



CITY OF OREGON CITY

CITY COMMISSION REGULAR MEETING

AGENDA

Commission Chambers, Libke Public Safety Facility, 1234 Linn Ave, Oregon City
Wednesday, January 03, 2024 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.](#) Election and Oath of Office for Commission President for 2024

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.](#) OLCC: Liquor License Application – Full On-Premises, Other Public Location for Shattered Oak Brewing (dba The Hive Taphouse), 13851 Beavercreek Rd., C-104, Oregon City

[7b.](#) Public Improvement Contract with Trench Line Excavation, Inc. for the Clairmont Area Waterline Replacements Phase 2 Project (CI 22-010)

[7c.](#) Mountain View Cemetery Veterans Memorial Renovation

[7d.](#) Mountain View Cemetery – Addition of New Niche Columbarium Wall

8. PUBLIC HEARINGS

9. GENERAL BUSINESS

[9a.](#) City Commission 4th of July celebration discussion

[9b.](#) City Commission Work Session Agenda Items Review

10. COMMUNICATIONS

City Manager

[a.](#) Annual Comprehensive Financial Report for the Fiscal Year ending June 30, 2023

Commissioners

Mayor

[b.](#) Mayoral Appointments to Boards and Committees for 2024

[c.](#) Updates to the City Commissioner's Committee Assignments

11. ADJOURNMENT

ORDINANCE NOTICE

If an ordinance is noticed above in this agenda, the text of the ordinance is available online with the posted agenda packet. In addition, three copies are provided for public review in the Office of the City Recorder upon request.

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.



OATH OF OFFICE



I, _____, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of Oregon, along with the Oregon City Municipal Charter and Code. I will to the best of my ability, faithfully perform the duties of Commission President during my incumbency thereof.

Commission President

DENYSE C. MCGRIFF
Mayor of Oregon City

Date: January 3, 2024



CITY OF OREGON CITY

Staff Report

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

To: City Commission
From: Chief of Police Shaun Davis

Agenda Date: 1/3/2024

SUBJECT:

OLCC: Liquor License Application – Full On-Premises, Other Public Location for Shattered Oak Brewing (dba The Hive Taphouse), 13851 Beaver Creek Rd., C-104, Oregon City

STAFF RECOMMENDATION:

Staff recommends the City Commission approve the OLCC Application for Shattered Oak Brewing (dba The Hive Taphouse), 13851 Beaver Creek Rd., C-104, Oregon City

EXECUTIVE SUMMARY:

The attached application is for an OLCC Full On-Premises, Other Public Location license for Shattered Oak Brewing (dba The Hive Taphouse).

BACKGROUND:

The Oregon City Police Department ran a background check on Brandon Neldner, and he is eligible to hold a liquor license. All applicants must obtain an Oregon City business license before submitting their application for an OLCC liquor license. The Oregon City business license application process includes routing of the application for review through various City departments.

OPTIONS:

1. Approve the OLCC Application for Shattered Oak Brewing (dba The Hive Taphouse) – Oregon City
2. Deny the OLCC Application for Shattered Oak Brewing (dba The Hive Taphouse) – Oregon City

BUDGET IMPACT:

Amount:

FY(s):

Funding Source(s):

LIQUOR LICENSE APPLICATION

Item 7a.

Page 1 of 4

Check the appropriate license request option:

☐ New Outlet | ☐ Change of Ownership | ☒ Greater Privilege | ☐ Additional Privilege

Select the license type you are applying for.

More information about all license types is available [online](#).

