpose

The purpose of the Regional Mobility Pricing Project (RMPP) is to use congestion pricing on Interstate-5 (I-5) and Interstate-205 (I-205) to manage traffic congestion on these facilities in the Portland, Oregon metropolitan area in a manner that will generate revenue for transportation system investments.

Need for the Proposed Action

Daily traffic congestion is negatively affecting the quality of life in the growing Portland region.

In the Portland metropolitan area[1], people use I-5 and I-205 to get to work and school, shop, recreate, and congregate. Traffic congestion creates long backups of vehicles traveling at slow speeds—a scenario that many people experience daily while traveling during the morning and evening rush hours. Interstate 5 has the most bottlenecks (10) of any highway in the Portland region which illustrates the severe congestion along I-5, particularly in the northbound direction where multiple bottlenecks overlap. The most significant northbound bottleneck locations on I-5 occur at the Interstate Bridge to Capital Highway (12.2 mile bottleneck length, 8.75 hours of daily congestion), I-405 diverge to I-84 merge (1.3 miles, 8.0 hours), and Marquam Bridge to Hood Ave (1.1 miles, 8.0 hours), and the most significant southbound bottleneck locations on I-5 occur at Killingsworth to Interstate Bridge (3.0 miles, 6.5 hours) and I-84 to Rosa Parks (3.3 miles, 12.5 hours) (ODOT 2021a).

There are six primary bottlenecks on I-205, three in each direction. The NB Bottleneck Locations on I-205 occur at the Glenn Jackson Bridge to Sunnyside (11.3 miles, 7.0 hours), Division/Powell to Sunnyside (5.00 miles, 33.75 hours), and Abernethy Bridge to I-5 (8.3 miles, 4.25 hours), and the SB bottleneck locations are at Powell to Airport Way (5.6 miles, 4.0 hours), 82nd Ave to Sunnyside (3.1 miles, 3.0 hours), and 10th St to 82nd Ave (4.4 miles, 3.5 hours) (ODOT 2021a).

What is a toll?

A toll is a fee imposed to drive on a road or bridge. Bridge tolls and roadway tolls have been used for centuries to pay for construction and maintenance of the facility. Historically, travelers had to stop and pay in cash, but that is no longer necessary with modern technology (FHWA, n.d.)

Is congestion pricing the same thing?

The term congestion pricing describes a type of tolling where drivers are charged a higher price during peak traffic periods. The higher fee encourages some drivers to consider using other travel options such as carpools or transit, or change their travel time to other, less congested times of the day, or not make the trip at all. If a small percentage of drivers choose another mode of travel or time of travel, it could reduce traffic congestion for those who can't modify their trip and improve traffic flow for the entire system. The benefits of congestion pricing are well documented, based on the experiences of multiple toll and express lane projects in operation across the country (FHWA 2017).

Congested conditions on I-5 and I-205 result in traffic rerouting to other highways in the region (I-405, US 26, etc.), local streets, and arterial streets. This rerouting results in additional traffic congestion and creates potential safety conflicts. Crash frequency on both freeways and arterials tends to increase with

[1] Portland metropolitan area refers to the Portland-Vancouver-Hillsboro, OR-WA Metropolitan Statistical Area.

the congestion levels and stop-and-go traffic. The conditions caused by traffic congestion make travel unreliable such that drivers and transit riders cannot predict how long it will take them to get to work, home, services, or childcare arrangements.

Forecasts for the region show that population and employment will continue to steadily grow. The Portland metropolitan area population is expected to grow from approximately 2.5 million residents in 2018 to more than 3 million by 2040 (23%) and more than 3.5 million by 2060 (43%) (Census Reporter 2018; Metro 2016). Since 2011, job growth in Portland has outpaced the nation year over year: In 2019, Portland grew at an average annual rate of 2% compared to the U.S. average of 1.6% (Portland Business Alliance 2020). By 2039, the number of vehicles travelling along Interstate 5 per average weekday in the Portland region is projected to be between 127,200 and 192,900, depending on the freeway segment (ODOT 2020), which is an approximate increase of 18% from 2017 traffic counts. Planned roadway projects, improvements in transit, and increased use of active transportation modes (bicycles, walking, etc.) will not fully address the increase in daily trips and increased hours of traffic congestion (Metro 2018a).

COVID-19 Pandemic Traffic

Traffic volumes decreased significantly during the early days of the COVID-19 pandemic, and rush-hour traffic congestion has not been as severe as it was before the pandemic. With the economy reopening, vehicle numbers are increasing. As of July 2021, the Portland metropolitan area state-highway volumes are only 3% to 5% below pre-pandemic levels for weekday traffic and 4% to 7% below weekend traffic. ODOT expects that traffic levels will continue to return to pre-pandemic levels and grow in the future (ODOT 2021b).

Traffic congestion adversely affects the Portland metropolitan area economy.

Oregon's economy depends on a functional transportation system in the Portland metropolitan area to efficiently move people, goods and service providers. Oregon is a trade-dependent state, relying heavily on exports from our farms, forests and factories to create jobs. Freight moves to and from the Portland metropolitan area and across the state of Oregon primarily by commercial trucking. I-5 is a vital north-south interstate, connecting the markets and industries of the entire west coast of North America. In order to be competitive in global markets, the transportation system must efficiently move people, goods and services. Thus, the highway transportation system is critical to the economic strength of the Portland metropolitan area and Oregon businesses and households (ODOT 2017).

Traffic congestion affects the Portland metropolitan area economy through slow and unpredictable travel times for freight services, small businesses, employers, employees, and all highway users. Unreliable travel times can cause late fees for truck deliveries, missed opportunities for additional deliveries, and reduce the number of work sites a service provider can access in a day. From 2015 to 2017, drivers in the Portland region experienced an 18.5% increase in the number of hours of traffic congestion. In 2015, the daily cost of traffic congestion in the Portland metropolitan area was $1.7 million, which increased to $2.0 million in 2017 (ODOT 2018).

Of the interstate freight routes in the Portland region, I-5 carries the highest freight volume, ranging from 10,000 to 19,000 trucks per day, while I-205 carries the second-highest freight volume, ranging from 7,800 to 14,000 trucks per day (ODOT 2018). Additionally, according to the American Transport Research Institute, three of the top 100 freight bottlenecks in the nation are within the Portland metropolitan area, including #28 – I-5 at I-84 (Rose Quarter), #33 – I-5 Interstate Bridge and #83 – I-5 at I-205 (South).

State and federal transportation revenue sources are increasingly insufficient to fund transportation infrastructure needs.

ODOT's transportation funding originates from a mix of state (approximately 77%) and federal (approximately 23%) sources (ODOT 2022). The State Highway Fund relies on a three-pronged approach: the gas tax, weight-mile tax, and driver and motor vehicle fees, and the Federal Highway Trust Fund is funded primarily by federal fuel taxes. These sources have not kept pace with the costs of maintaining Oregon's transportation system or constructing new transportation projects. These state and federal funds have not been adjusted to reflect increasing construction costs, rising inflation, a more fuel-efficient State of Oregon vehicle fleet, and growing transportation infrastructure demand. Especially on the state level, escalating expenditures to maintain aging infrastructure, perform seismic upgrades for state bridges, and complete needed construction have increased financial needs. Simultaneously, despite recent federal investments in transportation infrastructure including, e.g., the Infrastructure Investment and Jobs Act of 2021, federal funding has not kept pace with rising transportation costs over the last several decades (Congressional Budget Office 2020). For example, the federal gas tax has not been adjusted since 1993, and federal funds have been supplemented by increasing state-based contributions including from sources outside of state fuel taxes (Oregon Legislative Revenue Office 2022).

Compounding the need for additional transportation revenue is Oregon's substantial increase in travel demand as the state experiences population and employment growth, particularly in the Portland metropolitan area. Thus, additional means to generate revenue are required in order to meet the Portland metropolitan area and greater Oregon transportation needs. ODOT must explore every possible method for maximizing use of its existing infrastructure while developing new, recurring funding sources for future transportation investments. In its plans and policies, ODOT has consistently identified tolling and congestion pricing as important tools to generate needed revenue.

Our regional transportation system must reduce greenhouse gas emissions by managing congestion.

Climate change is a significant threat to Oregon's economy, environment, and way of life (Gov. Kate Brown 2019). To address climate change and its negative impacts such as extreme temperatures and flooding, Oregon has committed to reducing greenhouse gas emissions by at least 45% below 1990 levels by the year 2035, and by 80% by 2050 (EO 20-04 2020). The transportation sector creates approximately 36% of greenhouse gas emissions in Oregon (Oregon Global Warming Commission 2020). Traffic congestion leads to an increase in fuel consumption and carbon dioxide emissions. During congestion, vehicles spend more time on the road, idling or crawling, and undergoing numerous acceleration and deceleration events that leads to an increase in emissions.

To help meet the state's goals for greenhouse gas reduction, total vehicle emissions in the Portland metropolitan area must be reduced by decreasing the number of hours vehicles spend stuck in traffic, the amount of stop-and-go traffic, and the vehicle miles traveled by motor vehicles. Vehicle electrification and the use of non-carbon propulsion can greatly reduce greenhouse gas emissions. Current air emissions

models already account for a transition of the vehicle fleet to low- and non-carbon energy over time.[2] Even with this transition, greater reductions are needed to meet the state's goals.

A lack of comprehensive multimodal travel options in the Portland metropolitan region contributes to congestion and limits mobility.

Multimodal travel accommodates a wide range of travel methods including walking, bicycling, driving, and public transportation. Multimodal travel can increase transportation system efficiency and accommodate more trips in the same amount of space, thereby reducing roadway congestion. When effectively integrated, multimodal travel can help advance various environmental, health, and congestion-mitigating benefits for communities, such as creating a more equitable system, reducing crash frequency, and reducing greenhouse gas emissions. Multimodal travel results in a reduction of vehicle emissions, which in turn improves air quality and reduces greenhouse gas emissions (USDOT 2015). Multimodal travel provides additional access to populations who do not drive, such as youth, seniors, people with disabilities, low-income residents, and those who do not own a car (Litman 2021).

Transit service in the Portland metropolitan area is not evenly or widely distributed, and it is not possible for many people to use transit as an alternative to automobile travel (Metro 2018a). In many places in the region, gaps exist in sidewalks, bike lanes and regular, frequent transit service is not available (Metro 2018a). Additionally, land use patterns result in transit service and active transportation facilities that are often very distant from residential areas and job centers, preventing safe or convenient access to these facilities. Finally, transit and active transportation service and facilities are often not available late at night, when many people travel, especially shift workers. Therefore, despite the benefits of transit and active transportation, alternatives to personal vehicle use are not presently a viable option for all road users in the region, and regional coordination is needed to plan, fund, and implement multimodal travel options.

The Portland metropolitan area's transportation networks have resulted in inequitable outcomes for historically and currently excluded and underserved communities.

Many urban interstate highways and major civic centers were deliberately built through neighborhoods with concentrations of people experiencing low incomes and communities of color, often requiring the destruction of housing and other local institutions (Federal Register 2021). In the eastern Portland metropolitan area, the construction of I-205 exemplifies these outcomes where the planned highway alignment was changed due to political motivation and public protest (Fackler 2009). The alignment was moved away from Lake Oswego, farther east and south into Clackamas County and farther east in Portland, away from majority white and wealthier cities, reinforcing social and economic inequity (Invisible Walls 2019). In Central Portland during the 1950s and 1960s, the construction of I-5, the Veterans Memorial Coliseum, Emanuel Legacy Hospital, the Portland Public School Blanchard site, and urban renewal programs divided and displaced communities in North and Northeast Portland, affecting and burdening communities of color – especially Black communities – in the historic Albina neighborhood (Gibson 2007).

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[2] The U.S. Environmental Protection Agency MOVES model estimates emissions for mobile sources at the national, county, and project level for criteria air pollutants, greenhouse gases, and air toxics, and can be used to model the impacts of changing fractions of fully electronic passenger cars, passenger trucks, and light commercial trucks (EPA 2021b).

Because of these discriminatory transportation policies and politics, a geographic mismatch exists between job locations, essential resources, community services, and housing that is affordable (Oregonian 2012). This disproportionality affects communities of color, immigrant communities, people experiencing low income, lesbian, gay, bisexual, transgender, gender non-conforming, and queer (LGBTQ+) individuals, and people living with a disability (Federal Register 2021). Members of these communities have fewer transportation options and travel farther between destinations, which increases transportation costs and dependence on unreliable travel options and adds more time in traffic congestion. Between 2002 and 2012, the number of jobs accessible within a typical commute (7.1 miles for the Portland Metro service area) held steady for white households but fell 12 percent for African Americans, 3 percent for Latin American households, and 4 percent for low-income households (Metro 2018b).

Collectively, these transportation and land use decisions, and the systems that led to them, have resulted in discrimination and unequal investment in these communities. This leads to lasting trauma and continued economic, social, and health impacts for historically and currently excluded and underserved individuals and communities (Federal Register 2021).

ODOT's Commitment to Equity

ODOT acknowledges that past land use and transportation investments have resulted in negative cultural, health, economic, and relational impacts to local communities and populations and that these investments have disproportionately affected historically and currently excluded and underserved communities. ODOT recognizes that these communities have historically been left out of transportation planning and the decision-making process.

ODOT is committed to serving all Oregonians equitably. To meet this commitment to equity, the Oregon Toll Program convened an Equity and Mobility Advisory Committee (EMAC) made up of equity and mobility experts and advocates who meet regularly and provide input on how tolling on the freeway system can include benefits for populations that have been historically excluded or underserved by transportation planning projects. Together with the EMAC, the Oregon Toll Program developed an Equity Framework to identify the burdens and benefits of tolling and provide a process for determining how to equitably distribute the burdens and benefits from the toll projects. ODOT will engage communities who use or live near the Project area, especially those who have been historically and are currently excluded and underserved, to participate throughout the development of a project concept, decision-making, and continuing through Project implementation and monitoring.

For communities located near transportation-related activities, there is a greater risk of concentrated air pollutants and heat islands. Communities located near major roads can experience increased air pollution from cars, trucks, and other motor vehicles, and can have an increased incident and severity of health problems associated with air pollution exposures (EPA 2014). Higher amounts of traffic, congestion, stop-and-go movement, or high-speed operations can increase the emissions of certain pollutants (EPA 2014). Areas with large areas of pavement for transportation uses such as parking areas and roadways can create heat island areas, areas with ground temperatures substantially higher than surrounding areas with less pavement (EPA n.d). Minority communities and individuals experiencing low-income are often in close proximity to high traffic roads and transportation land uses and therefore at an increased risk of exposure to ambient air pollution, heat island areas, and their related health effects (EPA 2021a).

Goals and Objectives

Project goals and objectives are desirable outcomes of the Project including and beyond the Purpose and Need Statement. The following goals and objectives reflect input collected during the Project's Summer-Fall 2021 engagement and from the Value Pricing Feasibility Analysis Policy Advisory Committee, partner agencies, the Equity and Mobility Advisory Committee, and other Project stakeholders; these goals and objectives will be considered in comparing a congestion pricing Proposed Action against the future No Action (no congestion pricing) alternative. Many of these goals and objectives relate to more than one of the need statements provided above. These goals are not listed by order of priority but are generally grouped by the need statements above.

- **Goal: Support management of congestion and travel demand.**
  - Design the congestion pricing system to improve efficient use of roadway infrastructure and improve travel reliability.
  - Design the congestion pricing system to reduce per capita vehicle miles traveled and vehicle hours traveled to use existing and planned infrastructure efficiently.
- **Goal: Provide benefits for historically and currently excluded and underserved communities.**
  - Maximize benefits and minimize burdens associated with implementing congestion pricing.
  - Support equitable and reliable access to job centers and other important community places.
  - Support equitable and reliable access to health promoting activities.
  - Design the congestion pricing system to support affordable travel options for people experiencing low incomes.
- **Goal: Limit additional traffic diversion from congestion pricing on I-5 and I-205 to affected roads and neighborhoods.**
  - Design the congestion pricing system to limit rerouting of trips away from I-5 and I-205.
  - Design the congestion pricing system to minimize impacts to quality-of-life factors, such as health, noise, safety, job access, travel costs, and environmental quality for local communities from traffic rerouting.
  - Identify potential effects to Equity Framework identified communities and work with local agencies to address diversion routes so that they are not disproportionately impacted by rerouting.
  - Collaborate with local agencies to address the impacts of diversion to transit, bicyclists, and pedestrians.
- **Goal: Support multimodal transportation choices to provide travel options and manage congestion.**
  - Support shifts to higher occupancy vehicles (including carpooling) and other modes of transportation (for example, taking transit, walking, biking, teleworking).
  - Collaborate with transit providers to support availability and enhancements to transit and other transportation services complementary to congestion pricing on I-5 and I-205, especially for historically and currently excluded and underserved communities.

- **Goal: Create a sustainable revenue stream to fund maintenance, improvements and modernization of existing infrastructure, as well as other transportation system investments.**
  - Develop a congestion pricing program that provides long-term sustainable funding for toll program implementation, operation, and modernization over time
  - Provide net revenues after toll program costs to fund routine operations, maintenance, modernization and improvements on the tolled portions of I-5 and I-205.
  - Generate sufficient revenue such that net revenues after toll program are available to support transportation system investments.
- **Goal: Support safe travel regardless of the transportation mode.**
  - Improve vehicle safety on I-5 and I-205 by managing congested conditions.
  - Support safe multimodal travel options (for example, walking, bicycles, transit, and automobiles) on roadways affected by congestion pricing.
- **Goal: Contribute to regional improvements in air quality and reductions in GHG emissions that contribute to climate change effects.**
  - Contribute to reduced greenhouse gas emissions in the Portland metropolitan area by managing congestion, therefore resulting in more consistent vehicle speeds, less vehicle idling, and fewer overall motor vehicle emission hours on I-5 and I-205 and on local roadways affected by congestion pricing.
  - Reduce localized air pollutants by managing congestion and improving travel efficiency, particularly where pollutants may be concentrated due to traffic congestion.
  - Reduce the per capita amount of motor vehicle miles traveled and motor vehicle hours traveled to contribute to regional improvements to air quality and reduction of greenhouse gas emissions.[3]
- **Goal: Support statewide and regional economic growth.**
  - Provide for reliable and efficient regional movement of goods and people on the tolled portions of I-5 and I-205.
  - Provide for reliable and efficient movement of goods and people on local roadways affected by congestion pricing.
  - Improve regional access to jobs and employment centers, especially for historically and currently excluded and underserved communities.
- **Goal: Maximize integration with future congestion pricing systems and other transportation systems.**
  - Design a congestion pricing system that can be expanded in scale, integrated with congestion pricing on other regional roadways, or adapted to future congestion pricing system applications.
  - Design a congestion pricing system that is interoperable with other transportation systems in the region and nearby states.

[3] Reducing vehicle miles traveled and vehicle hours traveled has benefits across multiple goals, such as for goals related to congestion management and for goals related to reductions of air pollutants and greenhouse gas emissions from vehicles and fuel use.

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Consistent with the requirements of 23 U.S.C. 168, the information in this document, and the public and agency input received, may be adopted or incorporated by reference into a future environmental review process to meet the requirements of the National Environmental Policy Act.

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Proposed Action for NEPA Analysis

Consistent with the requirements of 23 U.S.C. 168, the information in this document, and the public and agency input received, may be adopted or incorporated by reference into an environmental review process to meet the requirements of the National Environmental Policy Act.

What is being proposed

ODOT is proposing to implement and operate congestion pricing on all lanes of approximately 55 miles of Interstate-5 (I-5) and Interstate 205 (I-205) in the Portland metropolitan area. Congestion pricing is a type of tolling that charges higher prices during peak traffic periods and at more congested locations. The higher toll encourages drivers to consider other options besides driving alone during rush hour. When a small number of drivers choose other options, travel times and reliability are greatly improved for drivers who choose to pay the tolls.

The purpose of the Regional Mobility Pricing Project is to use congestion pricing on I-5 and I-205 to manage traffic congestion on these facilities in the Portland, Oregon metropolitan area in a manner that will generate revenue for transportation system investments. The project will be evaluated as the "Proposed Action" in the upcoming National Environmental Policy Act (NEPA) environmental review phase. In mid-2023, a full environmental review document, called an Environmental Assessment, will be available for public review and comment. The earliest tolling could begin under the Regional Mobility Pricing Project is in late 2025.

Development of the Proposed Action

The Oregon Department of Transportation (ODOT) initiated planning work for congestion pricing in 2017 with the Value Pricing Feasibility Analysis and continued developing the project concept over the past three years. ODOT recently conducted a planning phase[1] and will begin the National Environmental Policy Act (NEPA) phase in September 2022. During the planning phase, ODOT consulted with regional project partners and the community to develop a project concept for congestion pricing on I-5 and I-205, which now forms the basis of the Proposed Action.[2]

Congestion and regional growth

Traffic in the Portland metropolitan area has reached a point of severe congestion and highly unreliable travel conditions during peak periods. This results in delays to auto, freight, and transit travelers, hampers economic growth, and contributes to increased greenhouse gas emissions.

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[1] Conducted consistent with guidelines for the US Department of Transportation/Federal Highway Administration planning phase referred to as Planning and Environment Linkages (PEL), which represents a collaborative and integrated approach to transportation decision-making that 1) considers environmental, community, and economic goals early in the transportation planning process, and 2) uses the information, analysis, and products developed during planning to inform the environmental review process.

[2] Regional Mobility Pricing Project Summer 2021 Engagement Report and Regional Mobility Pricing Project Spring 2022 Engagement Report.

The Portland metropolitan area is growing quickly and is anticipated to continue to add new residents and jobs, resulting in more congestion on major roadways, even with planned investments in the transportation system. In 2019, the average auto commuter in the Portland metropolitan area experienced 68 hours of congestion delay per year.[3] As the region's population continues to grow, the number of vehicles using the system and the hours of congestion are expected to increase as well. The Portland metropolitan area population is expected to increase by more than 20% over the next 20 years, from 2.5 million residents in 2018 to more than 3 million by 2040.[4]

Unpredictable travel times create challenges for freight, services, small businesses, employers, and employees, and anyone using the roads. Overall, the delays due to congestion on freeways were estimated to cost the region $1.2 million per day in 2019.[5] Traffic congestion also leads to an increase in fuel consumption and greenhouse gas emissions, as vehicles spend more time on the road idling or moving at very low speeds and repeatedly accelerating and decelerating.

This congestion results in traffic flow breakdowns (stop and go traffic on the interstates) which in turn causes safety issues and reduces the number of vehicles that can efficiently use the system. The congestion on the interstates also leads drivers to seek alternate routes, pushing cars onto adjacent roadways, which causes congestion and safety concerns on these roads.

Future growth projects and transportation modeling show us that current plans to reduce traffic are not enough. Regional transportation plans call for roadway projects, improvements in transit, and increased use of active transportation modes, which will mitigate some of the effects of congestion. However, they will not fully address the expected increase in demand on the transportation network as the region continues to grow. Congestion pricing can work in combination with these other planned projects to reduce regional traffic congestion.

Proposed Action description

The National Environmental Policy Act (NEPA) environmental review will evaluate a single Proposed Action (congestion pricing) in comparison to a No Action scenario (no congestion pricing, further described later in this document). The Proposed Action for evaluation during NEPA includes the following project elements:

Congestion pricing will be applied to all lanes of I-5 and I-205

The project concept includes congestion pricing all lanes of the existing interstate, rather than pricing a single lane or set of lanes, building a new tolled turnpike, or tolling a newly constructed lane. Early analysis of congestion pricing on I-5 and I-205 showed that tolling all lanes can reduce congestion on the

[3] Texas A&M Transportation Institute. 2021. *2021 Urban Mobility Report*.
[4] Census Reporter 2018.
[5] Oregon Department of Transportation Portland Region 2020 Traffic Performance Report.

entire interstate facility.[6] It also allows ODOT to keep toll rates lower on an individual basis, providing more affordable benefits to a greater number of users compared to single express lanes.

Assumed toll rates are based on future modeled demand and capacity

To predict how congestion pricing could alter travel patterns, the project team uses a transportation model, the Metro Regional Transportation Demand Model. Demand in the model is based on forecasts of the number and types of trips generated in the region over the course of a typical day. Assumed toll rates for the environmental analysis will be based on modeled demand and capacity.

Reducing demand on the interstates to reduce congestion requires consideration of the time and the location of these trips. In general, a higher toll rate will decrease demand more than a lower toll rate. Therefore, assumed toll rates will be higher during peak hours and at more congested locations, and lower during off-peak hours and at locations with less demand. Assumed toll rates will be lower where highway capacity is greater (for example due to there being more lanes, efficient alternate routes, or other travel options) and higher where capacity is limited.

This overall congestion pricing structure recognizes a need to limit demand as well as a desire to minimize rerouting onto surface roadways. If toll rates are too high, too many vehicles will reroute to local roads, causing congestion on these roads and impacting safety.

Toll rates are based on a set schedule (not dynamic pricing)

Scheduled toll rates allow drivers to determine the cost of their trip before they enter the tolled interstate and make an informed decision about their travel options. The toll schedule will vary based on time of day and location to account for travel demand and supply. Because there are so many possible entry and exit points across 55 miles of interstate, trip costs could vary depending on the specific trip characteristics including entry/exit points and hour of the day.

Toll rates will be monitored and adjusted after implementation

Toll rates adopted by the Oregon Transportation Commission will be initially determined based on modeled demand and supply. After tolling begins, toll rates will be monitored and adjusted on a recurring basis based on actual (not modeled) traffic data.

[6] In 2017, ODOT conducted the Value Pricing Feasibility Analysis to evaluate different options for congestion pricing on I-5 and I-205. Early analysis documented in Technical Memorandum #3 compared two ways to implement the toll: 1) tolling all lanes; and 2) tolling a single lane, either by tolling an existing lane or constructing a new tolled lane in each travel direction.

All electronic tolling with gantries and transponders

The project concept is developed for an all-electronic toll collection system that does not require drivers to slow down or stop to pay at a toll booth. Gantries are bridge-like structures over the roadway, which support electronic equipment (see Figure 1). Most vehicles will be equipped with transponders, a small device placed on the inside of the windshield connected to a toll account. The equipment on the gantries will read the in-vehicle transponders or capture a picture of the vehicle's license plate. Drivers will be charged from their toll account or be sent a bill to the mailing address associated with the license plate number. Drivers without an account may be charged an additional processing fee.

Figure 1: Conceptual Image of Gantry and Electronic Equitment

Pricing on I-5 and I-205 from the Columbia River to the Boone Bridge in Wilsonville

During the NEPA phase, ODOT will study the maximum extents of I-5 and I-205 in the region to identify the greatest level of benefits and impacts. The evaluation area for the Proposed Action (see Figure 2) includes I-5 from the Interstate Bridge to the Boone Bridge in Wilsonville, Oregon and I-205 from the Glenn Jackson Bridge to the point at which I-205 intersects with I-5 in Tualatin, Oregon. Depending on the analysis, project limits may be adjusted prior to implementation of congestion pricing.

The Regional Mobility Pricing Project is being studied as an independent project, following two other proposed projects that include tolls: the Interstate Bridge Replacement Program and the I-205 Toll Project. Drivers would not pay on additional toll for the Regional Mobility Pricing Project on the sections of I-5 and I-205 that are tolled by these other projects.

Low-income toll program

The Low-Income Toll Report for the Oregon Toll Program was submitted to the Oregon Legislature and Oregon Transportation Commission in September 2022. The report presents an approach to developing a low-income toll program, including discount and income threshold options as well as best practices for implementation of an equitable, inclusive toll system. ODOT is committed to making the low-income toll program available the first day tolling begins, which is planned for the end of 2024 as part of the I-205 Toll Project. Discount options and other applicable program elements will be studied during the NEPA analysis to help inform development of the program. The program will be further defined by the Oregon Transportation Commission during the rulemaking and rate setting process.

Figure 2. Regional Mobility Pricing Project Evaluation Area

Note: The Regional Mobility Pricing Project is not studying tolling on the sections of I-5 and I-205 where tolls are proposed as part of the Interstate Bridge Replacement Program and the I-205 Toll Project.

Project benefits

The project team conducted initial studies to define the project concept and determine how congestion pricing can be most effective. The project concept has been refined throughout the planning phase and forms the basis of the Proposed Action. During the National Environmental Policy Act (NEPA) environmental review process, the project team will conduct additional modeling to test and further assess these results and will review and discuss the findings with partner agencies and community members to determine what further refinements should be made to the Proposed Action.

Decrease the duration of congestion on I-5 and I-205

The initial analysis found that the project concept would decrease the number of hours per day that drivers experience severe congestion on I-5 and I-205. The project concept developed during the planning phase was intended to manage severe congestion, not eliminate all congestion during all hours. If congestion were completely eliminated, tolls would have to be prohibitively high causing financial hardship and significant rerouting to the surrounding roadways to avoid the toll. The project concept was developed with consideration of the entire roadway network, not just to maximize benefits on I-5 and I-205.

Improve travel times and reliability

The initial analysis found that the project concept would improve travel times for people using I-5 and I-205, especially during peak periods, which are generally between 7 a.m. – 9 a.m. in the morning and 4 p.m. – 6 p.m. in the evening. Because there is less congestion during the midday, congestion pricing would have a smaller impact on midday and off-peak travel but would still save travelers time and provide for more reliable travel times on I-5 and I-205.

Support regional greenhouse gas emissions reduction goals through reduced vehicle miles traveled (VMT), vehicle hours traveled (VHT) and single occupancy vehicle trips

The total number of VMT and VHT by all vehicles provides a measure of overall roadway use in the region and is often correlated with vehicle emissions. A decrease in regional VMT and VHT indicates reduced vehicle emissions because drivers are taking fewer trips or choosing closer destinations, more direct routes, carpooling, or traveling by a different mode (or a combination of these). Decrease in VHT, a measure of total time spent driving, also indicate less time spent in car due to congestion management (reduced congestion delay and improved travel times). VHT considers vehicle speeds, another key determinant of emissions, as a vehicle travelling at faster speeds (above 30 mph) generally contributes less to emissions compared to a slower moving vehicle (below 30 mph).

The initial analysis found that congestion pricing would reduce VMT and VHT on a regional and per capita level. These reductions appear to be attributed to a number of factors, including reduced peak hour congestion, shifts in travel time to less congested periods, and changes in trip destination to closer locations. Some drivers also would shift their travel mode from single occupancy vehicle trips to other modes of travel, including transit, walking, biking or carpooling, reducing greenhouse gas emissions associated with driving alone.

No Action

ODOT will also evaluate a No Action scenario in the National Environmental Policy Act (NEPA) environmental analysis. The evaluation of the No Action scenario considers two future years (2027 and 2045) without the Regional Mobility Pricing Project's application of congestion pricing on I-5 and I-205. The scenario is used as a baseline to create an "apples to apples" comparison of the benefits and impacts of the Regional Mobility Pricing Project and to better understand the implications of not applying congestion pricing.

The Metro Regional Travel Demand Model will be used to model and evaluate the effects of the No Action scenario. The No Action scenario assumes the same levels of growth in population and employment forecast for the future years (2027 and 2045) in the region as the Proposed Action. The No Action scenario also includes all transportation system improvements that are part of the financially constrained Regional Transportation Plan (RTP) that would be under construction or complete by 2045. Table 1 summaries the key major system improvements assumed that are included in the 2027 and 2045 future-year financially constrained network and No Action scenario. The No Action scenario also assumes that the Interstate Bridge Replacement (IBR) Program and the I-205 Improvements Project are constructed or under construction and incorporates into the modeling the most recently available toll rate information for IBR and the I-205 Toll Project. Therefore, the same tools and regional assumptions that are used to evaluate the Proposed Action will be used to evaluate the No Action scenario.

Table 1. Major System Improvements in No Action Scenario/Regional Mobility Pricing Project

Improvement	Expected Completion Year	In 2027 Network	In 2040 Network
Interstate Bridge Replacement Program - Improvements	2040	X	√
Interstate Bridge Replacement Program - Tolls	2027	√	√
I-205 Improvements Project	2026	√	√
I-205 Toll Project	2026	√	√
I-5 Rose Quarter (both directions)	2027	√	√
OR 217N: OR 99W to Scholls Ferry (Auxiliary Lane)	2024	√	√
OR 217S: Beaverton-Hillsdale to OR 99W (Auxiliary Lane)	2024	√	√
OR 224 Milwaukie Expressway Improvements	2027	√	√
I-5N: Braided Ramps I-205 to Nyberg	2040	X	√
I-5N: Nyberg to Lower Boones Ferry (Auxiliary Lane)	2040	X	√
I-5S: Wilsonville Rd to Wilsonville-Hubbard Hwy (Auxiliary Lane)	2040	X	√
I-5S: Truck Climbing Lane (Marquam to Multnomah Blvd). PE and ROW and CON phases	2040	X	√
US 26: Widen to six lanes from Brookwood to Cornelius Pass (both directions)	2040	X	√
OR 217S: Braided Ramps Beaverton-Hillsdale Hwy to Allen Blvd	2040	X	√
OR 212/224 Sunrise Hwy Phase 2: SE 122nd to SE 172nd (CON)	2040	X	√

CON = construction phase; I- = Interstate; OR = Oregon Route; PE = preliminary engineering; ROW = right-of-way; US = U.S. Route

These transportation system improvements are also assumed in baseline future year analysis (2027 and 2045) for the Regional Mobility Pricing Project. The only difference from the No Action scenario is the application of congestion pricing on I-5 and I-205 associated with the Regional Mobility Pricing Project.

Memorandum

September 2022

Community and Environmental Resources to be Evaluated in the Environmental Assessment

Beginning in October 2022, the Federal Highway Administration (FHWA) and the Oregon Department of Transportation (ODOT) will begin preparing an analysis of the beneficial and adverse effects of the proposed Regional Mobility Pricing Project on the natural and human environment. This analysis is being conducted pursuant to the National Environmental Policy Act (NEPA), as amended. ODOT and FHWA have regularly coordinated during the project planning phase and have determined that the appropriate NEPA class of action is Class III, requiring preparation of an Environmental Assessment.

The proposed Regional Mobility Pricing Project would apply congestion pricing on all travel lanes of Interstate 5 (I-5) and Interstate 205 (I-205). The physical effects of project construction would be limited to the installation of overhead gantries and associated signage on the interstates, as well as the installation and connection of associated electrical and communications infrastructure. Mitigation measures to address transportation impacts may also require minor construction. Effects on the human and natural environment would be largely limited to those resource types that would be directly affected by potential changes in traffic patterns associated with the implementation of congestion pricing. Table 1 lists the resource types that will be studied in the Regional Mobility Pricing Project NEPA Environmental Assessment and summarizes the scope of the analysis that will be conducted. Additional methods for the analysis of these effects will be developed over the course of the NEPA environmental review process.

Table 1. Resource Types to be Evaluated in the NEPA Environmental Assessment

Resource Type	Brief Description of Scope of Analysis	Recommended Format for Analysis
Transportation	Tolling is anticipated to change traffic and travel patterns, including changes in traffic volumes on the interstates, adjoining and parallel arterials, and local roads. Changes could occur in travel demand, travel times, travel predictability, and congestion across multiple travel modes (motor vehicle, transit, bicycle, pedestrian), as well as in the frequency and intensity of safety incidents for these modes.	Prepare detailed technical report; summarize transportation effects in the Environmental Assessment (EA). Use technical information to support analysis of other resource types (air quality, greenhouse gas emissions, economics, noise, social resources and communities, environmental justice).
Air Quality	Changes in traffic and travel patterns could change the amount and location of vehicle emissions, resulting in effects on regional and local air quality.	Prepare detailed technical report; summarize in EA.
Greenhouse Gas Emissions	Changes in traffic and travel patterns could alter the amount of energy consumed by vehicles and could affect the regional greenhouse gas emissions from vehicles. Changes in local and regional greenhouse gas emissions could contribute to cumulative climate change effects.	Prepare detailed technical report; summarize in EA.

Community and environmental resources to be evaluated in the Environmental Assessment

Resource Type	Brief Description of Scope of Analysis	Recommended Format for Analysis
Economics	Changes in traffic and travel patterns could alter vehicle volumes or travel times along business corridors and districts, affecting business access and sales. Changes in traffic patterns could also affect the cost of operations for businesses reliant on road transport. The fees associated with congestion pricing could also change the cost of transportation for goods movement and service businesses, affecting these businesses and the larger local and regional economy.	Prepare detailed technical report; summarize in EA. Use technical information to support analysis of other resource types (social resources and communities, environmental justice).
Noise	Changes in traffic and travel patterns could alter noise levels on the interstates, adjoining and parallel arterials, and local roads.	Coordinate with FHWA and ODOT subject matter experts. Prepare detailed technical report if warranted; otherwise, address directly in EA.
Social Resources and Communities	Changes in traffic and travel patterns could alter vehicle volumes in neighborhoods and business districts, as well as access to medical and educational services, park and recreation facilities, places of cultural significance, or other areas important to communities. These changes in traffic volumes or access could affect the quality of life in these areas.	Prepare detailed technical report; summarize in EA.
Environmental Justice	Changes in traffic and travel patterns could alter vehicle volumes on roads in environmental justice communities, resulting in changes in travel times, congestion, access, and safety. The fees associated with congestion pricing may be a burden for some environmental justice populations.	Prepare detailed technical report; summarize in EA.
Visual Quality	Project construction would be limited to existing interstates, and no effects on local scenic features are anticipated. No national scenic byways directly adjoin the proposed project area.	Prepare brief analysis to determine appropriate level of documentation. Prepare detailed technical report if warranted; otherwise, address directly in EA.
Land Use	No right-of-way acquisition is anticipated, and substantive changes in land use are not expected with the application of congestion pricing.	Address directly in EA; no separate technical report is required.
Geology and Soils	No impacts on geology and soils are anticipated because construction would be limited with no major earthwork.	Address briefly in EA; no separate technical report is required.
Hazardous Materials	Project construction would be limited to existing interstates where tolling infrastructure would be constructed. No effects on or use of substantial quantities of hazardous materials are anticipated.	Complete hazardous materials survey and prepare memorandum with results; summarize in EA.
Historic and Archeological Resources	Project construction would be limited to existing interstates where tolling infrastructure would be constructed. No effects on historic or archaeological resources are anticipated.	Complete cultural and historic resources survey and prepare memorandum; summarize in EA.
Vegetation and Wildlife	Project construction would be limited to existing interstates and no changes to a natural area would occur; therefore, no impacts on vegetation and wildlife are anticipated.	Address briefly in EA; no separate technical report is required.
Wetlands and Water Resources	Project construction would be limited to existing interstates and no in-water work would occur; therefore, no impacts on wetlands or water resources are anticipated.	Address briefly in EA; no separate technical report is required.
Cumulative Impacts	Changes in transportation patterns and resulting effects addressed under other resource types could combine with the effects of other past, current, and future proposed projects to contribute to cumulative impacts.	Prepare detailed technical report; summarize in EA.
Energy	Project construction would have minor and temporary expenditures of energy. Energy use by tolling equipment is anticipated to be minimal.	Not addressed in EA.

OREGON CITY

Office of the City Manager

625 Center Street | PO Box 3040 | Oregon City OR 97045
Ph (503) 657-0891 | Fax (503) 657-7026

January 4, 2023

Oregon Department of Transportation
355 Capitol Street NE, MS 11
Salem, OR 97301

RE: Regional Mobility Pricing Project NEPA Scoping Comment Letter

On behalf of the City of Oregon City and with the full support of the City Commission, I respectfully submit our comments on the Regional Mobility Pricing Project NEPA Scoping.

Thank you for the opportunity to comment on the Draft Purpose and Need, Proposed Action, and the Community and Environmental Resources to be evaluated in the Environmental Assessment as part of ODOT's Regional Mobility Pricing Project (RMPP). While these comments are specific to the RMPP, it is important to note that Oregon City has previously commented on the I-205 Toll Project. While these may be different programs, there is an inherent connection between them, and we hope that you will find our comments are both consistent and helpful in advancing transportation policies that benefit people and communities throughout the region and Oregon City.

Additionally, while these comments are intended as comments for the RMPP scoping, they are not an endorsement or acceptance of any proposal to implement pricing along I-205 and I-5.

Communication and Coordination
The RMPP proposal represents a change in how transportation is funded in Oregon. Since highway travel is a primary mode of travel for people and businesses alike, we believe that it is ODOT's responsibility to ensure local communities and road users know about this impending program. ODOT should actively engage and consult local jurisdictions and stakeholders, rather than those groups existing in a constant state of needing to request information. While ODOT has recently taken steps to improve this relationship, more can be done.

System vs. Facility Goals
The I-205 Toll Project has demonstrated that ODOT's priority is the benefit of the freeway system over users and the local road system, and we are concerned that same policy framework will transfer to the RMPP. Highway systems are large, support interstate travel for people and businesses, and traverse too many communities to score facility goals independent of system impacts. Based on the current stated purpose and need, we have genuine concerns that the diversion, safety, and greenhouse gas metrics will ignore the off-system impacts caused by tolling. More specifically:

Tolling designed to reduce congestion without meaningful alternative modes of travel or facilities will divert trips into local communities to avoid the toll. Past underinvestment in the current facility already leads to diversion, creating congestion and unsafe conditions for Oregon City today. It should be a goal to address existing diversion and anticipated diversion caused by tolling.

Safety conditions will worsen on local roads as a result of people rerouting to avoid tolls – primarily affecting bicyclists, pedestrians, and downtown Oregon City. RMPP should prioritize and address safety hazards created by tolling both on and off the freeway system.

Greenhouse gas reduction will not be accurately calculated by a facility-only analysis - especially if a goal of the RMPP is to move cars off the highway system onto local roads for short trips travel. A goal for RMPP should be to reduce both vehicle miles and hours traveled, both on and off the interstate system.

Regional Alternatives
A regional program intended to change behavior for regional travel must have alternatives that are equal or similar across the region. As it stands now, those alternatives are incomplete, particularly in Oregon City and the surrounding area.

Transit infrastructure is woefully inadequate along the southern portion of I-205. Without substantial, permanent investment in transit, drivers will not choose transit as an alternative to the toll program. Additionally, transit alone cannot be the solution. Our communities are diverse across many metrics, including geography, density, and land use designations. ODOT is attempting to toll highways passing through the most urban parts of Oregon, suburbs, and farm land. There will not be a single solution to supporting alternative modes, and the RMPP must be flexible in both its policies and mitigations to best fit the needs of the communities ODOT intends to impact.

In order to see the expected mode shift from single occupancy vehicles, adequate opportunities need to be available. This will require improved transit alternatives (bus/shuttle on shoulder and connection routes around the project), improved bicycle and pedestrian accommodations on roadways where diversion will increase as well as adequate bicycle and pedestrian options across the Willamette River.

The I-205 Improvements: Stafford Road to OR 213 does not currently include bicycle and pedestrian components, which leaves limited options for commuting along the I-205 corridor as a bicyclist or pedestrian. We think that was short sided and a mistake. The OR 43 Arch Bridge is not a low stress or user-friendly option for walking and biking and all other routes are too far out of the travel path for most bicyclists. Through access to and from the Arch Bridge is imperfect. In order to provide adequate bicycle and pedestrian mode shift options along the corridor, it is imperative that ODOT continue to work with local agencies to identify not only a bicycle and pedestrian option across the Willamette River, but funding for the project as well.

Equity at the Forefront
It is imperative that the goals and objectives not only look at the Toll Program as a whole, but that it also looks at the micro level burdens and benefits for areas immediately adjacent to the project area, including Oregon City.

We have been pleased with the formation of the Equity Mobility Advisory Committee (EMAC) for the I-205 program, and hope it is retained to benefit implementation and provide ongoing oversight of the RMPP. One question we propose they consider is how to enforce collection penalties in a way that do not cause disproportionate harm to the most vulnerable users of the proposed system. For example, HB 3055 states that people who do not pay their toll fees will not be able to renew their vehicle registration. That consequence could significantly affect people in the lowest tiers of income, who likely need their vehicles the most in order to reach their place of work. We request that EMAC consider this issue, and others like it, and provide a recommendation to ODOT and the OTC ahead of implementation that makes sense for all Oregonians.

Economic Impacts
To thrive as region, it is imperative that regional systems do not cause disproportional harm to the businesses in communities where tolling will inherently have greater diversion impacts. Communities in Clackamas County have consistently requested that the I-205 toll program not begin until the RMPP achieve federal approval, thus ensuring the southern I-205 corridor does not become the only tolled area in the region, which would have an immediate negative impact on existing and future business. For this reason, we insist economic impact goals are added to the purpose and needs of the RMPP, thus ensuring any mitigation programs will account for tolling impacts.