Full On-Premises

- ☐ Commercial
- ☐ Caterer
- ☐ Public Passenger Carrier
- ☒ Other Public Location
- ☐ For Profit Private Club
- ☐ Nonprofit Private Club

Winery

- ☐ Primary location
- Additional locations: ☐ 2nd ☐ 3rd ☐ 4th ☐ 5th

Brewery

- ☐ Primary location
- Additional locations: ☐ 2nd ☐ 3rd

Brewery-Public House

- ☐ Primary location
- Additional locations: ☐ 2nd ☐ 3rd

Grower Sales Privilege

- ☐ Primary location
- Additional locations: ☐ 2nd ☐ 3rd

Distillery

- ☐ Primary location
- Additional tasting locations: (Use the DISTT form [HERE](#))

☐ Limited On-Premises

☐ Off Premises

☐ Warehouse

☐ Wholesale Malt Beverage and Wine

LOCAL GOVERNMENT USE ONLY

LOCAL GOVERNMENT

After providing your recommendation, return this form to the applicant **WITH** the recommendation marked below

Name of City OR County (not both)

Please make sure the name of the Local Government is printed legibly or stamped below

Date application received:

Optional: Date Stamp Received Below

- ☐ Recommend this license be granted
- ☐ Recommend this license be denied
- ☐ No Recommendation/Neutral

Printed Name

Date

Signature

Trade Name

LIQUOR LICENSE APPLICATION

Item 7a.

Page 2 of 4

APPLICANT INFORMATION

Identify the applicants applying for the license. This is the entity (example: corporation or LLC) or individual(s) applying for the license. Please add an additional page if more space is needed.

Name of entity or individual applicant #1:
Shattered OAK Brewing / DBA The Hive Taphouse
BRANDON NEIDNER

Name of entity or individual applicant #2:

Name of entity or individual applicant #3:

Name of entity or individual applicant #4:

BUSINESS INFORMATION

Trade Name of the Business (name customers will see):

Shattered OAK Brewing / DBA The Hive Taphouse

Premises street address (The physical location of the business and where the liquor license will be posted):

13851 Beavercreek RD C-104

City:
oregon city

Zip Code:
97045

County:
clackamas

Business phone number:
503 305 5055

Business email:
BRANDON@SHATTERED-OAK.COM

Business mailing address (where we will send any items by mail as described in OAR 845-004-0065(1)):

Same as ABOVE

City:

State:

Zip Code:

Does the business address currently have an OLCC liquor license? ☒ Yes ☐ No

Does the business address currently have an OLCC marijuana license? ☐ Yes ☒ No

APPLICATION CONTACT INFORMATION – Provide the point of contact for this application. If this individual is not an applicant or licensee, the Authorized Representative Form must be completed and submitted with this application.

Application Contact Name: BRANDON NEIDNER

Phone number:
971-227-6785

Email:
BRANDON@SHATTERED-OAK.COM

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LIQUOR LICENSE APPLICATION

Item 7a.

Page 4 of 4

Applicant Signature(s): Each individual listed in the applicant information box on page 2 (entity or individuals applying for the license) must sign the application.

If an applicant listed in the applicant information box on page 2 is an entity (such as a corporation or limited liability company), at least one member or officer of the entity must sign the application.

- Each applicant listed in the “Application Information” section of this form has read and understands OAR 845-006-0362 and attests that:

1. Upon licensure, each licensee is responsible for the conduct of others on the licensed premises, including in outdoor areas.
2. The licensed premises will be controlled to promote public safety and prevent problems and violations, with particular emphasis on preventing minors from obtaining or consuming alcoholic beverages, preventing over-service of alcoholic beverages, preventing open containers of alcoholic beverages from leaving the licensed premises unless allowed by OLCC rules, and preventing noisy, disorderly, and unlawful activity on the licensed premises.

I attest that all answers on all forms and documents, and all information provided to the OLCC as a part of this application, are true and complete.

<u>BRANDON HELDNER</u>	<u>Brandon Heldner</u>	<u>12-1-23</u>
Applicant name	Signature	Date
_____	_____	_____
Applicant name	Signature	Date
_____	_____	_____
Applicant name	Signature	Date
_____	_____	_____
Applicant name	Signature	Date
_____	_____	_____

Applicant/Licensee Representative(s): If you would like to designate a person/entity to act on your behalf you must complete the Authorized Representative Form. You may submit the form with the application or anytime thereafter. The form must be received by the OLCC before the representative can receive or submit information for the applicant.

Please note that applicants/licensees are responsible for all information provided, even if an authorized representative submits additional forms on behalf of the applicant.