Following are comments on the Goals and Objectives:

- **Goal: Support management of congestion and travel demand**
  - The discussion around gantry placement is important to Oregon City, and we believe directly tied to the amount of diversion that will impact Oregon City. Please include information on how the gantry locations will be determined.
  - This goal is focused on the freeway system, at the detriment of the local system. Both objectives under this goal should include references to on and off the ODOT system.
- **Goal: Limit additional traffic diversion**
  - Identify diversion that exists today onto local roadways, anticipated diversion from I-205 Toll Project and RMPP. Identify how these will be mitigated.
  - Strengthen wording related to improving safety on the local roads, this incudes monitoring and making investments as issues arise after implementation.
- **Goal: Support multimodal transportation choices**
  - This goal needs to not only support, but include funding to implement multimodal choices that are safe for all modes of travel.
- **Goal: Create sustainable revenue stream**
  - ODOT has stated that I-205 Toll Program revenue will be invested in the corridor. That area is relatively small compared to the RMPP. How will investments in the RMPP be prioritized?

- **Goal: Support safe travel**
  - This goal needs to include stronger language to not just support, but improve safety in impacted areas.
- **Goal: Support statewide and regional economic growth**
  - These objectives focus on the state and region, without looking at the local economic impacts to downtown Oregon City. Please also look at local economic impacts.

Most importantly, we continue to state that Oregon City is being required to bear the majority of the burden, with little to no benefit of tolling with the implementation of the I-205 Toll Program prior to federal approval of the RMPP program. What if the RMPP program is not approved, will the short section I-205 be the only tolled freeway in Oregon?

Finally, we feel obliged to reinforce our concerns for the impacts of diversion to Oregon City. Diversion already exists on local roads due to bottleneck congestion on I-205, and is experienced on the OR 43 Arch Bridge, OR 99E and downtown Oregon City regularly. Increased diversion to roads already accommodating diversion will eliminate community support.

Thank you for considering our comments, and we look forward to your response as part of the NEPA process.

Sincerely,

Anthony J. Konkol, III
City Manager

cc: City Commission

P:\PublicWorks\Transportation\ODOT Value Pricing & Tolling\RMPP\Scoping Period Comments Due January 6, 2023\2023-01-04 RMPP NEPA Scoping Letter - Draft.docx

CITY OF OREGON CITY

Staff Report

625 Center Street
Oregon City, OR 97045
503-657-0891

To: City Commission **Agenda Date:** 01/04/2023

From: Public Works Director John M. Lewis, PE

SUBJECT:

Removal of an Imminent Hazard Tree located in an unimproved public right-of-way Adjacent to 1506 Monroe Street.

STAFF RECOMMENDATION:

This report is a City Commission Staff Update as opposed to a Staff Recommendation because the removal of the 47" diameter at breast height (dbh) tree adjacent to 1506 Monroe Street and within the public right-of-way was an immediate risk. The tree removal was completed on January 3rd in accordance Resolution No 20-33 A Resolution adopting a policy for additional permitting, notification, and other requirements for removal of significant trees as a tree that met the exemption condition of Imminent Hazard Tree.

EXECUTIVE SUMMARY:

This imminent hazard tree has been removed in accordance with the City Code, Resolution 20-33, and the Additional Permitting, Notification, and Other Requirements for Staff Removal of Significant City Trees. It is the professional opinion of Certified Arborist Peter van Oss, that the tree qualified for removal due to the high to extremely high-risk rating. The tree is likely to fail, and failure probability increases exponentially during adverse weather. This tree was recommend for emergency tree removal as soon as possible.

BACKGROUND:

The City first learned about this tree concern during the summer of 2022. The City hired Teragan and Associates, Inc. to evaluate the tree. Evaluation at that time was that the tree while leaning was healthy and removal was not recommended. Neighbors again reported concern in December of 2022. Again Teragan (Peter van Oss, Certified Arborist) conducted subsequent field evaluations of the tree on December 12th and again on December 26th and 27th. Subsequent investigations were justified due to saturated soil conditions and the local area high winds. On December 29th Peter van Oss submitted a new tree risk assessment concluding that the tree has a high-risk

rating due to the 74 degrees lean of the tree, combined with the compromised soil stability after heavy rain. Mr. van Oss indicates that the soil at the base of the tree is an indication that the root plate shifted during the recent weather events and that tree pruning or other mitigation would leave the tree as a bare trunk, and the tree would not likely recover. The location and fall angle of the tree also places at risk “several targets” (utility lines and homes).

This report is a courtesy update to the City Commission. While the tree removal is allowed under the exemption clause of the policy, City staff has placed this item as a consent agenda item and notification will be sent to the Natural Resource Advisory Committee, the Parks and Recreation Committee, and the Transportation Advisory Committee as a courtesy.

The Douglas Fir tree will be removed from the area as it would not be appropriate to leave it in place. Local re-use craftsman will be notified of the availability of the wood. Otherwise, the wood will be made available to the public for environmental enhancement or firewood.

Tree mitigation in accordance with the City’s code will be accomplished at or near where the tree was removed.

OPTIONS:

1. This report is a courtesy update to the City Commission.

BUDGET IMPACT:

Amount: Estimated at the time of this report at $6,500

FY(s): 2022-23

Funding Source(s): Transportation Fund

TERAGAN & ASSOCIATES, INC.
ARBORICULTURAL CONSULTANTS

City of Oregon City, Public Works
ATTN: Wesley Wilson
2127 SW Beaverton Hillsdale HWY, LLC.
13895 Fir Street
Oregon City, Oregon 97045

Mr. Wilson,

Enclosed is a report of my findings following the tree risk assessment of the Douglas-fir (*Pseudotsuga menziesii)* that is located in the right of way adjacent to 1506 Monroe Street, Oregon City, Oregon.

Briefly, I visited the site on December 12th, 2022, to assess the risk of failure potential of the tree. The tree has a heavy lean to the northeast but there were no signs that indicated that the root structure or the tree itself may be compromised.

Given the adverse weather that occurred over the last two weeks, I visited the site again on December 29th, 2022, to see if the condition of the tree had changed during the weather events. There are indicators that the root plate has shifted. There is a crack in the soil on the south side of the tree near a larger root. The heavy lean of the tree and soil stability after the large amount of rain are concerning and increased the probability of failure. I rate the tree as a high to extreme risk of failure potential due to the new findings I observed on my second site visit. My recommendation for the management of the tree is to remove the tree since mitigating the weight of the tree will have adverse effects on the tree in the future.

I hope you find this information helpful in moving ahead with your tree related issue. If you have any questions, please feel free to contact me. It was a pleasure working with you and I look forward to being of service in the future.

Sincerely,

Peter van Oss
Senior Associate
Teragan and Associates, Inc.
Certified Arborist # PN-8145A
ISA Qualified Tree Risk Assessor
Member, American Association of Consulting Arborists
971-231-4044 (Direct/ Cell)
peter@teragan.com

TERAGAN & ASSOCIATES, INC.
ARBORICULTURAL CONSULTANTS

TREE RISK ASSESSMENT

for

THE CITY OF OREGON CITY - PUBLIC WORKS DEPARTMENT.

For the property located at

1506 MONROE STREET,
OREGON CITY, OR

Submitted by

Peter van Oss PN-8145A

Date December 29th, 2022

Teragan and Associates, Inc,
3145 Westview Circle, Lake Oswego, OR 97035
503-697-1975 | info@teragan.com

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1506 Monroe Street.

Tree Risk Assessment

Summary

This report was prepared for the city of Oregon City after the public works department requested a tree risk assessment of one large Douglas-fir located in the right of way between 1506 and 911 Monroe Street, Oregon City, Oregon.

The site visit conducted on the 12th of December 2022 did not reveal any indications that the tree was compromised due to loss of structural strength and stability. The tree has a heavy lean that has been present for some time and the tree had a low-risk rating under normal weather conditions.

The second site visit was conducted after the adverse weather events that occurred the 22nd through the 24th of December and again on the 26th and 27th of December 2022. There are indicators that the root plate moved during the weather events which may have compromised the structural stability of the tree. The tree has the potential to strike several targets and the consequences of failure could be considered significant or even severe.

The tree has a high-risk of failure potential given the newly found data. It is advisable to remove the tree since there are no long-term mitigation options when it comes to pruning the tree. Given the time of year, it may be advisable to remove the tree soon. The winter storms can exacerbate the failure potential of the trees due to extreme forces that are applied to the trees during wind, and snow/ice events.

Introduction

Background and History

The city of Oregon City contracted Teragan & Associates, Inc., to assess the status of a large Douglas-fir located in the right of way between 1506 Monroe Street and 911 Monroe Street, Oregon City, OR 97045. The tree has a heavy lean toward the northeast and the owners of the neighboring properties raised concerns regarding the stability of the tree.

Assignment

After discussing the tree with Mr. Wilson by phone and via email, it was agreed that our firm would:

1. Meet onsite to assess the tree and the potential risks the tree poses.
2. Collect the data pertaining to the tree.
3. Perform a level II, Basic Tree Risk Assessment.
4. Create a written report of the findings.

Limits of the Report

The assessment was conducted from the ground only. It should be noted that tree risk assessments do not account for extreme weather events and only considers the potential of failure under typical weather conditions that occur on an average annual basis that include wind speeds of up to thirty miles per hour.

Tree Assessment

I visited the site on December 12th, 2022, and assessed the tree. I visited the site a second time after a series of storms passed through the area. The tree was evaluated for the current health and conditions. The data collection also included the diameter at breast height which is measured at fifty-four-inches (54") from native grade. Due to the impacts that occurred, a tree risk assessment was conducted to establish an overall risk rating for failure for the subject tree.

Purpose and Use of this Report

The purpose of this report is to evaluate the current conditions of the tree and to provide an independent report regarding the overall risks of the tree's failure potential. This report can be used by the owner of the report to decide the best management approach for the tree.

Observations

The 47" DBH[1] Douglas-fir is situated in the right of way between the apartment complex to the west and the home to the east. The tree has a heavy lean to the northeast and the crown does not show some signs of correction.

The tree has the potential of hitting several targets that are likely in the path of the tree, were the tree to fail at the roots. There are utility lines that are within the drip line of the tree, Monroe Street to the north and the homes on the north and northeast side of the tree.

The site visit conducted on the 12th of December 2022 did not show any obvious indications that the root system of the tree was compromised. There are no fungal disorders present and the soil surrounding the tree did not show any signs of root plate movement. The tree itself does not have any visible defects that are of concern when it comes to tree failure. The tree has been leaning for quite some time, the compression wood at the base of the tree indicate that the tree has been strengthening the base of the tree. There are also images available on Google Earth Pro that date back to 2007 that show the lean of the tree.

I visited the site again on December 29th, 2022, after a series of adverse weather events had passed through the Portland Metro area. There was an ice event that occurred the 22nd through the 24th of December and heavy south winds with wind gusts of up to 50 miles an hour that occurred on the 26th and 27th of December 2022. The wind event was accompanied with a total rainfall amount of 3.28".

There is a crack in the soil on the south side of the tree that was not present at the time of my site visit on the 12th of December 2022. The crack in the soil is likely the result from the tree being ice loaded and/or the strong winds with heavy rains that occurred after the ice event. Given the new data that presented itself after the storms the tree risk rating has changed.

[1] DBH is the diameter at breast height measured 54" vertically from native grade.

Tree Risk Assessment[2]

The tree has a high-risk rating due to the 74º lean of the tree, combined with the compromised soil stability after the heavy rain amounts. The cracked soil near the base of the tree is an indication that the root plate shifted during the winter storm events.

The tree has the potential of striking several targets which would result in significant consequences. It is not practical to move the targets or restrict access in the fall distance of the tree. The likelihood of failure is imminent within the assessed time frame of three years, and the likelihood of impact is high. The rating for failure and impacts is very likely. The combined ratings of failure and impact and consequences of failure, when the consequences are significant and severe, results in a high to extreme-risk rating for the tree.

Matrix 1. Likelihood matrix.

Likelihood of Failure	Likelihood of Impacting Target			
	Very low	Low	Medium	High
Imminent	Unlikely	Somewhat likely	Likely	Very likely
Probable	Unlikely	Unlikely	Somewhat likely	Likely
Possible	Unlikely	Unlikely	Unlikely	Somewhat likely
Improbable	Unlikely	Unlikely	Unlikely	Unlikely

Matrix2. Risk rating matrix.

Likelihood of Failure & Impact	Consequences of Failure			
	Negligible	Minor	Significant	Severe
Very likely	Low	Moderate	High	Extreme
Likely	Low	Moderate	High	High
Somewhat likely	Low	Low	Moderate	Moderate
Unlikely	Low	Low	Low	Low

Findings

Mitigating the failure through corrective pruning is not possible since most of the branches and a substantial portion of the top would need to be removed, leaving mostly a bare trunk. The tree will not likely recover from large pruning cuts that would be required and therefor removal of the tree is recommended. Given the current conditions of the tree and the associated risk, it is recommended that the tree is removed as soon as possible as the winter storm season has begun. The prevailing winds from the S/SW are events that can produce significant wind forces with wind speeds that are not uncommon to reach more than thirty miles per hour. The prevailing winds are prominent during the months of November and December as well as possible through the remaining months of the winter.

The risk of tree failure involving persons may be exacerbated due to the fact that people are working from home more frequently since 2020. It is recommendable to address the removal of the tree with a sense of urgency to ensure that the risks associated with the tree are mitigated in a timely manner.

[2] The tree risk assessment does not factor in adverse weather and the risk ratings are under normal conditions only with wind speeds of up to 30 miles per hour.

Conclusion

It is in my professional opinion that the tree qualifies for removal due to the high to extreme-risk rating. Given that the likelihood of failure exponentially increases during adverse weather events that can occur every year, the removal of the tree should be considered an emergency removal and I recommend that the tree needs to be removed as soon as possible.

Please feel free to contact me should you have any questions.

Since

Peter

Senior Associate
Teragan and Associates, Inc.
Certified Arborist # PN-8145A
ISA Qualified Tree Risk Assessor
Member, American Association of Consulting Arborists
971-231-4044 (Direct/ Cell)
peter@teragan.com
ASCA AMERICAN SOCIETY of CONSULTING ARBORISTS

Appendix A Assumptions and Limitations
Appendix B Certification of Performance
Appendix C Site Map
Appendix D Tree Risk Assessment Worksheet
Appendix E Photos

Appendix A - Assumptions and Limitations

1. A field examination of the site was made. My observations and conclusions are as of that date.
2. Care has been taken to obtain all information from a reliable source, however the arborist can neither guarantee nor be responsible for accuracy of information provided by others.
3. Unless stated otherwise, information contained in this report covers only those trees that were examined and reflects the condition of those trees at the time of inspection. The inspection is limited to visual examination of the subject trees without dissection, excavation, probing, or coring. There is no warranty or guarantee that problems or deficiencies of the subject tree may not arise in the future.
4. This report and any values/opinions expressed herein represents my opinion as an arborist. Inaction on the part of those receiving the report is not the responsibility of the arborist.
5. Loss or alteration of this report invalidates the entire report.
6. Any legal description provided to the consultant/ appraiser is assumed to be correct. Any titles and ownerships to any property are assumed to be good and marketable. No responsibility is assumed for matters legal in character. All property is appraised or evaluated as though free and clear, under responsible ownership and competent management.
7. The consultant/ appraiser shall not be required to give testimony or attend court by reason of this report unless subsequent contractual arrangements are made, including payment for such services.
8. Possession of this report does not imply right of publication or use for any other purpose by any other than the person to whom it is addressed, without the prior expressed written consent of the consultant/ appraiser. Copyrights of this report are released to the owner of the report when the compensation for the services provided have been paid in full.

Appendix B - Certification of Performance

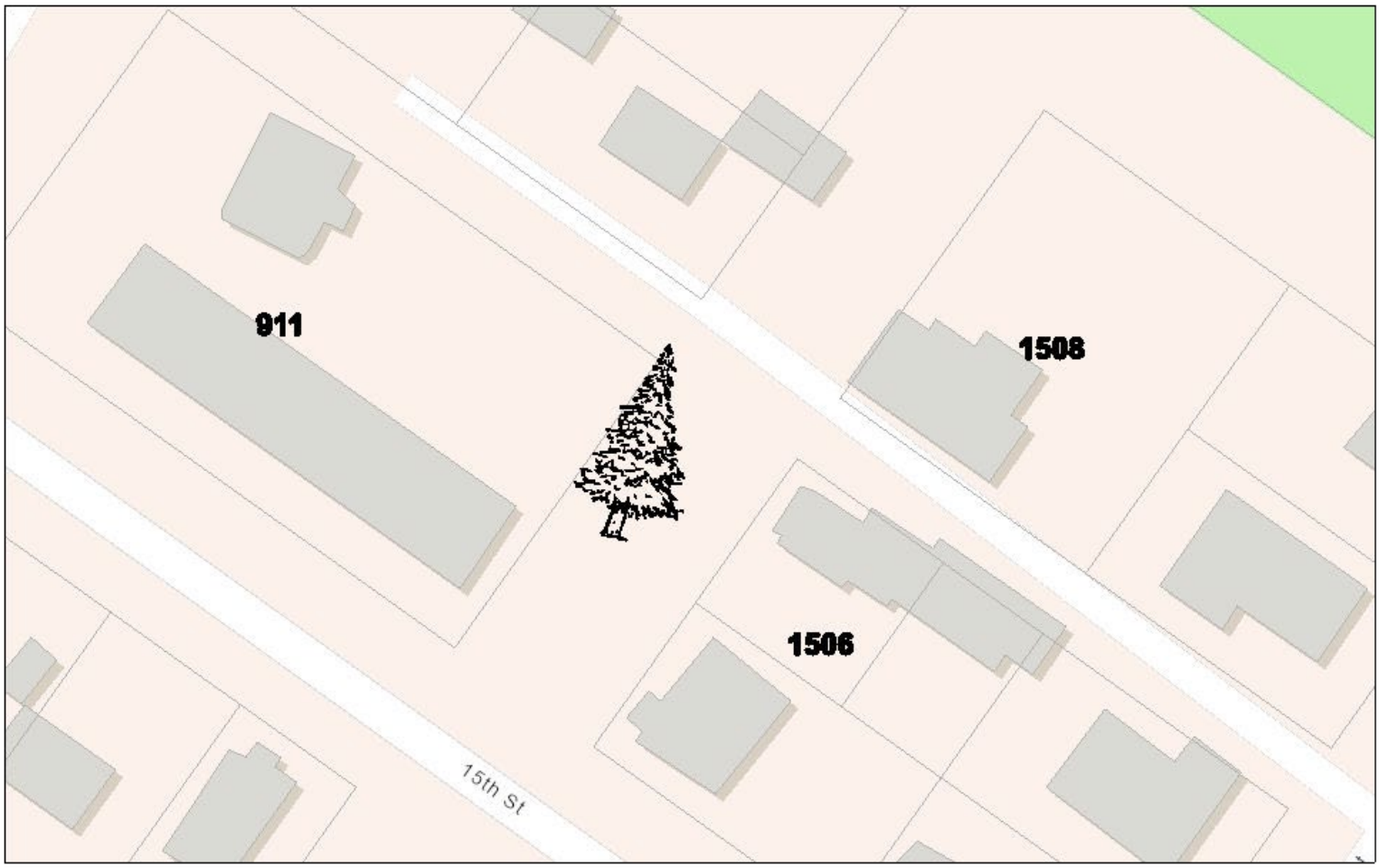
I, Peter van Oss, certify that:

- I have personally inspected the trees and the property referred to in this report and have stated my findings accurately. The extent of the evaluation or appraisal is stated in the attached report and the Terms of the Assignment.
- I have no current or prospective interest in the vegetation or the property that is subject of this report and have no personal interest or bias with respect to the parties involved.
- The analysis, opinions and conclusions stated herein are my own and are based on current professional procedures and facts.
- My analysis, opinions and conclusions were developed, and this report has been prepared according to commonly accepted arboricultural practices.
- No one provided significant professional assistance to me, except as indicated in the report.
- My compensation is not contingent upon reporting of a predetermined conclusion that favors the cause of the client or any other party nor upon the results of the assessment, the attainment of stipulated results, or the occurrence of any subsequent events.

I further certify that I am a member of, and certified as an arborist by the ISA, and a member of the American Society of Consulting Arborists. I have been involved in the arboricultural field in a full-time capacity for a period of 16 years.

Appendix C – Site Map

Monroe Street Risk Assessment



12/29/2022

1:823

0 0.01 0.01 0.02 mi

0 0.01 0.01 0.03 km

Esri Community Maps Contributors, Oregon Metro, Oregon State Parks, State of Oregon GEO, © OpenStreetMap, Microsoft, Esri, HERE, Garmin,

Appendix D – Tree Risk Assessment

ISA Basic Tree Risk Assessment Form

Client City of Oregon City - Wes Wilson Date 12/29/2022 Time 11am
Address/Tree location 1506 Monroe Street, Oregon City Oregon Tree no. 1 Sheet 1 of 1
Tree species Douglas-fir (Pseudotsuga menziesii) dbh 47 Height 94 feet Crown spread dia. 25
Assessor(s) Peter van Oss PN-8145A Tools used DBH Tape, Plum Bob, Nikon Camera **Time frame** 3 years

Target Assessment

Target number	Target description	Target protection	Target zone: Target within drip line	Target within 1x Ht.	Target within 1.5 x Ht.	Occupancy rate (1 – rare, 2 – occasional, 3 – frequent, 4 – constant)	Practical to move target?	Restriction practical?
1	Neighboring home at 1508 Monroe	N/A		✓		3	No	No
2	Neighboring home at 1506 Monroe	N/A		✓		3	NO	No
3	Utility Lines	N/A	✓			4	No	No
4								

Site Factors

History of failures Codominant top broken out in the past **Topography** Flat☐ Slope☒ 10 % **Aspect** North
Site changes None■ Grade change☐ Site clearing☐ Changed soil hydrology☐ Root cuts☐ Describe
Soil conditions Limited volume☐ Saturated☐ Shallow☐ Compacted☐ Pavement over roots■ 50 % Describe Gravel path on all sides of the tree
Prevailing wind direction S/SW **Common weather** Strong winds■ Ice■ Snow☐ Heavy rain■ Describe Typical weather for the metro area in the winter

Tree Health and Species Profile

Vigor Low☐ Normal■ High☐ **Foliage** None (seasonal)☐ None (dead)☐ Normal 95 % Chlorotic 0 % Necrotic 5 %
Pests/Biotic None observerved **Abiotic** Damaged roots from foot traffic to roots crossing the parh
Species failure profile Branches■ Trunk☐ Roots■ Describe Rotational failure due to root disease and branch failure due to wind and snow/ice loading

Load Factors

Wind exposure Protected☐ Partial■ Full☐ Wind funneling☐ South side **Relative crown size** Small☐ Medium☒ Large☐
Crown density Sparse☐ Normal■ Dense☐ **Interior branches** Few☐ Normal☐ Dense■ **Vines/Mistletoe/Moss** ☐
Recent or expected change in load factors Root plate movement during the winter storm 12/27/22

Tree Defects and Conditions Affecting the Likelihood of Failure

— Crown and Branches —

Unbalanced crown■ LCR 70 %
Dead twigs/branches■ 10 % overall Max. dia. 4
Broken/Hangers Number 0 Max. dia.
Over-extended branches ☐
Pruning history
Crown cleaned ☐ Thinned ☐ Raised ☐
Reduced ☐ Topped ☐ Lion-tailed ☐
Flush cuts ☐ Other
No maior concern with crown and branches Condition(s) of concern
Part Size 15 foot long Fall Distance 30 feet
Load on defect N/A☐ Minor■ Moderate☐ Significant☐
Likelihood of failure Improbable■ Possible☐ Probable☐ Imminent☐

Cracks ☐ Lightning damage ☐
Codominant ☐ Included bark ☐
Weak attachments ☐ Cavity/Nest hole % circ.
Previous branch failures■ codom top Similar branches present ☐
Dead/Missing bark ☐ Cankers/Galls/Burls ☐ Sapwood damage/decay ☐
Conks ☐ Heartwood decay ☐
Response growth
Part Size Fall Distance
Load on defect N/A☐ Minor☐ Moderate☐ Significant☐
Likelihood of failure Improbable☐ Possible☐ Probable☐ Imminent☐

—Trunk —

Dead/Missing bark ☐ Abnormal bark texture/color ☐
Codominant stems ☐ Included bark ☐ Cracks■
Sapwood damage/decay ☐ Cankers/Galls/Burls ☐ Sap ooze■
Lightning damage☐ Heartwood decay☐ Conks/Mushrooms ☐
Cavity/Nest hole % circ. Depth Poor taper■
Lean 74 ° Corrected? Somewhat
Response growth Minor
Condition(s) of concern Heavily lean of the tree
Part Size 47" Fall Distance 94-feet
Load on defect N/A☐ Minor☐ Moderate☐ Significant■
Likelihood of failure Improbable☐ Possible☐ Probable■ Imminent☐

— Roots and Root Collar —

Collar buried/Not visible■ Depth unknown Stem girdling ☐
Dead ☐ Decay■ Conks/Mushrooms ☐
Ooze ☐ Cavity ☐ % circ.
Cracks ☐ Cut/Damaged roots■ Distance from trunk 5 to 10 feet
Root plate lifting■ Soil weakness■
Response growth None
Condition(s) of concern Lifting Root Plate
Part Size 47" DBH Fall Distance 94-feet
Load on defect N/A☐ Minor☐ Moderate☐ Significant■
Likelihood of failure Improbable☐ Possible☐ Probable☐ Imminent■

Page 1 of 2

Teragan and Associates, Inc.
Arboricultural Consultants
3145 Westview Circle, Lake Oswego, OR 97034
503-697-1975 | info@teragan.com

Risk Categorization

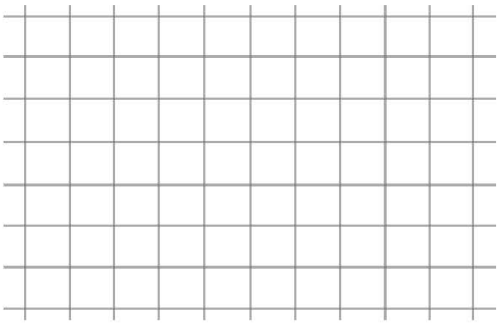
Target (Target number or description)	Tree part	Condition(s) of concern	Likelihood: Failure: Improbable	Failure: Possible	Failure: Probable	Failure: Imminent	Impact: Very low	Impact: Low	Impact: Medium	Impact: High	Failure & Impact (from Matrix 1): Unlikely	Somewhat	Likely	Very likely	Consequences: Negligible	Minor	Significant	Severe	Risk rating (from Matrix 2)
1	Trunk and Roots	Heavily lean and				●				●				●				●	Extreme
2						●				●				●			●		High
3						●				●				●			●		High
		Root Plate Lifting																	

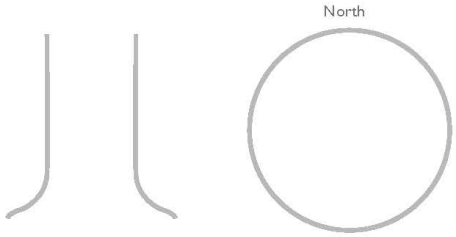
Matrix 1. Likelihood matrix.

Likelihood of Failure	Likelihood of Impact: Very low	Low	Medium	High
Imminent	Unlikely	Somewhat likely	Likely	Very likely
Probable	Unlikely	Unlikely	Somewhat likely	Likely
Possible	Unlikely	Unlikely	Unlikely	Somewhat likely
Improbable	Unlikely	Unlikely	Unlikely	Unlikely

Matrix 2. Risk rating matrix.

Likelihood of Failure & Impact	Consequences of Failure: Negligible	Minor	Significant	Severe
Very likely	Low	Moderate	High	Extreme
Likely	Low	Moderate	High	High
Somewhat likely	Low	Low	Moderate	Moderate
Unlikely	Low	Low	Low	Low





Notes, explanations, descriptions

Mitigation options

1. Reduce the top of the tree to mitigate the overall weight of the tree **Residual risk** Low
2. Remove the tree **Residual risk** None
3. **Residual risk**
4. **Residual risk**

Overall tree risk rating Low ☐ Moderate ☐ High ■ Extreme ■

Overall residual risk None ■ Low ■ Moderate ☐ High ☐ Extreme ☐ **Recommended inspection interval**

Data ■ Final ☐ Preliminary **Advanced assessment needed** ☐No ☐Yes-Type/Reason

Inspection limitations ☐None ■Visibility ☐Access ☐Vines ☐Root collar buried Describe Thick ivy growth in planter areas

This datasheet was produced by the International Society of Arboriculture (ISA) — 2017

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Appendix E – Photos

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Crack in soil.

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RESOLUTION NO. 20-33

A RESOLUTION ADOPTING A POLICY FOR ADDITIONAL PERMITTING, NOTIFICATION AND OTHER REQUIREMENTS FOR REMOVAL OF SIGNIFICANT CITY TREES

WHEREAS, the City recognizes the importance of preserving significant trees located on City property or within the public right-of-way; and

WHEREAS, the City has regulations in the Oregon City Municipal Code regarding tree removal; and

WHEREAS, the City does not have an internal policy with the process for considering if significant trees should be removed; and

WHEREAS, the City does not have a process for public notification for the removal of large trees; and

WHEREAS, the City does not have a process for reuse of large timber; and

WHEREAS, the proposed Policy for Additional Permitting, Notification, and Other Requirements for Staff Removal of Significant City Trees clearly articulates an internal process for removal of significant trees which includes public notification, and other requirements important to the City Commission.

NOW, THEREFORE, OREGON CITY RESOLVES AS FOLLOWS:

Section 1. The Oregon City Commission hereby adopts Exhibit A, Policy for Additional Permitting, Notification, and Other Requirements for Staff Removal of Significant City Trees.

Section 2. This resolution shall become effective 30-day after adoption in order to allow sufficient time to alter the City's website to effectuate notice as set forth in the Policy.

Approved and adopted at a regular meeting of the City Commission held on the 4th day of November 2020.

RACHEL LYLES SMITH,
Commission President

Attested to this 4th Day of November 2020

Kattie Riggs, City Recorder

Approved as to legal sufficiency:

City Attorney

Exhibits:

A. Policy for Additional Permitting, Notification, and Other Requirements for Staff Removal of Significant City Trees

OREGON CITY

Community Development – Planning

695 Warner Parrott Road | Oregon City OR 97045
Ph (503) 722-3789 | Fax (503) 722-3880

ADDITIONAL PERMITTING, NOTIFICATION AND OTHER REQUIREMENTS FOR STAFF REMOVAL OF SIGNIFICANT CITY TREES

The purpose of this policy is to reduce unnecessary tree removal by the City and provide public notification and other best practices when such removal occurs.

Step 1. Determine Applicability of the Policy

This policy applies to City removal of trees:

- On City or Urban Renewal owned property; or
- Within the right-of-way.

The process does not apply to the public removal of City trees, such as street trees.

The following policy is limited to trees which meet or exceed the minimum size in the table below. The policy does not apply for trees which do not meet these minimum size thresholds.

Common Name	Species	Minimum Size (d.b.h)*
Oregon White Oak	Quercus garrayana	8"
Fir	Pseudotsuga menziesii	18"
Western Red Cedar	Thuja plicata	12"
Ponderosa Pine	Pinus ponderosa	12"
Western Yew	Taxus brevifolia	6"
Douglas Pacific Dogwood	Cornus nuttallii	5"
Coastal Redwood	Sequoia sempervirens	12"
Giant Sequoia	Sequoiadendron giganteum	12"
Pacific Madrone	Arbutus menziesii	5”
Other deciduous tree species		20"
Other evergreen trees		18"

**d.b.h = Diameter at breast height, means a measurement of the trunk or stem diameter of a mature tree at a height four and one-half feet above the ground level at the base of the tree.*

Step 2. Exemptions

Trees which meet any of the following situations are exempt from the policy:

1. Trees within habitat restoration areas. The habitat restoration project must have been approved by the Planning Division through the appropriate land use process.
2. Trees within or abutting water quality facilities.
3. Trees which are on the Oregon City Nuisance Plant List or otherwise classified as invasive or problem species in the region[1].

[1] Includes official noxious weed priority list as designated by the Oregon State Weed Board (OSWB) or the Clackamas Soil and Water Conservation District WeedWise Program.

4. Imminent Hazard Trees. Imminent hazard trees, as defined in OCMC 17.04.1370 may be removed without notification before a permit is obtained due to the necessity to respond to the hazard and restore public safety as soon as possible. Examples include if the tree has fallen across the roadway or if it is leaning significantly due to a heavy windstorm and likely to fall within the next 72 hours, or when a tree is damaged by a vehicle collision. A determination of imminent hazard is made in the field by the City of Oregon City Public Works, or emergency personnel, a forester, or a certified arborist. Permits shall be obtained after the imminent hazard has been removed and any applicable replacement requirements shall be followed. The responding personnel shall provide details of the tree species, size and condition to the extent practicable. Photos and documentation of the hazardous conditions shall be provided with the permit application for tree removal to verify the tree was hazardous, but arborist reports would not be required.

   17.04.1370 - Tree, imminent hazard.
   "Imminent hazard tree" means a hazardous tree as defined in OCMC 12.32.020, all or more than thirty percent of which has already fallen or is estimated to fall within seventy-two hours into the public right-of-way or onto a target that cannot be protected, restricted, moved, or removed.

Step 3. Consideration of Alternatives to Removal

The department most responsible for the tree shall document the tree location, size, and species (if known), the reason for removal, and alternatives considered in a written justification memo. The memo will be reviewed by a department manager, who will send the memo to a third party (an arborist or a staff assessment team) for review. All trees over 40 inches d.b.h must be reviewed by a certified arborist. For trees 40 inches d.b.h or smaller, the department may choose to send the justification memo to either:

- Option #1: A Certified Arborist
  A certified arborist will analyze each tree proposed for removal and document the findings in a written report. The report will contain an analysis of alternatives to removal including a rough estimate of approximate general cost and practicality of each alternative.

- Option #2: Staff Assessment
  A group of staff including a minimum of two people from Public Works and Parks and one person from Planning who will analyze each tree proposed for removal and document the findings in a written conclusion memo. Staff with experience or an educational background in forestry or tree management is preferred. The memo must be authored by a staff member not in the department responsible for the tree and will contain an analysis of alternatives to removal including a rough estimate of approximate general cost and practicality of each alternative.

Step 4. Submit a Permit for Removal of a Public Tree

A permit is generally always required to assure adequate mitigation for any tree the City is going to remove. However, if the tree meets the specifications of this policy, additional public notice will be required. The purpose of the notice is to inform the public of the proposal and direct them to a city website where they may review the application, arborist report or internal conclusion memo, and contact the applicant with any questions or concerns. Permits for public tree removal will not be issued until the notice period is complete.

Step 5. Notice of Tree Removal

Upon receipt of a permit application in Step 4, the Planning Division will administer the following notices:

- Website Notice
  Notice of all proposed removal of heritage eligible trees will be posted to a city website. The public as well as the City Commission, PRAC, NRC, CIC, Neighborhood Associations, etc. will have the ability to subscribe to the website to receive notifications each time a new posting occurs. The website notice will include copies of the permit application form, the arborist report (if applicable), and the internal panel memo.

- Physical Notice
  A physical notice is also required to be posted on the tree proposed for removal for a minimum of 14 calendar days. This period is intended to provide an opportunity for the public to contact the applicant with questions and comments about the proposed tree removal. Notices shall be provided by the Planning Division on 8.5 X 11 laminated paper with the words "NOTICE OF PROPOSED TREE REMOVAL" in bold, 48-point font and the website where the public may download the permits, arborist reports and associated documentation. Notices shall be tied to the tree with twine or wire. No screws or nails shall be used. The notice will be created by the Planning Division, but will be placed and monitored by the department proposing removal.

If there remain unresolved questions or concerns regarding the proposed tree removal after the public notice, the removal shall be referred to the City Manager for further review. The City Manager may decide to move forward with the tree removal or cease the tree removal process.

City Commission Approval for City Owned Trees Over 40 inches D.B.H

Trees greater than 40" d.b.h. shall be placed on a City Commission consent agenda and notification will be sent to the Natural Resources Committee, Parks and Recreation Committee, and the Transportation Advisory Committee. The City Commission may decide to move forward with the tree removal or cease the tree removal process.

Additional Requirements

The following shall also apply.

- Reuse of the Wood for City-Owned Trees 25 Inches or Greater
  Trees proposed for removal which are subject to this policy, free from infestation, and 25 inches d.b.h. or greater, shall be repurposed for use by the City and/or public if feasible. Depending on the quality of the wood, it may be utilized for environmental enhancement, furniture or crafts. The Natural Resources Committee recommends that in natural areas and next to streams, leaving large woody debris in place may help to improve fish and wildlife habitat, and that the use of wood for firewood should be allowed only if the wood cannot be repurposed any other way (e.g. cottonwood).

- Large Tree Mitigation.
  Trees proposed for removal that are 50 inches or greater d.b.h. shall be mitigated with tree plantings within the city limits. No fee-in-lieu is allowed.

- Establishment of an Annual Budget for Supporting Fund
  The policy above includes provisions which will have unfunded financial impacts to the City. A fund dedicated to arborist reports, supporting tree retention with use of alternatives to tree

removal (such as meandering a sidewalk) and putting the wood of a removed tree to use will be established for the Parks and Recreation Department as well as Public Works.

695 Warner Parrott Road | Oregon City OR 97045
Ph (503) 722-3789 | Fax (503) 722-3880

City Staff Application for Removal of Significant Public Trees

Please complete this packet and attach all required application materials. If any section of the application form is incomplete, the application will be returned.

This section to be completed by staff only:

Reviewed By: _____ Date: _____ Associated Permit #: _____

☐ Tree Removal Subject to Public Tree Removal Policy ☐ Tree Removal Exempt from Public Tree Removal Policy

Pursuant to City Commission Resolution No. 20-33 (Effective 12/04/2020)

Please use this form is for tree removal on City-owned property, Urban Renewal owned property, City-initiated tree removal within the public right-of-way to determine whether or not the City's public tree removal policy applies to the proposed tree removal. The purpose of this review is to reduce unnecessary tree removal by the City and provide public notification and other best practices when such removal occurs.

Applicant Name: Erik Nichols Department: Public Works

Phone: 971-204-4631 Email: enichols@orcity.org

Address or Map and Tax Lot: ROW adjacent to 1506 Monroe Street, Oregon City, OR 97045

1. Permits Required

Depending on the location of the trees proposed to be removed, additional permits are required. Please complete and attach the additional forms required.

Location of Tree(s) Proposed to be Removed:

☐ City-owned property or Urban Renewal owned property
In addition to this form, please complete and attach a Type I Site Plan and Design Review Main Application, and Addendum 4b for Tree Removal.

☒ Public Right-of-Way
In addition to this form, please complete and attach a Street Tree Removal permit application form.

Staff Only
Have required permit applications been submitted?
☐ Yes ☐ No

2. Applicability of Public Tree Removal Policy

Please identify the number of trees being removed which meet the size requirements listed. If the trees being removed are smaller than the sizes listed in the table below, please continue to the Section 3 (Exemptions).

Tree Species	**Threshold (D.B.H)***	Actual D.B.H.	**# of Trees Being Removed**
Oregon White Oak (Quercus garrayana)	*8"+*		
Douglas Fir (Pseudotsuga menziesii)	*18"+*	47"	1
Western Red Cedar (Thuja plicata)	*12"+*		
Ponderosa Pine (Pinus ponderosa)	*12"+*		
Western Yew (Taxus brevifolia)	*6"+*		
Pacific Dogwood (Cornus nuttallii)	*5"+*		
Coastal Redwood (Sequoia sempervirens)	*12"+*		
Giant Sequoia (Sequoiadendron giganteum)	*12"+*		
Pacific Madrone (Arbutus menziesii)	*5"+*		
Other deciduous tree species	*20"+*		
Other evergreen trees	*18"+*		

**D.B.H. = Diameter at Breast Height = 4.5 feet above ground.*

3. Exemptions

Please identify if any of the following exemptions apply to the proposed tree removal.

- ☐ The trees are smaller than the minimum D.B.H. identified in the table above.
- ☐ The trees are within a habitat restoration area. Please note the habitat restoration project must have been approved by the Planning Division through the appropriate land use process.
- ☐ The trees are within or abutting water quality facilities.
- ☐ The trees are on the Oregon City Nuisance Plant List or otherwise classified as invasive or problem species in the region.
- ☒ The trees are imminent hazard trees. Imminent hazard trees, as defined in OCMC 17.04.1370 may be removed without notification before a permit is obtained due to the necessity to respond to the hazard and restore public safety as soon as possible. Examples include if the tree has fallen across the roadway or if it is leaning significantly due to a heavy windstorm and likely to fall within the next 72 hours, or when a tree is damaged by a vehicle collision. A determination of imminent hazard is made in the field by the City of Oregon City Public Works, or emergency personnel, a forester, or a certified arborist. **Permits shall be obtained after the imminent hazard has been removed and any applicable replacement requirements shall be followed.** The responding personnel shall provide details of the tree species, size and condition to the extent practicable. Photos and documentation of the hazardous conditions shall be provided with the permit application for tree removal to verify the tree was hazardous, but arborist reports are not required.

17.04.1370 - Tree, imminent hazard.
"Imminent hazard tree" means a hazardous tree as defined in OCMC 12.32.020, all or more than thirty percent of which has already fallen or is estimated to fall within seventy-two hours into the public right-of-way or onto a target that cannot be protected, restricted, moved, or removed.

If the proposed tree removal is exempt from the public tree removal policy in accordance with one of the exemptions above, you have completed the worksheet. If the proposed tree removal is not exempt, please proceed to Consideration of Alternatives to Tree Removal.

Staff Only

Is the project exempt from the public tree removal policy?

Yes ☐ No ☐ Initial_____

If the project is not exempt, please continue the form.

4. Consideration of Alternatives to Tree Removal: Initial Documentation

The department requesting removal shall document the tree location, size, and species (if known), the reason for the proposed removal, and alternatives considered in a written justification memo. The memorandum must contain an analysis of alternatives to removal, which may include one or more of the following methods:

- Root pruning
- Canopy pruning
- Changing the location of existing or proposed structures and public utilities
- Other alternatives as applicable.

Following analysis of alternatives the memo shall include a recommended course of action, which takes into account the alternatives considered and whether the alternative is / is not feasible, and why.

Please attach the alternatives analysis in a separate memo or complete the following:

Tree Location (Include Map): _____

Size: _____

Species: _____

Reason for Removal:_____

_____

Alternatives to Removal and Rough Cost Estimate:

Alternative #1:

_____

Alternative #2:

_____

Alternative #3:

_____

Conclusions/Recommended Course of Action:

_____

Name of Staff who Completed Analysis: _____

5. Consideration of Alternatives to Tree Removal: Third Party Review

The above will be reviewed by a department manager, who will send the memo to a third party (an arborist or a staff assessment team) for review. The department may choose to send the justification memo to either:

- Option #1: A Certified Arborist (Required for Trees over 40" D.B.H.)
- Option #2: Staff Assessment (A minimum of 2 Public Works/Parks staff members and 1 from Planning)

Please identify all of the third-party reviewers, who have reviewed the justification memo, and submit their written conclusions.

☐ Certified Arborist Name: _____ Certification #: _____

☐ Staff Assessment Team

Name _____ Department _____

Name _____ Department _____

Name _____ Department _____

Has the third-party reviewers' written conclusion memo been submitted? ☐ Yes ☐ No

Staff Only
Have all required memos been submitted? ☐ Yes ☐ No Initial_____

6. Public Notice

The following public notices are required and will be prepared by Planning staff:

- Physical Notice

A physical notice is required to be posted on the tree proposed for removal for a minimum of 14 calendar days. This period is intended to provide an opportunity for the public to contact the applicant with questions and comments about the proposed tree removal. Notices shall be provided by the Planning Division on 8.5 X 11 laminated paper with the words "NOTICE OF PROPOSED TREE REMOVAL" in bold, 48-point font and the website where the public may download the permits, arborist reports and associated documentation. Notices shall be tied to the tree with twine or wire. No screws or nails shall be used. The notice will be created by the Planning Division, but will be placed and monitored by the department proposing removal.

- Email Transmittal

Staff will send email transmittal to affected departments and agencies requesting comment on the proposed tree removal.

- City Manager Review

If there remain unresolved questions or concerns regarding the proposed tree removal after the public notice, the removal shall be referred to the City Manager for further review. The City Manager may decide to move forward with the tree removal or cease the tree removal process.

Staff Only

Date Notice Posted on Website: _____

Affidavit Submitted: ☐ Yes ☐ No

Email Transmittal Sent Out: ☐ Yes ☐ No

Comment Period Deadline: _____

City Manager Review Required? ☐ Yes ☐ No

7. Additional Requirements

Reuse/Repurposing of Wood

Trees proposed for removal which are subject to this policy, free from infestation, and 25 inches D.B.H. or greater, shall be repurposed for use by the City and/or public if feasible. Depending on the quality of the wood, it may be utilized for environmental enhancement, furniture or crafts. The Natural Resources Committee recommends that in natural areas and next to streams, leaving large woody debris in place may help to improve fish and wildlife habitat, and that the use of wood for firewood should be allowed only if the wood cannot be repurposed any other way (e.g. cottonwood).

Does the proposed tree removal include removal of trees greater than 25 inches DBH which are free from infestation? ☐ Yes ☐ No

Is reuse/repurposing of wood proposed? ☐ Yes ☐ No

If yes, please explain how the wood would be reused or repurposed: _____

_____

Staff Only

Reuse of Wood Approved? ☐ Yes ☐ No Initial_____

City Commission Hearing

Trees greater than 40" D.B.H. shall be placed on a City Commission consent agenda and notification will be sent to the Natural Resources Committee, Parks and Recreation Committee, and the Transportation Advisory Committee. The City Commission may decide to move forward with the tree removal or cease the tree removal process.

Does the proposed tree removal include removal of trees greater than 40 inches DBH? ☐ Yes ☐ No

Staff Only

City Commission hearing required? ☐ Yes ☐ No Initial_____

Large Tree Mitigation

Trees proposed for removal that are 50 inches or greater D.B.H. shall be mitigated with tree plantings within the city limits. No fee-in-lieu is allowed.

Does the proposed tree removal include removal of trees greater than 50 inches DBH? ☐ Yes ☐ No

Are all mitigation trees proposed to be planted within city limits? ☐ Yes ☐ No

Is fee-in-lieu of planting mitigation trees proposed? ☐ Yes ☐ No

Staff Only

Approved? ☐ Yes ☐ No Initial_____

OREGON CITY

Planning Division

695 Warner Parrott Road | Oregon City OR 97045
Ph (503) 722-3789 | Fax (503) 722-3880

Street Tree Removal Application

Please complete this packet and attach a site plan. If any section of the application form is incomplete, the application will be returned.

This section to be completed by staff only:

Approval By: _____ Date: _____ Permit #: _____

# of Trees to be Replanted: _____ Replanting Deadline: _____ # of Trees for Fee-In-Lieu: _____

Refer to chapter 12.08 of the Oregon City Municipal Code or contact Planning at 503.722.3789 for additional information. Sidewalk Repair requires a separate permit from the Public Works Department.

Applicant Name: Oregon City Public Works

Phone: 971-204-4631 Email: enichols@orcity.org

Address or Map and Tax Lot: 1506 Monroe Street, Oregon City, OR 97045

How many trees would you like to remove?

Number of Street Trees Proposed to be Removed: 1

Trees that are approved for removal must be removed fully to the ground level.

Will any travel lanes be blocked for the removal to occur ? ☐ Yes ☒ No

If any travel lanes will need blocked for any period of time, a separate traffic control permit is required from the Public Works Department.

Determine the Number of Mitigation Trees Required

1. Is the tree species listed as invasive or nuisance on the Oregon City Nuisance Plant List, Portland Plant List, Oregon Department of Agriculture, or Clackamas Soil and Water District? ☐ Yes ☒ No, go to #2
   Number of trees invasive or hazardous: _____
   Species: _____
   Which list identifies the tree as invasive or nuisance? _____
   No trees are required to be planted to make up for the removal of a qualifying invasive or nuisance tree. A picture of each tree(s) proposed to be removed is required to be submitted.

2. Did a Certified Arborist identify the tree(s) as dead, diseased, or hazardous? ☒ Yes ☐ No, go to #3
   Number of trees designated as dead, diseased, or hazardous: 1

One tree is required to be planted to make up for each designated tree being removed. A map identifying the location of the tree(s) as well as **written documentation from a certified arborist is required**.

3. Did the tree lift the sidewalk, creating a lip more than ¼ inch or otherwise conflict with the American with Disabilities Act? ☐ Yes ☐ No, go to #4
   Number of Trees: _____ Height of Lip: _____
   One tree is required to be planted to make up for each tree being removed which causes a hazard. A map identifying the location of the tree(s) and a picture of the hazard is required.

4. For any trees not included in 1-3 above, use the chart below to identify the number of trees to be planted to make up for the tree removed.

Diameter of Tree to be Removed (Inches at 4-ft Height)	Number of Trees Required to Be Planted for Each Tree Removed	Number of Replacement Trees Required
Less than 6"	1 Tree	# of Trees ≤6" _____ x 1 = _____
6" to 12"	2 Trees	# of Trees 6"-12" _____ x 2 = _____
13" to 18"	3 Trees	# of Trees 13"-18" _____ x 3 = _____
19" to 24"	4 Trees	# of Trees 19"-24" _____ x 4 = _____
25" to 30"	5 Trees	# of Trees 25"-30" _____ x 5 = _____
31" and over	8 Trees	# of Trees ≥31" _____ x 8 = _____

5. Total number of mitigation trees required: _____

Staff Only
Approved? ☐ Yes ☐ No Initial_____

Determine Mitigation Method and Replanting Location

The locations for replanting are listed below in prioritized order. You must demonstrate how the highest priority option cannot be met prior to proceeding with a lower priority option.

All trees planted in the right-of-way are required to meet the following clearance distances:

- 15 feet from streetlights
- 5 feet from fire hydrants
- 20 feet from a street intersection (measured from edge of pavement)
- 5 feet from all public utilities (i.e. sewer, storm and water lines, utility meters, etc.)

In addition, the planting area must be a minimum of 2.5 feet wide.

Planting Option #1: Replanting in the public right-of-way abutting your property.

Replanting trees in the right-of-way abutting your property (e.g. the planter strip) if the size and spacing requirements can be met is the City's highest priority. Only if it can be demonstrated that there is not sufficient space for replanting based on the clearance distances above can other replanting locations be explored.

Can all of the required trees to be replanted fit along the street? ☐ Yes ☐ No
How many trees can be planted meeting the clearance distances above? _____
Provide a simple site plan including:

- The location of the removed tree(s)
- The location of the replaced tree(s)

- The location of streetlights, fire hydrants, street intersections, and public utilities as well as distance from trees proposed to be planted.

Root barriers are recommended to provide additional protection from sidewalk and curb damage.

Alternate Planting Options

If it can be demonstrated that it is infeasible to plant the required trees in accordance with Planting Option #1, any combination of the following options may be utilized.

- **Replanting Elsewhere in the Right-of-Way**

  Trees may be planted in the right-of-way (such as a planter strip) next to someone else's property if they have given you permission. A map demonstrating the clearance requirements are being met as identified in #1 is required, as well as written approval from the abutting property owner (since they will be responsible for maintenance of the trees).
  Number of trees proposed to be planted in the right-of-way offsite: 1

- **Replanting on Public Property**

  The City may have options for replanting the trees at parks, in stormwater facilities, or elsewhere on land owned by Oregon City. A minimum number of trees may be required for this option. Please contact Public works at 503.657-8241 to learn more.
  Number of trees proposed to be on City property offsite: _____

- **Replanting in Your Front Yard**

  Replacement tree(s) may be planted on your property, within ten feet of the property line. Trees using this option are required to be a minimum of 2 inches in caliper, larger in size than the other options. In order to assure protection and replacement of the trees, a covenant is required to be recorded on your title identifying the tree(s) are subject to the protections and replacement requirements the same as street trees. A map demonstrating the clearance requirements are being met as identified in #1 is required.
  Number of trees proposed for replanting in the front yard: _____

- **Payment of a Fee in Lieu of Planting**

  For 2022, the fee is $361, as identified in the fee schedule. These fees support the Tree Mitigation Fund for planting new trees, tree protection, and tree education within Oregon City.
  Number of trees proposed for a fee-in-lieu: _____
  Total fee due: _____ x $361 = _____

Number of Trees Proposed in Abutting Right-of-Way (Planter Strip): _____
Number of Trees Proposed in Right-of-Way Not Abutting Your Property: 1
Number of Trees Proposed on City Property: _____
Number of Trees to Pay a Fee-In-Lieu: _____
Total Replacement Trees Required: 1

Staff Only Approved?
☐ Yes ☐ No Initial_____

Select Species and Size of Mitigation Tree(s)

Oregon City has adopted a list of tree species appropriate for growing in specific planting areas. Though developers still have an opportunity to choose the type of tree they prefer to plant, as of 1999, all

subdivisions were required to plant a species either from the list, or approved by a certified arborist. Your planter strip may be narrower than our current standard of 5 feet, so the list includes a wide variety of acceptable trees sized for the planting area.

Tree Size

New street trees are required to be a minimum of 1.5 inches in caliper, measured 6-inches from the ground, at the time of planting. Trees planted in yards are required to be a minimum of 2 inches in caliper.

Size of tree proposed to be planted: _____

Tree Species

Determine appropriate species based on the width of your planter strip:

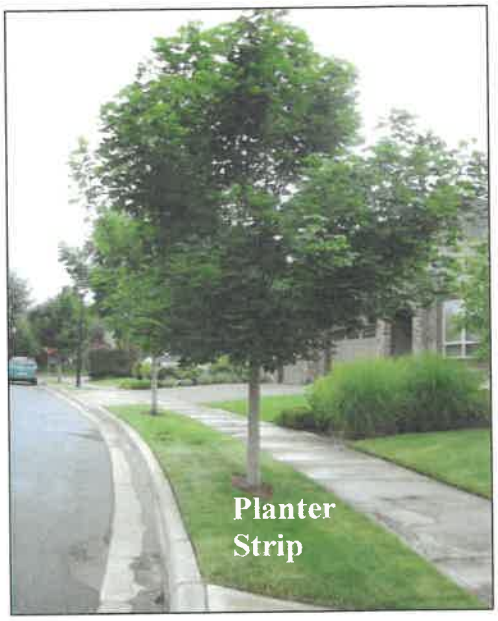
Planter strip width:_____

Species of tree proposed to be planted:

_____

Street trees species is chosen from:

- ☐ The City's recommended street tree list,
- ☐ Another municipality's street tree list in the metro area such as Portland, Gresham, Beaverton, or Milwaukie. _____
- ☐ A written recommendation by a certified arborist is attached indicating that the species is appropriate for the specific planting location.



- All trees planted beneath powerlines shall be selected from the associated list and also approved by the associated franchise powerline utility company (generally PGE). PGE may be reached at 503-323-6700 or service.coordinators@pgn.com.
- You are required to install the replacement trees by the date indicated by staff on the permit approval form. It is best to plant during the fall and winter prior to bud break. Extensions may be granted on case-by-case basis.

Applicable Overlay Zones

Please identify all overlay districts identified on your Property Zoning Report. If any of the items below are marked, please contact the Planning Division to Determine if additional review is needed.

☐ Geologic Hazards Overlay District ☐ Historic Overlay District ☐ Flood Management Overlay District

☐ Willamette River Greenway Overlay District ☐ Natural Resources Overlay District ☐ None

Staff Only

Additional Review Required? ☐ Yes ☐ No Initial_____

Please submit this fully completed form to the Planning Division at ocplanning@orcity.org.
There is no application fee and permits are generally reviewed within 24 hours.

I agree to comply with City of Oregon City Code Chapter 12.08 - PUBLIC AND STREET TREES, regarding street tree removal and repl[illegible]ee to hold harmless the City of Oregon City, its agents, officers, and employees for any damage or injury caused by reason of planting, [illegible] maintenance, or removal of street trees. I understand that as the abutting property owner, I shall be responsible for the maintenan[illegible]ees

and planting strips and that I shall be solely liable for any damages. I understand that replanting is a condition of removing street trees and that the City of Oregon City may require greater than 1:1 replacement pursuant to the adopted code. I understand that I am responsible for the successful establishment of the replanted trees.

12.30.22

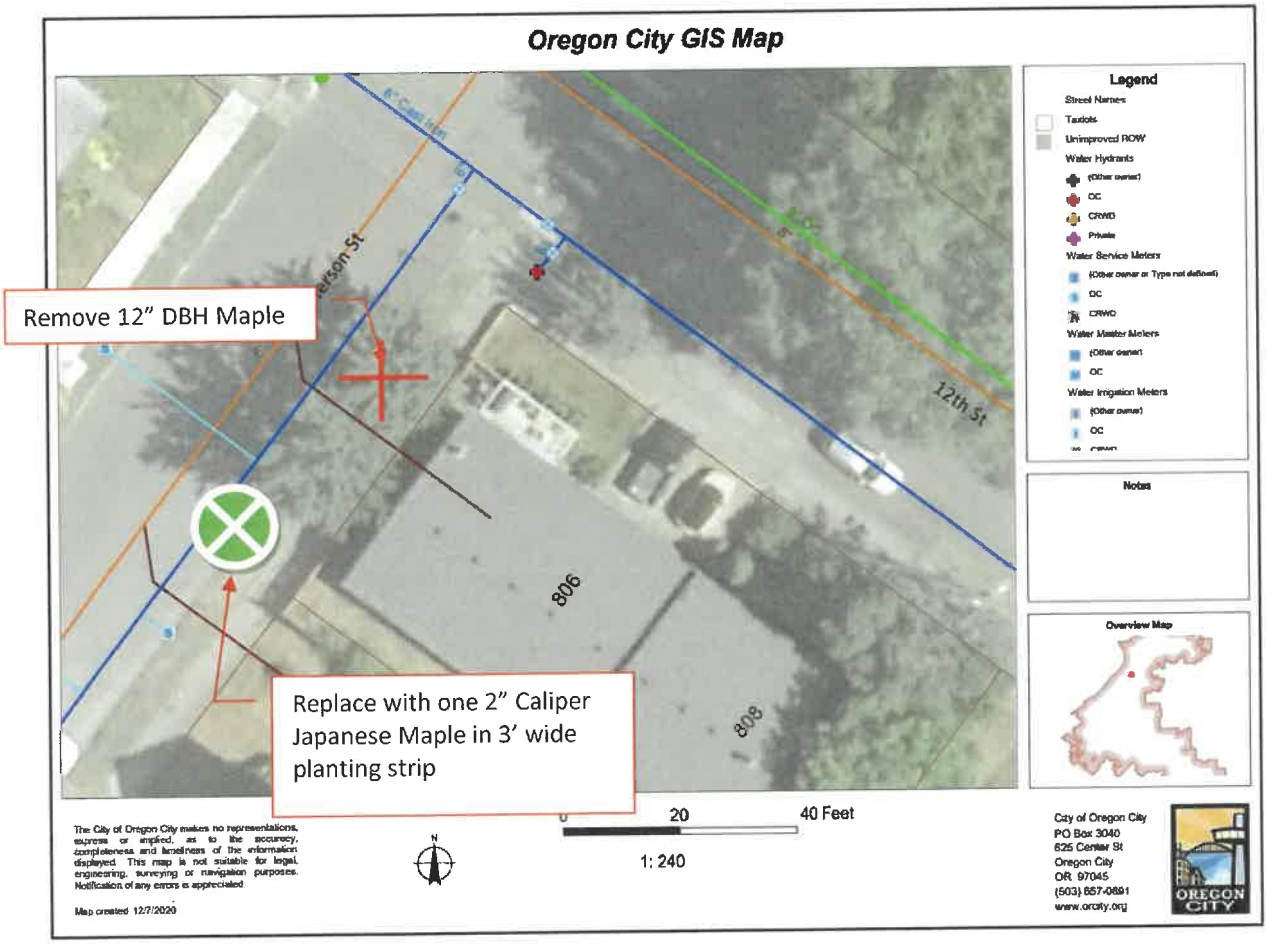
Abutting Property Owner's Signature *Date*

Submit this Application and a Planting Plan to: Oregon City Planning Division, 695 Warner Parrott Rd Oregon City, OR 97045. Phone: (503) 722-3789 / Fax (503) 722-3880. Email: ocplanning@orcity.org

Example Tree Planting Plan

Please provide a sketch plan for where your trees will be planted

Please Note! Streets, sidewalks and planting areas vary – You may download an aerial photo of your property frontage at https://www.orcity.org/maps/ocwebmaps



EXAMPLE ONLY – PLEASE CREATE YOUR OWN PLAN

CITY OF OREGON CITY

Staff Report

625 Center Street
Oregon City, OR 97045
503-657-0891

To: City Commission **Agenda Date:** 1/4/2023

From: City Manager Tony Konkol

SUBJECT:

Comprehensive Annual Financial Report for the Fiscal Year ending June 30, 2022

STAFF RECOMMENDATION:

No action requested, information only.

EXECUTIVE SUMMARY:

Attached is the Annual Comprehensive Financial Report (ACFR) for Oregon City for the fiscal year ended June 30, 2022. In addition, there is a letter from the audit firm, Aldrich CPAs + Advisors LLP, to the Commission that is required by the firm's auditing standards. Included in the report is the result of the independent financial audit performed by Aldrich. The auditors issued an unmodified or "clean" opinion. That means that the financial statements present fairly, in all material respects, the financial position and activities of the City for the year. The attached report has been submitted to the Secretary of State in accordance with municipal audit law. The 2021 ACFR qualified for the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting. We believe the 2022 ACFR conforms to the requirements of the award program as well and will submit it to GFOA for consideration.

Aldrich CPAs + Advisors LLP
5665 SW Meadows Road, #200
Lake Oswego, Oregon 97035

December 19, 2022

To the Honorable Mayor and City Commissioners
City of Oregon City
Oregon City, Oregon

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Oregon City (the City), including its component unit, the City of Oregon City Urban Renewal Agency, for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, if applicable, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 30, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. As described in the notes to the financial statements, the City changed accounting policies related to leases by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 87, *Leases*, in 2022. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

> Management's estimate of the net pension liability and related deferred outflows and deferred inflows related to the City's participation in the Oregon Public Employees Retirement System is based on an actuarial valuation prepared by Milliman as of June 30, 2021. We evaluated the key factors and assumptions used to develop the net pension liability and related deferred outflows and deferred inflows in determining that it is reasonable in relation to the financial statements taken as a whole.
>
> Management's estimate of the net OPEB asset and related deferred outflows and deferred inflows related to the City's participation in the Oregon Public Employees Retirement System is based on an actuarial valuation prepared by Milliman as of June 30, 2021. We evaluated the key factors and assumptions used to develop the net pension liability and related deferred outflows and deferred inflows in determining that it is reasonable in relation to the financial statements taken as a whole.
>
> Management's estimate of the OPEB liability and related deferred outflows and deferred inflows related to the City's implicit rate subsidy plan is based on an actuarial valuation prepared by Milliman as of June 30, 2021. We evaluated the key factors and assumptions used to develop the net pension liability and related deferred outflows and deferred inflows in determining that it is reasonable in relation to the financial statements taken as a whole.
>
> Management's estimate of depreciation expense is based on the City's estimated useful lives of capital assets. We evaluated the key factors and assumptions used to develop the net pension liability and related deferred outflows and deferred inflows in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of cash and cash equivalents in Note 2A to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit
We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements
Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management
For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated December 19, 2022 and are attached to this letter for your reference.

Management Consultations with Other Independent Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, schedule of the proportionate share of the net pension liability, schedule of contributions, schedule of proportionate share of the net OPEB liability – RHIA, schedule of contributions – RHIA, schedule of changes in total OPEB liability and related ratios, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We subjected the General and Major Special Revenue Fund budgetary comparison schedules, as listed in the table of contents under required supplementary information, to 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, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We were engaged to report on the combining financial statements, individual fund schedules, and schedule of expenditures of federal awards which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory or statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

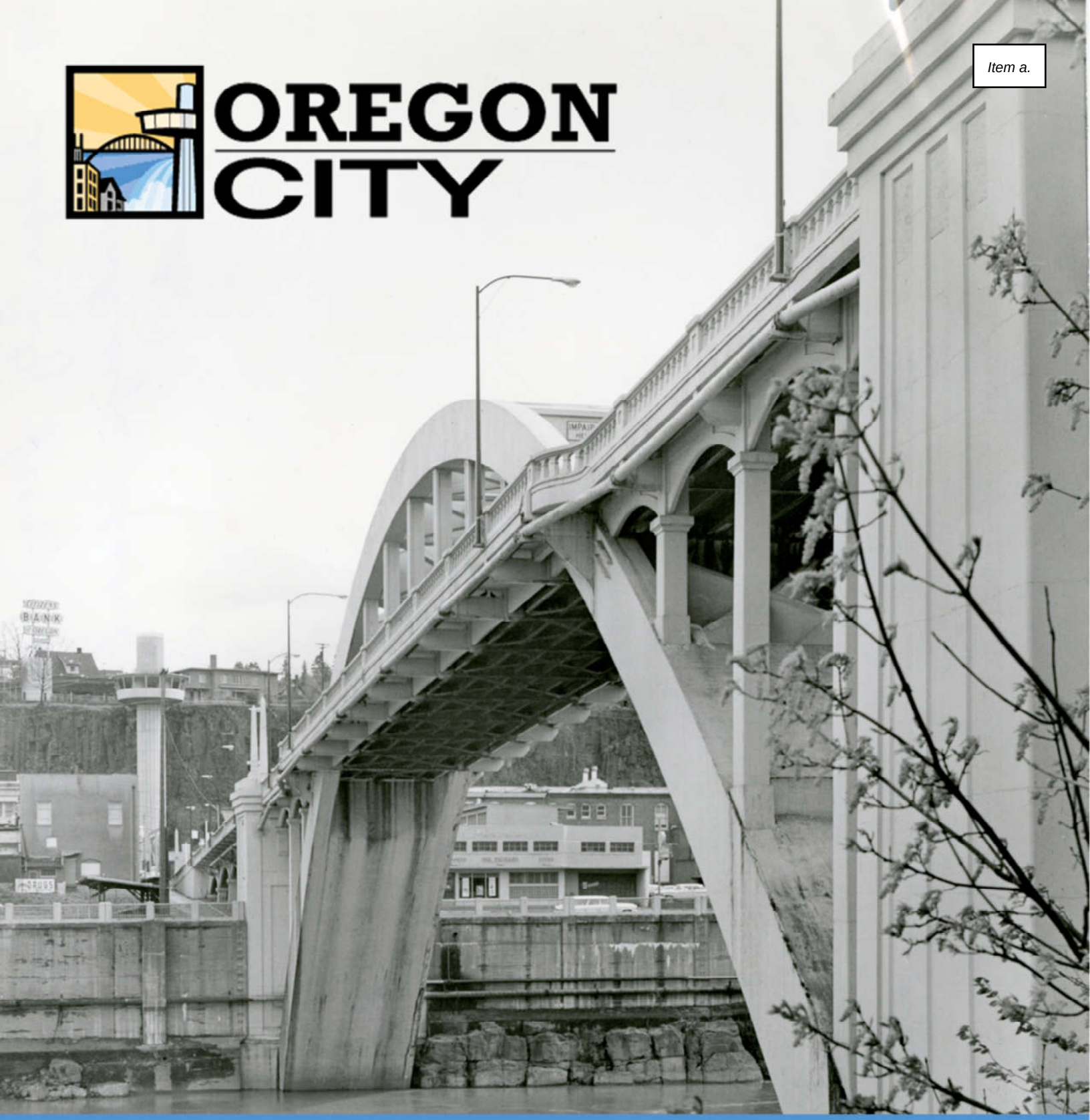
Restriction on Use

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

Very truly yours,

Aldrich CPAs + Advisors LLP

OREGON CITY



Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2022

City of Oregon City, Oregon

The cover photograph is courtesy of the Clackamas County Historical Society. More information on the Clackamas County Historical Society can be found at http://clackamashistory.org/.

CITY OF OREGON CITY, OREGON

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2022

Prepared by

City of Oregon City
Finance Department

Available at: www.orcity.org

OREGON CITY

CITY OF OREGON CITY, OREGON
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OREGON CITY

INTRODUCTORY SECTION

OREGON CITY

OREGON CITY

625 Center Street | PO Box 3040 | Oregon City OR 97045
Ph (503) 657-0891 | Fax (503) 657-3339

December 19, 2022

Honorable Mayor, Members of the City Commission
and Citizens of the City of Oregon City, Oregon

We are pleased to submit the Annual Comprehensive Financial Report of the City of Oregon City (the City) for the fiscal year ended June 30, 2022.

State statutes require that the City issue a complete set of audited financial statements within six months of the close of each fiscal year. The statements must be presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited by a firm of licensed certified public accountants in accordance with auditing standards generally accepted in the United States of America. This report meets statutory requirements as well as standards prescribed by the Oregon Secretary of State.

We believe the report is accurate in all material respects and presented in a manner designed to fairly set forth the financial position and results of operations of the City. Management assumes full responsibility for the completeness and reliability of the information contained in the report based upon a comprehensive framework of internal control that has been established for that purpose. The internal control structure has been designed to provide reasonable, but not absolute, assurance that assets are safeguarded against loss or unauthorized use, and that financial records can be relied upon to produce financial statements that are fairly presented. The concept of reasonable assurance recognizes that the cost of maintaining the control structure should not exceed the benefits likely to be derived and that the evaluation of cost and benefits requires estimates and judgments by management.

Aldrich CPAs + Advisors LLP, a firm of independent certified public accountants, audited the City's financial statements and issued an unmodified or "clean" opinion on the financial statements for the fiscal year ended June 30, 2022. The independent auditor's report is presented at the front of the Financial Section of the report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this transmittal letter and should be read in conjunction with it.

PROFILE OF THE CITY

Oregon City is the first city incorporated in the United States west of the Missouri River and is located 13 miles south of Portland, Oregon at the confluence of the Willamette and Clackamas Rivers. The City was established in 1829 and incorporated in 1844, becoming the capital of the Oregon Territory in 1894. Oregon City is home to shopping areas, recreational opportunities, businesses, a wide variety of historical and cultural attractions, and several interpretive centers and museums dedicated to celebrating the pioneer spirit. It currently encompasses 10.27 square miles and has an estimated population of 37,737.

The City operates under the provisions of its own charter and applicable state laws with a council-manager form of government. The elected officials consist of the Mayor and four Commissioners. All positions have term limits, and no person may be elected to more than two terms of four years in any ten-year period. The Mayor and Commission vote on all ordinances and legislative matters, set policies for the City and hire the City Manager. The City Manager is appointed by the City Commission to oversee the delivery of public services and is responsible for all administration and management.

The City provides a full range of municipal services to the community which include police protection, traffic control, transportation system improvements and maintenance, water, wastewater and stormwater utilities, planning, zoning and building regulation and inspections, economic development support, a community library, a municipal court, a cemetery, and parks and recreation. Fire protection is provided separately by Clackamas Fire District #1.

The Urban Renewal Agency is a blended component unit of the City and is presented as a special revenue fund in this report. The Agency also issues separate financial statements which can be obtained from the City.

The City maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the budget adopted by the City Commission. Under state law, the City is required to adopt a balanced budget by July 1 for the fiscal year July 1 through June 30. The City has elected to operate with a biennial budget that spans two fiscal years. The budget sets forth the City Commission's goals and objectives and identifies the resources necessary to accomplish those goals and objectives. The legal level of budgetary control, which is the level at which management cannot overspend the budget without the approval of the governing body, is by department (Policy and Administration, Police and Public Works, for example). Each department is budgeted separately within each fund and the object classifications of personnel services, materials and services, and capital outlay are grouped together. Requirements not specific to a department, such as transfers and contingency, are budgeted separately within each fund. Appropriations lapse at the conclusion of each budget period, and incomplete projects must be re-appropriated in the following period as part of the adoption process.

ECONOMIC CONDITION

Oregon City's economy is strongly connected with that of Clackamas County, the Portland metropolitan area, and the State of Oregon. Interstate 205 and State Highways 99E and 213 link Oregon City to Portland, Salem and southwest Clackamas County. The Portland metropolitan area comprises Clackamas, Columbia, Multnomah, Washington and Yamhill Counties in Oregon, which together include over 47% of the State's population according to U.S. Census estimates. The Portland metropolitan area continues to grow, albeit at a slightly slower pace than last year. The current median household income in Clackamas County is estimated at $82,911, compared to $64,994 nationwide.

According to the State of Oregon's Economic and Revenue Forecast issued in September of 2022, the combination of slower economic growth, high inflation, and rising interest rates point to a potential recession ahead. While the fundamentals look sound with employment and industrial production growing, personal income and consumer spending are rising quickly, but are struggling to outpace the fastest inflation the U.S. has experienced since the early 1980s. A potential recession would weigh heavily on revenues over the next several years.

Government and education are the top employment sectors in Oregon City, constituting almost 30% of all employment. As the Clackamas County seat, Oregon City is home to several County facilities that serve the region. The City is also home to Clackamas Community College's main campus. The College was founded in 1966 and is now one of the largest community colleges in the state of Oregon, serving an average of 26,000 students annually. Providence Health & Services operates the Willamette Falls Medical Center, a not-for-profit acute care hospital in Oregon City employing 625 people.

Oregon City's real property market value and assessed value continue to increase as the City grows. However, as interest rates rise, growth and demand for housing will slow. For instance, according to the State's Economic and Revenue Forecast, Oregon home prices are expected to decline with higher interest rates here to stay. Fortunately, foreclosures are expected to be minimal in the years ahead as credit standards are higher, the economy is absent of significant job losses, and home equity is at record levels. The increased demand in the rental market is a key issue to watch with vacancy rates already low. While the housing market may take a sharp decline in the near future, medium- and long-term expectations for housing growth remain strong.

The median home value in Oregon City was estimated at approximately $600,000 in October of 2022, an increase of 5.7% over the past 12-month period. The Oregon constitution establishes a limit of 3% annual increases in the taxable assessed value of existing properties, the primary funding source for local government. Because of this limitation, tax revenue increases are expected to remain much lower than would otherwise result from the growth in real market value.

The City is operating on solid financial footing. The City's leadership, with support from the community, has continuously taken steps to provide sustainable City resources. Management closely monitors financial position and operations to ensure continued sustainability.

LONG TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

The City has traditionally performed long-range planning and forecasting for its major funds. These plans and forecasts allow the City to project expected revenues and expenditures to analyze possible financial outcomes. Capital project budgets are included in the financial plans to ensure that adequate revenue sources are projected to be available for both the construction projects and the related operating costs that may be incurred when the projects are completed.

The City continues to develop a comprehensive long term financial forecast model that will encompass the current biennium and the two following biennia for all funds. While these current forecasts are central to financial management, long term financial forecast models will eventually be linked to the city-wide planning and goal setting conducted by the City Commission and executive staff. The City recently purchased budgeting and long-term financial planning software to aid with the development of a comprehensive financial planning tool which will be implemented in fiscal year 2023.

The City Commission holds a formal goal setting process every two years to establish policy direction and financial goals for the upcoming biennium. Highlights from the most recent goal setting include funding for economic development opportunities including the Willamette Falls Legacy Project, further development of the City's Economic Development and Tourism Plans, investments in diversity, equity and inclusion (DEI), a Climate Action Plan, and improving citizen engagement in the local government process.

In addition, the City has planned carefully to invest in public facilities to better serve residents. The Public Works and Parks Operations Center was completed early in fiscal year 2022.

The American Rescue Plan Act (ARPA), signed into law by the federal government in March 2021, provides $1.9 trillion in economic relief. In addition to the individual stimulus checks that benefitted millions of individual taxpayers, $350 billion was targeted toward state and local governments to help recover from the COVID-19 pandemic and invest in their communities. Through this Act, the City has received approximately $8.3 million. The City received its remaining funding of $4.2 million early fiscal year 2023. These funds have a spending deadline of December 31, 2024.

The City has spent $0.05 million of these funds on a broadband feasibility study in fiscal year 2022. The City appropriated $7.6 million of the total $8.3 million in the 2021-2023 budget. In the General Fund, $0.1 million is allocated for tourism as recognition of lost transient room tax revenue, $0.2 million for determining how to increase community broadband, and $1.4 million to be allocated in the future once clear guidance is given from the Commission. In the Transportation Fund, $0.3 million is allocated in recognition of lost gas tax revenue. In the Water Fund, $5.6 million is allocated for water capital projects.

In October 2022, the City submitted a loan application for $13.93 million to the United States Environmental Protection Agency (EPA) for funding through the Water Infrastructure Finance and Innovation Act (WIFIA) to help finance $28.43 million in water projects. This program provides low-interest, long-term loans for qualifying water infrastructure project packages of $20 million or more. The maximum loan amount is 49% of eligible WIFIA project package costs. The City will match the WIFIA project package costs with funding from water rates, water system development charge revenue and ARPA grant funds.

RELEVANT FINANCIAL POLICIES

The following financial policies are expected to provide a solid framworkfor the City's financial strategy and sustainability.

Revenue Policy

- The City will strive to maintain a diversified and stable revenue system to protect from fluctuations in any one revenue source

- One-time revenues should not be used for ongoing expenditures, but instead for one-time expenditures
- All City funds shall be safely invested to provide first, preservation of capital and a sufficient level of liquidity to meet cash flow needs and second, to provide the maximum yield possible
- Utility rates will be set at levels sufficient to cover operating expenses, meet debt obligations, and provide adequate levels of working capital
- The City will periodically review and revise user fees to recover the costs of those services to the extent possible
- The City will estimate its annual revenues objectively, analytically and conservatively

Budget Policy

- The City shall prepare, present, adopt and amend its operating budget in accordance with Oregon Local Budget Law
- The City shall establish contingency reserves to provide for unanticipated expenditures of a nonrecurring nature and to meet unexpected increases in service delivery costs; these funds may not be directly disbursed from the contingency reserve but only in accordance with local budget law in the State of Oregon

Reserve Policy

- The City will maintain an unallocated and unappropriated fund balance or retained earnings to provide working capital during tough economic conditions, until enough revenues become available to fund current operations
- It is the intent of the City to use surpluses generated to accomplish three goals: meet reserve policies, avoid future debt, and reduce outstanding debt

AWARDS AND ACKNOWLEDGEMENTS

Government Finance Officers Association of the United States and Canada (GFOA) awarded a **Certificate of Achievement for Excellence in Financial Reporting** to the City of Oregon City, Oregon, for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the eleventh consecutive year the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The City also received the GFOA's **Distinguished Budget Presentation Award** for its biennial budget document for the 2021-2023 biennium. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the Finance Department. In addition, I would like to express my appreciation to members of the other City departments and divisions who assisted and contributed to its preparation. Finally, I would like to thank the Mayor and City Commissioners for their continued support in our efforts to improve the City's financial management and reporting. Without that support, this report would not have been possible.

Respectfully submitted,

Matt Zook

Matt Zook
Finance Director

ELECTED OFFICIALS

(as of June 30, 2022)

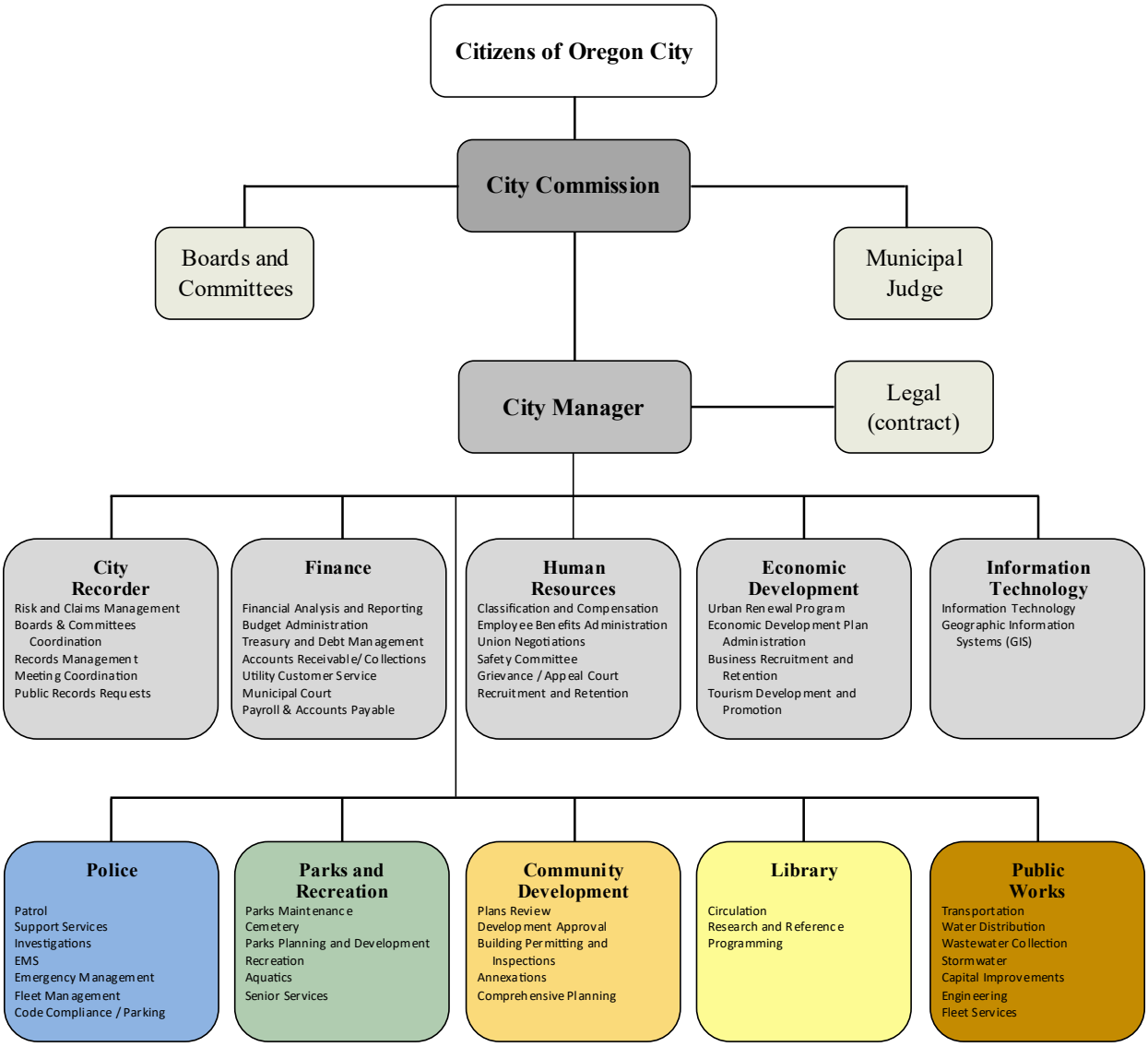
Name	Term Expires
Mayor	
Vacant	December 31, 2022
Commission Members	
Rocky Smith, Jr.	December 31, 2022
Denyse McGriff	December 31, 2024
Frank O'Donnell	December 31, 2024
Adam Marl	December 31, 2022

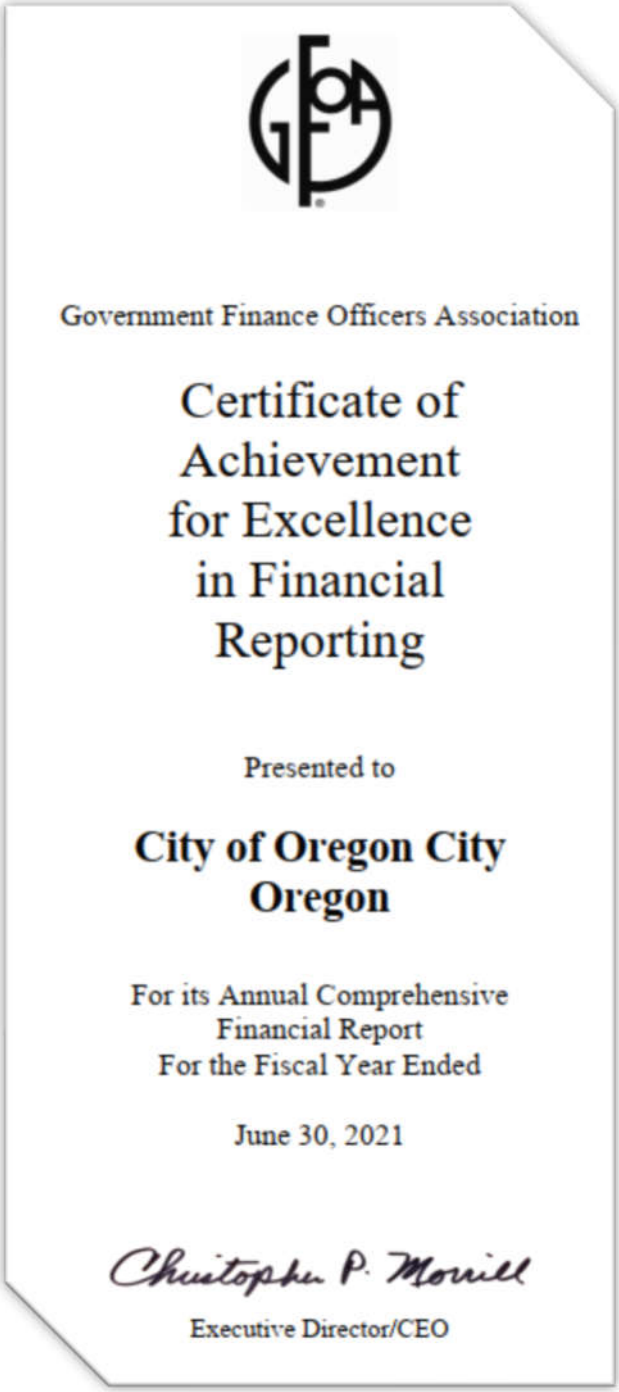
MANAGEMENT TEAM

(as of June 30, 2022)

Name	Position
Tony Konkol III	City Manager
James Band	Chief of Police
Patrick Foiles	Human Resources Director
James Graham	Economic Development Manager
John Lewis	Public Works Director
Kendall Reid	Parks and Recreation Director
Jacob Wiley	City Recorder
Aquilla Hurd-Ravich	Community Development Director
Greg Williams	Library Director
Matt Zook	Finance Director

CITY OF OREGON CITY, OREGON
ORGANIZATION CHART
JUNE 30, 2022





Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Oregon City Oregon

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) established the Certificate of Achievement for Excellence in Financial Reporting Program (COA) to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare annual comprehensive financial reports (ACFR) that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal.

OREGON CITY

FINANCIAL SECTION

OREGON CITY

Aldrich CPAs + Advisors LLP
5665 SW Meadows Road, #200
Lake Oswego, Oregon 97035

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Commissioners
City of Oregon City
Oregon City, 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 Oregon City (the City) as of and for the year ended June 30, 2022, 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof 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 and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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 the 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.

INDEPENDENT AUDITOR'S REPORT, CONTINUED

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 and *Government 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 and *Government 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, General Fund and Major Special Revenue Funds' schedules of revenues, expenditures and changes in fund balance – budget and actual, schedule of changes in OPEB liability and related ratios – implicit rate subsidy, schedule of the proportionate share of OPEB – RHIA, schedule of contributions to OPEB – RHIA, schedule of proportionate share of the net pension liability and schedule of contributions - pension be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis, schedule of changes in OPEB liability and related ratios – implicit rate subsidy, schedule of the proportionate share of OPEB – RHIA, schedule of contributions to OPEB – RHIA, schedule of proportionate share of the net pension liability and schedule of contributions - pension 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.

INDEPENDENT AUDITOR'S REPORT, CONTINUED

Required Supplementary Information, Continued

The General Fund and Major Special Revenue Funds' schedules of revenues, expenditures and changes in fund balance – budget and actual, as listed in the table of contents under required supplementary information, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards 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 and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, schedule of future debt service requirements, schedule of property tax transactions and outstanding balances and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the 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.

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is issued separately and is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

INDEPENDENT AUDITOR'S REPORT, CONTINUED

Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 19, 2022, 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.

Aldrich CPAs + Advisors LLP

By:

Andrew Maffia, CPA, Partner
Lake Oswego, Oregon
December 19, 2022

OREGON CITY

OREGON CITY

As management of the City of Oregon City, Oregon (the "City"), we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022. Information in this Management's Discussion and Analysis (MD&A) is based on currently known facts, decisions and conditions. We encourage readers to consider the information presented here in conjunction with additional information provided in the transmittal letter, the basic financial statements and the accompanying notes to the financial statements, which are also included in this report.

FINANCIAL HIGHLIGHTS

GOVERNMENT-WIDE

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows by $300.71 million (reported as net position). Within the net position, $20.53 million is unrestricted and may be used to meet the City's general obligations to citizens and creditors.
- Total assets are $376.85 million, an increase of $21.52 million, or 6.06%. Governmental type activities provided an increase of $13.63 million while business-type activities increased $7.89 million. The increase is attributed to an increase in cash from operating activities and the first tranche of American Rescue Plan Act (ARPA) funds. Capital assets increased by $9.07 million, net of depreciation, primarily due to the completion of the Public Works and Parks Operations Building and multiple roadway construction projects.
- The City's liabilities totaled $71.88 million, a decrease of approximately $9.61 million. Liabilities consist of $56.46 million in long-term liabilities and $15.42 million in accounts payable and other liabilities. Much of the decrease was associated with a decrease of the net pension liability of $12.80 million directly resulting from the actuarial changes year over year. The reduction in the net pension liability was partially offset by an increase in unearned revenue related to unspent ARPA funds.
- For its governmental activities, the City generated $13.64 million in charges for services and $13.76 million in operating and capital grants and contributions. Operating expenses and interest on long-term debt for governmental activities totaled $41.30 million for the year. Additionally, governmental activities recorded general revenues of $27.23 million and $0.04 million of transfers in. This resulted in net position increasing by $13.38 million to $183.40 million at year end. The ending net position includes a prior period adjustment decrease of $0.24 million restatement of net position due to an erroneous exclusion of all types of employee paid leave that are payable upon termination.
- For its business-type activities, the City generated $24.81 million in charges for services and $3.53 million in operating and capital grants and contributions to fund expenses of $23.50 million. After other general revenues of $0.26 million and transfers out of $0.04 million, business type net position increased by $5.06 million. The ending net position includes a prior period adjustment decrease of $0.04 million restatement of net position due to an erroneous exclusion of all types of employee paid leave that are payable upon termination.