OREGON LIQUOR & CANNABIS COMMISSION

INDIVIDUAL HISTORY FORM

PRINT FORM

RESET FORM

1. Name (Print):	NELDNER Last		BRANDON First	Eugene Middle
2. Other names used (maiden, other):				
3. Do you have a Social Security Number (SSN) issued by the United States Social Security Administration? Yes ☒ No ☐ If yes, you must list your SSN: 543-17-1319				
SOCIAL SECURITY NUMBER DISCLOSURE: As part of your application for an initial or renewal license, Federal and State laws require you to provide your Social Security Number (SSN) to the Oregon Liquor Control Commission (OLCC) for child support enforcement purposes (42 USC § 666(a)(13) & ORS 25.785). If you are an applicant or licensee and fail to provide your SSN, the OLCC may refuse to process your application. Your SSN will be used only for child support enforcement purposes unless you indicate below. Based on our authority under ORS 471.311 and OAR 845-005-0312(6), we are requesting your <u>voluntary</u> consent to use your SSN for the following administrative purposes only: to match your license application to your Alcohol Server Education records (where applicable), and to ensure your identity for criminal records checks. OLCC will not deny you any rights, benefits or privileges otherwise provided by law if you do not consent to use of your SSN for these administrative purposes (5 USC § 552(a).				
4. Do you consent to the OLCC's use of my SSN as described above? Check this box: ☒				
5. Date of Birth (DOB):	01 (mm)	31 (dd)	1976 (yyyy)	
6. Driver License or State ID #: 5304194			7. State OR	
8. Contact Phone: 971-227-6785				
9. E-mail Address: BRANDON@SHATTERED-OAK.COM				
10. Mailing Address:	18441 S. Ferguson RD (Number and Street)	Oregon City (City)	OR (State)	97045 (Zip Code)
11. In the past 10 years, have you been convicted of a felony or a misdemeanor in a U.S. state outside of Oregon? No ☒ Yes ☐ (If yes, explain in the space provided, below) Unsure ☐ Choose this option and provide an explanation if, for example: you were arrested or went to court, but are unsure of whether there was a conviction; you paid a fine or served probation or parole, but are unsure of whether there was a conviction; or if you know you had a conviction, but you are unsure of whether the conviction has been removed from your record, etc.				



OREGON LIQUOR & CANNABIS COMMISSION

INDIVIDUAL HISTORY FORM

12. Do you, or any entity that you are a part of, currently hold or have you previously held a recreational marijuana license in Oregon? (Note: marijuana worker permits are not marijuana licenses.)

No ☒ Yes ☐ Please list licenses (and year(s) licensed) below Unsure ☐ Please include an explanation:

13. Do you, or any entity that you are a part of, hold an alcohol license in a U.S. state outside of Oregon?

No ☒ Yes ☐ Please list licenses (and year(s) licensed) below Unsure ☐ Please include an explanation:

14. Do you or any entity that you are a part of, have any other liquor license applications pending with the OLCC?

No ☒ Yes ☐ Please list applications below Unsure ☐ Please include an explanation:

You must sign your own form (electronic signature acceptable). Another individual, such as your attorney or an individual with power of attorney, **may not** sign your form.

Affirmation

Even if I receive assistance in completing this form, I affirm by my signature below, that my answers on this form are true and complete. I understand the OLCC will use the above information to check my records, including but not limited to my criminal history. I understand that if my answers are not true and complete, the OLCC may deny my license application.

Name (Print):	HELDNER Last	BRANDON First	Eugene Middle
Signature:	Brandon Aldner		Date: 12-6-23

This box for OLCC use ONLY

Does the individual currently hold, or has the individual previously held, an OLCC- issued liquor license?



CITY OF OREGON CITY

Staff Report

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

To: City Commission
From: Public Works Director John M. Lewis, PE

Agenda Date: 01/03/2024

SUBJECT:

Public Improvement Contract with Trench Line Excavation, Inc. for the Clairmont Area Waterline Replacements Phase 2 Project (CI 22-010)

STAFF RECOMMENDATION:

Award the bid and authorize the City Manager to execute the Public Improvement Contract with Trench Line Excavation, Inc. in the amount of \$1,532,999.00 for construction of the Clairmont Area Waterline Replacements Phase 2 (CI 22-010).