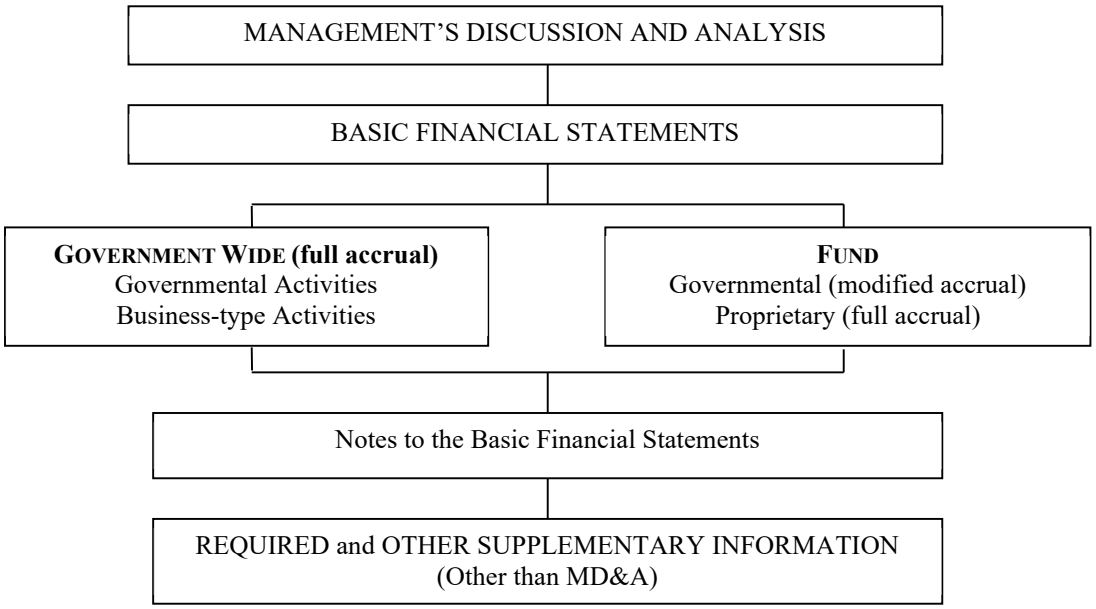
FUND LEVEL

- The City's governmental funds report a combined fund balance of $59.86 million, a $3.64 million increase compared to the prior year. Of the total fund balance reported, $47.88 million is considered nonspendable, restricted, committed or assigned. The remaining $11.98 million, or 20.01%, is available for spending at the City's discretion. The fund balance increase is largely due revenue increases in charges for services as services are reinstated after pandemic closures.
- The proprietary funds, those used to account for programs which the City charges for the services it provides, reported combined net position of $117.31 million, an increase of $5.06 million compared to the prior year. The ending net position includes a prior period adjustment decrease of $0.04 million restatement of net position due to an erroneous exclusion of all types of employee paid leave that are payable upon termination.

OVERVIEW OF THE FINANCIAL STATEMENTS

In addition to this discussion and analysis, the financial section of the annual report contains the basic financial statements and notes to those financial statements, required supplementary information and other supplementary information, including the combining statements and schedules of nonmajor funds. The following chart illustrates how the various divisions of the financial section are arranged relative to one another.

FINANCIAL SECTION COMPONENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements are designed to report information about the City as a whole using accounting methods similar to those used by private-sector companies.

The statements include not only the City itself (known as the primary government) but also a legally separate urban renewal agency for which the City is financially accountable. The Statement of Net Position includes all of the City's assets (land, buildings, infrastructure such as streets, traffic signals, utility lines and bridges, etc.), deferred inflows and outflows, and liabilities (including general obligation long term debt), with the difference reported as net position.

The Statement of Activities presents information showing how the government's net position changed during the year. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will result in cash inflows or outflows in a future fiscal period. Examples of such items include earned but uncollected property taxes (future inflow) and earned but unused compensated absences (future outflow).

The net position provides a measure of the City's financial health or position. The two government-wide statements report the City's net position and how it has changed.

The government-wide financial statements can be found on pages 30 and 31 of this report. The statements are divided into two categories and distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

Governmental activities – Most of the City's basic services are included here, such as Police, Parks and Recreation, Library, Planning and Zoning, Building, Traffic Control and Improvements, Street Construction and Maintenance, Parking and Code Enforcement, and General Administration (City Commission, City Manager, City Recorder, Finance, Human Resources, and Information Services).

Business-type activities – The City charges fees to customers to cover the costs of certain services it provides. The City's Water, Wastewater and Stormwater utilities are included here.

FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. 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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of state and local governments can be divided into three categories: governmental, proprietary and fiduciary.

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 statements, governmental funds financials place emphasis on available financial resources, rather than upon changes in net position determination. Therefore, unlike the government-wide financial statements, governmental fund financial statements focus on the acquisition and use of current 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 the City's near-term requirements.

The City maintained 10 individual governmental funds for the current fiscal year. Information is presented separately in the governmental funds' Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances for those funds that are considered significant (major) to the City taken as a whole. The remaining governmental funds are reported as a combined total. The City reports six major governmental funds in the current year as follows:

- General Fund
- Engineering
- System Development
- Urban Renewal
- Transportation
- Community Facilities

The governmental fund financial statements can be found on pages 32 through 35 in the basic financial statements. Summary fund data by fund-type for the nonmajor governmental funds is provided in the form of combining statements starting on page 99. Individual fund data for each of these nonmajor governmental funds is provided as Supplementary Information on pages 102 through 105.

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 financial decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City adopts a biennial appropriated budget for all governmental funds. The current budget period is July 1, 2021 through June 30, 2023. To demonstrate compliance with the budget, budgetary comparison schedules have been provided as Required Supplementary Information for the General Fund on page 81 and for the major special revenue funds on pages 82 through 85. Additional budgetary compliance with the major capital projects fund and other governmental funds is included in Other Supplementary Information on page 97 and 99 through 105, respectively.

Proprietary funds – Proprietary funds are used to account for activities where the emphasis is placed on net income determination. The City maintains a total of six proprietary funds; these are classified as either enterprise funds or internal service funds.

Enterprise funds – Used to account for water utility, wastewater utility, and stormwater utility activities. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. All three enterprise funds are considered major funds.

Internal service funds – Used as an accounting device to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for fleet service, equipment replacement and customer service activities. Because internal service funds predominantly benefit business-type functions rather than governmental, their assets and liabilities have been included with business-type activities in the government-wide financial statements. Internal service funds are not considered major proprietary funds.

The proprietary fund financial statements can be found on pages 36 through 38 in the basic financial statements. The enterprise funds, water, wastewater, and stormwater are all considered to be major funds of the City and are reported separately in the proprietary fund financial statements in the basic financial statements. All internal service funds are combined into a separate single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements, on pages 112 through 114 of this report.

The City also adopts a biennial appropriated budget for all proprietary funds. To demonstrate compliance with the budget, budgetary comparison schedules have been provided for the enterprise funds as Supplementary Information on pages 108 through 110 and for the internal services funds, on pages 116 through 118.

The City currently reports no Fiduciary funds.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. They are an integral part of the basic financial statements and should be read in conjunction with them. The notes to the financial statements can be found starting on page 40 of this report.

OTHER INFORMATION

Required Supplementary Information – In addition to the basic financial statements and accompanying notes, this report presents certain supplementary information required by financial reporting standards. Required Supplementary Information can be found starting on page 81.

Other Supplementary Information – The report presents combining and individual fund statements and schedules as well as other financial schedules starting on page 97.

The report also includes statistical information including financial trends, and demographic and economic information. The Statistical Section starts on page 126.

GOVERNMENT WIDE FINANCIAL ANALYSIS

NET POSITION

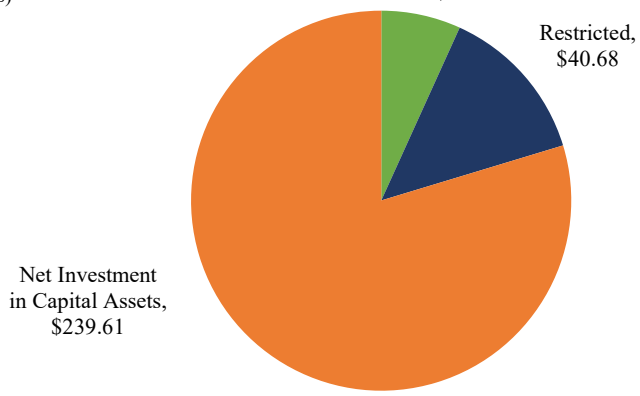
As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $300.71 million at the close of this year. This is an increase of $18.15 million from the beginning net position.

TABLE 1
NET POSITION AS OF JUNE 30

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	$ 70,650,196	$ 64,613,741	$ 48,248,069	$ 41,836,356	$ 118,898,265	$ 106,450,097
Capital assets	177,101,198	169,513,068	80,847,897	79,362,840	257,949,095	248,875,908
Total assets	247,751,394	234,126,809	129,095,966	121,199,196	376,847,360	355,326,005
Deferred outflows of resources	10,248,817	10,662,690	2,319,674	2,477,402	12,568,491	13,140,092
Long term liabilities	50,571,270	61,906,582	5,890,831	8,200,204	56,462,101	70,106,786
Other liabilities	10,743,121	9,037,547	4,675,110	2,349,044	15,418,231	11,386,591
Total liabilities	61,314,391	70,944,129	10,565,941	10,549,248	71,880,332	81,493,377
Deferred inflows of resources	13,284,837	3,577,730	3,540,219	831,261	16,825,056	4,408,991
Net position:						
Net investment in capital assets	158,820,509	150,702,278	80,790,568	79,362,840	239,611,077	230,065,118
Restricted	40,590,633	33,221,282	86,963	49,517	40,677,596	33,270,799
Unrestricted	(16,010,159)	(13,655,920)	36,431,949	32,883,732	20,421,790	19,227,812
Total net position	**$ 183,400,983**	**$ 170,267,640**	**$ 117,309,480**	**$ 112,296,089**	**$ 300,710,463**	**$ 282,563,729**

At $239.61 million, or 79.68%, the largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, improvements, equipment, infrastructure, and intangible leases, net of accumulated depreciation and amortization) less any related outstanding debt used to acquire those assets. Although the City's net investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot, nor are expected to, be used to liquidate liabilities or for future spending. An additional portion of the City's net position, $40.68 million, or 13.53%, represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted net position totaling $20.42 million or 6.79%. As of June 30, 2022, the City had positive balances in all three categories of net position for the City as a whole.

OREGON CITY NET POSITION
(IN MILLIONS)



Governmental activities – Total net position of governmental activities increased $13.13 million or 7.71% for the year. The $13.63 million increase in assets included a $7.59 million increase in capital assets (which represents $13.12 million of capital asset purchases, contributions and intangible assets offset by $5.46 million in depreciation and amortization and $0.07 million in deletions). Current and other assets increased by $6.04 million, due primarily to an increase in cash and investments due to receipt of ARPA funds and accumulation of resources from service levels returning after pandemic closures.

Long term liabilities decreased by $11.34 million mostly due to a decrease of the net pension liability of $10.32 million directly resulting from the actuarial changes year over year. The increase to other liabilities of $1.71 million included unearned revenue for the receipt of ARPA funds to be spent in future periods.

Business-type activities – Total net position of business-type activities increased $5.01 million or 4.46% for the year. The $7.89 million increase in assets included a $5.62 million increase in cash and investments, as well as a $1.48 million increase in capital assets (which represents $4.21 million of capital asset purchases, contributions and intangible assets offset by $2.55 million in depreciation and amortization and $0.18 in deletions). Total liabilities remained relatively unchanged by $.02 million due an increase in unearned revenue for the receipt of ARPA funds to be spent in future periods offset by the decrease in the net pension liability directly resulting from the actuarial changes year over year.

More information on capital assets, debt and pension and OPEB liabilities are included in the notes to the financials.

CHANGES IN NET POSITION

As with the net position, the City reports changes in net position on a consolidated basis. A summary of the changes in net position is shown in Table 2 below.

TABLE 2
CHANGES IN NET POSITION
FISCAL YEARS ENDED JUNE 30

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues						
Charges for services	$ 13,642,300	$ 11,771,453	$ 24,813,928	$ 24,342,908	$ 38,456,228	$ 36,114,361
Operating grants and contributions	7,384,170	7,229,665	617,182	498,110	8,001,352	7,727,775
Capital grants and contributions	6,380,476	6,986,238	2,910,827	1,759,790	9,291,303	8,746,028
General revenues						
Property taxes	18,516,695	17,428,521	-	-	18,516,695	17,428,521
Franchise taxes	4,585,159	4,068,338	314,206	302,700	4,899,365	4,371,038
Other	4,124,258	7,061,690	(54,636)	140,937	4,069,622	7,202,627
Total revenues	54,633,058	54,545,905	28,601,507	27,044,445	83,234,565	81,590,350
Expenses						
General governmental	8,466,143	9,010,937	-	-	8,466,143	9,010,937
Public safety	12,153,036	13,853,016	-	-	12,153,036	13,853,016
Public works	8,050,720	8,145,420	-	-	8,050,720	8,145,420
Culture and recreation	8,190,792	7,938,164	-	-	8,190,792	7,938,164
Community development	3,307,988	3,318,339	-	-	3,307,988	3,318,339
Interest on long-term debt	1,128,589	1,308,150	-	-	1,128,589	1,308,150
Water	-	-	7,436,503	8,044,736	7,436,503	8,044,736
Wastewater	-	-	12,663,573	11,034,218	12,663,573	11,034,218
Stormwater	-	-	2,832,689	2,838,118	2,832,689	2,838,118
Fleet	-	-	570,003	897,408	570,003	897,408
Total expenses	41,297,268	43,574,026	23,502,768	22,814,480	64,800,036	66,388,506
Changes in net position before transfers	13,335,790	10,971,879	5,098,739	4,229,965	18,434,529	15,201,844
Transfers	40,884	(697,531)	(40,884)	697,531	-	-
Changes in net position	13,376,674	10,274,348	5,057,855	4,927,496	18,434,529	15,201,844
Beginning net position, as originally reported	170,267,640	159,993,292	112,296,089	107,368,593	282,563,729	267,361,885
Prior period adjustment	(243,331)	-	(44,464)	-	(287,795)	-
Beginning net position	170,024,309	159,993,292	112,251,625	107,368,593	282,275,934	267,361,885
Net position - ending	**$ 183,400,983**	**$ 170,267,640**	**$ 117,309,480**	**$ 112,296,089**	**$ 300,710,463**	**$ 282,563,729**

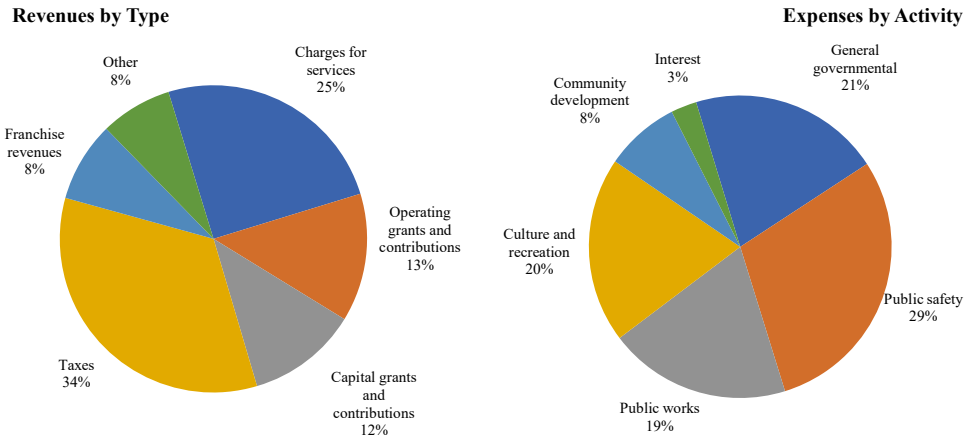
Governmental activities

Net position of governmental activities increased by $13.38 million. This was more than the prior year increase of $10.27 million by $3.11 million. This greater increase in net position compared to the prior year was due to a $0.09 million increase in revenue, a $2.28 million decrease in expense and a $0.74 million increase in net transfers (the extent to which transfers-in to governmental activities exceeded transfers-out to business-type activities). The ending net position includes a prior period adjustment decrease of $0.24 million restatement of net position due to an erroneous exclusion of all types of employee paid leave that are payable upon termination.

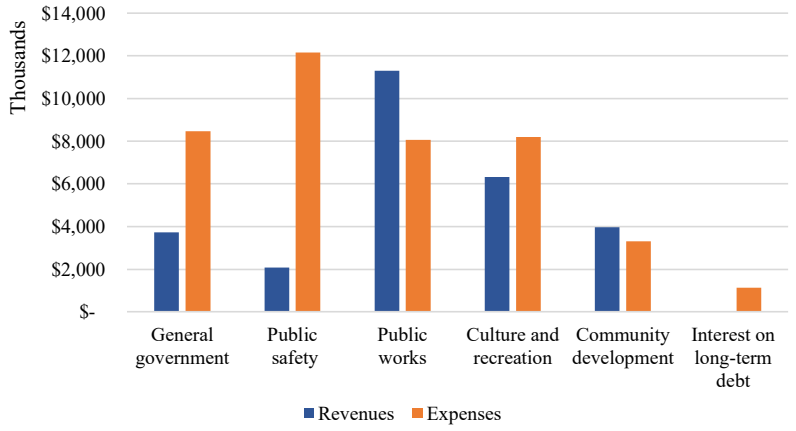
Compared to prior year, revenue remained consistent, primarily due to a $1.87 million increase in charges for services (due mostly to the return of City services to pre-pandemic levels including parks and recreation activities and parking lot services) and an increase of $1.09 million in property tax revenue (due to increases in assessed property valuations and new development), off-set by a $2.34 million decrease in the gain on the sale of capital assets (due mostly to the sale of the City's former public safety building in the prior year.) The decrease in expense of $2.28 million represents a decrease of 5.23% over the prior year, which reflects the completion of the capital outlay related to the Robert Libke Public Safety Building.

Revenues and expenses of these governmental activities are highlighted below.

GOVERNMENTAL ACTIVITIES – TOTAL REVENUES AND EXPENSES



GOVERNMENTAL ACTIVITIES – PROGRAM REVENUES AND EXPENSES



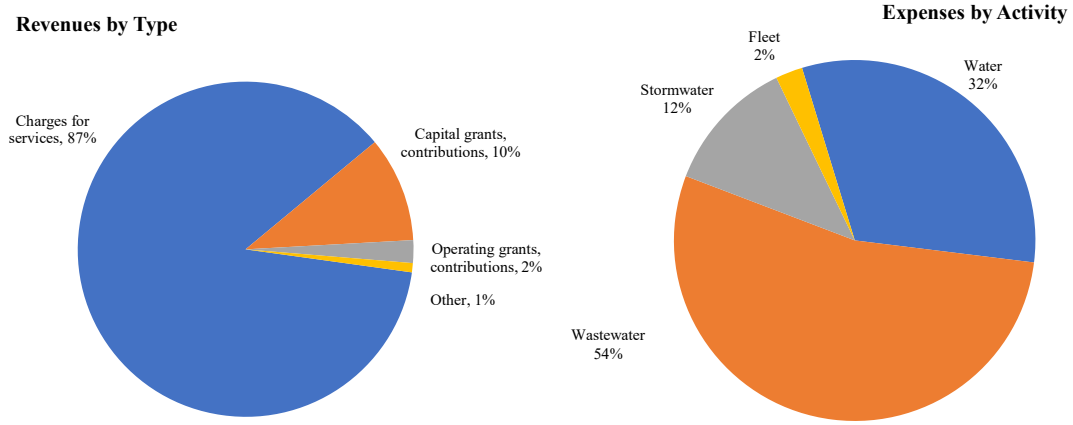
Business-type activities

Net position of business-type activities increased by $5.06 million. This was more than the prior year increase of $4.93 million by $0.13 million. This greater increase in net position compared to the prior year was due to a $1.55 million increase in revenue, a $0.69 million increase in expense, and a $0.74 million increase in net transfers (the extent to which transfers-out to business-type activities exceeded transfers-in to governmental activities). The ending net position includes a prior period adjustment decrease of $0.04 million restatement of net position due to an erroneous exclusion of all types of employee paid leave that are payable upon termination.

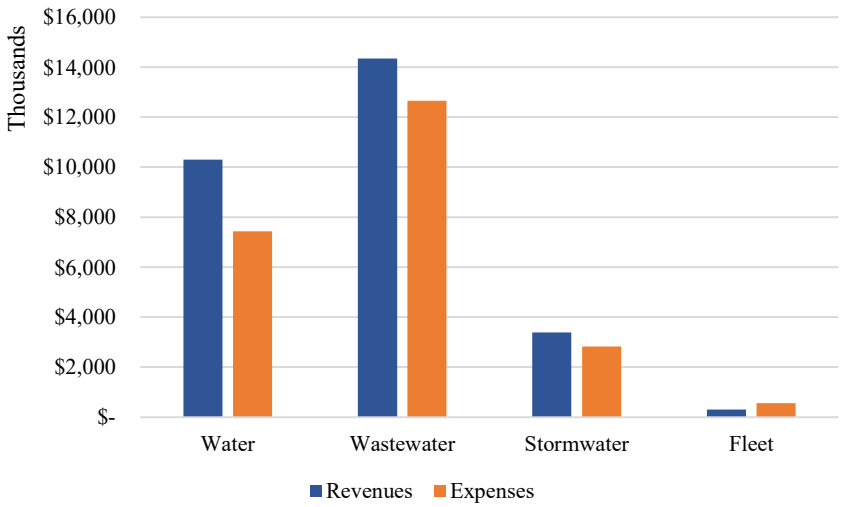
The increase in revenue was due primarily to a $1.15 million increase in capital grants and contributions (due mostly capital contributions) and $0.47 million increase in charges for services (due to inflationary utility rate adjustments), off-set by a $0.20 million decrease in other revenue (due mostly to losses tied to increasing interest rates in our local government investment pool portfolio). The increase in expense of $0.69 million is due in part to an increase in wastewater pass-thru payments.

The use of the resources of the business-type activities is restricted to the financing of the continuing operations of water, wastewater, stormwater and fleet operations. Revenues and expenses of these business-type activities are highlighted below.

BUSINESS-TYPE ACTIVITIES TOTAL REVENUES AND EXPENSES



BUSINESS-TYPE ACTIVITIES PROGRAM REVENUES AND EXPENSES



FINANCIAL ANALYSIS OF MAJOR FUNDS

GOVERNMENTAL FUNDS

Major governmental funds include the General, Engineering, System Development, Urban Renewal, Transportation, and Community Facilities Funds.

- The General Fund is the City's main operating fund. Its ending fund balance increased by $2.11 million, a difference of $2.47 million compared to the prior year's decrease of $0.36 million. This difference of $2.47 million is due to a decrease in expense of $0.97 million and an increase in revenue of $1.47 million, off-set by a decrease in transfers out of $0.02 million. The decrease in expense reflects a return to regular spending patterns after heightened deferred spending in the prior year. The increase in revenue reflects a return of City services after pandemic closures, particularly in the culture and recreation departments.
- The Engineering Fund remained relatively consistent with an slight decrease to its ending balance of $0.13 million in the current year compared to a $0.23 million increase in the prior year due to a decline in development review fee revenue and increases in personnel costs.
- The System Development Fund collects development charges relating to new construction or improvements and are used to fund capacity increasing capital projects associated with the City's roads, parks, water, wastewater, and stormwater infrastructure. The Fund's ending fund balance increased by $2.75 million in the current year due to the collection of impact fees related to development-driven constructions projects including larger developments and commercial projects.
- The Urban Renewal Agency's ending fund balance increased $2.96 million primarily due to property taxes collected in the current year. The City continues to defer various projects in the Urban Renewal Fund while awaiting options to clarify and support the intentions of the community.
- The Transportation Fund collects gas taxes and pavement maintenance fees to repair and improve the City's roads, sidewalks and pathways. The Fund's ending fund balance decreased by $1.52 million a difference of $2.44 million compared to the prior year's increase of $0.92 million. This decrease of $2.44 million represents an increase to expense and transfers out of $1.40 million. The $1.04 million decrease to revenue was due primarily to the completion of the Molalla Avenue Streetscape Project which was partially funded through a capital grant.
- The Community Facilities Fund ending balance decreased by $3.14 million. This decrease represents capital spending associated with the construction of the new Public Works and Parks Operation Center.

PROPRIETARY FUNDS

Major proprietary funds include the Water, Wastewater, and Stormwater Funds. All three of these proprietary funds had increases to the net position mainly due to programmed utility rate increases and capital contributions.

- The net position increase for the Water Fund was $1.38 million.
- The net position increase for the Wastewater Fund was $2.14 million.
- The net position increase for the Stormwater Fund was $0.57 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

Budget adjustments in the General Fund in the current biennium included:

- Recognition of implementation of Governmental Accounting Standards Board's (GASB) Statement No. 87, Leases, for three waterway leases, an airspace lease, and an infrastructure lease for conduit:
  - recognition of capital outlay for lease obligations in the amount of $354,229
  - recognition of proceeds from lease obligations in the amount of $354,229
  - reclassify professional expenses of $9,500 and lease payment expense of $40,500 and appropriate debt payments of principal in the amount of $13,000 and interest in the amount of $37,000

Revenues and expenditures were consistent with budgeted amounts for the biennium.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

At June 30, 2022, the City had approximately $257.95 million invested in a broad range of capital assets, including land, buildings and improvements, equipment, roads, bridges, utility infrastructure, and lease assets. Capital assets comprise approximately 68.45% of all City assets. Of that total, infrastructure is the largest component of both governmental and business-type activities. Infrastructure includes road improvements, sidewalks, storm drainage systems, sanitary sewer lines, and water lines.

TABLE 3
CAPITAL ASSETS, NET OF DEPRECIATION
AS OF JUNE 30

	Governmental Activities		Business-type Activities		Total Government-wide	
	2022	2021	2022	2021	2022	2021
Land	$ 13,178,045	$ 13,178,045	$ 1,540,418	$ 1,530,418	$ 14,718,463	$ 14,708,463
Construction in progress	10,564,384	25,484,978	6,373,813	4,441,277	16,938,197	29,926,255
Equipment	1,352,966	1,006,123	1,683,803	1,673,382	3,036,769	2,679,505
Buildings and improvements	49,624,244	38,522,661	15,973,052	16,056,841	65,597,296	54,579,502
Infrastructure	102,029,486	91,321,261	55,220,132	55,660,922	157,249,618	146,982,183
Intangible leases	352,073	-	56,679	-	408,752	-
Total	**$ 177,101,198**	**$ 169,513,068**	**$ 80,847,897**	**$ 79,362,840**	**$ 257,949,095**	**$ 248,875,908**

The City had total capital asset increases of $16.90 million and recognition of $.43 million of intangible lease assets in the current year offset by net decreases of $.06 million and depreciation and amortization expense of $8.20 million for a total change in the capital asset balance of $9.07 million. Major capital projects and other capital asset related activities during the fiscal year are highlighted below. Additional information on the City's capital assets can be found in Note 2.D through E starting on page 54 of this report.

- Public Works and Parks Operations Center $4.91 million
- Roadway Reconstruction $2.20 million
- Molalla Avenue Enhancement $2.01 million
- Inflow and Infiltration Rehabilitation $1.14
- Hazel Grove Park $1.12 million

DEBT ADMINISTRATION

At the end of the current fiscal year, the City had total debt outstanding of approximately $26.62 million. All debt is reported in the governmental funds. The City's total debt outstanding represents long term borrowings.

Outstanding bonds totaling $4.11 million are voter approved general obligation bonds which are paid by ad-valorem tax on all taxable property in the City. PERS pension bonds in the amount of $8.71 million are limited tax obligation funds that are payable from various City funds that have personnel services. Outstanding bonds totaling $12.57 million, with $1.23 million in bond premium, are voter-approved full faith and credit bond obligations.

The City's underlying credit rating is AA+ with a stable outlook by Standard & Poor's.

Under Oregon law, the City is subject to a debt limit in which general obligation debt issues are limited to 3% of real market value of all taxable property within City boundaries. The City was below the legal debt limit.

TABLE 4
LONG-TERM DEBT OUTSTANDING AS OF JUNE 30

	Governmental Activities		Business-type Activities		Total Government-wide	
	2022	2021	2022	2021	2022	2021
General Obligation Bonds	$ 4,114,927	$ 4,394,934	$ -	$ -	$ 4,114,927	$ 4,394,934
Limited Obligation Bonds	21,275,000	22,960,000	-	-	21,275,000	22,960,000
Total Issued Debt Outstanding	25,389,927	27,354,934	-	-	25,389,927	27,354,934
Bond Premiums/(Discounts)	1,233,747	1,310,856	-	-	1,233,747	1,310,856
Total Long Term Debt	**$ 26,623,674**	**$ 28,665,790**	**$ -**	**$ -**	**$ 26,623,674**	**$ 28,665,790**

In addition to long term debt outstanding, the City has a long term compensated absences liability of $1.38 million and long term lease liability of $0.42 million. Additional information on the City's debt can be found in Notes 2.F through H on pages 57 through 60 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The largest revenue sources of the City's governmental activities are property taxes, charges for services, and state shared revenues. Oregon has no sales tax, resulting in local government's heavy reliance on property taxes and other self-generated revenues including franchise fees, building permits, business licenses, and so forth. The State Constitution limits the annual growth of maximum assessed value to 3%, other than new development, and caps maximum property tax rates. The City of Oregon City levies less that its maximum property tax rate to support taxpayers. In 2022, the City's assessed value increased 3.72%. The City's business-type activities are funded through water, wastewater, and stormwater rates; these rates are generally adjusted annually for inflation.

The City was awarded $8.3 million in ARPA funding. Of this amount, $7.6 million has been appropriated in the 2021-2023 budget. This consists of $2 million for governmental activities and $5.6 million for business-type activities. More information about this funding can be found in the Letter of Transmittal on page 3 of this report.

The City, along with local governments across the State, continues to carefully monitor retirement costs resulting from the State-run pension fund, Oregon Public Employee Retirement System (OPERS). Further information on PERS can be found in the notes to the financials.

The City budgets on a biennial basis and during preparation of the budget for the ensuing biennium, the long-term impacts of the local economy were examined in conjunction with business decisions made by the City. The City's adopted budget for the July 1, 2021 through June 30, 2023 biennium was $235.20 million. The current budget, after

adjustments, is $237.57 million. The following are the major assumptions used in developing the budget:

- The City's population was estimated at 35,885 with annual growth of 0.75% to 2.00%.
- The City's tax rate remains at $4.4090, lower than the City's permanent rate limit of $5.0571. Oregon City is one of very few cities in Oregon that has capacity to raise its current tax rate. The City Commission has independent authority to raise the rate by $0.6481, which would add an additional $2.17 million per year to the General Fund, net of discounts. However, even with the reduced tax rate, City leaders have been fiscally responsible resulting in strong General Fund reserves. The existing rate will remain unchanged during the biennium.
- Assessed values, the basis of property tax revenues, were expected to grow by 4.5% for each year of the biennium.
- Charges for services were scheduled to increase between 3.0% and 12.0% based on previously approved indexing schedules.
- Interest rates on investments were projected to remain low at 2.0% or less based on prevailing rates.
- Cost of living increases were proposed for all employees in the amount of 2.50% to 2.75%.
- Oregon Public Employees Retirement System (OPERS) contributions were forecasted to increase 0.37% to 2.33% of covered payroll.
- Health benefit costs were projected at a 2.8% to 4.0% increase based on current claims and premiums projections prepared by the City's benefits broker.
- The costs for goods and contracts are projected with inflationary increases.
- Capital projects and equipment costs are budgeted at projected acquisition or construction cost based on preliminary estimates, typically at no change from the prior biennium.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report should be addressed to the Finance Director at P.O. Box 3040, Oregon City, Oregon 97045-0304.

BASIC FINANCIAL STATEMENTS

CITY OF OREGON CITY, OREGON

STATEMENT OF NET POSITION

JUNE 30, 2022

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and cash equivalents	$ 65,080,207	$ 32,218,308	$ 97,298,515
Accounts receivable	2,628,908	3,348,751	5,977,659
Property taxes receivable	666,982	-	666,982
Assessment liens receivable	1,019,632	59,319	1,078,951
Lease receivable	242,344	588,236	830,580
Settlement receivable	487,606	-	487,606
Inventories	-	222,081	222,081
Other post employment benefit asset	384,221	86,963	471,184
Other assets	140,296	-	140,296
Investment in South Fork Water Board	-	11,724,410	11,724,410
Non-depreciable capital assets	23,742,429	7,914,231	31,656,660
Capital assets, net of depreciation	153,006,696	72,876,988	225,883,684
Lease assets, net of amortization	352,073	56,679	408,752
Total Assets	247,751,394	129,095,966	376,847,360
DEFERRED OUTFLOWS OF RESOURCES			
Deferred resources related to pensions	8,211,781	1,858,619	10,070,400
Deferred resources related to other benefits	2,037,036	461,055	2,498,091
Total Deferred Outflows of Resources	10,248,817	2,319,674	12,568,491
LIABILITIES			
Accounts payable	3,063,034	2,468,205	5,531,239
Accrued payroll liabilities	852,075	170,474	1,022,549
Deposits payable	1,347,021	229,015	1,576,036
Accrued interest payable	94,484	-	94,484
Unearned revenue	2,962,862	1,753,225	4,716,087
Noncurrent liabilities:			
Due within one year:			
Bonds payable	2,190,740	-	2,190,740
Accrued compensated absences	225,450	51,428	276,878
Lease payable	7,455	2,763	10,218
Due in more than one year:			
Bonds payable, net of unamortized premium	24,432,934	-	24,432,934
Accrued compensated absences	901,803	205,714	1,107,517
Lease payable	359,560	54,567	414,127
Net pension liability	13,723,818	3,106,190	16,830,008
Other post employment benefit liability	11,153,155	2,524,360	13,677,515
Total Liabilities	61,314,391	10,565,941	71,880,332
DEFERRED INFLOWS OF RESOURCES			
Deferred resources related to leases	242,344	588,236	830,580
Deferred resources related to pensions	11,254,584	2,547,315	13,801,899
Deferred resources related to other benefits	1,787,909	404,668	2,192,577
Total Deferred Inflows of Resources	13,284,837	3,540,219	16,825,056
NET POSITION			
Net investment in capital assets	158,820,509	80,790,568	239,611,077
Restricted for:			
Enhancement grants	537,264	-	537,264
Tourism	690,760	-	690,760
Parks and recreation	4,854,735	-	4,854,735
Urban renewal	6,025,693	-	6,025,693
Public safety	16,434	-	16,434
Public works	18,557,328	-	18,557,328
Library	4,579,069	-	4,579,069
Building operations	4,945,129	-	4,945,129
OPEB benefits	384,221	86,963	471,184
Unrestricted	(16,010,159)	36,431,949	20,421,790
Total Net Position	$ 183,400,983	$ 117,309,480	$ 300,710,463

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

CITY OF OREGON CITY, OREGON

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
FUNCTIONS/PROGRAMS							
Governmental activities:							
General government	$ 8,466,143	$ 2,941,009	$ 787,245	$ -	$ (4,737,889)	$ -	$ (4,737,889)
Public safety	12,153,036	1,829,059	253,777	-	(10,070,200)	-	(10,070,200)
Public works	8,050,720	3,873,286	3,005,085	4,427,971	3,255,622	-	3,255,622
Culture and recreation	8,190,792	1,088,194	3,338,063	1,899,867	(1,864,668)	-	(1,864,668)
Community development	3,307,988	3,910,752	-	52,638	655,402	-	655,402
Interest on long-term debt	1,128,589	-	-	-	(1,128,589)	-	(1,128,589)
Total Governmental activities	41,297,268	13,642,300	7,384,170	6,380,476	(13,890,322)	-	(13,890,322)
Business-type activities:							
Water	7,436,503	9,303,164	574,598	419,195	-	2,860,454	2,860,454
Wastewater	12,663,573	11,832,573	25,519	2,491,632	-	1,686,151	1,686,151
Stormwater	2,832,689	3,372,416	17,065	-	-	556,792	556,792
Fleet	570,003	305,775	-	-	-	(264,228)	(264,228)
Total Business-type activities	23,502,768	24,813,928	617,182	2,910,827	-	4,839,169	4,839,169
Total Activities	$ 64,800,036	$ 38,456,228	$ 8,001,352	$ 9,291,303	(13,890,322)	4,839,169	(9,051,153)
General revenues:							
Property taxes					18,516,695	-	18,516,695
Franchise taxes					4,585,159	314,206	4,899,365
Intergovernmental revenues not restricted for specific purposes					1,205,956	-	1,205,956
Unrestricted investment earnings					17,874	(87,935)	(70,061)
Miscellaneous					2,900,428	33,299	2,933,727
Total General revenues					27,226,112	259,570	27,485,682
Transfers					40,884	(40,884)	-
Change in net position					13,376,674	5,057,855	18,434,529
Beginning net position					170,267,640	112,296,089	282,563,729
Prior period adjustment					(243,331)	(44,464)	(287,795)
Beginning net position, as restated					170,024,309	112,251,625	282,275,934
Ending net position					$ 183,400,983	$ 117,309,480	$ 300,710,463

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

CITY OF OREGON CITY, OREGON

BALANCE SHEET – GOVERNMENTAL FUNDS

JUNE 30, 2022

	General	Engineering	System Development	Urban Renewal	Transportation	Community Facilities	Nonmajor Governmental Funds	Total
ASSETS								
Cash and cash equivalents	$ 16,319,363	$ 2,043,524	$ 21,498,971	$ 5,917,093	$ 4,089,631	$ 2,061,834	$ 13,149,791	$ 65,080,207
Receivables:								
Accounts	1,108,602	-	481,244	23	858,734	175,425	4,880	2,628,908
Property taxes	549,363	-	-	117,619	-	-	-	666,982
Assessment liens	-	-	1,019,632	-	-	-	-	1,019,632
Settlement receivable	487,606	-	-	-	-	-	-	487,606
Lease receivable	-	-	109,128	133,216	-	-	-	242,344
Prepaids and deposits	41,999	-	85,195	11,952	-	-	1,150	140,296
TOTAL ASSETS	$ 18,506,933	$ 2,043,524	$ 23,194,170	$ 6,179,903	$ 4,948,365	$ 2,237,259	$ 13,155,821	$ 70,265,975
LIABILITIES								
Accounts payable	$ 638,575	$ 24,389	$ 424,733	$ 1,876	$ 1,425,716	$ 75,114	$ 472,631	$ 3,063,034
Accrued payroll	657,486	29,056	-	-	51,176	-	114,357	852,075
Deposits payable	22,932	1,018,030	45,571	1,800	258,688	-	-	1,347,021
Unearned revenue	2,957,496	-	-	5,366	-	-	-	2,962,862
TOTAL LIABILITIES	4,276,489	1,071,475	470,304	9,042	1,735,580	75,114	586,988	8,224,992
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	493,996	-	867,223	105,333	-	-	-	1,466,552
Unavailable revenue, settlement	471,172	-	-	-	-	-	-	471,172
Unavailable revenue, leases	-	-	109,128	133,216	-	-	-	242,344
Total Deferred Inflows of Resources	965,168	-	976,351	238,549	-	-	-	2,180,068
FUND BALANCES								
Nonspendable:								
Prepaids and deposits	41,999	-	85,195	11,952	-	-	1,150	140,296
Restricted:								
Enhancement grants	537,264	-	-	-	-	-	-	537,264
Tourism	690,760	-	-	-	-	-	-	690,760
Parks and recreation	-	-	5,154,732	-	-	-	-	5,154,732
Library	-	-	-	-	-	557,320	4,035,070	4,592,390
Building operations	-	-	-	-	-	-	6,343,544	6,343,544
Public safety	16,434	-	-	-	-	-	-	16,434
Public works	-	-	16,507,588	-	2,470,566	463,149	-	19,441,303
Urban renewal projects	-	-	-	5,920,360	-	-	-	5,920,360
Committed:								
Pavement maintenance	-	-	-	-	742,219	-	-	742,219
Engineering operations	-	972,049	-	-	-	-	-	972,049
Planning operations	-	-	-	-	-	-	975,628	975,628
Debt service	-	-	-	-	-	-	1,213,441	1,213,441
Assigned:								
Police facilities	-	-	-	-	-	142,922	-	142,922
General government facilities	-	-	-	-	-	998,754	-	998,754
Unassigned	11,978,819	-	-	-	-	-	-	11,978,819
TOTAL FUND BALANCES	13,265,276	972,049	21,747,515	5,932,312	3,212,785	2,162,145	12,568,833	59,860,915
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 18,506,933	$ 2,043,524	$ 23,194,170	$ 6,179,903	$ 4,948,365	$ 2,237,259	$ 13,155,821	$ 70,265,975

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

CITY OF OREGON CITY, OREGON

RECONCILIATION OF BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

RECONCILIATION TO THE STATEMENT OF NET POSITION

Fund Balances - Combined Balance Sheet	$	59,860,915
The Statement of Net Position reports receivables at their net realizable value. However, receivables not available to pay for current period expenditures are deferred in governmental funds.		1,937,724
Capital assets are not financial resources in governmental funds, but are reported in the Statement of Net Position at their net depreciable value.		
Cost		235,921,947
Accumulated depreciation		(59,172,822)
Intangible lease assets are not financial resources in governmental funds, but are reported in the Statement of Net Position at their net depreciable value.		
Cost		374,232
Accumulated depreciation		(22,159)
All liabilities are reported in the Statement of Net Position. However, if they are not due and payable in the current period, they are not recorded in governmental funds.		
Compensated absences payable		(1,127,253)
Other post employment benefits		(10,768,934)
Deferred inflows related to other post employment benefits		(1,787,909)
Deferred outflows related to other post employment benefits		2,037,036
Accrued interest payable		(94,484)
Long-term debt payable		(26,623,674)
Leases payable		(367,015)
Net pension liability		(13,723,818)
Deferred inflows related to pensions		(11,254,584)
Deferred outflows related to pensions		8,211,781
Net Position of Governmental Activities	$	183,400,983

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

CITY OF OREGON CITY, OREGON

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General	Engineering	System Development	Urban Renewal	Transportation	Community Facilities	Other Governmental Funds	Total
REVENUES								
Property taxes	$ 14,750,731	$ -	$ -	$ 3,147,348	$ -	$ -	$ -	$ 17,898,079
Franchise taxes	4,585,159	-	-	-	-	-	-	4,585,159
Assessments and other taxes	648,332	-	-	-	-	-	-	648,332
Licenses and permits	216,417	101,564	-	-	-	-	2,305,572	2,623,553
Charges for services	3,062,229	882,380	-	112,706	2,889,342	1,222,837	1,615,135	9,784,629
System development charges	-	-	5,660,320	-	-	-	-	5,660,320
Intergovernmental	2,663,616	-	546,520	-	3,970,784	6,643	2,631,256	9,818,819
Fines and forfeitures	971,575	-	-	-	-	-	17,303	988,878
Interest income	203,571	(9,270)	(50,421)	(30,010)	(31,614)	(18,672)	(45,710)	17,874
Miscellaneous	551,160	-	128,733	10,391	11,367	20,134	1,433,773	2,155,558
TOTAL REVENUES	27,652,790	974,674	6,285,152	3,240,435	6,839,879	1,230,942	7,957,329	54,181,201
EXPENDITURES								
General government	7,560,451	-	-	280,834	-	-	-	7,841,285
Public safety	11,978,424	-	-	-	-	-	-	11,978,424
Public works	-	1,022,224	429,375	-	3,270,906	5,806	-	4,728,311
Culture and recreation	4,376,582	-	80,411	-	-	4,940	2,084,348	6,546,281
Community development	-	-	-	-	-	-	3,560,477	3,560,477
Debt service								
Principal	6,322	-	-	-	894	-	1,965,007	1,972,223
Interest	17,952	-	-	-	588	-	1,192,008	1,210,548
Capital outlay								
General government	109,910	-	-	-	-	-	-	109,910
Public safety	11,995	-	-	-	-	128,538	-	140,533
Public works	-	-	1,899,965	-	4,809,694	4,910,959	-	11,620,618
Culture and recreation	224,308	-	1,122,149	-	-	136,727	-	1,483,184
Community development	-	-	-	-	-	-	14,949	14,949
TOTAL EXPENDITURES	24,285,944	1,022,224	3,531,900	280,834	8,082,082	5,186,970	8,816,789	51,206,743
REVENUES OVER (UNDER) EXPENDITURES	3,366,846	(47,550)	2,753,252	2,959,601	(1,242,203)	(3,956,028)	(859,460)	2,974,458
OTHER FINANCING SOURCES (USES)								
Transfers in	-	45,000	-	-	158,004	1,915,000	1,514,500	3,632,504
Lease financing	6,855	-	-	-	-	-	-	6,855
Transfers out	(1,266,004)	(125,000)	-	-	(435,000)	(1,103,500)	(41,000)	(2,970,504)
TOTAL OTHER FINANCING SOURCES (USES)	(1,259,149)	(80,000)	-	-	(276,996)	811,500	1,473,500	668,855
NET CHANGE IN FUND BALANCE	2,107,697	(127,550)	2,753,252	2,959,601	(1,519,199)	(3,144,528)	614,040	3,643,313
FUND BALANCE, beginning of year	11,157,579	1,099,599	18,994,263	2,972,711	4,731,984	5,306,673	11,954,793	56,217,602
FUND BALANCE, end of year	$ 13,265,276	$ 972,049	$ 21,747,515	$ 5,932,312	$ 3,212,785	$ 2,162,145	$ 12,568,833	$ 59,860,915

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

CITY OF OREGON CITY, OREGON

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Net Change in Fund Balances - Total Governmental Funds	$ 3,643,313
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received.	451,859
Governmental funds do not report expenditures that do not require the use of current financial resources. However, the Statement of Activities reports such expenses when incurred, regardless of when settlement ultimately occurs.	
Accrued compensated absences	(39,293)
Accrued interest payable	4,850
Changes in pension liabilities and related deferred outflows and inflows of resources	511,362
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(458,647)
Capital outlays are reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital outlay over their estimated useful lives as depreciation expense.	
Capital outlay expenditures	13,362,342
Depreciation	(5,505,169)
Contribution and transfers of capital assets	(621,116)
Leases	6,855
Lease amortizaiton	(22,159)
Proceeds from the issuance of long-term debt provide current financial resources to governmental funds and are reported as revenues. 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.	
Amortization of premium on bonds issued	77,109
Lease financing	(6,855)
Debt principal paid	1,964,837
Lease financing principal paid	7,386
Change in Net Position of Governmental Activities	$ 13,376,674

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

CITY OF OREGON CITY, OREGON

STATEMENT OF NET POSITION – PROPRIETARY FUNDS

JUNE 30, 2022

	Water	Wastewater	Stormwater	Total Enterprise Funds	Total Internal Service Funds	Total Proprietary Funds
ASSETS						
Current Assets						
Cash and cash equivalents	$ 7,056,690	$ 14,820,044	$ 2,848,906	$ 24,725,640	$ 7,492,668	$ 32,218,308
Accounts receivable, net of allowance	1,064,198	1,786,911	495,445	3,346,554	2,197	3,348,751
Assessment liens receivable	-	59,319	-	59,319	-	59,319
Lease receivable, current portion	54,397	-	-	54,397	-	54,397
Inventories	222,081	-	-	222,081	-	222,081
Total Current Assets	8,397,366	16,666,274	3,344,351	28,407,991	7,494,865	35,902,856
Noncurrent Assets						
Investment in South Fork Water Board	11,724,410	-	-	11,724,410	-	11,724,410
Lease receivable	533,839	-	-	533,839	-	533,839
Nondepreciable capital assets	4,291,064	2,280,685	1,342,482	7,914,231	-	7,914,231
Capital assets, net of depreciation	35,123,458	20,106,919	16,947,492	72,177,869	699,119	72,876,988
Lease assets, net of amortization	18,893	18,893	18,893	56,679	-	56,679
OPEB Asset	31,372	20,568	21,957	73,897	13,066	86,963
Total Noncurrent Assets	51,723,036	22,427,065	18,330,824	92,480,925	712,185	93,193,110
Total Assets	60,120,402	39,093,339	21,675,175	120,888,916	8,207,050	129,095,966
DEFERRED OUTFLOWS OF RESOURCES						
Deferred resources related to pensions	670,498	439,582	469,287	1,579,367	279,252	1,858,619
Deferred resources related to OPEB	166,326	109,044	116,413	391,783	69,272	461,055
Total Deferred Outflows of Resources	836,824	548,626	585,700	1,971,150	348,524	2,319,674
LIABILITIES						
Current Liabilities						
Accounts payable	436,237	1,874,966	90,860	2,402,063	66,142	2,468,205
Accrued payroll liabilities	61,223	40,831	41,965	144,019	26,455	170,474
Unearned revenue	1,753,225	-	-	1,753,225	-	1,753,225
Deposits payable	50,110	-	178,905	229,015	-	229,015
Current portion of long-term liabilities:						
Lease payable	921	921	921	2,763	-	2,763
Accrued compensated absences	21,088	11,932	12,290	45,310	6,118	51,428
Total Current Liabilities	2,322,804	1,928,650	324,941	4,576,395	98,715	4,675,110
Noncurrent Liabilities						
Lease payable	18,189	18,189	18,189	54,567	-	54,567
Accrued compensated absences	84,354	47,728	49,162	181,244	24,470	205,714
Net pension liability	1,120,560	734,645	784,289	2,639,494	466,696	3,106,190
OPEB liability	910,664	597,037	637,381	2,145,082	379,278	2,524,360
Total Noncurrent Liabilities	2,133,767	1,397,599	1,489,021	5,020,387	870,444	5,890,831
Total Liabilities	4,456,571	3,326,249	1,813,962	9,596,782	969,159	10,565,941
DEFERRED INFLOWS OF RESOURCES						
Deferred resources related to leases	588,236	-	-	588,236	-	588,236
Deferred resources related to pensions	918,945	602,466	643,177	2,164,588	382,727	2,547,315
Deferred resources related to OPEB	145,984	95,708	102,176	343,868	60,800	404,668
Total Deferred Inflows of Resources	1,653,165	698,174	745,353	3,096,692	443,527	3,540,219
NET POSITION:						
Net investment in capital assets	39,414,305	22,387,387	18,289,757	80,091,449	699,119	80,790,568
Restricted for:						
OPEB benefits	31,372	20,568	21,957	73,897	13,066	86,963
Unrestricted	15,401,813	13,209,587	1,389,846	30,001,246	6,430,703	36,431,949
Total Net Position	$ 54,847,490	$ 35,617,542	$ 19,701,560	$ 110,166,592	$ 7,142,888	$ 117,309,480

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

CITY OF OREGON CITY, OREGON

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2022

	Water	Wastewater	Stormwater	Total Enterprise Funds	Total Internal Service Funds	Total Proprietary Funds
OPERATING REVENUES						
Charges for services	$ 8,039,594	$ 11,832,573	$ 3,372,416	$ 23,244,583	$ 1,569,345	$ 24,813,928
System development revenue pass through	419,195	2,491,632	-	2,910,827	-	2,910,827
Intergovernmental	5,903	25,519	17,065	48,487	-	48,487
Miscellaneous	20,648	2,175	-	22,823	10,477	33,300
Total Operating Revenues	8,485,340	14,351,899	3,389,481	26,226,720	1,579,822	27,806,542
OPERATING EXPENSES						
Personnel services	1,691,555	1,221,503	1,190,495	4,103,553	811,929	4,915,482
Materials and services	4,310,756	9,525,423	1,042,231	14,878,410	1,033,021	15,911,431
Depreciation and amortization	998,812	1,144,242	434,363	2,577,417	96,675	2,674,092
Total Operating Expenses	7,001,123	11,891,168	2,667,089	21,559,380	1,941,625	23,501,005
OPERATING INCOME (LOSS)	1,484,217	2,460,731	722,392	4,667,340	(361,803)	4,305,537
NONOPERATING REVENUES (EXPENSES)						
Franchise taxes	-	314,206	-	314,206	-	314,206
Investment revenue	(15,025)	(36,837)	(7,179)	(59,041)	(28,894)	(87,935)
Interest expense	(588)	(588)	(588)	(1,764)	-	(1,764)
Increase in equity of South Fork Water Board	568,695	-	-	568,695	-	568,695
Total Nonoperating Revenues (Expenses)	553,082	276,781	(7,767)	822,096	(28,894)	793,202
NET INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	2,037,299	2,737,512	714,625	5,489,436	(390,697)	5,098,739
Capital contributions	293,595	25,734	301,787	621,116	-	621,116
Transfers in	-	-	-	-	1,346,000	1,346,000
Transfers out	(950,000)	(615,000)	(440,000)	(2,005,000)	(3,000)	(2,008,000)
CHANGE IN NET POSITION	1,380,894	2,148,246	576,412	4,105,552	952,303	5,057,855
Beginning net position	53,488,374	33,475,992	19,135,768	106,100,134	6,195,955	112,296,089
Prior period adjustment	(21,778)	(6,696)	(10,620)	(39,094)	(5,370)	(44,464)
Beginning net position, as restated	53,466,596	33,469,296	19,125,148	106,061,040	6,190,585	112,251,625
Ending net position	$ 54,847,490	$ 35,617,542	$ 19,701,560	$ 110,166,592	$ 7,142,888	$ 117,309,480

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

CITY OF OREGON CITY, OREGON

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Water	Wastewater	Stormwater	Total Enterprise Funds	Total Internal Service Funds	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Collected from customers	$ 7,822,123	$ 11,946,857	$ 3,352,144	$ 23,121,124	$ 1,574,530	$ 24,695,654
Other receipts	26,551	27,694	17,065	71,310	10,477	81,787
Paid to suppliers	(4,147,707)	(6,195,053)	(995,304)	(11,338,064)	(1,164,672)	(12,502,736)
Paid to employees	(1,177,379)	(1,273,429)	(1,266,379)	(3,717,187)	(766,340)	(4,483,527)
Net cash provided by (used in) operating activities	2,523,588	4,506,069	1,107,526	8,137,183	(346,005)	7,791,178
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Cash receipts from taxes	-	314,206	-	314,206	-	314,206
Transfers in	-	-	-	-	1,346,000	1,346,000
Transfers out	(950,000)	(615,000)	(440,000)	(2,005,000)	(3,000)	(2,008,000)
Net cash provided by (used in) non-capital Financing activities	(950,000)	(300,794)	(440,000)	(1,690,794)	1,343,000	(347,794)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of capital assets	(1,315,285)	(1,749,263)	(213,770)	(3,278,318)	(258,231)	(3,536,549)
Proceeds from disposal of capital assets	-	-	-	-	58,527	58,527
Proceeds from grant	1,753,225	-	-	1,753,225	-	1,753,225
Principal paid on leases	(894)	(894)	(894)	(2,682)	-	(2,682)
Interest paid on leases	(588)	(588)	(588)	(1,764)	-	(1,764)
Net cash provided by (used in) capital and related Financing activities	436,458	(1,750,745)	(215,252)	(1,529,539)	(199,704)	(1,729,243)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on cash equivalents	(15,025)	(36,837)	(7,179)	(59,041)	(28,894)	(87,935)
Increase in cash and cash equivalents	1,995,021	2,417,693	445,095	4,857,809	768,397	5,626,206
CASH AND CASH EQUIVALENTS, Beginning of year	5,061,669	12,402,351	2,403,811	19,867,831	6,724,271	26,592,102
CASH AND CASH EQUIVALENTS, End of year	$ 7,056,690	$ 14,820,044	$ 2,848,906	$ 24,725,640	$ 7,492,668	$ 32,218,308

	Water	*Wastewater*	*Stormwater*	*Total Enterprise Funds*	*Internal Service Funds*	*Total Proprietary Funds*
RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES						
Operating income (loss)	$ 1,484,217	$ 2,460,731	$ 722,392	$ 4,667,340	$ (361,803)	$ 4,305,537
Depreciation and amortization	998,812	1,144,242	434,363	2,577,417	96,675	2,674,092
Change in assets and liabilities:						
Accounts receivable	(217,471)	114,284	(20,272)	(123,459)	5,401	(118,058)
Inventory	(61,307)	-	-	(61,307)	-	(61,307)
Accounts payable and accrued liabilities	(189,150)	830,787	38,359	679,996	(136,014)	543,982
Net pension liability	(919,934)	(595,768)	(654,038)	(2,169,740)	(309,793)	(2,479,533)
Net OPEB liability	10,736	10,166	3,186	24,088	35,691	59,779
Deferred outflows	68,184	41,444	52,233	161,861	(4,133)	157,728
Deferred inflows	1,349,501	500,183	531,303	2,380,987	327,971	2,708,958
Net cash provided by (used in) operating activities	$ 2,523,588	$ 4,506,069	$ 1,107,526	$ 8,137,183	$ (346,005)	$ 7,791,178
NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES						
Increase in equity of South Fork Water Board	$ 568,695	$ -	$ -	$ 568,695	$ -	$ 568,695
Capital contributions	293,595	25,734	301,787	621,116	-	621,116
	$ 862,290	$ 25,734	$ 301,787	$ 1,189,811	$ -	$ 1,189,811

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

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Oregon City, Oregon (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). GAAP statements require the application of all relevant Governmental Accounting Standards Board (GASB) pronouncements. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

A. The Financial Reporting Entity

The City of Oregon City, Oregon is a municipal corporation governed by an elected mayor and four commission members who comprise the City Commission. The City Commission exercises supervisory responsibilities over the City operations, but day-to-day management control is the responsibility of a city manager. All significant activities and organizations for which the City is financially accountable are included in the financial statements for the year ended June 30, 2022.

In defining the City of Oregon City for financial reporting purposes, management considers: all funds, organizations, institutions, agencies, departments, and offices that are legally part of the City (the primary government) and organizations for which the City is financially accountable. As defined by accounting principles generally accepted in the United States of America, the financial reporting entity consists of the primary government, as well as its component units. Component units can be defined as legally separate entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

Based on component unit criteria, the City of Oregon City's financial statements include the Oregon City Urban Renewal Commission as a blended component unit. The City Commission and Board of Directors of Oregon City Urban Renewal Commission are composed of the same individuals. Additionally, management of the City manages the activities of the component unit in the same manner as it manages its own activities. The separately issued financial statements of the Oregon City Urban Renewal Agency may be obtained from the Commission at 625 Center Street, Oregon City, Oregon 97045.

There are certain governmental agencies and various service districts which provide services within the City. These agencies have independently elected governing boards and the City is not financially accountable for these organizations. Therefore, financial information for these agencies is not included in the accompanying basic financial statements.

B. Basic Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the reporting government, the primary government and its component units. These statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. 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. All fiduciary activities are excluded from the government-wide statements and are reported only in fund financial statements.

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

The City has interfund activity. Any residual balances outstanding at year end from such activity are reported as due from/to other funds. While these balances are reported in fund financial statements, eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities 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 are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Exceptions to this rule include certain services provided between funds at market or near-market rates, which are treated as revenues and expenses. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. 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.

The City does not currently use an indirect cost allocation system. Administrative service fees are charged by the General Fund and the Community Development Fund to the other operating funds for services provided (e.g. general administration, financial services, geographic information systems, etc.) and are included as direct program expenses.

Fund financial statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary or fiduciary. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. Currently, the City has general, special revenue, internal service, capital projects, debt service and enterprise type funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are consolidated into a single column within each fund type in the financial section of the basic financial statements and are detailed in the other supplementary information.

C. Basis of Presentation

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

There are stated minimum criteria for the determination of major funds: percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses, of either fund category or the governmental and enterprise combined. The City electively presents funds as major funds which either have debt outstanding or specific community focus. Non-major funds are combined in a column in the fund financial statements and detailed in the combining and individual fund statements and schedules located in the other supplementary information section.

The City reports the following major governmental funds:

General Fund – The government's primary operating fund accounts for the City's legislative activities and administration, human resources, finance, information technology, police department, municipal court, and parks and recreation. The primary revenue sources are property taxes, franchise fees, fines and forfeitures, and intergovernmental revenues.

Engineering Fund – This fund is used to provide engineering review and construction monitoring for private development within the City. Licenses and permits are the primary revenue source.

System Development Fund – This fund accounts for the collection of transportation, water, wastewater, stormwater and parks development charges and their use for related capital projects.

Urban Renewal Fund – This fund accounts for the activity of the Urban Renewal Agency. Property taxes are the primary revenue source. Expenditures are primarily for urban renewal projects.

Transportation Fund – This fund is used to account for the use of state gas tax revenue and pavement maintenance charges for street-related purposes.

Community Facilities Fund – This fund accounts for money set aside for construction of city facilities including the expansion of the library and building of public safety and public works facilities; funded by transfers from other funds.

The City's proprietary funds mainly account for the water, wastewater, and stormwater operations. The City reports the following major proprietary funds:

Water Fund – Accounts for the operation of the City's water system. Customer charges are the primary revenue source.

Wastewater Fund – Accounts for the operation of the City's sanitary sewer collection system. Customer charges are the primary revenue source along with franchise taxes charged to wastewater treatment providers operating in the area for the purpose of recovering costs incurred in providing services.

Stormwater Fund – Accounts for the operation of the City's storm drain activity. Customer charges are the primary revenue source.

Additionally, the City reports nonmajor funds within the governmental fund types:

Special Revenue Funds – The special revenue funds account for revenue derived from specific tax or other earmarked revenue sources, including grants and funds set aside to finance particular functions or activities. Funds included in this category are:

Library Fund – This fund accounts for the operation of the library. Proceeds from the Clackamas County Library Levy are the primary revenue source.

Planning Fund – This fund accounts for personnel costs and other expenditures related to planning and development services. Licenses and charges for service are the primary revenue sources.

Building Fund – This fund is used to account for building inspection and related expenditures. Building permits are the primary revenue source.

Debt Service Funds

Debt Service Fund – The debt service fund is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds. During the current year, debt principal and interest for the Public Employee Retirement System Bonds and the Oregon City Full Faith and Credit Obligation Bonds were paid from the fund.

The City does not have any nonmajor enterprise funds. It does however report internal service funds within the proprietary fund types:

Internal Service Funds

The City has three internal service funds which provide services to other City departments, primarily the enterprise funds. Therefore, the internal service funds are combined with the enterprise funds in the government-wide financial statement. Internal charges are the primary revenue source of these funds. Expenditures are for the purposes as described below.

Fleet Service Fund – This fund accounts for the current operating costs of City owned vehicles.

Customer Service Fund – This fund accounts for the cost of providing utility billing services.

Equipment Replacement Fund – This fund accounts for accumulated resources to be used for vehicle and equipment replacement.

D. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus.

The government-wide and proprietary fund financial statements are accounted for using an economic resources measurement focus, whereby all assets and liabilities are included in the Statement of Net Position. The increases and decreases in the net position are presented in the government-wide Statement of Activities and in the proprietary fund Statement of Revenues, Expenses and Changes in Net Position.

These funds use the accrual basis of accounting whereby revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Amounts reported as program revenues in the Statement of Activities include (1) fines, fees and charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Grants and contributions not restricted are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Operating revenues and operating expenses are intermediate components within the proprietary fund Statement of Revenues, Expenses and Changes in Net Position, and include only those transactions that constitute their principal, ongoing activities exclusive of investing or financing transactions. Significant operating revenues include charges for services and miscellaneous income. Significant operating expenses include personnel, materials and supplies, outside services, and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The governmental fund financial statements are accounted for using a current financial resources measurement focus, whereby only current assets and current liabilities generally are included in the balance sheet, and the statement of revenues, expenditures and changes in fund balances present increases and decreases in those net current assets. These funds use the modified accrual basis of accounting whereby revenues are recorded only when susceptible to accrual (both measurable and available). "Measurable" means that the amount of the transaction can be determined. "Available" is defined as being collectible within the current period or soon enough thereafter (60 days) to be used to liquidate liabilities of the current period. Expenditures other than interest on noncurrent obligations, are recorded when the fund liability is incurred.

Real and personal property taxes are levied as of July 1 for each fiscal year on values assessed as of January 1. Property taxes are an enforceable lien on both real and personal property as of July 1 and are due and payable in installments on November 15, February 15 and May 15. All property taxes are billed and collected by Clackamas County and remitted to the City. In the governmental fund financial statements, property taxes are reflected as revenues in the fiscal period for which they were levied, provided they are due, or past due and receivable within the current period, and collected within the current period or expected to be collected soon enough thereafter to be

used to pay liabilities of the current period (60 days). Otherwise, they are reported as unavailable revenues.

Intergovernmental revenues are recognized as revenues when all eligibility requirements are met. There are, however, essentially two types of intergovernmental revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, all eligibility requirements are determined to be met when the underlying expenditures are recorded. In the other, monies are virtually unrestricted as to the purpose of the expenditure and are usually revocable only for failure to comply with prescribed requirements; therefore, all eligibility requirements are determined to be met at the time of receipt, or earlier, if the susceptible accrual criteria are met.

Licenses and permits, charges for services, fines and forfeitures and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available. Special assessments receivable and repayment of revolving loans are offset by deferred revenues.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the basic financial statements.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reporting amounts of certain assets, liabilities, deferred inflows and outflows, revenues and expenses. Actual results may differ from such estimates.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, demand deposits and short-term investments with original maturities of three months or less when purchased. Investments for the City, as well as for its component unit, are reported at fair value based on quoted market prices. Interest earned on cash and investments is allocated monthly based on each fund's average cash balance as a proportion of the City's total cash, cash equivalents and investments.

Receivables and Revenues

Receivables for state, county and local shared revenues, included in accounts receivable, are recorded as revenue in the governmental funds as earned.

For governmental fund types, property taxes receivable which have been collected within sixty days subsequent to year end are considered measurable and available and are recognized as revenues. All other property taxes receivable are offset by unavailable property tax revenues and, accordingly, have not been recorded as revenue. Property taxes receivable by the City represent the City's allocated share of delinquent property taxes and other amounts to be collected from property owners within Clackamas County, Oregon.

Assessment liens in the governmental fund types are recognized as receivables at the time property owners are assessed for property improvements. Assessments receivable which have been collected within sixty days subsequent to year end are considered measurable and available and are recognized as revenues. All other assessments receivable are offset by unavailable revenue and, accordingly, have not been recorded as revenue.

Lease receivables are recognized at the net present value of the leased assets, reduced by principal payments received. The net present value is calculated using a borrowing rate either explicitly described in the agreement or implicitly determined by the City.

Inventory and Prepaids

Inventory in the proprietary funds is stated at cost (first-in, first-out basis) and is charged to expense as used. The purchases method is used for inventory for governmental funds. In both government-wide and fund financial statements, certain payments to vendors reflect costs applicable to future City accounting periods and are recorded as prepaid expenses. The cost of these prepaid items is recorded as expenditures/expenses when consumed.

Capital Assets

Capital assets are stated at cost or estimated historical cost. Donated capital assets are reported at their acquisition value, that is the price that would be paid to acquire the asset. Estimated acquisition value of donated assets is determined based on engineering estimates of current cost or price indexed cost. Capital assets include land, right-of-way (included with land), buildings, improvements, equipment, infrastructure and other tangible and intangible assets costing over $5,000 used in operations that have initial useful lives extending beyond a single reporting period. Infrastructure are those capital assets that are stationary in nature and can be preserved for a significantly greater number of years than most other capital assets. Infrastructure reported in governmental activities consists of roads, bridges, sidewalks and traffic and lighting systems. Infrastructure reported in business-type activities consists of water, stormwater and wastewater collection systems.

All capital assets, except for infrastructure in governmental activities prior to July 1, 1980, have been capitalized in the government-wide and proprietary fund financial statements. In accordance with the current financial resources measurement focus, capital assets are not capitalized in the governmental fund financial statements. Purchased capital assets are valued at cost when historical records are available and at estimated historical cost if no historical records exist. Historical cost is measured by the cash or cash equivalent price of obtaining an asset, including ancillary charges necessary to place the asset into its intended location and condition for use.

Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Amounts expended for maintenance and repairs are charged to expenditures/expenses in the appropriate funds as incurred and are not capitalized.

Capital assets are depreciated unless they are inexhaustible in nature (e.g., land and rights-of-way). Depreciation is an accounting process to allocate the cost of capital assets to expense in a systematic and rational manner to those periods expected to benefit from the use of capital assets. Depreciation is not intended to represent an estimate in the decline of fair market value, nor are capital assets, net of accumulated depreciation, intended to represent an estimate of the current condition of the assets, or the maintenance requirements needed to maintain the assets at their current level of condition.

Depreciation is computed over the estimated useful lives of the capital assets. All estimates of useful lives are based on actual experience by City departments with identical or similar capital assets. Depreciation is calculated on the straight-line basis, except for infrastructure and improvements other than buildings reported in the governmental activities column of the government-wide financial statements, which are calculated using a composite depreciation method. The estimated useful lives of the various categories of assets are as follows:

Buildings and improvements	40 years
Water and Sewer Infrastructure	20 – 50 years
Governmental Infrastructure	20 – 50 years
Equipment	10 – 20 years

Upon disposal of capital assets, cost and accumulated depreciation are removed from the accounts and, if appropriate, a gain or loss on the disposal is recognized.

Lease Assets

Lease assets are assets which the City leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the City's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will report 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 reports deferred outflows of resources for both pension and other postemployment benefit (OPEB) related amounts: payments since the measurement date (MD), changes in assumptions, and for the difference between future payments of deferred revenues' projected and actual earnings. This amount is deferred and recognized as an outflow of resources in the period when the City's recognizes pension expense/expenditures. The City also reports the deferred charge on refunding as a deferred outflow of resources. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred over the shorter of the life of the refunded or refunding debt. Deferred outflows are included in the government-wide Statement of Net Position and the proprietary funds Statement of Net Position.

In addition to liabilities, the statement of financial position will report 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 governmental funds report unavailable revenues from property taxes, assessment liens, and investment income, as deferred inflows of resources. These items arise only under a modified accrual basis of accounting and accordingly, are reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The City also reports deferred inflows of resources for both pension and OPEB-related amounts: differences between projected and actual investment earnings and changes in employer proportion and differences between employer contributions and the City's proportionate share of contributions. This amount is deferred and recognized as an inflow of resources in the period when the City's recognizes pension income. Deferred inflows are included in the government-wide Statement of Net Position and the proprietary funds Statement of Net Position.

The City also reports deferred inflows of resources for leases.

Long-Term Debt

Long-term debt directly related and expected to be paid from the enterprise funds is recorded in these funds. All other unmatured long-term debt is recorded on the Statement of Net Position. Repayment of general bonded debt will be made from debt service funds with the exception of the library bonds, which are expenses of the library fund. Payment of vacation liabilities will be made from all funds that have personnel expenses. Significant bond premiums, discounts, and amounts deferred on refunding are deferred and amortized over the applicable bond term. Issuance costs are reported as period costs in the year of issue. In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs, as period costs in the year of issue. The face amount of debt issued and any related premium is reported as other financing sources.

Leases Payable

In the government-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

Accrued Compensated Absences

Accumulated vested vacation pay, executive leave, floating holiday pay and compensatory time is accrued in the enterprise funds as it is earned by employees. In governmental fund types, the amounts, if any, expected to be liquidated with expendable available resources are accrued as liabilities of the funds and the amount payable from future resources is recorded on the Statement of Net Position. Sick pay, which does not vest, is recorded in all funds when leave is taken. Compensated absences payable are recorded as liabilities in the governmental funds only if they have matured (i.e., there are unpaid amounts still outstanding after an employee's termination). In the past, compensated absences and other postemployment benefits have been paid by the fund resulting in the underlying liability, or each fund that reports personnel expenses (General, Library, Building, Community Development, Engineering, Water, Wastewater, Stormwater funds.)

Postemployment Benefits Other Than Pensions (OPEB)

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB), the City's OPEB liability is recognized as a long-term liability in the government-wide financial statements and in the proprietary fund statements, the amount of which is actuarially determined. The annual required contribution is recognized on an accrual basis in accordance with actuarial standards. The General Fund liquidates the long-term portions of other postemployment benefits.

For purposes of measuring the net OPEB asset, OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's two separate plans, the Implicit Rate Subsidy and Oregon Public Employees Retirement Systems (OPERS), and additions to/deductions from Implicit Rate Subsidy and OPERS's fiduciary net position, have been determined on the same basis as they are reported by Implicit Rate Subsidy and OPERS. For this purpose, Implicit Rate Subsidy and OPERS recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Pension Liability – Oregon Public Employees Retirement System (PERS)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The long-term portion of pension liabilities are expected to be paid in future years from future resources. In prior years, these liabilities have been liquidated primarily by the governmental and enterprise funds for which the employees who earned the benefits were assigned.

Net Position

In the government-wide financial statements and proprietary funds financial statements, net position is reported in three categories: net investment in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets represents capital assets less accumulated depreciation less outstanding principal of related debt. Restricted net position represents net position restricted by parties outside of the City (such as creditors, grantors, contributors, laws, and regulations of other governments) and includes funds restricted for payment of debt or to acquire or construct capital assets. All other net position is considered unrestricted.

Net Position Flow Assumption

Sometimes the government 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 government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Governmental fund type fund balances are reported in the following classifications.

Nonspendable includes resources that cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale.

Restricted includes resources with constraints placed on their use either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed resources exist when the City Commission takes formal action such as adoption of an ordinance that places specific constraints on how the resources may be used. The City Commission can modify or rescind the commitment at any time through passage of an additional ordinance.

Assigned resources are constrained by the City's intent to use them for a specific purpose, but are neither restricted nor committed. Intent is expressed when the City Commission approves which resources should be "reserved" during the adoption of the budget. The City's Finance Director uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the City's Annual Comprehensive Financial Report.

Unassigned is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

Fund Balance Flow Assumptions

The City may fund outlays for a particular purpose from both restricted and unrestricted resources. 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 resources are considered to have been applied. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed. When components of restricted fund balance can be used for the same purpose, committed fund balance is depleted second, followed by assigned fund balance. Unassigned fund balance is applied last.

NOTE 2: DETAILED NOTES

A. Cash and Cash Equivalents

The City maintains a cash and cash equivalents pool that is available for use by all funds. Each fund's portion of the pool is displayed as part of Cash and Cash Equivalents by type of activity on the Statement of Net Position. Cash and investments are comprised of the following at June 30, 2022:

Cash and cash equivalents		
Petty cash	$	3,761
Deposits with financial institutions		39,058,944
Local Government Investment Pool		58,235,810
Total cash and cash equivalents	$	97,298,515

Deposits

Deposits with financial institutions consist primarily of bank demand deposits. The total book balance of deposits at year-end was $39,058,945 and the bank balance was $39,400,422. The difference is due to transactions in process.

Custodial Credit Risk – Deposits

There is a risk that in the event of a bank failure, deposits may not be returned. The City does not have a policy related to custodial credit risk. The City's bank balance deposits are secured by the Federal Depository Insurance Corporation (FDIC) for $250,000. Deposits in excess of FDIC coverage are held at a qualified depository bank and collateralized in accordance with Oregon Revised Statute 295 through a multiple-institution collateral pool administered by the Oregon State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by participating Oregon public fund banks is available to repay the deposits. As of June 30, 2022, $39,150,422 of the City's bank balances were exposed to custodial credit risk as they were collateralized with securities held by the pledging financial institution's agent but not in the City's name.

Investments

Oregon Revised Statutes authorize the City to invest in general obligations of the United States and its agencies, certain obligations of specific states and their political subdivisions, time deposits, certificates of deposit, savings accounts, banker's acceptances, corporate indebtedness, repurchase agreements and the State of Oregon Local Government Investment Pool.

State of Oregon Local Government Investment Pool

The City invests in the Local Government Investment Pool (LGIP). The LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. Oregon Revised Statutes 294.805 to 294.895 and the Oregon Investment Council govern the LGIP's investment policies. The State Treasurer is the investment officer responsible for the funds, and investments are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board. The fair value of pool shares is equal to the City's proportionate position in the pool.

Balances in the State of Oregon LGIP are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. The Oregon State Treasury administers the LGIP. The LGIP is an unrated, open-ended, no-load, diversified portfolio offered to any agency, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the City's position in the LGIP is the same as the value of the pool shares.

Interest Rate Risk

In accordance with Oregon Revised Statutes, the City manages its exposure to declines in fair value resulting from changes in interest rates by limiting the weighted average maturity of its investments to 18 months or the date of anticipated use of the funds, whichever period is shorter.

Credit Risk

The risk that issuers of debt securities will be unable to make scheduled payments exists to some degree for all debt securities. The City's investments in U.S. Agency Securities were rated AAA by Moody's Investor's Service and AA+ by Standard & Poor's at year-end. The Local Government Investment Pool is not rated.

Concentration of Credit Risk

To reduce the City's risk of loss that can result from not diversifying investments, the City's investment policy does not allow for investment in any one issuer that exceeds 5% of the City's total investments, with the exception of U.S. Treasuries, Agencies and Instrumentalities and the LGIP.

Custodial Risk – Investments

For an investment, this is the risk that, in the event of a failure of the counterparty, the City will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The City's investment policy limits the types of investments that may be held to those specified by Oregon Revised Statutes and does not allow securities to be held by a counterparty. The City's policy is in compliance with State statutes.

B. Receivables

Receivables at June 30, 2022, consisted of the following:

Governmental Activities	General	Engineering	System Development	Urban Renewal	Transportation	Community Facilities Capital Projects	Other Governmental Funds	Total
Accounts	$ 1,108,602	$ -	$ 481,244	$ 23	$ 872,732	$ 178,755	$ 4,880	$ 2,646,236
Property taxes	549,363	-	-	117,619	-	-	-	666,982
Assessments	-	-	1,019,632	-	-	-	-	1,019,632
Leases	-	-	109,128	133,216	-	-	-	242,344
Settlement	487,606	-	-	-	-	-	-	487,606
Less: Allowance for uncollectibles	-	-	-	-	(13,998)	(3,330)	-	(17,328)
	$ 2,145,571	$ -	$ 1,610,004	$ 250,858	$ 858,734	$ 175,425	$ 4,880	$ 5,045,472

Business-type Activities	Water	Wastewater	Stormwater	Other	Total
Accounts	$ 1,098,555	$ 1,837,394	$ 510,139	$ 2,197	$ 3,448,285
Assessments	-	59,319	-	-	59,319
Leases	588,236	-	-	-	588,236
Less: Allowance for uncollectibles	(34,357)	(50,483)	(14,694)	-	(99,534)
	$ 1,652,434	$ 1,846,230	$ 495,445	$ 2,197	$ 3,996,306

Based on the payment schedule for special assessments receivable, approximately $255,000 of the amount reported in governmental activities and approximately $59,000 of the amount reported in business-type activities is not expected to be collected within the next year. Additionally, approximately $67,000 of property taxes receivable and $461,000 of settlement receivable are not expected to be collected within the next year. $171,000 in governmental activities and $534,000 in business-type activities related to leases receivable are not expected to be collected within the next year.

C. Lease Receivables

The City recognizes a lease receivable for the following contracts in which the City, acting as a lessor, grants a lessee the right to use an asset of the City.

Governmental Activities

The City leases 2,044 square feet of space located at 624 Taylor Street. The term of the lease is five years, expiring in fiscal year 2027. Inflows of resources from this lease are recorded in the System Development Fund.

The URA has a five-year lease, expiring in fiscal year 2026, for the premises located at 1757 Washington Street, and a two-year lease, expiring in fiscal year 2023, for a portion of the real property located at 1795 Washington Street. Inflows of resources from these two leases are recorded in the Urban Renewal Fund.

Business-Type Activities

The City has two twenty-year leases, expiring in fiscal year 2026 and fiscal year 2038 respectively, with cellular phone companies to lease space on the roof of Boynton Reservoir as a site for cellular antennas. The initial term of the leases are ten years with the option to extend the leases for an additional ten-year term. Inflows of resources from this lease are recorded in the Water Fund.

Lease receivables at June 30, 2022, consisted of the following:

	Outstanding June 30, 2021	Additions	Decrease	Outstanding June 30, 2022
Governmental Activities				
Facility Lease, issued January 1, 2022, interest rate at 3.00%, total annual principal and interest ranges from $24,500 to $27,375, due 2027	$ -	$ 119,859	$ (10,731)	$ 109,128
Facility Lease, issued June 1, 2021, interest rate at 2.96%, total annual principal and interest ranges from $27,600 to $30,000, due 2027	133,812	-	(24,069)	109,743
Facility Lease, issued January 1, 2021, interest rate at 2.50%, total annual principal and interest ranges from $46,100 to $47,300, due 2023	68,976	-	(45,503)	23,473
Total Governmental	$ 202,788	$ 119,859	$ (80,303)	$ 242,344
Business-type Activities				
Boynton Reservoir Cell Tower, issued March 6, 2016, interest rate at 4.00%, total annual principal and interest $18,000, due 2026	$ 129,668	$ -	$ (28,527)	$ 101,141
Boynton Reservoir Cell Tower, issued January 1, 2018, interest rate at 2.00%, total annual principal and interest $30,000, due 2037	509,380	-	(22,285)	$ 487,095
Total Business-type	$ 639,048	$ -	$ (50,812)	$ 588,236
Total lease receivables	$ 841,836	$ 119,859	$ (131,115)	$ 830,580

Future maturities are as follows:

Fiscal Year Ending June 30,	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 71,186	$ 6,045	$ 54,397	$ 13,788	$ 125,583	$ 19,833
2024	51,020	4,408	58,171	12,079	109,191	16,487
2025	53,332	2,858	62,141	10,243	115,473	13,101
2026	53,237	1,239	26,879	8,271	80,116	9,510
2027	13,569	119	28,120	7,733	41,689	7,852
2028-2032	-	-	160,606	29,705	160,606	29,705
2033-2037	-	-	197,922	12,197	197,922	12,197
	$ 242,344	$ 14,669	$ 588,236	$ 94,016	$ 830,580	$ 108,685

Deferred inflow of resources mirrors the principal payment maturities described above.

The City has a five-year lease, expiring in FY 2027, with the Oregon Department of Transportation (ODOT), which grants a temporary easement over and across a portion of Jon Storm Park for a work area for construction purposes. There is no lease receivable or no interest revenue, associated with this lease as the lessee provided a lump sum payment for the entire lease in advance at the commencement of the lease. Unearned revenue from this lease is recorded in the General Fund.

D. Capital Assets

Activity for tangible capital assets for the fiscal year ended June 30, 2022 is as follows:

Governmental Activities	Balance June 30, 2021	Increases	Reclasses	Decreases	Balance June 30, 2022
Nondepreciable capital assets					
Land	$ 13,178,045	$ -	$ -	$ -	$ 13,178,045
Construction In Progress	25,484,978	11,011,282	(25,931,876)	-	10,564,384
Total Non-depreciable	38,663,023	11,011,282	(25,931,876)	-	23,742,429
Depreciable capital assets					
Equipment	5,507,680	303,628	398,695	(15,160)	6,194,843
Buildings and Improvements	45,074,208	189,774	12,350,893	(51,511)	57,563,364
Infrastructure	134,002,481	1,236,542	13,182,288	-	148,421,311
Total Depreciable	184,584,369	1,729,944	25,931,876	(66,671)	212,179,518
Accumulated depreciation					
Equipment	(4,501,557)	(355,480)	-	15,160	(4,841,877)
Buildings and Improvements	(6,551,547)	(1,439,084)	-	51,511	(7,939,120)
Infrastructure	(42,681,220)	(3,710,605)	-	-	(46,391,825)
Total Accumulated Depreciation	(53,734,324)	(5,505,169)	-	66,671	(59,172,822)
Depreciable capital assets, net	130,850,045	(3,775,225)	25,931,876	-	153,006,696
Governmental capital assets, net	$ 169,513,068	$ 7,236,057	$ -	$ -	$ 176,749,125

Business-type Activities	Balance June 30, 2021	Increases	Reclasses	Decreases	Balance June 30, 2022
Nondepreciable capital assets					
Land	$ 1,530,418	$ 10,000	$ -	$ -	1,540,418
Construction In Progress	4,441,277	3,517,479	(1,584,943)	-	6,373,813
Total Non-depreciable	5,971,695	3,527,479	(1,584,943)	-	7,914,231
Depreciable capital assets					
Equipment	10,602,616	264,673	-	(182,518)	10,684,771
Buildings and Improvements	21,511,024	359,446	-	-	21,870,470
Infrastructure	97,229,382	6,067	1,584,943	-	98,820,392
Total Depreciable	129,343,022	630,186	1,584,943	(182,518)	131,375,633
Accumulated depreciation					
Equipment	(8,929,234)	(195,724)	-	123,991	(9,000,967)
Buildings and Improvements	(5,454,183)	(443,235)	-	-	(5,897,418)
Infrastructure	(41,568,460)	(2,031,800)	-	-	(43,600,260)
Total Accumulated Depreciation	(55,951,877)	(2,670,759)	-	123,991	(58,498,645)
Depreciable capital assets, net	73,391,145	(2,040,573)	1,584,943	(58,527)	72,876,988
Business-type capital assets, net	$ 79,362,840	$ 1,486,906	$ -	$ (58,527)	$ 80,791,219

Depreciation expense for the year was charged to each function as follows:

Governmental Activities	
General government	$ 398,293
Public safety	401,079
Public works	3,336,816
Culture and recreation	1,331,266
Community development	37,715
Depreciation, governmental activities	$ 5,505,169
Business-type Activities	
Water	$ 997,701
Wastewater	1,143,131
Stormwater	433,252
Fleet	96,675
Depreciation, business-type activities	$ 2,670,759

E. Lease Assets

Activity for lease assets for the fiscal year ended June 30, 2022 is as follows:

Governmental Activities	Balance June 30, 2021	Increases	Reclasses	Decreases	Balance June 30, 2022
Lease assets					
Land and easements	$ 327,369	$ 6,855	$ -	$ -	$ 334,224
Infrastructure	40,008	-	-	-	40,008
Total lease assets	367,377	6,855	-	-	374,232
Accumulated amortization					
Land and easements	-	(19,937)	-	-	(19,937)
Infrastructure	-	(2,222)	-	-	(2,222)
Total accumulated amorization	-	(22,159)	-	-	(22,159)
Governmental lease assets, net	$ 367,377	$ (15,304)	$ -	$ -	$ 352,073

Business-type Activities	Balance June 30, 2021	Increases	Reclasses	Decreases	Balance June 30, 2022
Lease assets					
Infrastructure	$ 60,012	$ -	$ -	$ -	$ 60,012
Total lease assets	60,012	-	-	-	60,012
Accumulated amortization					
Infrastructure	-	(3,333)	-	-	(3,333)
Total accumulated amorization	-	(3,333)	-	-	(3,333)
Business-type lease assets, net	$ 60,012	$ (3,333)	$ -	$ -	$ 56,679

Amortization expense for the year was charged to each function as follows:

Governmental Activities	
Public works	$ 1,111
Culture and recreation	21,048
Amortization, governmental activities	$ 22,159
Business-type Activities	
Water	$ 1,111
Wastewater	1,111
Stormwater	1,111
Amortization, business-type activities	$ 3,333

F. Long Term Debt – Bonds Payable

The following table presents current year changes in long-term debt obligations and the current portions due for each issue. Under Oregon Revised Statutes 287A.050, general obligation debt issues are limited to 3% of real market value of all taxable property within the City's boundaries. The City's outstanding general obligation debt of $4.11 million is significantly below the debt limitation of $196 million. The City has no outstanding bonds payable for its Business Activities.

	Outstanding June 30, 2021	Issued	Matured / Redeemed	Outstanding June 30, 2022	Due Within One Year
Governmental Activities					
Direct Placement General Obligation Bonds					
Library General Obligation Bonds, Issued January 7, 2015, interest rate at 3.08%	$ 4,394,934	$ -	$ (280,007)	$ 4,114,927	$ 288,631
Limited Obligation Bonds					
PERS Limited Tax Pension Obligations, Series 2005, Issued September 28, 2005, interest rates from 4.21% to 5.00%	9,855,000	-	(1,145,000)	8,710,000	1,265,000
Oregon City Full Faith and Credit Obligations, Series 2018, Issued June 5, 2018, interest rates from 3.00% to 5.00%	13,105,000	-	(540,000)	12,565,000	560,000
Bond Premiums and Discounts	1,310,856	-	(77,109)	1,233,747	77,109
Total long-term debt	$ 28,665,790	$ -	$ (2,042,116)	$ 26,623,674	$ 2,190,740

Governmental Activities

Direct Placement Library General Obligation Bonds: On January 7, 2015, the City issued $6,000,000 of voter-approved General Obligation Bonds through a direct placement. The purpose of the bonds were to renovate and expand the Oregon City Library at Carnegie Center. The interest rate on the bonds is 3.08% and the final payment is due June 1, 2034. The City has pledged its full faith and credit and taxing power to pay the Bonds. In the event of default, the outstanding principal amount of the Bonds shall bear interest at the default rate of 6.00% per annum until the default is remedied.

Public Employee Retirement System (PERS) Unfunded Actuarial Liability Bonds: During 2005-06, the City issued $17,030,000 in bonds to fund its PERS actuarial liability. The bonds are limited tax obligations and are payable from ad valorem property taxes and any unrestricted taxes, fees, charges, and other revenues. They are not general obligation bonds. The bonds bear interest at rates varying between 4.21% and 5.00%. Semiannual payments of interest are due on December 1 and June 1 of each year, and annual payments of principal are due on June 1 of each year. The final payment is due June 1, 2028.