EXECUTIVE SUMMARY:

This project will replace the old cast iron waterlines with new ductile iron pipes. In addition, new water services, pressure reducing valves and fire hydrants will be installed.

BACKGROUND:

The waterlines being replaced, as part of this project, are due to being undersized for the current (and future) needs of the Clairmont Neighborhood and the cast iron pipe has a history of leaks. Because of this, these waterlines were identified in the 2012 Water Master Plan (CIP-7). Replacement of these pipes will increase fire flow capacity, improve water quality, and will complete the CIP-7 projects from the 2012 Water Master Plan.

On November 29, and December 6, 2023, this project was advertised in the *Daily Journal of Commerce*, and the City bid site, in accordance with City and State contracting procedures. The bid opening was held on December 19, 2023, and twelve (12) bids were received. Of the 12 bids, 11 were responsive bids and one (1) was found to be non-responsive. Staff and consultants, Century West Engineering, reviewed the bids and determined Trench Line Excavation, Inc. was the low responsive bidder. The contract award value is one million, five hundred thirty-two thousand, nine hundred and ninety-nine dollars (\$1,532,999.00).

The list below includes the bidders and bid amounts received for this project:

Trench Line Excavation, Inc.	\$1,532,999.00
Pacific Excavation, Inc.	\$1,787,000.00
Canby Excavating, Inc.	\$1,837,639.00
Moore Excavation, Inc.	\$1,956,970.00
M.L. Houck Construction Co.	\$1,958,273.00
Lawson Corp.	\$1,983,729.00
Clark and Sons Excavating, Inc.	\$1,986,329.00
Nutter Corporation	\$2,003,938.00
McDonald Excavating, Inc.	\$2,025,345.00
Dark Horse Construction, LLC	\$2,168,012.00
Enterprises Northwest, Inc.	\$2,261,420.00
 *ICON Construction & Development	 \$1,679,602.00
 Engineer's Estimate	 \$1,831,188.00

* The bid submitted by ICON Construction & Development did not include the required Water Infrastructure Finance and Innovation Act (WIFIA) Funded Project Acknowledgement Form; therefore, their bid is deemed, "non-responsive".

The bidding was close in value, with the top two bidders being under the engineer's estimate.

Construction will occur during the Spring and Summer of 2024. Completion of project work is anticipated to be done July 2024.

OPTIONS:

1. Authorize the City Manager to execute the Public Improvement Contract with Trench Line Excavation, Inc.
2. Authorize the City Manager to execute the Public Improvement Contract with Trench Line Excavation, Inc, specific modifications.
3. Deny the Public Improvement Contract. If the Commission chooses to deny the Contract, staff requests direction on how to proceed.

BUDGET IMPACT:

Amount: \$1,532,999.00
 Fiscal Year(s): 2023/24
 Funding Source(s): Water Fund

SECTION III A **CONTRACT AGREEMENT**

This Agreement, made and entered into this ____ day of _____, 20____, between the CITY OF OREGON CITY (“CITY”), acting by and through the City Commission and **TRENCH LINE EXCAVATION, INC.** (“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: **CLAIRMONT AREA WATERLINE REPLACEMENTS: PHASE 2 (CI 22-010)** 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 Submittal Requirements and Forms Contract Agreement Oregon City Public Improvement Standard Conditions Statutory Conditions to Contract Agreement Payment Bond Performance Bond State of Oregon Statutory Public Works Bond Prevailing Wage Rates	Section VI WIFIA Requirements Standard General Conditions Special Provisions Archaeological Monitoring Plan (AMP) Inadvertent Discovery Plan (IDP) Utility Potholing Data Sheets Contract Drawings City of Oregon City Standard Details 2021 Oregon Standard Specifications for Construction (ODOT and APWA) as referenced by these documents All items included within these Contract Documents. Addendum 1 – dated December 6, 2023 Addendum 2 - dated December 14, 2023
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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 complete within **(90)** days from the authorized start date for On-site work as identified in the Notice to Proceed.