Oregon City Full Faith and Credit Obligations: The City issued $16,000,000 of voter-approved Full Faith and Credit Obligation bonds dated June 5, 2018, to provide a new police and municipal court facility. The bonds were issued at a premium of $1,542,183 resulting in face value of the bonds of $14,615,000. The bond premium is to be amortized over the life of the bonds, which mature in 2038. Interest rates on the bonds range from 3.00% to 5.00%.

The City was in compliance with all covenants at June 30, 2022.

Future Principal and Interest

Future maturities of bond principal and interest at June 30, 2022, are as follows:

Fiscal Year Ending June 30,	Governmental Activities				Total	
	Bonds		Direct Placement Bonds			
	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 1,825,000	$ 977,748	$ 288,631	$ 126,740	$ 2,113,631	$ 1,104,488
2024	1,980,000	892,048	297,521	117,850	2,277,521	1,009,898
2025	2,145,000	798,842	306,685	108,686	2,451,685	907,528
2026	2,320,000	697,631	316,130	99,240	2,636,130	796,871
2027	2,505,000	587,863	325,867	89,504	2,830,867	677,367
2028-2032	4,725,000	1,820,439	1,786,214	290,641	6,511,214	2,111,080
2033-2037	4,715,000	801,850	793,879	36,862	5,508,879	838,712
2038-2042	1,060,000	42,400	-	-	1,060,000	42,400
	$ 21,275,000	$ 6,618,821	$ 4,114,927	$ 869,523	$ 25,389,927	$ 7,488,344

G. Long Term Debt – Compensated Absences

The City's policy relating to compensated absences is described in Note 1. E. Changes in the liability for accrued compensated absences are as follows:

	Outstanding June 30, 2021*	Earned	Paid	Outstanding June 30, 2022	Due Within One Year
Governmental Activities	$ 1,238,036	$ 1,166,282	$ 1,277,065	$ 1,127,253	$ 225,450
Business-type Activities	278,647	255,924	277,429	257,142	51,428
	$ 1,516,683	$ 1,422,206	$ 1,554,494	$ 1,384,395	$ 276,878

* Beginning balances restated.

H. Long Term Debt – Leases Payable

The City recognizes a lease payable for the following contracts in which the City, acting as a lessee, is granted the right to use the asset of another entity.

Governmental Activities

The City has three leases with the Oregon Department of State Lands for submerged and submersible land in the Willamette River adjacent to Jon Storm Park and Sportcraft Landing for use as a marina and dock. The terms of the leases are each fifteen years, expiring in fiscal years 2031, 2034, and 2037, respectively. Outflows of resources for these leases are recorded in the General Fund.

The City has a lease with the Oregon Department of Transportation for airspace under I-205 at Jon Storm Park. The term of the lease is thirty-five years, which includes an initial term of twenty-five years and an option to extend for an additional ten years, expiring in fiscal year 2042. Outflows of resources for this lease are recorded in the General Fund.

The City has a lease with Beaver Creek Cooperative Telephone Co. for conduit. The term of the lease is twenty years, expiring in fiscal year 2039. Outflows of resources for this lease are allocated equally across five funds; two of which are included in Governmental Activities: the General Fund and the Transportation Fund.

Business-Type Activities

The City has a lease with Beaver Creek Cooperative Telephone Co. for conduit. The term of the lease is twenty years, expiring in fiscal year 2039. Outflows of resources for this lease are allocated equally across five funds; three of which are included in Business-Type Activities: the Water Fund, the Wastewater Fund, and the Stormwater Fund.

	Outstanding June 30, 2021	Additions	Decrease	Outstanding June 30, 2022
Governmental Activities				
ODOT Marina at Sportcraft, issued August 1, 2015, interest rate at 3.00%, total annual principal and interest ranges from $3,300 to $5,100, due 2031	$ 34,657	$ -	$ (2,927)	$ 31,730
ODOT Marina at Jon Storm Park, issued May 1, 2019, interest rate at 3.00%, total annual principal and interest ranges from $2,800 to $4,400, due 2034	36,641	-	(2,046)	34,595
ODOT Dock at Jon Storm Park, issued January 1, 2022, interest rate at 3.00%, total annual principal and interest ranges from $475 to $700, due 2037	-	6,855	(457)	6,398
ODOT Tech Airspace under I-205 Bridge, issued June 1, 2007, interest rate at 3.40%, total annual principal and interest ranges from $4,300 to $25,000, due 2042	256,071	-	-	256,071
Beavercreek Cooperative Telephone Company Conduit, issued November 1, 2018, interest rate at 3.00%, total annual principal and interest $3,000, due 2039	40,008	-	(1,787)	38,221
Total Governmental	$ 367,377	$ 6,855	$ (7,217)	$ 367,015
Business-type Activities				
Beavercreek Cooperative Telephone Company Conduit, issued November 1, 2018, interest rate at 3.00%, total annual principal and interest $3,000, due 2039	$ 60,012	$ -	$ (2,682)	$ 57,330
Total Business-type	$ 60,012	$ -	$ (2,682)	$ 57,330
Total lease payables	$ 427,389	$ 6,855	$ (9,899)	$ 424,345

Future maturities are as follows:

Fiscal Year Ending June 30,	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 7,455	$ 18,924	$ 2,763	$ 1,682	$ 10,218	$ 20,606
2024	9,736	17,283	2,846	1,598	12,582	18,881
2025	16,192	11,485	2,932	1,512	19,124	12,997
2026	17,385	10,967	3,022	1,422	20,407	12,389
2027	18,636	10,411	3,114	1,330	21,750	11,741
2028-2032	103,447	42,379	17,048	5,173	120,495	47,552
2033-2037	102,513	25,649	19,803	2,417	122,316	28,066
2038-2042	91,651	7,771	5,802	124	97,453	7,895
	$ 367,015	$ 144,869	$ 57,330	$ 15,258	$ 424,345	$ 160,127

I. Postemployment Benefits Other than Pensions (OPEB)

The City follows *GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*

The other postemployment benefits (OPEB) for the City combines two separate plans. The City provides an implicit and explicit rate subsidy for retiree health insurance premiums, and a contribution to the State of Oregon's PERS cost-sharing multiple-employer defined benefit health insurance plan.

The City's two OPEB plans are presented in the aggregate on the Statement of Net Position. The amounts on the financial statements relate to the plans as follows:

	Implicit Rate Subsidy	PERS RHIA Plan	Total OPEB on Financials
Net OPEB Asset	$ -	$ 471,184	$ 471,184
Deferred Outflows of Resources			
Change in Assumptions	2,172,564	9,271	2,181,835
Difference in Expected and Actual Experience	-	-	-
Difference in Earnings	-	-	-
Change in Proportionate Share	-	-	-
Contributions After MD	313,124	3,132	316,256
Net OPEB Liability	(13,677,515)	-	(13,677,515)
Deferred Inflows of Resources			
Difference in Expected and Actual Experience	(1,690,769)	(13,110)	(1,703,879)
Difference in Earnings	-	(111,978)	(111,978)
Change in Assumptions	(360,216)	(7,009)	(367,225)
Change in Proportionate Share	-	(9,495)	(9,495)
OPEB Expense/(Income)*	904,750	(85,724)	819,026

*Included in program expenses on Statement of Activities

J. Other Postemployment Benefits (OPEB) – Health Insurance

Plan Description

The City's single-employer defined benefit postemployment healthcare plan is administered by CityCounty Insurance Services (CIS). Benefit provisions are established through negotiations between the City and representatives of collective bargaining units or through resolutions passed by the City Commission. The City has not established a formal plan or an irrevocable trust (or equivalent arrangement) to account for the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The City's postemployment healthcare plan administrator issues a publicly available financial report that includes financial statements and required supplementary information for CIS. This report may be obtained through their website at: https://www.cisoregon.org/About/TrustDocs.

Benefits Provided

Implicit rate subsidy: As required by ORS 243.303, the City must offer retirees the same group health and dental insurance as provided to current employees from the date of retirement to the age when retirees and spouses typically become eligible for Medicare. The difference between retiree claims costs, which because of the effect of age is generally higher than plan members, and the amount of retiree healthcare premiums represents the implicit employer contribution.

Explicit rate subsidy: Based on negotiated union agreements, the City provides retiree health benefits to employees that retired from active service while eligible to receive a pension benefit from Oregon PERS meeting one of the following three criteria:

- Hired before July 1, 2005 for retirees represented by AFSCME
- Hired before November 17, 2005 for Management retirees
- Retired while represented by the Oregon City Police Employees' Association

Retirees under 65 are eligible to receive the same medical and dental coverage as active employees. 50% or $100, whichever is less, of the premiums for the medical plan are paid by the Employer for AFSCME retirees. 50% of the premiums for the medical plan are paid by the Employer for Police retirees. 100% of the premiums for the medical plan are paid by the Employer for Management retirees. The retiree is responsible for the dental premiums. No spousal or family coverage is paid for by the Employer (single premium amounts only). For Police retirees over age 65, 50% of the premiums for Medicare supplemental health care coverage are paid by the Employer for the retiree only. For Management retirees over age 65, the City pays 100% of the Medicare supplemental health care coverage. Coverage for AFSCME retirees ends when the retiree turns 65.

Funding Policy and Covered Employees

The City funds the plan only to the extent of current year insurance premium requirements on a pay-as-you-go basis, with all insurance premium costs paid in full by the individual for management personnel hired after November 17, 2005 and AFSCME personnel hired after July 1, 2005.

As of the valuation date of July 1, 2020, the following employees were covered by the benefit terms:

Active employees	178
Eligible retirees	107
Spouses of ineligible retirees	0
Total participants	285

Actuarial Assumptions and Other Inputs

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The OPEB liability in the July 1, 2020 actuarial 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
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Discount Rate	2.16 percent
Projected Salary Increases	3.50 percent overall payroll growth
Retiree Healthcare Participation	55% of eligible employees 60% of male members and 35% of female members will elect spouse coverage.
Mortality	**Health retirees and beneficiaries:** Pub-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees.

Healthcare cost trend rate:

Medical and vision:

Year	Pre-65 Trend
2020	3.75%
2021	6%
2022	5%
2023 - 2025	5%
2026 - 2040	5%
2041 - 2049	5%
2050 - 2064	5%
2065 - 2067	5%
2068 - 2071	4%
2072+	4%

Dental: -1.25% for 2020, 4.00% per year thereafter

The discount rate was based on Bond Buyer 20-Year General Obligation Bond Index.

OPEB Plan Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The City's OPEB liability of $13,677,515 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. For the fiscal year ended June 30, 2022, the City recognized OPEB expense from this plan of $904,750. The City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 1,690,769
Changes of assumptions	2,172,564	360,216
Total (prior to post-MD contributions)	2,172,564	2,050,985
Contributions subsequent to the MD	313,124	-
Total	$ 2,485,688	$ 2,050,985

Deferred outflows of resources related to OPEB of $313,124 resulting from the City's contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in the year ended June 30, 2023. Other 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:	
2023	$ (146,643)
2024	3,222
2025	76,584
2026	135,880
2027	45,956
Thereafter	6,580
Total	$ 121,579

Changes in the OPEB Liability

	OPEB Liability
Balance as of June 30, 2021	$ 12,873,465
Changes for the year:	
Service cost	753,887
Interest on total OPEB liability	297,506
Effect of changes to benefit terms	-
Effect of economic demographic gains or losse	-
Effect of assumptions changes or inputs	85,552
Benefit payments	(332,895)
Balance as of June 30, 2022	$ 13,677,515

Changes in assumptions is the result of the change in the discount rate from 2.21% to 2.16%.

Sensitivity of the OPEB Liability

The following presents the City's OPEB liability, calculated using the discount rate of 2.16%, as well as what the liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.16%) or 1 percentage point higher (3.16%) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Discount Rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
OPEB Liability	$ 15,599,020	$ 13,677,515	$ 12,076,926

Healthcare Cost Trend:

	1% Decrease	Current Health Care Trend Rates	1% Increase
OPEB Liability	$ 11,684,471	$ 13,677,515	$ 16,180,937

K. Other Postemployment Benefits (OPEB) – Retirement Health Insurance Account (RHIA)

Plan Description

As a member of Oregon Public Employees Retirement System (OPERS), the City contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The Oregon Legislature has delegated this authority to the Public Employees Retirement Board. The plan is closed to new entrants hired after August 29, 2003. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700 or online at https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx.

Benefits Provided

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to $60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of $60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost, the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. An eligible surviving spouse or dependent of a deceased PERS retiree may receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Contributions

PERS funding policy provides for 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. Employer contribution rates for the period were based on the December 31, 2019 actuarial valuation and a percentage of payroll that first became effective July 1, 2021. The City contributed 0.06% of PERS-covered salaries for Tier One/Tier Two members to fund the normal cost portion of RHIA benefits and 0.00% of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. The City's total contributions for the year ended June 30, 2022 was $3,132.

OPEB Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2022, the City reported an asset of $471,184 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2021, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to June 30, 2021. The City's proportion of the net OPEB asset was based on the City's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2022, the City's proportionate share was 0.137211%, which is an increase from its proportion of 0.12889383% as of June 30, 2021.

For the year ended June 30, 2022, the City recognized OPEB income from this plan of $85,724. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 13,110
Changes of assumptions	9,271	7,009
Net difference between projected and actual earnings on investments	-	111,978
Changes in proportionate share	-	9,495
Differences between employer contributions and proportionate share of contributions	-	-
Total (prior to post-MD contributions)	9,271	141,592
Contributions subsequent to the MD	3,132	-
Total	$ 12,403	$ 141,592

Deferred outflows of resources related to OPEB of $3,132 resulting from the City's contributions subsequent to the measurement date will be recognized as an increase in the net OPEB asset in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (income) as follows:

Year ended June 30:	
2023	$ (45,216)
2024	(26,168)
2025	(25,564)
2026	(35,373)
Total	$ (132,321)

Actuarial Methods and Assumptions

The net OPEB asset in the December 31, 2019 actuarial valuation was determined using the actuarial methods and assumptions as the same as listed below in Note I – Pension Plan – Oregon Public Employees Retirement System (OPERS) under the "Actuarial Assumptions" section.

Long-Term Expected Rate of Return

The Long-Term Expected Rate of Return is the same as listed below in Note I – Pension Plan – Oregon Public Employees Retirement System (OPERS) under the "Long-term Expected Rate of Return" section.

Discount Rate

The discount rate used to measure the net OPEB asset was 6.9% for the RHIA Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA 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 RHIA Plan was applied to all periods of projected benefit payments to determine the net OPEB asset.

Sensitivity of the City's proportionate share of the net OPEB (asset) to changes in the discount rate

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

Discount Rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Net OPEB Asset	$ (416,692)	$ (471,184)	$ (517,732)

OPEB Plan Fiduciary Net Position

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

Changes in Plan Provisions Subsequent to Measurement Date

There were no changes subsequent to the June 30, 2021 measurement date that require disclosure.

L. Pension Plan – Oregon Public Employees Retirement System (OPERS)

Plan Description

The City is a participating employer in the Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit pension plan. All benefits of OPERS are established by the Oregon Legislature pursuant to ORS Chapters 238 and 238A.The Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system as the governing body of OPERS.

The *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* (OPSRP), established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. Both plans provide retirement and disability benefits, post-employment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

OPERS issues a publicly available Annual Comprehensive Financial Report and Actuarial Valuation that can be obtained by writing to PERS, PO Box 23700, Tigard, Oregon, 97281, by calling 503-598-7377 or on their website at https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx. Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

Benefits Provided

1. *Tier One/Tier Two Retirement Benefit Plan – ORS 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, 1.67% for general service employees and 2% for police 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. Monthly payments must be a minimum of $200 per month or the member will receive a lump-sum payment of the actuarial equivalent of benefits to which he or she is entitled. Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of Final Average Salary will be limited for all members beginning in 2020. The limit will be equal to $195,000 in 2020 and will be indexed with inflation in later years.

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. 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.

A member's beneficiary may choose a monthly payment for life instead of the lump-sum or a combination of lump-sum and monthly payments, if eligible. The monthly payment must be a minimum of $30 per month for deaths that occur July 30, 2003, and earlier; $200 per month for deaths that occur after July 30, 2003.

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 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 (COLA) changes. The COLA is capped at 2.0 percent.

2. *Oregon Public Service Retirement Plan (OPSRP) Defined Benefit Pension Program – ORS Chapter 238A*

Pension Benefits

The Pension Program provides benefits to members hired on or after August 29, 2003. It 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.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2020. The limit will be equal to $197,730 in 2021 and will be indexed with inflation in later years.

A member of the OPSRP Pension Program becomes vested on the earliest of either the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, or, 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% of the pension that would otherwise have been paid to the deceased member. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70 ½ years.

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% 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% on the first $60,000 of annual benefit and $750 plus 0.15% on annual benefits above $60,000.

3. *OPSRP Individual Account Program (IAP)*

Pension Benefits

The IAP is a defined contribution pension plan. 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 IAP may receive the amounts in the 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

PERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

1. *Employer 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, 2021. Effective January 1, 2020, Senate Bill 1049 required employers to pay contributions on re-employed PERS retirees' salary as if they were an active member, excluding IAP (6 percent) contributions. Employer contributions for the year ended June 30, 2022 were $2,958,394 excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2022 were:

- 23.13 percent for Tier One/Tier Two General Service Member
- 23.13 percent for Tier One/Tier Two Police and Fire
- 17.44 percent for OPSRP Pension Program General Service Members
- 21.80 percent for OPSRP Pension Program Police and Fire Members

2. *Employee Contributions*

Beginning January 1, 2004, all employee contributions were placed in the OPSRP Individual Account Program (IAP), a defined contribution pension plan established by the Oregon Legislature. Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 or 7.0 percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members behalf. The IAP member accounts represent member contributions made on or after January 1, 2004, plus earnings allocations less disbursements for refunds, death benefits, and retirements. As permitted, the City has opted to pick-up the contributions on behalf of employees.

Effective January 1, 2020, Senate Bill 1049 redirects 2.5% of IAP contributions for Tier One/Tier Two members and 0.75% of IAP contributions for OPSRP members into an Employee Pension Stability Account (EPSA). Members have the option to voluntarily contribute after tax to their IAP accounts to make up this difference.

Member contributions were $915,744 for the year ended June 30, 2022, of which $719,144 was redirected to EPSA.

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

At June 30, 2022, the City reported a liability of $16,830,008 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019 rolled forward to June 30, 2021. 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 0.14064293% which was decreased from its proportion of

0.13575558% measured as of June 30, 2021.

For the year ended June 30, 2022, the City recognized pension expense of $2,722,332. At June 30, 2022, 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
Differences between expected and actual experience	$ 1,575,399	$ -
Changes of assumptions	4,213,058	44,294
Net difference between projected and actual earnings on investments	-	12,459,124
Changes in proportion	1,300,766	670,352
Differences between employer contributions and proportionate share of contributions	22,783	628,129
Total (prior to post-MD contributions)	7,112,006	13,801,899
Contributions subsequent to the MD	2,958,394	-
Total	$ 10,070,400	$ 13,801,899

The City's contributions subsequent to the measurement date of $2,958,394 are reported as deferred outflows of resources related to pensions and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	$ (1,201,560)
2024	(1,286,026)
2025	(1,861,585)
2026	(2,837,816)
2027	497,094
Total	$ (6,689,893)

Actuarial assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2019
Measurement Date	June 30, 2021
Experience Study Report	2018, published July 24, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.40 percent
Long-Term Expected Rate of Return	6.90 percent
Discount Rate	6.90 percent
Administrative expenses	$32.5 million per year added to the normal cost
Projected Salary Increases	3.40 percent
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and grade COLA (1.25%/0.15%) in accordance with *Moro* decision, blend based on service.
Mortality	**Health 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 Disable 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 2018 Experience Study, which reviewed experience for the four-year period ending on December 31, 2018.

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 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. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. 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.

	Assumed Asset Allocation			
Asset Class/Strategy	**Low Range**	**High Range**	**Through June 2, 2021**	**After June 2, 2021**
Debt Securities	15.0%	25.0%	20.0%	20.0%
Public Equity	27.5%	37.5%	32.5%	30.0%
Real Estate	9.5%	15.5%	12.5%	12.5%
Private Equity	14.0%	21.0%	17.5%	20.0%
Alternative Portfolio	7.5%	17.5%	15.0%	15.0%
Opportunity Portfolio	0.0%	5.0%	0.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%	2.5%
Total			100.0%	100.0%

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
Total	100.00%	
Assumed Inflation - Mean		2.40%

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 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 our 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 was 6.90% for the Defined Benefit Pension Plan. 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 City's proportionate share of the net pension liability to changes in the discount rate

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability (asset)	$ 33,050,109	$ 16,830,008	$ 3,259,670

Pension plan fiduciary net position

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

Changes in Plan Provisions During the Measurement Period

There were no changes during the measurement period which require disclosure.

Changes in Plan Provisions Subsequent to Measurement Date

There were no changes subsequent to the June 30, 2021 measurement date which require disclosure.

M. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section (IRC) 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

In accordance with IRC 457, the City has transferred all of the Plan assets into trust accounts. The assets and income of the transferred plans are held for the exclusive benefit of the participants and their beneficiaries, and accordingly are not included in the City's financial statements.

N. Transfers and Interfund Transactions

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfer activity for the year ended June 30, 2022 is as follows:

Fund	Transfers In	Transfers Out
General Fund	$ -	$ 1,266,004
Engineering Fund	45,000	125,000
Transportation Fund	158,004	435,000
Community Facilities Fund	1,915,000	1,103,500
Other Governmental Funds	1,514,500	41,000
Water Fund	-	950,000
Wastewater Fund	-	615,000
Stormwater Fund	-	440,000
Internal Service Funds	1,346,000	3,000
Total Transfers	$ 4,978,504	$ 4,978,504

Capital assets are not financial resources in governmental funds but are reported in the Statement of Net Position at their net depreciable value. The System Development fund transferred capital assets to proprietary funds during the year in the amounts shown below. These amounts were recorded as capital contributions in the proprietary funds but are not recorded in the governmental funds; conversely, they are eliminated as interfund transactions in the government-wide statement of activities.

Fund	Transfers In	Transfers Out
Governmental Activities	$ -	$ 621,116
Water Fund	293,595	-
Wastewater Fund	25,734	-
Stormwater Fund	301,787	-
	$ 621,116	$ 621,116

The City had no interfund receivables / payables at June 30, 2022.

O. Tax Abatements

The City enters into property tax abatement agreements with local businesses under the state Vertical Housing Program, authorized by ORS 307.841through ORS 307.867, administered by Oregon Housing and Community Services, authorized by ORS 456.555 and Oregon Administrative Rule (OAR) 813-013. The purpose of the Program is to encourage investment in and rehabilitation of properties in targeted areas of a city or community, to augment the availability of appropriate housing, and to revitalize communities. The program encourages mixed-use developments that contain both non-residential and residential uses in areas (zones) designated by local jurisdictions. Eligible projects receive a partial property tax exemption which varies with the number of "Equalized Floors" in a project, with a maximum property tax exemption of 80% over a 10-year term. The City has one project under this program. The exemption is 60% of the residential property taxes for 10 years. For the current year, the abatement is approximately $55,912 for the City and $11,915 for Urban Renewal.

Additionally, the State of Oregon under the Oregon Business Development Department offers an Enterprise Zone (EZ) Tax Abatement program, authorized by ORS 285C. Under this program, local governments are responsible for creating, managing and renewing enterprise zones. In exchange for locating or expanding into an enterprise zone, eligible (generally non-retail) businesses receive total exemption from the property taxes normally assessed on new plant and equipment for three to five years after the property is in service. Minimum eligibility requirements include an increase in full-time, permanent employment by 10%, maintaining minimum employment levels during the exemption period, and employee wages to exceed at least 150% of the State minimum wage. The City has one agreement under this program. For the current year, the abatement is approximately $1,216 for the City and $259 for Urban Renewal.

NOTE 3: OTHER INFORMATION

A. 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; injuries to employees and natural disasters. The City purchases commercial insurance to minimize its exposure to these risks. There has been no reduction in commercial insurance coverage from the previous fiscal year. Settled claims have not exceeded coverage for any of the past three fiscal years. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

B. Contingencies

The City is a defendant in various litigation proceedings. Management believes any losses arising from these actions will not materially affect the City's financial position as they are all insured.

C. Commitments

Construction Commitments – The City has various active construction projects as of June 30, 2022. At year end, the City's commitments with contractors are as follows:

Project	Commitment	Expended thru 6/30/2022
2022 Oregon City Roadway Reconstruction	$ 2,677,451	$ -
I&I Program Management	1,402,000	81,287
Sanitary Sewer I&I Rehabilitation	1,031,970	875,809
Sanitary Sewer Rehabilitation - Washington St and 99E	900,689	41,340
Peterbuilt Elgin Street Sweeper	348,783	-
4th and 6th Street Utility Replacement Project	339,024	379,339

Sewage Treatment – Water Environment Services is a County district that treats wastewater in the region. On behalf of the district, the City processes permit applications, bills and collects user charges from district customers, and collects connection charges. The City operates and maintains local collection facilities.

Public Safety / 911 Communication Services – The City has an arrangement with Clackamas County Department of Communications, also known as C-COM, to provide 9-1-1 emergency and non-emergency call taking services to the public. Future payments are approximately $435,000 each year, with annual increases subject to inflation (Consumer Price Index).

D. Subsequent Events

Management has evaluated subsequent events through December 19, 2022, the date on which the financial statements were available to be issued.

E. Joint Venture

The South Fork Water Board (the Board) was created in 1915 by an Intergovernmental Cooperative Agreement between the cities of Oregon City and West Linn for operation and maintenance of water distribution systems. Revenues earned by the Board are expended for the continued operation and maintenance of facilities within the municipal boundaries of these two cities. The Board is governed by a six-member board composed of three appointees from the City of Oregon City and three from the City of West Linn. Ownership of assets is adjusted based on reevaluation of population and water usage. The City's net investment and its share of the operating results of the Board are reported in the City's water fund. The City of Oregon City appoints 50% of the Board's Commission. The investment is reported using the equity method. Each City's share of assets, liabilities and net position is 50%. The following is a summary of financial information on the joint venture as of and for the year ended June 30, 2022.

	South Fork Water Board	Oregon City Portion
Total assets	$ 25,491,362	$ 12,745,681
Total deferred outflows of resources	678,649	339,325
Total liabilities	1,882,230	941,115
Total deferred inflows of resources	838,962	419,481
Total net position	23,448,819	11,724,410
Operating revenues	4,113,290	2,056,645
Operating expenses	3,531,058	1,765,528
Other non-operating revenue (expense), net	(35,356)	(17,678)
Capital contributions	609,744	304,872
Change in net position	1,156,620	578,310

A copy of the financial statements of the South Fork Water Board may be obtained by writing to: South Fork Water Board, Oregon City City Hall, P.O. Box 3040, Oregon City, Oregon, 97045-0304.

F. Stewardship

At June 30, 2022, an internal service fund has a deficit net position: the Customer Service Fund has a positive budgetary fund balance but a deficit net position of $768,534 due to implementation of GASB Statement No. 75.

G. New Pronouncements

During the fiscal year ended June 30, 2022, the City implemented the following GASB pronouncements:

GASB Statement No. 87, Leases. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liability for leases that previously were classified as operating leases and recognized as inflows of resources or outflows or resources based on the payment provisions for the contract. This GASB effects both the presentation of financial statements on the current financial resource measurement focus and the economic resources measurement focus.

GASB Statement No. 89 *Accounting for Interest Cost Incurred before the End of a Construction Period.* This statement enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period, and to simplify accounting for interest cost incurred before the end of a construction period. The statement replaces certain requirements of statement No 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. Previously, Standards required the capitalization of interest expense as part of the historical cost of a capital asset. This requirement has been eliminated. There is no effect on the financial statements for the current or previous accounting periods.

H. Prior Period Adjustment

Government-Wide

Beginning net position was restated as of June 30, 2022 for compensated absences due to an erroneous exclusion of all types of paid leave that are payable upon termination. The result is a decrease of $243,331 to beginning net position for governmental activities and a decrease of $44,464 for business-type activities. For fiscal year 2020-2021 accrued compensated absences would have been increased by these amounts.

Fund Financial Statements

The prior period adjustments also affected fund balance in the proprietary funds with a total decrease to fund balance of $44,464. The prior period adjustments had no affect on the governmental funds.

Fund		
Water	$	(21,778)
Wastewater		(6,696)
Stormwater		(10,620)
Customer Service		(5,370)
Total prior period adjustment to fund balance	$	(44,464)

REQUIRED SUPPLEMENTARY INFORMATION

Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

General Fund

Major Special Revenue Funds:
Engineering
System Development
Urban Renewal
Transportation

Schedule of Changes in OPEB Liability and Related Ratios – Implicit Rate Subsidy

Schedule of Contributions to OPEB – Implicit Rate Subsidy

Schedule of the Proportionate Share of OPEB – RHIA

Schedule of Contributions to OPEB – RHIA

Schedule of the Proportionate Share of the Net Pension Liability

Schedule of Contributions – Pension

Notes to Required Supplementary Information

CITY OF OREGON CITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Biennial Budget		Actual			
	Original	Final	FY 2022	FY 2023	Biennial	Variance
REVENUES						
Property taxes	$ 30,559,291	$ 30,559,291	$ 14,750,731	$ -	$ 14,750,731	$ (15,808,560)
Franchise taxes	8,242,423	8,242,423	4,585,159	-	4,585,159	(3,657,264)
Assessments and other taxes	1,196,000	1,196,000	648,332	-	648,332	(547,668)
Licenses and permits	426,000	426,000	216,417	-	216,417	(209,583)
Charges for services	5,277,166	5,277,166	3,062,229	-	3,062,229	(2,214,937)
Intergovernmental	6,164,392	6,164,392	2,663,616	-	2,663,616	(3,500,776)
Fines and forfeitures	2,925,000	2,925,000	971,575	-	971,575	(1,953,425)
Interest income	450,000	450,000	203,571	-	203,571	(246,429)
Miscellaneous	834,400	834,400	551,160	-	551,160	(283,240)
TOTAL REVENUES	56,074,672	56,074,672	27,652,790	-	27,652,790	(28,421,882)
EXPENDITURES						
Policy and administration	13,265,423	13,265,423	5,317,998	-	5,317,998	7,947,425
Police	24,906,903	24,906,903	11,990,419	-	11,990,419	12,916,484
Parks and recreation	11,045,699	11,349,928	4,600,890	-	4,600,890	6,749,038
General government	4,656,030	4,656,030	2,164,235	-	2,164,235	2,491,795
Special payments	700,000	700,000	188,128	-	188,128	511,872
Debt service						
Principal	-	13,000	6,322	-	6,322	6,678
Interest	-	37,000	17,952	-	17,952	19,048
Contingency	7,652,108	7,652,108	-	-	-	7,652,108
TOTAL EXPENDITURES	62,226,163	62,580,392	24,285,944	-	24,285,944	38,294,448
REVENUES OVER (UNDER) EXPENDITURES	(6,151,491)	(6,505,720)	3,366,846	-	3,366,846	9,872,566
OTHER FINANCING SOURCES (USES)						
Proceeds from Lease Obligations	-	354,229	6,855	-	6,855	(347,374)
Transfers out	(2,638,008)	(2,638,008)	(1,266,004)	-	(1,266,004)	1,372,004
TOTAL OTHER FINANCING SOURCES (USES)	(2,638,008)	(2,283,779)	(1,259,149)	-	(1,259,149)	1,024,630
NET CHANGE IN FUND BALANCE	(8,789,499)	(8,789,499)	2,107,697	-	2,107,697	10,897,196
FUND BALANCE, beginning of year	10,088,373	10,088,373	11,157,579	-	11,157,579	1,069,206
FUND BALANCE, end of year	$ 1,298,874	$ 1,298,874	$ 13,265,276	$ -	$ 13,265,276	$ 11,966,402

CITY OF OREGON CITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – ENGINEERING FUND
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual			
	Original	Final	FY 2022	FY 2023	Biennial	Variance
REVENUES						
Licenses and permits	$ 76,000	$ 76,000	$ 101,564	$ -	$ 101,564	$ 25,564
Charges for services	1,726,240	1,726,240	882,380	-	882,380	(843,860)
Interest	34,000	34,000	(9,270)	-	(9,270)	(43,270)
TOTAL REVENUES	1,836,240	1,836,240	974,674	-	974,674	(861,566)
EXPENDITURES						
Public works	2,433,269	2,433,269	1,022,224	-	1,022,224	1,411,045
Contingency	173,918	173,918	-	-	-	173,918
TOTAL EXPENDITURES	2,607,187	2,607,187	1,022,224	-	1,022,224	1,584,963
REVENUES OVER (UNDER) EXPENDITURES	(770,947)	(770,947)	(47,550)	-	(47,550)	723,397
OTHER FINANCING SOURCES (USES)						
Transfers in	90,000	90,000	45,000	-	45,000	(45,000)
Transfers out	(243,000)	(243,000)	(125,000)	-	(125,000)	118,000
TOTAL OTHER FINANCING SOURCES (USES)	(153,000)	(153,000)	(80,000)	-	(80,000)	73,000
NET CHANGE IN FUND BALANCE	(923,947)	(923,947)	(127,550)	-	(127,550)	796,397
FUND BALANCE, beginning of year	923,947	923,947	1,099,599	-	1,099,599	175,652
FUND BALANCE, end of year	$ -	$ -	$ 972,049	$ -	$ 972,049	$ 972,049

CITY OF OREGON CITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – SYSTEM DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual			
	Original	Final	FY 2022	FY 2023	Biennial	Variance
REVENUES						
System development charges	$ 5,570,000	$ 5,570,000	$ 5,660,320	$ -	$ 5,660,320	$ 90,320
Intergovernmental	43,350	43,350	546,520	-	546,520	503,170
Interest	207,500	207,500	(50,421)	-	(50,421)	(257,921)
Miscellaneous	607,940	607,940	128,733	-	128,733	(479,207)
TOTAL REVENUES	6,428,790	6,428,790	6,285,152	-	6,285,152	(143,638)
EXPENDITURES						
Public Works	8,362,894	8,362,894	2,329,340	-	2,329,340	6,033,554
Parks and recreation	3,911,176	3,911,176	1,202,560	-	1,202,560	2,708,616
Contingency	6,442,716	6,442,716	-	-	-	6,442,716
TOTAL EXPENDITURES	18,716,786	18,716,786	3,531,900	-	3,531,900	15,184,886
NET CHANGE IN FUND BALANCE	(12,287,996)	(12,287,996)	2,753,252	-	2,753,252	15,041,248
FUND BALANCE, beginning of year	12,287,996	12,287,996	18,994,263	-	18,994,263	6,706,267
FUND BALANCE, end of year	$ -	$ -	$ 21,747,515	$ -	$ 21,747,515	$ 21,747,515

CITY OF OREGON CITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – URBAN RENEWAL FUND
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual			
	Original	Final	FY 2022	FY 2023	Biennial	Variance
REVENUES						
Property Taxes	$ 6,287,500	$ 6,287,500	$ 3,147,348	$ -	$ 3,147,348	$ (3,140,152)
Charges for services	221,000	221,000	112,706	-	112,706	(108,294)
Interest	90,000	90,000	(30,010)	-	(30,010)	(120,010)
Miscellaneous	30,000	30,000	10,391	-	10,391	(19,609)
TOTAL REVENUES	6,628,500	6,628,500	3,240,435	-	3,240,435	(3,388,065)
EXPENDITURES						
Urban Renewal	792,000	792,000	280,834	-	280,834	511,166
Contingency	8,909,811	8,909,811	-	-	-	8,909,811
TOTAL EXPENDITURES	9,701,811	9,701,811	280,834	-	280,834	9,420,977
REVENUES OVER (UNDER) EXPENDITURES	(3,073,311)	(3,073,311)	2,959,601	-	2,959,601	6,032,912
FUND BALANCE, beginning of year	3,073,311	3,073,311	2,972,711	-	2,972,711	(100,600)
FUND BALANCE, end of year	$ -	$ -	$ 5,932,312	$ -	$ 5,932,312	$ 5,932,312

CITY OF OREGON CITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – TRANSPORTATION FUND
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual			
	Original	Final	FY 2022	FY 2023	Biennial	Variance
REVENUES						
Charges for services	$ 5,853,850	$ 5,853,850	$ 2,889,342	$ -	$ 2,889,342	$ (2,964,508)
Intergovernmental	7,611,061	7,611,061	3,970,784	-	3,970,784	(3,640,277)
Interest	26,000	26,000	(31,614)	-	(31,614)	(57,614)
Miscellaneous	-	-	11,367	-	11,367	11,367
TOTAL REVENUES	13,490,911	13,490,911	6,839,879	-	6,839,879	(6,651,032)
EXPENDITURES						
Public works	15,961,649	15,978,652	8,080,600	-	8,080,600	7,898,052
Debt service						
Principal	-	1,840	894	-	894	946
Interest	-	1,160	588	-	588	572
Contingency	996,252	996,252	-	-	-	996,252
TOTAL EXPENDITURES	16,957,901	16,977,904	8,082,082	-	8,082,082	8,895,822
REVENUES OVER (UNDER) EXPENDITURES	(3,466,990)	(3,486,993)	(1,242,203)	-	(1,242,203)	2,244,790
OTHER FINANCING SOURCES (USES)						
Proceeds from Lease Obligations	-	20,003	-	-	-	(20,003)
Transfers in	322,008	322,008	158,004	-	158,004	(164,004)
Transfers out	(875,000)	(875,000)	(435,000)	-	(435,000)	440,000
TOTAL OTHER FINANCING SOURCES (USES)	(552,992)	(532,989)	(276,996)	-	(276,996)	255,993
NET CHANGE IN FUND BALANCE	(4,019,982)	(4,019,982)	(1,519,199)	-	(1,519,199)	2,500,783
FUND BALANCE, beginning of year	4,019,982	4,019,982	4,731,984	-	4,731,984	712,002
FUND BALANCE, end of year	$ -	$ -	$ 3,212,785	$ -	$ 3,212,785	$ 3,212,785

CITY OF OREGON CITY, OREGON

SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS – IMPLICIT RATE SUBSIDY
FOR THE LAST TEN FISCAL YEARS[1]

Implicit Rate Subsidy for Retiree Health Insurance Continuation Premiums

	As of Measurement Date June 30,			
	2021	**2020**	**2019**	**2018**
Total OPEB Liability				
Service cost	$ 580,976	$ 509,046	$ 495,179	$ 550,475
Interest on total OPEB liability	427,415	427,424	406,225	345,133
Effect of changes to benefit terms	-	-	-	-
Effect of economic/demographic gains or losses	(2,171,090)	-	(465,787)	-
Effect of assumptions changes or inputs	2,597,382	546,837	(336,053)	(1,161,431)
Benefit payment	(380,897)	(394,502)	(437,294)	(446,894)
Net change in total OPEB liability	1,053,786	1,088,805	(337,730)	(712,717)
Total OPEB liability - beginning	11,819,679	10,730,874	11,068,604	11,781,321
Total OPEB liability - ending	$ 12,873,465	$ 11,819,679	$ 10,730,874	$ 11,068,604
Covered-employee payroll	$ 15,356,765	$ 14,893,881	$ 13,814,411	$ 13,435,454
Total OPEB liability as a percentage of covered-employee payroll	83.83%	79.36%	77.68%	82.38%

The amounts presented for each fiscal year were actuarial determined at July 1 and rolled forward to the measurement date.

[1]This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required

CITY OF OREGON CITY, OREGON

SCHEDULE OF THE PROPORTIONATE SHARE OF OPEB – RHIA
FOR THE LAST TEN FISCAL YEARS[1]

PERS Retirement Health Insurance Account (RHIA)

Measurement Date June 30,	(a) City's proportion of the net OPEB liability (asset)	(b) City's proportionate share of the net OPEB liability (asset)	(c) Covered payroll	(b/c) City's proportionate share of the net OPEB liability (asset) as a percentage of its covered	Plan fiduciary net position as a percentage of the total OPEB liability
2021	0.13721100%	$ (471,184)	15,356,765	-3.07%	183.9%
2020	0.12889383%	(262,634)	14,893,881	-1.76%	150.1%
2019	0.12428557%	(240,165)	13,814,411	-1.74%	144.4%
2018	0.12357764%	(137,947)	13,435,454	-1.03%	124.0%
2017	0.11810032%	(49,288)	12,916,238	-0.38%	108.9%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

[1]This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CITY OF OREGON CITY, OREGON

SCHEDULE OF CONTRIBUTIONS TO OPEB – RHIA
FOR THE LAST TEN FISCAL YEARS[1]

PERS Retirement Health Insurance Account (RHIA)

Year Ended June 30,	(a) Contractually determined contribution	(b) Contributions in relation to the actuarially required contribution	(a-b) Contribution deficiency (excess)	(c) Covered payroll	(b/c) Contributions as a percent of covered payroll
2022	$ 3,132	$ 3,132	$ -	$ 15,740,440	0.02%
2021	3,310	3,310	-	15,356,765	0.02%
2020	8,449	8,449	-	14,893,881	0.06%
2019	58,059	58,059	-	13,814,411	0.42%
2018	57,087	57,087	-	13,435,454	0.42%
2017	55,599	55,599	-	12,916,238	0.43%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

[1]This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CITY OF OREGON CITY, OREGON

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE LAST TEN FISCAL YEARS[1]

Public Employees Retirement System (PERS)

Measurement Date June 30,	(a) City's proportion of the net pension liability (asset)	(b) City's proportionate share of the net pension liability (asset)	(c) City's covered payroll	(b/c) City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.14064293%	$ 16,830,008	$ 15,356,765	109.59%	87.60%
2020	0.13575558%	29,626,537	14,893,881	198.92%	75.80%
2019	0.14107397%	24,402,418	13,814,411	176.64%	80.20%
2018	0.12784356%	19,366,617	13,435,454	144.15%	82.10%
2017	0.12661947%	17,068,354	12,916,238	132.15%	83.10%
2016	0.12480580%	18,736,249	11,561,433	162.06%	80.53%
2015	0.12813896%	7,357,049	11,671,425	63.03%	91.90%
2014	0.11809467%	(2,676,869)	10,524,989	-25.43%	103.60%
2013	0.11809467%	6,026,544	10,536,259	57.20%	91.97%

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.

[1]This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CITY OF OREGON CITY, OREGON

SCHEDULE OF CONTRIBUTIONS – PENSION
FOR THE LAST TEN FISCAL YEARS[1]

Public Employees Retirement System (PERS)

Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) City covered payroll	(b/c) Contributions as a percent of covered payroll
2022	$ 2,958,394	$ 2,958,394	$ -	$ 15,740,440	18.79%
2021	2,611,885	2,611,885	-	15,356,765	17.01%
2020	2,458,197	2,458,197	-	14,893,881	16.50%
2019	1,806,645	1,806,645	-	13,814,411	13.08%
2018	1,707,646	1,707,646	-	13,435,454	12.71%
2017	1,162,608	1,162,608	-	12,916,238	9.00%
2016	1,122,770	1,122,770	-	11,561,433	9.71%
2015	1,027,122	1,027,122	-	11,671,425	8.80%
2014	1,067,092	1,067,092	-	10,524,989	10.14%

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.

[1]This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budget and Budgetary Accounting

According to City Charter and Oregon Law (ORS 294), the City of Oregon City must prepare and adopt a balanced budget. Local Budget law allows governments to budget either on a one-year or a two-year cycle, as approved by the governing body. The Oregon City budget is prepared for a biennial (two-year) period.

A budget is prepared for each fund in accordance with the modified accrual basis of accounting for all funds. Appropriations are made at the department level for all funds; expenditures which don't pertain to a specific department, such as debt or contingency, are appropriated for separately within each fund. Expenditures may not legally exceed appropriations. Appropriations lapse at the end of each budget period.

Budget amounts include original approved amounts and all subsequent budget amendments approved by the City Commission. Oregon Budget Law allows for amendments to the City budget for reasons unforeseen at the time of adoption. After budget approval, the Commission may adopt resolution changes that decrease one existing appropriation and increase another. Unexpected additional resources may be added to the budget through the use of appropriation resolutions or supplemental budget procedures in some cases. Supplemental budgets may require the use of public hearings. Management may not amend the budget. The City had three budget adjustments during the year.

Oregon state law requires disclosure of fund expenditures in excess of budgeted appropriations. For the 2021-2023 biennium, there were expenditures exceeding budgeted appropriations as follows:

	Budget	Actual	Variance	Explanation
Community Facilities Fund				
Police	$ 102,900	$ 128,538	$ (25,638)	Unforseen emergency repair costs

NOTE 2: OPEB

A. Actuarial assumptions – CIS

Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions:

Actuarial valuation:	July 1, 2020	July 1, 2018	July 1, 2016
Effective:	June 30, 2020 and 2021	June 30, 2018 and 2019	June 30, 2016 and 2017
Actuarial cost method:	Entry Age Normal		
Amortization method:	Level percentage of payroll, closed		
Amortization period:	5.8 years	6.8 years	7.7 years
Remaining amortization periods:	20 years		
Actuarial assumptions:			
Inflation rate	2.50 percent		
Projected salary increases	3.50 percent		

B. Changes of assumptions – RHIA

The PERS Board adopted assumption changes that were used to measure the June 30, 2021 total OPEB liability. The changes include the lowering of the long-term expected rate of return from 7.20 to 6.90 percent and the inflation rate from 2.5 to 2.4 percent. In addition, the healthy healthcare participation and cost trend rates, and healthy mortality assumptions were changed to reflect an updated trends and mortality improvement scale for all groups.