ARTICLE III – Contract Amount

The Contract Amount for the work covered by this Agreement is estimated to be one million, five hundred thirty-two thousand, nine hundred ninety-nine dollars **(\$1,532,999.00)**.

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

TRENCH LINE EXCAVATION, INC.

By: _____
Anthony J. Konkol III
City Manager

Printed Name

By: _____
John M. Lewis, P.E.
Public Works Director

By: _____
Authorized Signature

Title: _____

Approved as to Legal Sufficiency

Date: _____

By: _____
City Attorney

Address: _____

City Commission Award Date:

Federal Taxpayer ID Number

Client City of Oregon City
Clairmont Waterline Replacement Project - Phase 2 - CI 22-010
Bid Tabulation
Date: 12/20/23 9:40 AM

Apparent Low	Other Bidders
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Non-Responsive

Item	Description	Units	Quantity	Engineers Estimate		TRENCH LINE EXCAVATION		CANBY EXCAVATING INC		CLARK & SONS EXCAVATING		DARK HORSECONSTRUCTION LLC		ENTERPRISE NORTHWEST		LAWSON CORP		MCDONALD EXCAVATING		ML HOUCK CONSTRUCTION		MOORE EXCAVATION		NUTTER CORP		PACIFIC EXCAVATION		ICON CONSTRUCTION	
				Unit Price	Extended	Unit Price	Extended	Unit Price	Extended	Unit Price	Extended	Unit Price	Extended	Unit Price	Extended	Unit Price	Extended	Unit Price	Extended	Unit Price	Extended	Unit Price	Extended	Unit Price	Extended	Unit Price	Extended	Unit Price	Extended
1	Extra Work as Authorized (00197)	LS	1	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	
2	Mobilization (00210)	LS	1	\$ 180,000.00	\$ 180,000.00	\$ 52,103.81	\$ 52,103.81	\$ 168,000.00	\$ 168,000.00	\$ 75,000.00	\$ 75,000.00	\$ 105,390.00	\$ 105,390.00	\$ 86,024.00	\$ 86,024.00	\$ 50,000.00	\$ 50,000.00	\$ 135,000.00	\$ 135,000.00	\$ 121,500.00	\$ 121,500.00	\$ 132,000.00	\$ 132,000.00	\$ 180,000.00	\$ 180,000.00	\$ 148,546.00	\$ 148,546.00	\$ 62,500.00	\$ 62,500.00
3	Temporary Protection and Direction of Traffic (00221)	LS	1	\$ 50,000.00	\$ 50,000.00	\$ 14,259.31	\$ 14,259.31	\$ 85,000.00	\$ 85,000.00	\$ 51,850.00	\$ 51,850.00	\$ 108,734.00	\$ 108,734.00	\$ 82,734.00	\$ 82,734.00	\$ 10,000.00	\$ 10,000.00	\$ 63,000.00	\$ 63,000.00	\$ 128,150.00	\$ 128,150.00	\$ 45,000.00	\$ 45,000.00	\$ 175,000.00	\$ 175,000.00	\$ 50,000.00	\$ 50,000.00	\$ 30,000.00	\$ 30,000.00