C. Actuarial assumptions – RHIA

Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions:

Actuarial valuation:	December 31, 2019	December 31, 2017	December 31, 2015	December 31, 2013	December 31, 2011
Effective:	July 2021 - June 2023	July 2019 - June 2021	July 2017 - June 2019	July 2015 - June 2017	December 31, 2011
Actuarial cost method:	Entry Age Normal				Projected Unit Credit
Amortization method:	Level percentage of payroll, closed				
Amortization period:	10 years				
Asset valuation method:	Market value				
Remaining amortization periods:	10 years		20 years		N/A
Actuarial assumptions					
Inflation rate	2.40 percent	2.50 percent		2.75 percent	
Projected salary increases	3.40 percent	3.50 percent		3.75 percent	
Investment rate of return	6.90 percent	7.20 percent	7.50 percent	7.75 percent	8.00 percent
Healthcare cost trend rates	None. Statute stipulates $60 monthly payment for healthcare insurance				

NOTE 3: PENSIONS

A. Changes of assumptions

The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability. The changes include the lowering of the long-term expected rate of return to 7.5 percent and lowering of the assumed inflation to 2.50 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay. For June 30, 2018, the long-term expected rate of return was lowered to 7.20 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay. The PERS Board adopted assumption changes that were used to measure the June 30, 2020, the long-term expected rate of return was lowered to 6.90 percent. In addition, assumed administrative expenses were updated for both Tier 1/Tier 2 and OPSRP, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay.

B. Changes in benefit terms

The 2013 Oregon Legislature made a series of changes to PERS that lowered projected future benefit payments from the System. These changes included reductions to future Cost of Living Adjustments (COLA) made through Senate Bills 822 and 861. Senate Bill 822 also required the contribution rates scheduled to be in effect from July 2013 to June 2015 to be reduced. The Oregon Supreme Court decision in Moro v. State of Oregon, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future System Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 total pension liability.

A legislative change that occurred after the December 31, 2017 valuation date affected the plan provisions reflected for financial reporting purposes. Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of $195,000 (as indexed in future years) will be excluded when determining member benefits. As a result, future Tier 1/Tier 2 and OPSRP benefits for certain active members are now projected to be lower than prior to the legislation. Senate Bill 1049 was reflected in the June 30, 2019 Total Pension Liability as a reduction in liability.

C. Actuarial Assumptions

Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions:

Actuarial valuation	December 31, 2019	December 31, 2017	December 31, 2015	December 31, 2013	December 31, 2011
Effective	July 2021 - June 2023	July 2019 - June 2021	July 2017 - June 2019	July 2015 - June 2017	July 2013 - June 2015
Actuarial cost method	Entry Age Normal				Projected Unit Credit
Amortization method	Level percentage of payroll				
Asset valuation method	Market Value				
Remaining amortization periods	20 years				N/A
Actuarial assumptions:					
Inflation rate	2.40 percent	2.50 percent		2.75 percent	
Projected salary increases	3.40 percent	3.50 percent			
Investment rate of return	6.90 percent	7.20 percent	7.50 percent	7.75 percent	8.00 percent

OREGON CITY

OTHER SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Major Capital Projects Fund

CITY OF OREGON CITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – COMMUNITY FACILITIES FUND
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual			
	Original	Final	FY 2022	FY 2023	Biennial	Variance
REVENUES						
Charges for services	$ 2,647,460	$ 2,647,460	$ 1,222,837	$ -	$ 1,222,837	$ (1,424,623)
Intergovernmental	-	-	6,643	-	6,643	6,643
Interest	19,000	19,000	(18,672)	-	(18,672)	(37,672)
Miscellaneous	-	-	20,134	-	20,134	20,134
TOTAL REVENUES	2,666,460	2,666,460	1,230,942	-	1,230,942	(1,435,518)
EXPENDITURES						
Public works	3,103,733	4,992,673	4,916,765	-	4,916,765	75,908
Police	102,900	102,900	128,538	-	128,538	(25,638)
Library	150,000	150,000	141,667	-	141,667	8,333
Contingency	6,361,593	6,211,593	-	-	-	6,211,593
TOTAL EXPENDITURES	9,718,226	11,457,166	5,186,970	-	5,186,970	6,270,196
REVENUES OVER (UNDER) EXPENDITURES	(7,051,766)	(8,790,706)	(3,956,028)	-	(3,956,028)	4,834,678
OTHER FINANCING SOURCES (USES)						
Transfers in	3,830,000	3,830,000	1,915,000	-	1,915,000	(1,915,000)
Transfers out	(2,205,400)	(2,205,400)	(1,103,500)	-	(1,103,500)	1,101,900
TOTAL OTHER FINANCING SOURCES (USES)	1,624,600	1,624,600	811,500	-	811,500	(813,100)
NET CHANGE IN FUND BALANCE	(5,427,166)	(7,166,106)	(3,144,528)	-	(3,144,528)	4,021,578
FUND BALANCE, beginning of year	5,427,166	7,166,106	5,306,673	-	5,306,673	(1,859,433)
FUND BALANCE, end of year	$ -	$ -	$ 2,162,145	$ -	$ 2,162,145	$ 2,162,145

Combining and Individual Fund Financial Statements and Schedules – Nonmajor Governmental Funds

CITY OF OREGON CITY, OREGON

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2022

	Special Revenue			Debt Service	
	Library	Planning	Building	Debt Service	Total
ASSETS					
Cash and investments	$ 4,130,617	$ 1,339,661	$ 6,466,072	$ 1,213,441	$ 13,149,791
Receivables:					
Accounts	162	4,718	-	-	4,880
Prepaids and deposits	1,150	-	-	-	1,150
TOTAL ASSETS	$ 4,131,929	$ 1,344,379	$ 6,466,072	$ 1,213,441	$ 13,155,821
LIABILITIES					
Accounts payable	$ 41,687	$ 347,810	$ 83,134	$ -	$ 472,631
Accrued payroll	54,022	20,941	39,394	-	114,357
TOTAL LIABILITIES	95,709	368,751	122,528	-	586,988
FUND BALANCES					
Non-spendable	1,150	-	-	-	1,150
Restricted for:					
Library operations	4,035,070	-	-	-	4,035,070
Building operations	-	-	6,343,544	-	6,343,544
Committed to:					
Debt service	-	-	-	1,213,441	1,213,441
Planning operations	-	975,628	-	-	975,628
TOTAL FUND BALANCES	4,036,220	975,628	6,343,544	1,213,441	12,568,833
TOTAL LIABILITIES AND FUND BALANCES	$ 4,131,929	$ 1,344,379	$ 6,466,072	$ 1,213,441	$ 13,155,821

CITY OF OREGON CITY, OREGON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue			Debt Service	
	Library	Planning	Building	Debt Service	Total
REVENUES					
Licenses and permits	$ -	$ 16,232	$ 2,289,340	$ -	$ 2,305,572
Charges for services	9,954	1,301,954	303,227	-	1,615,135
Intergovernmental	2,578,618	52,638	-	-	2,631,256
Fines and forfeitures	17,303	-	-	-	17,303
Interest income	(29,532)	(3,869)	(17,150)	4,841	(45,710)
Miscellaneous	11,138	-	305	1,422,330	1,433,773
TOTAL REVENUES	2,587,481	1,366,955	2,575,722	1,427,171	7,957,329
EXPENDITURES					
Culture and recreation	2,084,348	-	-	-	2,084,348
Community development	-	1,745,957	1,814,520	-	3,560,477
Debt service					
Principal	280,007	-	-	1,685,000	1,965,007
Interest	135,364	-	-	1,056,644	1,192,008
Capital Outlay	-	5,232	9,717	-	14,949
TOTAL EXPENDITURES	2,499,719	1,751,189	1,824,237	2,741,644	8,816,789
REVENUES OVER (UNDER) EXPENDITURES	87,762	(384,234)	751,485	(1,314,473)	(859,460)
OTHER FINANCING SOURCES (USES)					
Transfers in	150,000	261,000	-	1,103,500	1,514,500
Transfers out	(20,000)	(1,000)	(20,000)	-	(41,000)
TOTAL OTHER FINANCING SOURCES (USES)	130,000	260,000	(20,000)	1,103,500	1,473,500
NET CHANGE IN FUND BALANCE	217,762	(124,234)	731,485	(210,973)	614,040
FUND BALANCE, beginning of year	3,818,458	1,099,862	5,612,059	1,424,414	11,954,793
FUND BALANCE, end of year	$ 4,036,220	$ 975,628	$ 6,343,544	$ 1,213,441	$ 12,568,833

Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Nonmajor Governmental Funds

CITY OF OREGON CITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – LIBRARY FUND
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual			
	Original	Final	FY 2022	FY 2023	Biennial	Variance
REVENUES						
Charges for services	$ 5,540	$ 5,540	$ 9,954	$ -	$ 9,954	$ 4,414
Intergovernmental	5,239,890	5,239,890	2,578,618	-	2,578,618	(2,661,272)
Fines and forfeitures	40,000	40,000	17,303	-	17,303	(22,697)
Interest	45,000	45,000	(29,532)	-	(29,532)	(74,532)
Miscellaneous	10,000	10,000	11,138	-	11,138	1,138
TOTAL REVENUES	5,340,430	5,340,430	2,587,481	-	2,587,481	(2,752,949)
EXPENDITURES						
Library	4,586,654	4,586,654	2,084,348	-	2,084,348	2,502,306
Debt service						
Principal	568,638	568,638	280,007	-	280,007	288,631
Interest	262,104	262,104	135,364	-	135,364	126,740
Contingency	3,991,707	3,991,707	-	-	-	3,991,707
TOTAL EXPENDITURES	9,409,103	9,409,103	2,499,719	-	2,499,719	6,909,384
REVENUES OVER (UNDER) EXPENDITURES	(4,068,673)	(4,068,673)	87,762	-	87,762	4,156,435
OTHER FINANCING SOURCES (USES)						
Transfers in	300,000	300,000	150,000	-	150,000	(150,000)
Transfers out	(40,000)	(40,000)	(20,000)	-	(20,000)	20,000
TOTAL OTHER FINANCING SOURCES (USES)	260,000	260,000	130,000	-	130,000	(130,000)
NET CHANGE IN FUND BALANCE	(3,808,673)	(3,808,673)	217,762	-	217,762	4,026,435
FUND BALANCE, beginning of year	3,808,673	3,808,673	3,818,458	-	3,818,458	9,785
FUND BALANCE, end of year	$ -	$ -	$ 4,036,220	$ -	$ 4,036,220	$ 4,036,220

CITY OF OREGON CITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – PLANNING FUND
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual			
	Original	Final	FY 2022	FY 2023	Biennial	Variance
REVENUES						
Licenses and permits	$ 30,000	$ 30,000	$ 16,232	$ -	$ 16,232	$ (13,768)
Charges for services	2,416,090	2,416,090	1,301,954	-	1,301,954	(1,114,136)
Intergovernmental	102,500	102,500	52,638	-	52,638	(49,862)
Interest	7,200	7,200	(3,869)	-	(3,869)	(11,069)
TOTAL REVENUES	2,555,790	2,555,790	1,366,955	-	1,366,955	(1,188,835)
EXPENDITURES						
Community development	2,731,853	2,731,853	1,161,246	-	1,161,246	1,570,607
Special payments	1,200,000	1,200,000	589,943	-	589,943	610,057
Contingency	107,005	107,005	-	-	-	107,005
TOTAL EXPENDITURES	4,038,858	4,038,858	1,751,189	-	1,751,189	2,287,669
REVENUES OVER (UNDER) EXPENDITURES	(1,483,068)	(1,483,068)	(384,234)	-	(384,234)	1,098,834
OTHER FINANCING SOURCES (USES)						
Transfers in	622,000	622,000	261,000	-	261,000	(361,000)
Transfers out	(2,000)	(2,000)	(1,000)	-	(1,000)	1,000
TOTAL OTHER FINANCING SOURCES (USES)	620,000	620,000	260,000	-	260,000	(360,000)
NET CHANGE IN FUND BALANCE	(863,068)	(863,068)	(124,234)	-	(124,234)	738,834
FUND BALANCE, beginning of year	863,068	863,068	1,099,862	-	1,099,862	236,794
FUND BALANCE, end of year	$ -	$ -	$ 975,628	$ -	$ 975,628	$ 975,628

CITY OF OREGON CITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUILDING FUND
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual			
	Original	Final	FY 2022	FY 2023	Biennial	Variance
REVENUES						
Licenses and permits	$ 3,297,300	$ 3,297,300	$ 2,289,340	$ -	$ 2,289,340	$ (1,007,960)
Charges for services	406,200	406,200	303,227	-	303,227	(102,973)
Interest	72,000	72,000	(17,150)	-	(17,150)	(89,150)
Miscellaneous	600	600	305	-	305	(295)
TOTAL REVENUES	3,776,100	3,776,100	2,575,722	-	2,575,722	(1,200,378)
EXPENDITURES						
Community development	3,227,984	3,227,984	1,527,055	-	1,527,055	1,700,929
Special payments	400,000	400,000	297,182	-	297,182	102,818
Contingency	5,483,173	5,483,173	-	-	-	5,483,173
TOTAL EXPENDITURES	9,111,157	9,111,157	1,824,237	-	1,824,237	7,286,920
REVENUES OVER (UNDER) EXPENDITURES	(5,335,057)	(5,335,057)	751,485	-	751,485	6,086,542
OTHER FINANCING SOURCES (USES)						
Transfers out	(40,000)	(40,000)	(20,000)	-	(20,000)	20,000
TOTAL OTHER FINANCING SOURCES (USES)	(40,000)	(40,000)	(20,000)	-	(20,000)	20,000
NET CHANGE IN FUND BALANCE	(5,375,057)	(5,375,057)	731,485	-	731,485	6,106,542
FUND BALANCE, beginning of year	5,375,057	5,375,057	5,612,059	-	5,612,059	237,002
FUND BALANCE, end of year	$ -	$ -	$ 6,343,544	$ -	$ 6,343,544	$ 6,343,544

CITY OF OREGON CITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual			
	Original	Final	FY 2022	FY 2023	Biennial	Variance
REVENUES						
Interest	$ 22,000	$ 22,000	$ 4,841	$ -	$ 4,841	$ (17,159)
Miscellaneous	2,909,362	2,909,362	1,422,330	-	1,422,330	(1,487,032)
TOTAL REVENUES	2,931,362	2,931,362	1,427,171	-	1,427,171	(1,504,191)
EXPENDITURES						
Debt service						
Principal	3,510,000	3,510,000	1,685,000	-	1,685,000	1,825,000
Interest	2,034,393	2,034,393	1,056,644	-	1,056,644	977,749
TOTAL EXPENDITURES	5,544,393	5,544,393	2,741,644	-	2,741,644	2,802,749
REVENUES OVER (UNDER) EXPENDITURES	(2,613,031)	(2,613,031)	(1,314,473)	-	(1,314,473)	1,298,558
OTHER FINANCING SOURCES (USES)						
Transfers in	2,205,400	2,205,400	1,103,500	-	1,103,500	(1,101,900)
NET CHANGE IN FUND BALANCE	(407,631)	(407,631)	(210,973)	-	(210,973)	196,658
FUND BALANCE, beginning of year	1,426,719	1,426,719	1,424,414	-	1,424,414	(2,305)
FUND BALANCE, end of year	$ 1,019,088	$ 1,019,088	$ 1,213,441	$ -	$ 1,213,441	$ 194,353

OREGON CITY

Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – Proprietary Funds – Enterprise Funds

CITY OF OREGON CITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL – WATER FUND
YEAR ENDED JUNE 30, 2022

	Biennial Budget		Actual			
	Original	Final	FY 2022	FY 2023	Biennial	Variance
REVENUES						
Charges for services	$ 16,160,446	$ 16,160,446	$ 8,039,594	$ -	$ 8,039,594	$ (8,120,852)
System development charges	600,000	600,000	419,195	-	419,195	(180,805)
Intergovernmental	5,607,000	5,607,000	5,903	-	5,903	(5,601,097)
Interest	60,000	60,000	(15,025)	-	(15,025)	(75,025)
Miscellaneous	15,000	15,000	20,648	-	20,648	5,648
Total Revenues	22,442,446	22,442,446	8,470,315	-	8,470,315	(13,972,131)
EXPENDITURES						
Public works	18,230,756	18,247,759	6,978,581	-	6,978,581	11,269,178
Special payments	600,000	600,000	419,195		419,195	180,805
Debt service						
Principal	-	1,840	894	-	-	1,840
Interest	-	1,160	588	-	-	1,160
Contingency	7,418,149	7,418,149	-	-	-	7,418,149
Total Expenditures	26,248,905	26,268,908	7,399,258	-	7,397,776	18,871,132
REVENUES OVER (UNDER) EXPENDITURES	(3,806,459)	(3,826,462)	1,071,057	-	1,071,057	4,897,519
OTHER FINANCING SOURCES (USES)						
Proceeds from Lease Obligations	-	20,003	-	-	-	(20,003)
Transfers out	(2,000,000)	(2,000,000)	(950,000)	-	(950,000)	1,050,000
TOTAL OTHER FINANCING SOURCES (USES)	(2,000,000)	(1,979,997)	(950,000)	-	(950,000)	1,029,997
NET CHANGE IN FUND BALANCE	(5,806,459)	(5,806,459)	121,057	-	121,057	5,927,516
FUND BALANCE, beginning of year	5,806,459	5,806,459	5,921,117	-	5,921,117	114,658
FUND BALANCE, beginning of year, as restated	3,138,286	5,806,459	5,921,117	-	5,921,117	114,658
FUND BALANCE, end of year	$ -	$ -	$ 6,042,174	$ -	6,042,174	$ 6,042,174

RECONCILIATION TO NET POSITION - GAAP BASIS	
Adjustment for compensated absences accrual	(105,442)
Adjustment for capital assets, net of depreciation	35,142,351
Adjustment for capital assets not depreciated	4,291,064
Adjustment for interest in joint venture	11,724,410
Adjustment for net pension liability	(1,120,560)
Adjustment for net OPEB liability/asset	(879,292)
Adjustment for lease liability	(19,110)
Adjustment for deferred resources relating to pensions	(248,447)
Adjustment for deferred resources relating to OPEB	20,342
NET POSITION - GAAP BASIS	$ 54,847,490

CITY OF OREGON CITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL – WASTEWATER FUND
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual			
	Original	Final	FY 2022	FY 2023	Biennial	Variance
REVENUES						
Franchise taxes	$ 621,400	$ 621,400	$ 314,206	$ -	$ 314,206	$ (307,194)
Charges for services	23,660,279	23,660,279	11,832,573	-	11,832,573	(11,827,706)
System development charges	750,000	750,000	2,492,523	-	2,492,523	1,742,523
Intergovernmental	-	-	25,519	-	25,519	25,519
Interest	150,000	150,000	(36,837)	-	(36,837)	(186,837)
Miscellaneous	-	-	2,175	-	2,175	2,175
Total Revenues	25,181,679	25,181,679	14,630,159	-	14,630,159	(10,551,520)
EXPENDITURES						
Public works	19,613,120	19,630,123	4,817,660	-	4,817,660	14,812,463
Special payments	11,105,856	11,105,856	7,729,300	-	7,729,300	3,376,556
Debt service						
Principal	-	1,840	894	-	894	946
Interest	-	1,160	588	-	588	572
Contingency	6,144,504	6,144,504	-	-	-	6,144,504
Total Expenditures	36,863,480	36,883,483	12,548,442	-	12,548,442	24,335,041
REVENUES OVER (UNDER) EXPENDITURES	(11,681,801)	(11,701,804)	2,081,717	-	2,081,717	13,783,521
OTHER FINANCING SOURCES (USES)						
Proceeds from Lease Obligations	-	20,003	-	-	-	(20,003)
Transfers out	(1,275,000)	(1,275,000)	(615,000)	-	(615,000)	660,000
Total Other Financing Sources and Uses	(1,275,000)	(1,254,997)	(615,000)	-	(615,000)	639,997
NET CHANGE IN FUND BALANCE	(12,956,801)	(12,956,801)	1,466,717	-	1,466,717	14,423,518
FUND BALANCE, beginning of year	12,956,801	12,956,801	13,224,703	-	13,224,703	267,902
FUND BALANCE, end of year	$ -	$ -	$ 14,691,420	$ -	14,691,420	$ 14,691,420

RECONCILIATION TO NET POSITION - GAAP BASIS	
Adjustment for compensated absences accrual	(59,660)
Adjustment for capital assets, net of depreciation	20,125,812
Adjustment for capital assets not depreciated	2,280,685
Adjustment for receivables deferred	59,057
Adjustment for net pension liability	(734,645)
Adjustment for net OPEB liability/asset	(576,469)
Adjustment for lease liability	(19,110)
Adjustment for deferred resources relating to pensions	(162,884)
Adjustment for deferred resources relating to OPEB	13,336
NET POSITION - GAAP BASIS	$ 35,617,542

CITY OF OREGON CITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL – STORMWATER FUND
YEAR ENDED JUNE 30, 2022

	Biennial Budget		Actual			
	Original	Final	FY 2022	FY 2023	Biennial	Variance
REVENUES						
Charges for services	$ 6,745,746	$ 6,745,746	$ 3,372,416	$ -	$ 3,372,416	$ (3,373,330)
Intergovernmental	-	-	17,065	-	17,065	17,065
Interest	14,000	14,000	(7,179)	-	(7,179)	(21,179)
Total Revenues	6,759,746	6,759,746	3,382,302	-	3,382,302	(3,377,444)
EXPENDITURES						
Public works	6,343,507	6,360,510	2,521,834	-	2,521,834	3,838,676
Debt service						
Principal	-	1,840	894	-	894	946
Interest	-	1,160	588	-	588	572
Contingency	1,957,469	1,957,469	-	-	-	1,957,469
Total Expenditures	8,300,976	8,320,979	2,523,316	-	2,523,316	5,797,663
REVENUES OVER (UNDER) EXPENDITURES	(1,541,230)	(1,561,233)	858,986	-	858,986	2,420,219
OTHER FINANCING SOURCES (USES)						
Proceeds from Lease Obligations	-	20,003	-	-	-	(20,003)
Transfers out	(965,000)	(965,000)	(440,000)	-	(440,000)	525,000
Total Other Financing Sources and Uses	(965,000)	(944,997)	(440,000)	-	(440,000)	504,997
NET CHANGE IN FUND BALANCE	(2,506,230)	(2,506,230)	418,986	-	418,986	2,925,216
FUND BALANCE, beginning of year	2,506,230	2,506,230	2,613,635	-	2,613,635	107,405
FUND BALANCE, end of year	$ -	$ -	$ 3,032,621	$ -	3,032,621	$ 3,032,621

RECONCILIATION TO NET POSITION - GAAP BASIS	
Adjustment for compensated absences accrual	(61,452)
Adjustment for capital assets, net of depreciation	16,966,385
Adjustment for capital assets not depreciated	1,342,482
Adjustment for net pension liability	(784,289)
Adjustment for net OPEB liability/asset	(615,424)
Adjustment for lease liability	(19,110)
Adjustment for deferred resources relating to pensions	(173,890)
Adjustment for deferred resources relating to OPEB	14,237
NET POSITION - GAAP BASIS	$ 19,701,560

Combining and Individual Fund Financial Statements –
Internal Service Funds

CITY OF OREGON CITY, OREGON

COMBINING STATEMENT OF NET POSITION –
INTERNAL SERVICE FUNDS
JUNE 30, 2022

	Fleet Service	Customer Service	Equipment Replacement	Total
ASSETS				
Current Assets				
Cash and cash equivalents	$ 28,351	$ 218,002	$ 7,246,315	$ 7,492,668
Accounts receivable	-	2,197	-	2,197
Total Current Assets	28,351	220,199	7,246,315	7,494,865
Noncurrent Assets				
Capital assets, net of depreciation	5,918	-	693,201	699,119
OPEB asset	-	13,066	-	13,066
Total Noncurrent Assets	5,918	13,066	693,201	712,185
Total Assets	34,269	233,265	7,939,516	8,207,050
DEFERRED OUTFLOWS OF RESOURCES				
Deferred resources related to pensions	-	279,252	-	279,252
Deferred resources related to OPEB	-	69,272	-	69,272
Total Deferred Inflows of Resources	-	348,524	-	348,524
LIABILITIES				
Current Liabilities				
Accounts payable	25,682	3,779	36,681	66,142
Accrued payroll liabilities	-	26,455	-	26,455
Current portion of long-term liabilities:				
Accrued compensated absences	-	6,118	-	6,118
Total Current Liabilities	25,682	36,352	36,681	98,715
Noncurrent Liabilities				
Accrued compensated absences	-	24,470	-	24,470
Net pension liability	-	466,696	-	466,696
OPEB liability	-	379,278	-	379,278
Total Noncurrent Liabilities	-	870,444	-	870,444
Total Liabilities	25,682	906,796	36,681	969,159
DEFERRED INFLOWS OF RESOURCES				
Deferred resources related to pensions	-	382,727	-	382,727
Deferred resources related to OPEB	-	60,800	-	60,800
Total Deferred Inflows of Resources	-	443,527	-	443,527
NET POSITION:				
Net investment in capital assets	5,918	-	693,201	699,119
Restricted for:				
OPEB benefits	-	13,066	-	13,066
Unrestricted	2,669	(781,600)	7,209,634	6,430,703
Total Net Position	$ 8,587	$ (768,534)	$ 7,902,835	$ 7,142,888

CITY OF OREGON CITY, OREGON

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022

	Fleet Service	Customer Service	Equipment Replacement	Total
OPERATING REVENUES				
Charges for services	$ 305,775	$ 1,263,570	$ -	$ 1,569,345
Miscellaneous	3,746	249	6,482	10,477
Total Operating Revenues	309,521	1,263,819	6,482	1,579,822
OPERATING EXPENSES				
Personnel services	-	811,929	-	811,929
Materials and services	313,778	559,693	159,550	1,033,021
Depreciation	986	-	95,689	96,675
Total Operating Expenses	314,764	1,371,622	255,239	1,941,625
OPERATING INCOME (LOSS)	(5,243)	(107,803)	(248,757)	(361,803)
NONOPERATING REVENUES (EXPENSES)				
Investment revenue (expense)	(67)	(837)	(27,990)	(28,894)
Total Nonoperating Revenues(Expenses)	(67)	(837)	(27,990)	(28,894)
NET INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	(5,310)	(108,640)	(276,747)	(390,697)
Transfers in	-	-	1,346,000	1,346,000
Transfers out	-	(3,000)	-	(3,000)
CHANGE IN NET POSITION	(5,310)	(111,640)	1,069,253	952,303
Beginning net position	13,897	(651,524)	6,833,582	6,195,955
Prior period adjustment	-	(5,370)	-	(5,370)
Beginning net position, as restated	13,897	(656,894)	6,833,582	6,190,585
Ending net position	$ 8,587	$ (768,534)	$ 7,902,835	$ 7,142,888

CITY OF OREGON CITY, OREGON

COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022

	Fleet Service	Customer Service	Equipment Replacement	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Collections from other funds	$ 310,625	$ 1,263,905	$ -	$ 1,574,530
Other receipts	3,746	249	6,482	10,477
Paid to suppliers	(306,372)	(559,300)	(299,000)	(1,164,672)
Paid to employees	-	(766,340)	-	(766,340)
Net cash provided by (used in) operating activities	7,999	(61,486)	(292,518)	(346,005)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers out	-	(3,000)	-	(3,000)
Net cash provided by (used in) non-capital Financing activities	-	(3,000)	-	(3,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	-	-	(258,231)	(258,231)
Transfers in	-	-	1,346,000	1,346,000
Proceeds from disposal of capital assets	-	-	58,527	58,527
Net cash used in capital and related Financing activities	-	-	1,146,296	1,146,296
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on cash equivalents	(67)	(837)	(27,990)	(28,894)
Increase in cash and cash equivalents	7,932	(65,323)	825,788	768,397
CASH AND CASH EQUIVALENTS, Beginning of year	20,419	283,325	6,420,527	6,724,271
CASH AND CASH EQUIVALENTS, End of year	$ 28,351	$ 218,002	$ 7,246,315	$ 7,492,668
RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	$ (5,243)	$ (107,803)	$ (248,757)	$ (361,803)
Depreciation expense	986	-	95,689	96,675
Change in assets and liabilities				
Accounts receivable	4,850	335	216	5,401
Accounts payable and accrued liabilities	7,406	(3,754)	(139,666)	(136,014)
Net pension liability	-	(309,793)	-	(309,793)
Net OPEB liability	-	35,691	-	35,691
Deferred outflows	-	(4,133)	-	(4,133)
Deferred inflows	-	327,971	-	327,971
Net cash provided by (used in) operating activities	$ 7,999	$ (61,486)	$ (292,518)	$ (346,005)

Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – Proprietary Funds – Internal Service Funds

CITY OF OREGON CITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL – FLEET SERVICE FUND
YEAR ENDED JUNE 30, 2022

	Biennial Budget		Actual			
	Original	Final	FY 2022	FY 2023	Biennial	Variance
REVENUES						
Charges for services	$ 526,110	$ 526,110	$ 305,775	$ -	$ 305,775	$ (220,335)
Interest	-	-	(67)	-	(67)	(67)
Miscellaneous	-	-	3,746	-	3,746	3,746
Total Revenues	526,110	526,110	309,454	-	309,454	(216,656)
EXPENDITURES						
Public works	475,008	475,008	313,778	-	313,778	161,230
Contingency	78,821	78,821	-	-	-	78,821
Total Expenditures	553,829	553,829	313,778	-	313,778	240,051
REVENUES OVER (UNDER) EXPENDITURES	(27,719)	(27,719)	(4,324)	-	(4,324)	23,395
NET CHANGE IN FUND BALANCE	(27,719)	(27,719)	(4,324)	-	(4,324)	23,395
FUND BALANCE, beginning of year	27,719	27,719	6,993	-	6,993	(20,726)
FUND BALANCE, end of year	$ -	$ -	$ 2,669	$ -	2,669	$ 2,669

RECONCILIATION TO NET POSITION - GAAP BASIS	
Adjustment for capital assets, net of depreciation	5,918
NET POSITION - GAAP BASIS	$ 8,587

CITY OF OREGON CITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL – CUSTOMER SERVICE FUND
YEAR ENDED JUNE 30, 2022

	Biennial Budget		Actual			
	Original	Final	FY 2022	FY 2023	Biennial	Variance
REVENUES						
Charges for services	$ 2,526,200	$ 2,526,200	$ 1,263,570	$ -	$ 1,263,570	(1,262,630)
Interest	-	-	(837)	-	(837)	(837)
Miscellaneous	-	-	249	-	249	249
Total Revenues	2,526,200	2,526,200	1,262,982	-	1,262,982	(1,263,218)
EXPENDITURES						
Policy and administration	2,685,417	2,685,417	1,328,142	-	1,328,142	1,357,275
Contingency	101,950	101,950	-	-	-	101,950
Total Expenditures	2,787,367	2,787,367	1,328,142	-	1,328,142	1,459,225
REVENUES OVER (UNDER) EXPENDITURES	(261,167)	(261,167)	(65,160)	-	(65,160)	196,007
OTHER FINANCING SOURCES (USES)						
Transfers out	(6,000)	(6,000)	(3,000)	-	(3,000)	3,000
NET CHANGE IN FUND BALANCE	(267,167)	(267,167)	(68,160)	-	(68,160)	199,007
FUND BALANCE, beginning of year	267,167	267,167	258,125	-	258,125	(9,042)
FUND BALANCE, end of year	$ -	$ -	$ 189,965	$ -	189,965	$ 189,965

RECONCILIATION TO NET POSITION - GAAP BASIS	
Adjustment for compensated absences accrual	(30,588)
Adjustment for net pension liability	(466,696)
Adjustment for net OPEB liability/asset	(366,212)
Adjustment for deferred resources relating to pensions	(103,475)
Adjustment for deferred resources relating to OPEB	8,472
NET POSITION - GAAP BASIS	$ (768,534)

CITY OF OREGON CITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL – EQUIPMENT REPLACEMENT FUND
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual			
	Original	Final	FY 2022	FY 2023	Biennial	Variance
REVENUES						
Interest	$ 80,000	$ 80,000	$ (27,990)	$ -	$ (27,990)	$ (107,990)
Miscellaneous	60,000	60,000	65,009	-	65,009	5,009
Total Revenues	140,000	140,000	37,019	-	37,019	(102,981)
EXPENDITURES						
Policy and administration	33,000	33,000	29,348	-	29,348	3,652
Police	932,000	932,000	331,209	-	331,209	600,791
Parks and recreation	352,000	352,000	-	-	-	352,000
General government	35,208	35,208	17,604	-	17,604	17,604
Community development	30,000	30,000	-	-	-	30,000
Public works	1,889,500	1,889,500	39,620	-	39,620	1,849,880
Total Expenditures	3,271,708	3,271,708	417,781	-	417,781	2,853,927
REVENUES OVER (UNDER) EXPENDITURES	(3,131,708)	(3,131,708)	(380,762)	-	(380,762)	2,750,946
OTHER FINANCING SOURCES (USES)						
Transfers in	2,920,000	2,920,000	1,346,000	-	1,346,000	(1,574,000)
TOTAL OTHER FINANCING SOURCES (USES)	2,920,000	2,920,000	1,346,000	-	1,346,000	(1,574,000)
NET CHANGE IN FUND BALANCE	(211,708)	(211,708)	965,238	-	965,238	1,176,946
FUND BALANCE, beginning of year	6,452,952	6,452,952	6,244,396	-	6,244,396	(208,556)
FUND BALANCE, end of year	$ 6,241,244	$ 6,241,244	$ 7,209,634	$ -	7,209,634	$ 968,390

RECONCILIATION TO NET POSITION - GAAP BASIS	
Adjustment for capital assets, net of depreciation	693,201
NET POSITION - GAAP BASIS	$ 7,902,835

Other Financial Schedules

CITY OF OREGON CITY, OREGON

SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS
YEAR ENDED JUNE 30, 2022

Fiscal Year Ending June 30,	*2015 Library General Obligation Bonds*			*2018 Full Faith and Credit Bonds CSAF*		
	Principal	*Interest*	*Total*	*Principal*	*Interest*	*Total*
2023	$ 288,631	$ 126,740	$ 415,371	$ 560,000	$ 541,900	$ 1,101,900
2024	297,521	117,850	415,371	585,000	519,500	1,104,500
2025	306,685	108,686	415,371	610,000	496,100	1,106,100
2026	316,130	99,240	415,370	630,000	471,700	1,101,700
2027	325,867	89,504	415,371	655,000	446,500	1,101,500
2028	335,904	79,467	415,371	685,000	420,300	1,105,300
2029	346,250	69,121	415,371	710,000	392,900	1,102,900
2030	356,914	58,457	415,371	745,000	357,400	1,102,400
2031	367,907	47,464	415,371	785,000	320,150	1,105,150
2032	379,239	36,132	415,371	825,000	280,900	1,105,900
2033	390,919	24,451	415,370	865,000	239,650	1,104,650
2034	402,960	12,411	415,371	905,000	196,400	1,101,400
2035	-	-	-	945,000	160,200	1,105,200
2036	-	-	-	980,000	122,400	1,102,400
2037	-	-	-	1,020,000	83,200	1,103,200
2038	-	-	-	1,060,000	42,400	1,102,400
	$ 4,114,927	$ 869,523	$ 4,984,450	$ 12,565,000	$ 5,091,600	$ 17,656,600

CITY OF OREGON CITY, OREGON

SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS (Continued)
YEAR ENDED JUNE 30, 2022

2005 PERS UAL Bond		
Principal	***Interest***	***Total***
$ 1,265,000	$ 435,848	$ 1,700,848
1,395,000	372,548	1,767,548
1,535,000	302,742	1,837,742
1,690,000	225,931	1,915,931
1,850,000	141,363	1,991,363
975,000	48,789	1,023,789
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
$ 8,710,000	$ 1,527,221	$ 10,237,221

CITY OF OREGON CITY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES
YEAR ENDED JUNE 30, 2022

City of Oregon City

Tax Year	Uncollected Balances June 30, 2021	2021-2022 Levy	Interest, Discounts & Adjustments	Turnovers	Uncollected Balances June 30, 2022
2021-22	$ -	$ 15,336,496	$ (446,273)	$ (14,550,021)	$ 340,202
2020-21	277,917	-	(6,792)	(161,790)	109,335
2019-20	100,960	-	790	(42,799)	58,951
2018-19	37,298	-	1,575	(24,841)	14,032
2017-18	15,189	-	632	(10,377)	5,444
2016-17 and prior	26,285	-	(2,397)	(2,489)	21,399
Total	$ 457,649	$ 15,336,496	$ (452,465)	$ (14,792,317)	$ 549,363

Oregon City Urban Renewal

Tax Year	Uncollected Balances June 30, 2021	2021-2022 Levy	Interest, Discounts & Adjustments	Turnovers	Uncollected Balances June 30, 2022
2021-22	$ -	$ 3,266,624	$ (95,055)	$ (3,099,158)	$ 72,411
2020-21	59,548	-	(1,454)	(34,684)	23,410
2019-20	23,294	-	182	(9,875)	13,601
2018-19	7,864	-	332	(5,238)	2,958
2017-18	3,123	-	130	(2,133)	1,120
2016-17 and prior	5,064	-	(563)	(382)	4,119
Total	$ 98,893	$ 3,266,624	$ (96,428)	$ (3,151,470)	$ 117,619

STATISTICAL SECTION

OREGON CITY

STATISTICAL SECTION

This part of the financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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Financial Trends
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. 126

Revenue Capacity
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. 136

Debt Capacity
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. 140

Demographic and Economic Information
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. 144

Operating Information
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the service the City provides and the activities it performs. 146

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year(s).

CITY OF OREGON CITY, OREGON

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS – UNAUDITED
(Accrual basis of accounting)

	2022	2021	2020	2019
Governmental activities				
Net investment in capital assets	$158,820,509	$150,702,278	$123,436,477	$112,838,180
Restricted for special purposes	40,590,633	30,249,491	32,090,793	21,511,494
Unrestricted	(16,010,159)	(10,684,129)	4,466,022	6,854,069
Total governmental activities net position	183,400,983	170,267,640	159,993,292	141,203,743
Business-type activities				
Net investment in capital assets	80,790,568	79,362,840	76,121,011	73,993,057
Restricted for special purposes	86,963	49,517	43,775	26,004
Unrestricted	36,431,949	32,883,732	31,203,807	27,383,090
Total business-type activities net position	117,309,480	112,296,089	107,368,593	101,402,151
Total government				
Net investment in capital assets	239,611,077	230,065,118	199,557,488	186,831,237
Restricted for special purposes	40,677,596	30,299,008	32,134,568	21,537,498
Unrestricted	20,421,790	22,199,603	35,669,829	34,237,159
Total government net position	$ 300,710,463	$ 282,563,729	$ 267,361,885	$ 242,605,894

2018	2017	2016	2015	2014	2013
$ 107,219,008	$ 98,512,736	$ 91,671,741	$ 82,947,522	$ 83,949,562	$ 83,629,065
22,910,088	20,405,260	20,684,505	22,714,219	12,212,699	10,729,636
(905,713)	5,185,965	1,150,993	4,215,385	17,410,231	14,069,942
129,223,383	124,103,961	113,507,239	109,877,126	113,572,492	108,428,643
69,904,459	66,828,362	62,178,638	59,613,791	58,464,942	59,233,749
-	-	-	-	6,656,608	6,158,956
23,901,172	25,143,381	22,862,191	21,559,003	19,332,055	17,230,779
93,805,631	91,971,743	85,040,829	81,172,794	84,453,605	82,623,484
177,123,467	165,341,098	153,850,379	127,971,313	142,414,504	142,862,814
22,910,088	20,405,260	20,684,505	37,304,219	18,869,307	16,888,592
22,995,459	30,329,346	24,013,184	25,774,388	36,742,286	31,300,721
$ 223,029,014	$ 216,075,704	$ 198,548,068	$ 191,049,920	$ 198,026,097	$ 191,052,127

CITY OF OREGON CITY, OREGON

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS – UNAUDITED
(Accrual basis of accounting)

	2022	2021	2020	2019
Expenses:				
Governmental activities:				
General government	$ 8,466,143	$ 9,010,937	$ 9,373,368	$ 8,577,496
Public safety	12,153,036	13,853,016	11,793,974	10,883,771
Public works	8,050,720	8,145,420	7,738,706	6,978,502
Culture and recreation	8,190,792	7,938,164	7,405,747	6,245,678
Community development	3,307,988	3,318,339	3,470,850	2,906,968
Interest on long-term debt	1,128,589	1,308,150	1,589,947	1,732,088
Total governmental activities expenses	41,297,268	43,574,026	41,372,592	37,324,503
Business-type activities:				
Water	7,436,503	8,044,736	6,252,361	6,462,476
Wastewater	12,663,573	11,034,218	10,514,584	9,898,303
Stormwater	2,832,689	2,838,118	2,922,440	2,548,229
Fleet	570,003	897,408	556,526	1,252,333
Total business-type activities expenses	23,502,768	22,814,480	20,245,911	20,161,341
Total City expenses	64,800,036	66,388,506	61,618,503	57,485,844
Program Revenues:				
Governmental activities:				
Fees, fines, and charges for services:				
General government	2,941,009	2,813,688	2,664,024	2,885,237
Public safety	1,829,059	1,518,937	1,864,235	2,076,802
Public works	3,873,286	3,878,554	3,704,502	3,520,298
Culture and recreation	1,088,194	597,643	708,777	977,308
Community development	3,910,752	2,962,631	4,810,896	3,360,863
Operating grants and contributions	7,384,170	7,229,665	6,567,385	6,103,603
Capital grants and contributions	6,380,476	6,986,238	12,115,164	5,564,471
Total governmental activities program revenues	27,406,946	25,987,356	32,434,983	24,488,582
Business-type activities:				
Fees, fines, and charges for services:				
Water	9,303,164	9,352,368	8,598,561	8,833,873
Wastewater	11,832,573	11,528,849	11,094,148	10,893,729
Stormwater	3,372,416	3,225,188	3,133,103	3,000,968
Fleet	305,775	236,503	229,911	277,811
Operating grants and contributions	617,182	498,110	322,487	776,722
Capital grants and contributions	2,910,827	1,759,790	3,308,978	3,422,338
Total business-type activities program revenues	28,341,937	26,600,808	26,687,188	27,205,441
Total City program revenues	55,748,883	52,588,164	59,122,171	51,694,023
Net (Expense)/Revenue				
Governmental activities	(13,890,322)	(17,586,670)	(8,937,609)	(12,835,921)
Business-type activities	4,839,169	3,786,328	6,441,277	7,044,100
Total Net (Expense) Revenue	(9,051,153)	(13,800,342)	(2,496,332)	(5,791,821)

2018	2017	2016	2015	2014	2013
$ 7,448,383	$ 7,947,344	$ 7,547,409	$ 3,528,340	$ 6,615,088	$ 6,098,539
11,595,492	10,842,456	11,383,715	8,309,944	8,018,198	7,586,591
6,867,970	6,876,632	6,685,545	5,319,822	4,983,309	4,974,819
6,375,010	5,835,146	5,524,614	5,072,036	4,900,341	4,415,999
2,891,302	2,907,659	3,174,168	3,382,547	3,309,773	3,539,149
1,407,996	1,339,404	1,430,985	1,417,462	1,395,499	1,427,119
36,586,153	35,748,641	35,746,436	27,030,151	29,222,208	28,042,216
6,431,175	5,453,642	5,640,772	4,518,351	4,768,673	5,548,165
9,792,585	8,561,317	8,212,827	6,791,908	6,481,198	6,619,727
2,474,327	2,204,164	2,386,425	1,771,529	1,908,836	1,816,052
1,012,240	965,043	875,496	805,419	805,630	764,440
19,710,327	17,184,166	17,115,520	13,887,207	13,964,337	14,748,384
56,296,480	52,932,807	52,861,956	40,917,358	43,186,545	42,790,600
2,932,559	1,808,279	1,216,065	1,380,937	1,206,165	1,376,136
2,192,706	2,272,781	1,602,172	925,225	791,005	851,775
3,438,000	2,956,226	4,954,538	3,363,184	3,081,373	2,344,068
990,222	884,343	1,503,604	917,908	881,299	879,090
2,989,087	3,765,135	2,931,522	2,306,216	1,600,704	2,698,387
5,474,992	5,095,057	5,006,825	4,570,141	4,987,749	4,335,678
3,062,693	7,907,564	877,610	1,192,708	2,064,858	9,014,649
21,080,259	24,689,385	18,092,336	14,656,319	14,613,153	21,499,783
8,169,832	7,206,477	6,833,922	6,021,672	5,766,017	5,910,739
10,181,048	10,476,356	9,618,375	7,961,224	6,730,168	7,058,967
2,836,265	2,713,307	2,625,274	2,495,762	2,397,498	2,296,072
197,002	233,146	201,492	201,316	221,352	192,845
479,274	353,942	172,917	278,178	277,591	433,121
930,731	3,149,009	1,171,711	2,430,291	1,504,337	3,159,982
22,794,152	24,132,237	20,623,691	19,388,443	16,896,963	19,051,725
43,874,411	48,821,622	38,716,027	34,044,762	31,510,116	40,551,508
(15,505,894)	(11,059,256)	(17,654,100)	(12,373,832)	(14,609,055)	(6,542,433)
3,083,825	6,948,071	3,508,171	5,501,236	2,932,626	4,303,341
(12,422,069)	(4,111,185)	(14,145,929)	(6,872,596)	(11,676,429)	(2,239,092)

CITY OF OREGON CITY, OREGON

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS – UNAUDITED (Continued)
(Accrual basis of accounting)

	2022	2021	2020	2019
General revenues and other changes in net position				
Governmental activities				
Property taxes	$ 18,516,695	$ 17,428,521	$ 16,907,896	$ 15,734,726
Franchise taxes	4,585,159	4,068,338	3,913,647	3,810,988
Intergovernmental	1,205,956	1,327,256	1,227,741	1,122,464
Miscellaneous	2,900,428	2,768,689	3,212,807	2,157,187
Unrestricted investment earnings	17,874	620,882	1,266,427	1,778,747
Gain (loss) on disposition of assets	-	2,344,863	-	-
Transfers	40,884	(697,531)	1,198,640	212,169
Total governmental activities	27,266,996	27,861,018	27,727,158	24,816,281
Business-type activities				
Franchise taxes	314,206	302,700	291,325	281,811
Miscellaneous	33,299	26,536	90,922	35,394
Unrestricted investment earnings	(87,935)	124,789	341,558	447,384
Gain (loss) on disposition of assets	-	(10,388)	-	-
Transfers	(40,884)	697,531	(1,198,640)	(212,169)
Total business-type activities	218,686	1,141,168	(474,835)	552,420
Total City General Revenues and Other Changes	27,485,682	29,002,186	27,252,323	25,368,701
Changes in net position				
Governmental activities	13,376,674	10,274,348	18,789,549	11,980,360
Business-type activities	5,057,855	4,927,496	5,966,442	7,596,520
Total changes in net position	18,434,529	15,201,844	24,755,991	19,576,880
Net position, July 1*				
Governmental activities	170,024,309	159,993,292	141,203,743	129,223,383
Business-type activities	112,251,625	107,368,593	101,402,151	93,805,631
Total Government	282,275,934	267,361,885	242,605,894	223,029,014
Net position, June 30				
Governmental activities	183,400,983	170,267,640	159,993,292	141,203,743
Business-type activities	117,309,480	112,296,089	107,368,593	101,402,151
Total Government	$ 300,710,463	$ 282,563,729	$ 267,361,885	$ 242,605,894

* Beginning net position as restated

2018	2017	2016	2015	2014	2013
$ 15,145,511	$ 14,636,241	$ 13,987,720	$ 13,490,590	$ 12,859,315	$ 11,667,767
3,780,955	3,634,332	3,541,761	3,199,473	2,759,690	2,455,771
961,015	919,857	920,764	911,419	871,419	834,538
1,938,632	1,487,831	1,782,997	1,709,104	1,802,430	1,255,497
858,521	503,858	364,128	228,512	262,767	323,109
-	-	-	302,450	-	-
(403,508)	473,859	523,873	7,884,435	1,197,283	950,701
22,281,126	21,655,978	21,121,243	27,725,983	19,752,904	17,487,383
268,785	258,220	237,075	-	-	-
41,622	74,071	-	132	-	20,090
173,245	124,411	91,944	99,191	94,778	89,028
(5,000)	-	-	-	-	-
403,508	(473,859)	(523,873)	(7,884,435)	(1,197,283)	(950,701)
882,160	(17,157)	(194,854)	(7,785,112)	(1,102,505)	(841,583)
23,163,286	21,638,821	20,926,389	19,940,871	18,650,399	16,645,800
6,775,232	10,596,722	3,467,143	15,352,151	5,143,849	10,944,950
3,965,985	6,930,914	3,313,317	(2,283,876)	1,830,121	3,461,758
10,741,217	17,527,636	6,780,460	13,068,275	6,973,970	14,406,708
122,448,151	113,507,239	110,040,096	94,524,975	108,428,643	97,483,693
89,839,646	85,040,829	81,727,512	83,456,670	82,623,484	79,161,726
212,287,797	198,548,068	191,767,608	177,981,645	191,052,127	176,645,419
129,223,383	124,103,961	113,507,239	109,877,126	113,572,492	108,428,643
93,805,631	91,971,743	85,040,829	81,172,794	84,453,605	82,623,484
$ 223,029,014	$ 216,075,704	$ 198,548,068	$ 191,049,920	$ 198,026,097	$ 191,052,127

CITY OF OREGON CITY, OREGON

FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS – UNAUDITED
(Modified accrual basis of accounting)

	2022	2021	2020	2019
General fund				
Nonspendable	$ 41,999	$ 39,091	$ 47,055	$ 73,356
Restricted	1,244,458	1,087,675	-	-
Committed	-	-	-	-
Unassigned	11,978,819	10,030,813	11,471,979	9,743,445
Total General fund	13,265,276	11,157,579	11,519,034	9,816,801
All other governmental funds				
Nonspendable	98,297	7,719	68,806	-
Restricted	41,452,329	34,745,375	33,455,087	30,101,001
Committed	3,903,337	9,321,329	23,082,261	34,862,477
Assigned	1,141,676	985,600	-	-
Total all other governmental funds	46,595,639	45,060,023	56,606,154	64,963,478
Total Fund Balances	$ 59,860,915	$ 56,217,602	$ 68,125,188	$ 74,780,279

2018	2017	2016	2015	2014	2013
$ 60,555	$ 116,000	$ 59,641	$ 58,978	$ 45,131	$ -
-	-	-	-	-	-
-	-	908,882	-	-	-
8,504,753	7,154,174	6,470,357	6,130,187	4,150,829	3,734,942
8,565,308	7,270,174	7,438,880	6,189,165	4,195,960	3,734,942
-	-	-	-	-	-
28,507,504	27,474,611	21,343,249	36,527,532	11,346,021	10,503,824
31,836,218	18,462,121	18,177,135	3,771,034	16,105,822	10,972,631
-	-	-	-	-	-
60,343,722	45,936,732	39,520,384	40,298,566	27,451,843	21,476,455
$ 68,909,030	$ 53,206,906	$ 46,959,264	$ 46,487,731	$ 31,647,803	$ 25,211,397

CITY OF OREGON CITY, OREGON

CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS – UNAUDITED
(Modified accrual basis of accounting)

	2022	2021	2020	2019
Revenues				
Taxes and assessments	$ 23,131,570	$ 22,182,017	$ 21,359,427	$ 20,492,362
Licenses and permits	2,623,553	2,044,658	3,124,882	2,375,163
Charges for services	15,444,949	14,849,305	12,383,762	11,487,131
Intergovernmental	9,818,819	11,056,263	11,815,929	7,768,005
Fines and forfeitures	988,878	1,122,184	1,196,988	1,687,984
Other income	2,173,432	2,735,164	4,359,714	3,947,242
Total revenues	54,181,201	53,989,591	54,240,702	47,757,887
Expenditures				
Current operating:				
General government	7,841,285	8,504,268	8,328,582	7,075,536
Police	11,978,424	11,540,358	10,926,748	10,518,832
Public works	4,728,311	4,609,579	4,228,792	3,951,711
Culture and recreation	6,546,281	6,258,861	5,765,222	5,434,738
Community development	3,560,477	2,824,222	3,113,420	2,714,752
Capital outlay	13,369,194	27,057,260	26,782,351	8,885,376
Debt service				
Principal	1,972,223	7,995,560	2,548,164	2,405,290
Interest	1,210,548	1,430,478	1,681,033	1,821,630
Total expenditures	51,206,743	70,220,586	63,374,312	42,807,865
Revenues Over (under) Expenditures	2,974,458	(16,230,995)	(9,133,610)	4,950,022
Other financing sources (uses)				
Bond proceeds / loan payments	-	-	-	-
Lease financing	6,855	-	-	-
Proceeds from sale of assets	-	3,235,873	-	-
Transfers in	3,632,504	3,564,470	6,283,870	4,403,677
Transfers out	(2,970,504)	(2,476,934)	(3,805,351)	(3,482,450)
Total other financing sources (uses)	668,855	4,323,409	2,478,519	921,227
Net change in fund balances	3,643,313	(11,907,586)	(6,655,091)	5,871,249
Fund balances, beginning of year *	56,217,602	68,125,188	74,780,279	68,909,030
Fund balances, end of year	$ 59,860,915	$ 56,217,602	$ 68,125,188	$ 74,780,279
Debt service as a percentage of noncapital expenditures	8.41%	21.84%	11.56%	12.46%

* Beginning Fund balance as restated

2018	2017	2016	2015	2014	2013
$ 19,379,452	$ 18,542,705	$ 17,755,055	$ 16,687,226	$ 13,012,611	$ 11,782,226
1,990,219	2,833,057	2,459,320	1,896,408	4,038,101	5,181,290
11,828,492	12,498,856	9,120,163	6,418,879	5,847,797	7,371,586
6,517,167	6,444,900	5,896,615	5,699,850	7,169,225	10,129,747
1,710,193	1,147,459	818,239	1,072,132	976,494	900,060
2,731,589	2,355,231	2,408,042	2,441,958	2,557,671	2,371,762
44,157,112	43,822,208	38,457,434	34,216,453	33,601,899	37,736,671
6,921,135	6,508,052	5,813,700	5,005,356	4,865,177	4,944,688
10,550,480	9,650,718	8,834,120	8,086,250	7,789,311	7,266,917
3,920,948	4,049,196	6,398,448	2,927,280	2,645,973	2,449,685
5,388,647	4,909,619	4,614,517	4,677,846	4,488,941	4,148,528
2,729,888	2,849,608	2,676,958	3,362,390	3,323,862	3,515,914
13,002,143	7,354,648	7,314,482	6,242,932	2,359,201	7,783,356
1,792,649	2,065,241	2,124,053	1,681,868	1,484,640	4,501,400
1,368,281	1,351,616	1,442,688	1,412,972	1,405,671	1,403,999
45,674,171	38,738,698	39,218,966	33,396,894	28,362,776	36,014,487
(1,517,059)	5,083,510	(761,532)	819,559	5,239,123	1,722,184
16,157,183	-	-	6,000,000	-	3,446,400
-	-	-	-	-	-
-	-	-	302,500	-	-
2,406,016	3,718,183	3,517,364	75,663,161	3,889,955	3,831,659
(1,344,016)	(2,554,051)	(2,341,599)	(67,945,292)	(2,692,672)	(2,880,958)
17,219,183	1,164,132	1,175,765	14,020,369	1,197,283	4,397,101
15,702,124	6,247,642	414,233	14,839,928	6,436,406	6,119,285
53,206,906	46,959,264	46,545,031	31,647,803	25,211,397	19,092,112
$ 68,909,030	$ 53,206,906	$ 46,959,264	$ 46,487,731	$ 31,647,803	$ 25,211,397
9.67%	10.89%	11.18%	11.40%	11.11%	21.08%

CITY OF OREGON CITY, OREGON

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Real Property		Other Property [2]		Total TAV	Total Estimated Actual Value [1]	Ratio of TAV to Estimated Actual Value	Direct Tax rate
	Taxable Assessed Value (TAV)	Estimated Actual Value [1]	Taxable Assessed Value (TAV)	Estimated Actual Value [1]				
2022	3,499,410,044	6,352,681,365	189,602,420	196,533,796	3,689,012,464	6,549,215,161	56.3%	5.0478
2021	3,371,989,490	5,752,105,482	184,647,638	190,256,475	3,556,637,128	5,942,361,957	59.9%	5.0511
2020	3,219,622,683	5,468,065,833	175,933,009	180,339,835	3,395,555,692	5,648,405,668	60.1%	5.1231
2019	3,064,848,212	5,098,679,755	172,780,575	176,287,179	3,237,628,787	5,274,966,934	61.4%	5.0613
2018	2,926,103,506	4,605,880,344	163,399,115	168,516,154	3,089,502,621	4,774,396,498	64.7%	5.0479
2017	2,883,655,457	4,178,977,212	54,773,309	54,773,309	2,938,428,766	4,233,750,521	69.4%	5.1248
2016	2,749,493,939	3,698,124,952	52,451,145	52,451,145	2,801,945,084	3,750,576,097	74.7%	5.1222
2015	2,641,700,255	3,279,405,424	48,468,773	48,468,773	2,690,169,028	3,327,874,197	80.8%	5.1446
2014	2,512,945,173	2,917,509,392	50,536,919	50,536,919	2,563,482,092	2,968,046,311	86.4%	5.1492
2013	2,390,482,064	2,662,745,466	51,649,072	51,649,072	2,442,131,136	2,714,394,538	90.0%	4.9225

[1] The State of Oregon calls Actual Value "Real Market Value"

[2] Includes Personal Property, Manufactured Structures and Public Utilities

Source: Clackamas County Tax Assessor

CITY OF OREGON CITY, OREGON

PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

	City Direct Rates				Overlapping Rates						
Fiscal Year Ended June 30,	General Operating	Bonded Debt	Urban Renewal Agency	Total Direct	Oregon City School District	Clackamas Community College	Education Service District	Clackamas County [1]	Other Districts [2]	Total Overlapping	Total Direct and Overlapping
2022	4.1611	-	0.8867	5.0478	5.8871	0.6849	0.3459	3.1207	2.9761	13.0147	18.0625
2021	4.1598	-	0.8913	5.0511	5.8509	0.7005	0.3459	3.1171	3.0073	13.0217	18.0728
2020	4.1595	-	0.9636	5.1231	5.8495	0.6899	0.3484	3.1155	3.0941	13.0974	18.2205
2019	4.1795	-	0.8818	5.0613	5.6854	0.7034	0.3484	3.1307	2.9049	12.7728	17.8341
2018	4.1861	-	0.8618	5.0479	5.7947	0.7060	0.3484	3.1346	2.8623	12.8460	17.8939
2017	4.1963	0.0894	0.8391	5.1248	6.0329	0.7057	0.3494	3.0414	2.8417	12.9711	18.0959
2016	4.2054	0.1100	0.8068	5.1222	6.0983	0.7102	0.3503	3.0437	2.8426	13.0451	18.1673
2015	4.1990	0.1065	0.8391	5.1446	6.1101	0.6712	0.3500	3.0369	2.8672	13.0354	18.1800
2014	4.1982	0.1088	0.8422	5.1492	6.0942	0.6717	0.3500	3.0326	2.8801	13.0286	18.1778
2013	3.9558	0.1129	0.8538	4.9225	6.1042	0.6657	0.3443	3.2472	2.7260	13.0874	18.0099

[1] County includes County Library and 4-H County Extension

[2] Other includes Fire District, Port of Portland, Vector Control, Metro

Source: Clackamas County Assessor and Tax Collector

CITY OF OREGON CITY, OREGON

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

		2022			2013		
Taxpayer	Type of Business	Assessed Value	Rank	Percentage of Total Value	Assessed Value	Rank	Percentage of Total Value
The Landing - 302 LLC	Real Estate	$ 54,422,307	1	1.48%			
Portland General Electric Company	Utility	42,202,816	2	1.14%	$ 25,330,000	1	1.04%
Quantum Management	Apartments	26,289,851	3	0.71%	20,148,982	2	0.83%
Northwest Natural Gas Co.	Utility	25,343,000	4	0.69%	11,880,700	10	0.49%
Loja Trails End LLC	Real Estate	22,721,117	5	0.62%			
Craig T Danielson	Real Estate	22,434,927	6	0.61%	14,293,367	6	0.59%
Providence Health	Health Services	22,034,664	7	0.60%	13,686,576	7	0.56%
Orchid Orthopedic Solutions Oregon Inc	Health Services	18,707,941	8	0.51%			0.00%
Oregon Center LLC	Health Services	18,084,474	9	0.49%			
Edgewater at the Cove	Real Estate	17,407,507	10	0.47%			0.00%
Metropolitan Life Insurance Company	Retail			0.00%	18,868,068	4	0.77%
Comcast Corporation	Utility				19,530,500	3	0.80%
Trails End Oregon Investors LLC*	Real Estate				17,653,021	5	0.72%
Investment Concepts Inc	Real Estate				13,398,158	8	0.55%
Berry Heights Ltd Partnership	Real Estate				12,546,008	9	0.51%
Subtotal - ten of the City's largest taxpayers		269,648,604		7.32%	167,335,380		6.86%
All other City taxpayers in Clackamas County		3,419,363,860		92.68%	2,274,795,756		93.14%
Total City taxpayers		$ 3,689,012,464		100.00%	$ 2,442,131,136		100.00%

Source: Clackamas County Tax Assessor

Taxpayers ranked according to assessed taxes, not assessed value.
* During FY 2015, Trails End Oregon Investors LLC sold its property to Loja Trails End LLC.

CITY OF OREGON CITY, OREGON

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Total Extended Tax Levy	Current Tax Collections (Within Year)	Percent of Current Taxes Collected	Subsequent Years Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2022	$ 15,336,496	$ 14,581,716	95.08%	$ -	$ 14,581,716	95.08%	$ 305,118	1.99%
2021	14,784,687	14,148,000	95.69%	102,171	14,250,171	96.38%	109,335	0.74%
2020	14,155,665	13,527,462	95.56%	152,661	13,680,123	96.64%	58,952	0.42%
2019	13,518,480	12,927,465	95.63%	165,236	13,092,701	96.85%	14,032	0.10%
2018	12,935,275	12,316,356	95.22%	208,307	12,524,663	96.83%	5,443	0.04%
2017	12,596,284	12,008,721	95.34%	195,071	12,203,792	96.88%	3,603	0.03%
2016	12,105,761	11,512,412	95.10%	232,341	11,744,753	97.02%	2,731	0.02%
2015	11,576,491	10,996,578	94.99%	262,284	11,258,862	97.26%	2,548	0.02%
2014	11,032,614	10,458,857	94.80%	278,155	10,737,012	97.32%	2,000	0.02%
2013	9,919,281	9,350,427	94.27%	294,122	9,644,549	97.23%	2,093	0.02%

Sources: Clackamas County Assessor and Tax Collector

CITY OF OREGON CITY, OREGON

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Legal debt margin calculation for fiscal year ended June 30, 2022

Total property real market value	$6,549,215,161
	3%
Debt limit (3% of total property real market value) [1]	196,476,455
Amount of debt applicable to debt limit:	
Total bonded debt	26,623,674
Less debt excluded from debt limit:	
Limited obligation bonds	(22,508,747)
Net amount of debt applicable to limit	4,114,927
Legal debt margin - amount available for future indebtedness	$ 192,361,528
Percentage of City's indebtedness to total allowed	2.09%

	2022	2021	2020	2019	2018
Debt limit	$ 196,476,455	$ 178,270,859	$ 169,452,170	$ 158,249,008	$ 143,231,895
Debt applicable to maximum limit	4,114,927	4,394,934	4,666,574	4,930,098	5,185,748
Legal debt margin available	$ 192,361,528	$ 173,875,925	$ 164,785,596	$ 153,318,910	$ 138,046,147
Debt applicable to the maximum limit as a percentage of debt limit	2.09%	2.47%	2.75%	3.12%	3.62%

	2017	2016	2015	2014	2013
Debt limit	$ 127,012,516	$ 112,517,283	$ 99,836,226	$ 89,041,389	$ 81,431,836
Debt applicable to maximum limit	5,433,759	6,059,360	6,657,772	1,095,000	1,425,000
Legal debt margin available	$ 121,578,757	$ 106,457,923	$ 93,178,454	$ 87,946,389	$ 80,006,836
Debt applicable to the maximum limit as a percentage of debt limit	4.28%	5.39%	6.67%	1.23%	1.75%

[1] Pursuant to Oregon Revised Statutes 287A.050, outstanding general obligation debt is limited to three percent of real market value.

Sources: Annual financial statements and Clackamas County Assessor and Tax Collector

CITY OF OREGON CITY, OREGON

RATIO OF OUTSTANDING DEBT BY TYPE AND DEBT PER CAPITA
LAST TEN FISCAL YEARS

	Governmental Activites					Business-type Activites					
	Oregon City			Urban Renewal							
Fiscal Year Ended June 30,	General Obligation Bonds	Limited Obligation Bonds [1]	Capital Leases	Tax Increment Bonds	Line of Credit	Water Revenue Bonds	Sewer Revenue Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income [2]	Total Debt per Capita [2]
2022	$ 4,114,927	$22,508,747	$ 367,015	$ -	$ -	$ -	$ -	$ 57,330	$ 27,048,019	-- *	$ 717
2021	4,394,934	24,270,856	-	-	-	-	-	-	28,665,790	1.12%	799
2020	4,666,574	25,897,965	-	6,173,920	-	-	-	-	36,738,459	1.59%	1,033
2019	4,930,098	27,400,074	-	7,033,560	-	-	-	-	39,363,732	1.84%	1,129
2018	5,185,748	27,250,000	-	7,868,200	-	-	-	-	40,303,948	1.98%	1,165
2017	5,433,759	13,370,000	-	8,677,840	-	-	1,475,000	-	28,956,599	1.53%	846
2016	6,059,360	14,020,000	-	9,467,480	-	-	1,925,000	-	31,471,840	1.74%	927
2015	6,657,772	14,590,000	-	10,237,120	-	-	2,350,000	-	33,834,892	1.98%	1,002
2014	1,095,000	15,085,000	-	10,986,760	-	195,000	2,755,000	-	30,116,760	1.87%	902
2013	1,425,000	15,510,000	-	11,716,400	-	380,000	3,145,000	-	32,176,400	2.12%	990

* amount unavailable at date of publication

[1] Presented net of related premiums, discounts, and adjustments

[2] Personal income and population data can be found in the demographic statistics later in this section.

Source: Annual Financial Reports

CITY OF OREGON CITY, OREGON

RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ACTUAL VALUE AND ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Population [1]	Total Estimated Actual Value [2]	Total Taxable Assessed Value [3]	Gross GO Bonded Debt [4]	Debt Service Reserves	Net GO Bonded Debt	Ratio of Net GO Bonded Debt to Actual Value	Ratio of Net GO Bonded Debt to Assessed Value	Net GO Bonded Debt per Capita
2022	37,737	$ 6,549,215,161	$ 3,689,012,464	$ 4,114,927	$ -	$ 4,114,927	0.06%	0.11%	$ 109
2021	35,885	5,942,361,957	3,556,637,128	4,394,934	-	4,394,934	0.07%	0.12%	122
2020	35,570	5,648,405,668	3,395,555,692	4,666,574	-	4,666,574	0.08%	0.14%	131
2019	34,860	5,274,966,934	3,237,628,787	4,930,098	-	4,930,098	0.09%	0.15%	141
2018	34,610	4,774,396,498	3,089,502,621	5,185,748	-	5,185,748	0.11%	0.17%	150
2017	34,240	4,233,750,521	2,938,428,766	5,433,759	-	5,433,759	0.13%	0.18%	159
2016	33,940	3,750,576,097	2,801,945,084	6,059,360	(96,672)	5,962,688	0.16%	0.21%	176
2015	33,760	3,327,874,197	2,690,169,028	6,657,772	(69,805)	6,587,967	0.20%	0.24%	195
2014	33,390	2,968,046,311	2,563,482,092	1,095,000	(48,780)	1,046,220	0.04%	0.04%	31
2013	32,500	2,714,394,538	2,442,131,136	1,425,000	(26,598)	1,398,402	0.05%	0.06%	43

[1] Portland State University, Annual Population Statistics
[2] The State of Oregon calls Actual Value "Real Market Value"
[3] Clackamas County Tax Assessor
[4] June 30 principal balance, annual financial statements - City only

CITY OF OREGON CITY, OREGON

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2022

Jurisdiction	Estimated Actual Value	Outstanding Net Property-Tax Based Debt [1]	Percentage Applicable to City [2]	Amount Applicable to City
Direct:				
City of Oregon City	$ 6,549,215,161	$ 12,565,000	100.00%	$ 12,565,000
Overlapping districts:				
Clackamas Community College	65,044,593,127	134,508,536	9.14%	12,291,525
Clackamas County	88,187,427,081	115,525,000	6.74%	7,786,385
Clackamas County Education Service District	84,173,150,583	21,902,000	7.06%	1,546,610
Clackamas County Fire District #1	40,336,577,772	25,184,520	14.74%	3,711,090
Oregon City School District No. 62	10,211,542,703	276,111,382	58.21%	160,716,704
Clackamas Soil & Water Conservation	88,187,443,151	5,785,000	6.74%	389,909
Metro	358,995,131,497	873,470,000	1.65%	14,447,194
Port of Portland	390,565,299,889	-	1.52%	-
Total overlapping districts		1,452,486,438		200,889,417
Total		$ 1,465,051,438		$ 213,454,417

Overlapping governments are those that overlap the geographic boundaries of the City. This schedule calculates the portion of the outstanding debt of those overlapping governments that is taxed to the residents and businesses of the City.

Outstanding Net Property-tax Backed Debt of $12,565,000 for the City of Oregon City excludes bond premium of $1,233,747.

[1] Net Property-tax Backed Debt is Gross Property-tax Backed Debt less Self-supporting Unlimited-tax General Obligation Debt and less Self-Supporting Full Faith & Credit Debt.

[2] The percentage applicable to the City for each overlapping district is calculated by dividing the estimated actual value of the City by the estimated actual value of the respective overlapping district.

Source: Oregon State Treasury (including percentage applicable to the City)

CITY OF OREGON CITY, OREGON

POPULATION STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Population [1]	Personal Income (in thousands)	Per Capita Personal Income [2]	School Enrollment [3]	County Unemployment Rate [4]
2022	37,737	*	*	7,115	3.8%
2021	35,885	2,565,921	71,504	7,319	6.6%
2020	35,570	2,304,616	64,791	8,018	5.1%
2019	34,860	2,139,533	61,375	7,835	3.6%
2018	34,610	2,038,633	58,903	7,874	3.7%
2017	34,240	1,893,849	55,311	7,425	3.9%
2016	33,940	1,812,735	53,410	8,029	4.6%
2015	33,760	1,713,050	50,742	7,994	5.5%
2014	33,390	1,607,228	48,135	8,013	6.4%
2013	32,500	1,520,123	46,773	8,000	7.6%

* amount unavailable at date of publication

[1] Center for Population Research and Census, School of Urban and Public Affairs, Portland State University

[2] Bureau of Economic Analysis (amounts are for Clackamas County, revised as of November 16, 2022)

[3] Oregon Department of Education (amounts are for Oregon City School District)

[4] Oregon Employment Department (amounts are for Clackamas County)

CITY OF OREGON CITY, OREGON

PRINCIPAL EMPLOYERS
THIS YEAR AND NINE YEARS AGO

		2022			2013		
Employer	Type of Business	Employees	Rank	Percentage of total City employment	Employees	Rank	Percentage of total City employment
Clackamas County	Government	2,450	1	16.93%	1,960	1	14.78%
Oregon City School District	Education	984	2	6.80%			0.00%
Clackamas Community College	Education	755	3	5.22%	891	2	6.72%
Providence Health	Health Services	625	4	4.32%	748	3	5.64%
Benchmade Knife Co., Inc	Manufacturing	393	5	2.72%	179	7	1.35%
Home Depot	Retail	353	6	2.44%	208	6	1.57%
Fred Meyer	Retail	339	7	2.34%	273	4	2.06%
City of Oregon City	Government	250	8	1.73%	233	5	1.76%
Orchid Orthopedic Solutions Oregon, Inc	Health Services	232	9	1.60%	106	9	0.80%
Safeway	Retail	160	10	1.11%	108	8	0.81%
Avamere	Health Services				99	10	0.75%
Total		6,541		45.21%	4,805		36.24%

Source: City of Oregon City - Business Licenses

CITY OF OREGON CITY, OREGON

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
Function	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General government										
Number of job applications processed	1,817	1,027	1,250	1,700	1,585	1,654	1,175	1,472	1,001	1,162
Number of positions filled	65	68	60	76	87	96	79	80	57	78
Public Safety *										
Calls for service	28,011	27,337	29,559	36,079	24,200	24,000	23,600	23,465	26,970	26,441
Number of arrests	1,455	1,258	1,395	1,549	1,520	1,500	1,437	1,682	1,517	1,614
Municipal court cases processed	5,498	7,172	6,195	10,060	7,800	6,900	7,769	6,024	6,268	5,977
Public Works										
Hundred cubic feet of water consumed (Million)	2.0	2.0	1.8	2.0	1.5	1.5	1.5	1.4	1.5	1.5
Number of water customers (Average)	11,661	11,464	11,440	11,609	11,285	10,700	10,614	10,445	10,248	10,262
Culture and recreation										
Pioneer Community Center (Senior Center)										
People transportation provided for	5,453	5,515	5,951	7,863	7,961	8,150	8,146	7,811	7,810	8,940
Meals on Wheels delivered	34,030	32,427	30,844	32,195	32,092	30,147	30,800	29,716	27,173	29,588
Congregate meals served at Center	1,744	3,696	7,168	8,189	8,119	7,518	7,701	7,973	8,731	10,716
Swimming Pool										
Number of visits	83,852	20,900	148,305	117,640	138,665	138,807	141,520	141,715	141,295	121,600

Source: City of Oregon City Finance Department
* Numbers are estimated for 2017, 2018

CITY OF OREGON CITY, OREGON

CAPITAL ASSETS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
Function/Program	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental activities:										
General government										
City-owned building facilities	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Police/Code vehicles	50	49	46	44	40	38	37	34	34	34
Public Works										
Buildings and facilities	2	2	2	2	2	1	1	1	1	1
Miles of streets	144	144	144	142	139	136	136	136	136	136
Miles of sidewalks	163	158	158	157	147	145	141	135	135	135
Acres of right-of-ways	1,188	1,183	1,183	1,179	1,125	1,125	1,125	1,125	1,125	1,125
Signalized intersections	54	49	49	49	52	50	50	49	49	47
Culture and recreation										
Buildings and facilities	7	7	7	7	7	6	6	6	6	6
Library building	1	1	1	1	1	1	1	1	1	1
Swimming pool	1	1	1	1	1	1	1	1	1	1
Parks	27	26	25	25	25	25	25	25	25	25
Community development										
Buildings and facilities	1	1	1	1	1	-	-	-	-	-
Business-type activities:										
Water										
Miles of water mains	175	173	173	170	169	169	167	163	163	162
Reservoirs	5	5	5	5	5	5	5	5	5	5
Fire hydrants	1,529	1,508	1,508	1,494	1,478	1,478	1,464	1,458	1,430	1,430
Sewer										
Miles of sewer lines	138	138	137	136	133	133	133	132	132	132
Pump stations	14	14	14	14	14	14	14	12	12	12
Stormwater										
Drainage basins	23	23	22	23	23	23	23	23	22	22
Detention ponds	90	85	85	86	83	83	83	79	53	53
Catch basins	4,517	4,506	4,469	4,242	4,235	4,235	4,235	4,202	4,400	4,400
Miles of streams	33	33	33	33	31	31	31	31	30	30

Notes:
Public Works and Community Services purchased facilities in 2018 for future development.
Community Development relocated to its own facility in 2018.

Source: City of Oregon City Finance department

CITY OF OREGON CITY, OREGON

CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Function / Program								
	Policy & Administration	Public Safety	Public Works	Culture and Recreation	Community Development	Water	Storm	Sewer	Total
2022	26.76	59.98	18.17	57.22	14.25	13.55	10.66	15.73	216.32
2021	25.62	59.48	19.12	53.87	13.00	13.10	10.03	16.15	210.37
2020	25.62	59.48	19.12	53.87	13.00	13.10	10.03	16.15	210.37
2019	24.66	58.48	18.69	53.12	14.00	12.96	10.16	16.55	208.62
2018	24.66	58.48	18.69	53.12	14.00	12.96	10.16	16.55	208.62
2017	22.21	56.48	16.11	49.88	14.53	13.27	10.37	16.56	196.30
2016	22.21	56.48	16.11	49.88	14.53	13.27	10.37	16.56	196.30
2015	19.87	56.50	15.11	43.77	11.54	13.27	10.37	14.75	185.18
2014	18.87	56.50	15.22	43.77	12.34	13.24	10.35	14.69	184.98
2013	18.65	53.63	13.75	43.33	11.26	13.50	10.23	15.20	179.55

In Fiscal Year 2022, the City added an Administrative Assistant, Library Technology Specialist, a Library Safety Officer, and an additional Building Inspector.
In Fiscal Year 2020, the City added a Traffic Sergeant, a Parks Maintenance Specialist, and a Facilities Maintenance Specialist, while also eliminating a limited duration position.
In Fiscal Year 2018, the Police Department added a homeless liaison officer and two school resource officers.
In Fiscal Year 2016, the City brought the Information Technology contract in house and hired IT staff.

Source: City of Oregon City Finance Department

REGULATORY SECTION

OREGON CITY

Aldrich CPAs + Advisors LLP
5665 SW Meadows Road, #200
Lake Oswego, Oregon 97035

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

To the Honorable Mayor and City Commissioners
City of Oregon City
Oregon City, Oregon

We have audited the basic financial statements of the City of Oregon City (the City) as of and for the year ended June 30, 2022 and have issued our report thereon dated December 19, 2022. We conducted our audit in accordance with 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.

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).**
- **State school fund factors and calculation.**

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 except as follows:

- Expenditures in the following funds exceeded appropriations for the 2021-23 biennium:

Fund	Budget Category	Budget	Actual	Overexpenditure
Community Facilities	Police	$102,900	$128,538	$(25,638)

OAR 162-10-0230 Internal Control

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

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INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS, CONTINUED

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 entity'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.

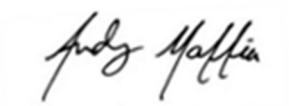
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Restriction on Use

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

Aldrich CPAs + Advisors LLP

By:



Andrew Maffia, CPA, Partner
Lake Oswego, Oregon
December 19, 2022

Aldrich CPAs + Advisors LLP
5665 SW Meadows Road, #200
Lake Oswego, Oregon 97035

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 and City Commissioners
City of Oregon City
Oregon City, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oregon City (the City), as of and for the year ended June 30, 2022, 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 19, 2022.

Report on Internal Control over Financial Reporting

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

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 entity'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Aldrich CPAs + Advisors LLP
Lake Oswego, Oregon
December 19, 2022

Aldrich CPAs + Advisors LLP
5665 SW Meadows Road, #200
Lake Oswego, Oregon 97035

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and City Commissioners
City of Oregon City
Oregon City, Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Oregon City's (the City) compliance with the types of compliance requirements identified as subject to audit in the United States Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of City's major federal programs for the year ended June 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, CONTINUED

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as items 2022-001. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance 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, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-002 to be a significant deficiency.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, CONTINUED

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

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

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

Aldrich CPAs + Advisors LLP

Lake Oswego, Oregon
December 19, 2022

CITY OF OREGON CITY

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Federal Grantor/Program or Cluster Title	Federal AL (Assistance Listing) Number	Pass-through Number	Passed-through to Subrecipients	Expenditures
Department of the Interior				
Passed through Oregon Parks and Recreation Department				
Historic Preservation Fund Grants-in-Aid	15.904	OR-20-12	$ -	$ 6,371
Total Department of the Interior			-	6,371
Department of Justice				
Bulletproof Vest Partnership Program	16.607		-	3,873
Public Safety Partnership and Community Policing Grants	16.710		-	74,148
Total Department of Justice			-	78,021
Department of Transportation				
Motor Carrier Safety Assistance (FMCSA) - Cluster				
Passed through Oregon Department of Transportation				
Motor Carrier Safety Assistance (FMCSA)	20.218	73000-00004148	-	67,441
Total Motor Carrier Safety Assistance (FMCSA) - Cluster			-	67,441
Federal Transit Cluster				
Passed through Metro				
Federal Transit Formula Grants	20.507	936405	-	46,268
Total Federal Transit Cluster			-	46,268
Transit Services Program Cluster				
Passed through Clackamas County Social Services				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	22-009	-	5,360
Total Transit Services Program Cluster			-	5,360
Highway Safety Cluster				
Passed through Oregon Department of Transportation				
State and Community Highway Safety	20.600	OP-22-45-03	-	6,260
	20.600	69A375203000040200RO	-	4,942
Total State and Community Highway Safety				11,202
National Priority Safety Programs	20.616	69A3752030000405EORC	-	3,526
Total Highway Safety Cluster			-	14,728
Total Department of Transportation			-	133,797
Department of the Treasury				
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		-	52,233
Total Department of the Treasury			-	52,233
Institute of Museum and Library Services				
Passed through State Library of Oregon				
COVID 19 - Grants to States	45.310	Oregon City Public Library	-	2,200
Total Institute of Museum and Library Services			-	2,200
Department of Health and Human Services				
Passed through Clackamas County Social Services				
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	22-009	-	385
			-	385

See independent auditor's report and notes to the schedule of expenditures of federal awards.

CITY OF OREGON CITY

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Federal Grantor/Program or Cluster Title	*Federal AL (Assistance Listing) Number*	*Pass-through Number*	*Passed-through to Subrecipients*	*Expenditures*
Aging Cluster				
Passed through Clackamas County Social Services				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	22-009	$ -	$ 29,906
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	22-009	-	63,103
Special Programs for the Aging, Title III, Part C, Nutrition Services - COVID-19	93.045	22-009	-	4,162
Total Aging Cluster			-	97,171
Total Department of Health and Human Services			-	97,556
Department of Homeland Security				
Passed through Oregon Office of Emergency Management				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4599-DR-OR	-	1,022,621
Total Department of Homeland Security			-	1,022,621
Total Expenditures of Federal Awards			$ -	$ 1,392,799

See independent auditor's report and notes to the schedule of expenditures of federal awards.

CITY OF OREGON CITY

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of City of Oregon City (the City) under programs of the federal government for the year ended June 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). 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 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are presented on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect Costs

The City does not use the 10 percent deminimis indirect cost rate as allowed under the Uniform Guidance. The City allocates indirect costs as allowed by each grant.

CITY OF OREGON CITY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Significant deficiency(ies) identified?	None reported
Material weakness(es) identified?	No
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major program:	
Significant deficiency(ies) identified?	Yes
Material weakness(es) identified?	No
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 the Uniform Guidance, 2 CFR section 200.516(a)?	No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish Between Type A and Type B programs:	$750,000
Auditee qualified as a low-risk auditee under the Uniform Guidance 2 CFR section 200.520	Yes

Section II – Financial Statement Findings

None

See independent auditor's report.

CITY OF OREGON CITY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section III - Federal Award Findings and Questioned Costs

Finding 2022-001

97.036 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)

Criteria:
2 CFR Part 200.302(b)(7) requires the financial management system to include written procedures for determining the allowability of costs.

Condition:
City of Oregon City has not developed written procedures for determining the allowability of costs.

Cause:
Administration did not have written procedures for determining the allowability of costs.

Effect:
Unallowable costs could be charged to the program.

Questioned Costs:
None

Perspective:
Written procedures for determining the allowability of costs is integral to the proper design of internal controls. However, the results of audit procedures did not detect any costs which are not allowable charged to the program.

Recommendations:
Management should develop written procedures as required by 2 CFR Part 200.302(b)(7).

Views of Responsible Officials:
Management understands the requirement for written procedures for determining the allowability of costs and agrees to comply with this within 60 days of this response. The opportunity to identify this finding arose due to new management staff and a new audit firm engaged with the June 30, 2022, audit, and we appreciate the opportunity to improve compliance.

Finding 2022-002

97.036 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)

Criteria:
2 CFR Part 200.303 establishes internal control requirements over federal awards that provides reasonable assurance the entity is managing the federal award in compliance with Federal Statutes.

Condition:
The City did not properly design or implement internal controls over allowable activities, allowable costs and period of performance as it pertained to force equipment charges. In addition, the City did not properly design or implement internal controls over reporting.

CITY OF OREGON CITY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Cause:
The City based force equipment charges on information tracked on employee trim sheets and public works detail reports, however, no review or approval occurred of these reports. The City had one employee preparing and submitting the grant reports, and no review occurred.

Effect:
The force equipment charges charged to the program, or the grant reports submitted to the State of Oregon may be materially misstated or include errors.

Questioned Costs:
None

Recommendations:
The City should implement an in-depth review of force equipment charges and grant reports to ensure charges to the grant are allowable and within the period of performance and reports submitted are accurate.

Views of responsible officials:
Management understands the requirement for secondary review and approval both at the source level (transactions generated by departments and the approval and submission of grant reports) and will actively implement and execute these steps into the internal control policy.

CITY OF OREGON CITY

Staff Report

625 Center Street
Oregon City, OR 97045
503-657-0891

To: City Commission Agenda Date: 01/04/2023
From: City Recorder Jakob Wiley

SUBJECT:

Mayoral Appointments to City Boards and Committees

The following Board and Committee appointments are made for the terms as shown:

Arts Commission

- Josh Planton (Citizen Representative): 2nd term – 1/1/23 – 12/31/25
- Emma Lugo (At Large): 2nd term – 1/1/23 – 12/31/25
- Quire Leah Hugon (At Large): 1st term – 1/1/23 – 12/31/25

Budget Committee

- Laurie Ariniello: 1/1/23 – 12/31/26
- Andie Lane (remainder of vacated position term): 1/1/21 – 12/31/24

Citizen Involvement Committee

- Dan Berge (Caufield NA): 1/1/23 – 12/31/24

Library Board

- Ashley Lookenhouse (City Resident): 1st term – 1/1/23 – 12/31/26
- Cynthia Andrews (Non-Resident): 2nd term 1/1/23 – 12/31/26

Planning Commission – voted on by Commission and will be sworn in in January

- Paul Espe: 1st term – 1/1/23 – 12/31/26
- Karla Laws: 1st term – 1/1/23 – 12/31/26

Historic Review Board – voted on by Commission and will be sworn in in January

- Tim Powell (McLoughlin Neighborhood - remainder of vacated position term): 1st term 1/1/21 – 12/31/23
- Robert Greene (Canemah Neighborhood): 1st term 1/1/23 – 12/31/25

Parks and Recreation Advisory Committee (PRAC)

- Timothy Lainhart: 2nd term – 1/1/23 – 12/31/25
- Joyce Gifford: 1st term – 1/1/23 – 12/31/25

CITY OF OREGON CITY

Staff Report

625 Center Street
Oregon City, OR 97045
503-657-0891

To: City Commission **Agenda Date:** 01/04/2023

From: City Recorder Jakob Wiley

SUBJECT:

Updates to the City Commissioner's Committee Assignments

BACKGROUND:

The current committee assignments are as follows:

- **Beavercreek Employment Area Blue Ribbon Committee** - *Commissioner Frank O'Donnell*
- **Citizen Involvement Committee Liaison** - *Commissioner Adam Marl*
- **Clackamas County Coordinating Committee (C4)** - Appointed: *Commissioner Adam Marl*
- **Clackamas County Coordinating Committee (C4) – Metro Subcommittee** - Appointed: *Commissioner O'Donnell*
- **Clackamas County I-205 Tolling Diversion Committee** - Appointed: *Commissioner Adam Marl* Alternate: *Commissioner Frank O'Donnell*
- **Clackamas Heritage Partners** - *Commissioner Rocky Smith, Jr.*
- **Clackamas Water Environment Services Policy Committee** - Appointed: *Commissioner Denyse McGriff*
- **Downtown Oregon City Association Board** - *Commissioner Denyse McGriff*
- **Metro Policy Advisory Committee (MPAC)** - Appointed: *Commissioner Denyse McGriff*
- **OC 2040 Project Advisory Team** - Appointed: *Commissioners Adam Marl and Denyse McGriff*
- **Oregon City Tourism Stakeholder's Group** - Appointed: *Commissioners Frank O'Donnell and Rocky Smith, Jr.*

- **Oregon City/West Linn Pedestrian and Bicycle Bridge Concept Plan Project Advisory Committee** - Appointed: *Commissioner Denyse McGriff*

- **South Fork Water Board (SFWB)** – *Commission President Denyse McGriff, Commissioners Frank O'Donnell, and Rocky Smith, Jr.*

- **Willamette Falls and Landings Heritage Area** - Appointed: *Commissioner Denyse McGriff* Alternate: *Commissioner Frank O'Donnell*

- **Willamette Falls Legacy Project Liaisons** - *Commissioner Frank O'Donnell*