4	Erosion Control (00280)	LS	1	\$ 10,000.00	\$ 10,000.00	\$ 4,429.97	\$ 4,429.97	\$ 5,000.00	\$ 5,000.00	\$ 4,680.00	\$ 4,680.00	\$ 5,300.00	\$ 5,300.00	\$ 1,872.00	\$ 1,872.00	\$ 2,500.00	\$ 2,500.00	\$ 6,000.00	\$ 6,000.00	\$ 8,500.00	\$ 8,500.00	\$ 10,000.00	\$ 10,000.00	\$ 25,000.00	\$ 25,000.00	\$ 20,000.00	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00
5	Construction Survey Work (00305)	LS	1	\$ 15,000.00	\$ 15,000.00	\$ 10,928.00	\$ 10,928.00	\$ 11,000.00	\$ 11,000.00	\$ 11,500.00	\$ 11,500.00	\$ 8,592.00	\$ 8,592.00	\$ 11,488.00	\$ 11,488.00	\$ 11,500.00	\$ 11,500.00	\$ 12,000.00	\$ 12,000.00	\$ 13,000.00	\$ 13,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 11,500.00	\$ 11,500.00	\$ 17,500.00	\$ 17,500.00
6	Rock Excavation (00405)	CY	220	\$ 250.00	\$ 55,000.00	\$ 67.88	\$ 14,933.60	\$ 225.00	\$ 49,500.00	\$ 545.00	\$ 119,900.00	\$ 171.90	\$ 37,818.00	\$ 85.00	\$ 18,700.00	\$ 160.00	\$ 35,200.00	\$ 150.00	\$ 33,000.00	\$ 250.00	\$ 55,000.00	\$ 150.00	\$ 33,000.00	\$ 165.00	\$ 36,300.00	\$ 100.00	\$ 22,000.00	\$ 160.00	\$ 35,200.00
7	Boulder Excavation (00405)	CY	220	\$ 250.00	\$ 55,000.00	\$ 72.12	\$ 15,866.40	\$ 125.00	\$ 27,500.00	\$ 581.00	\$ 127,820.00	\$ 161.25	\$ 35,475.00	\$ 104.50	\$ 22,990.00	\$ 158.00	\$ 34,760.00	\$ 160.00	\$ 35,200.00	\$ 140.00	\$ 30,800.00	\$ 150.00	\$ 33,000.00	\$ 100.00	\$ 22,000.00	\$ 40.00	\$ 8,800.00	\$ 150.00	\$ 33,000.00
8	Trench Foundation (00405)	CY	110	\$ 40.00	\$ 4,400.00	\$ 109.15	\$ 12,006.50	\$ 75.00	\$ 8,250.00	\$ 100.00	\$ 11,000.00	\$ 140.80	\$ 15,488.00	\$ 78.50	\$ 8,635.00	\$ 134.00	\$ 14,740.00	\$ 135.00	\$ 14,850.00	\$ 91.00	\$ 10,010.00	\$ 10.00	\$ 1,100.00	\$ 75.00	\$ 8,250.00	\$ 175.00	\$ 19,250.00	\$ 65.00	\$ 7,150.00
9	Dewatering (00405)	LS	1	\$ 30,000.00	\$ 30,000.00	\$ 13,201.03	\$ 13,201.03	\$ 20,000.00	\$ 20,000.00	\$ 17,550.00	\$ 17,550.00	\$ 7,810.00	\$ 7,810.00	\$ 28,365.00	\$ 28,365.00	\$ 10,000.00	\$ 10,000.00	\$ 2,500.00	\$ 2,500.00	\$ 5,000.00	\$ 5,000.00	\$ 1,000.00	\$ 1,000.00	\$ 30,000.00	\$ 30,000.00	\$ 6,000.00	\$ 6,000.00	\$ 10,000.00	\$ 10,000.00
10	CLSM (00442)	CY	100	\$ 150.00	\$ 15,000.00	\$ 221.56	\$ 22,156.00	\$ 180.00	\$ 18,000.00	\$ 292.00	\$ 29,200.00	\$ 265.40	\$ 26,540.00	\$ 465.00	\$ 46,500.00	\$ 275.00	\$ 27,500.00	\$ 300.00	\$ 30,000.00	\$ 274.75	\$ 27,475.00	\$ 150.00	\$ 15,000.00	\$ 200.00	\$ 20,000.00	\$ 200.00	\$ 20,000.00	\$ 125.00	\$ 12,500.00
11	Abandon Existing Pipe (00490)	LF	4,924	\$ 7.00	\$ 34,468.00	\$ 5.46	\$ 26,885.04	\$ 12.00	\$ 59,088.00	\$ 4.00	\$ 19,696.00	\$ 4.75	\$ 23,389.00	\$ 9.50	\$ 46,778.00	\$ 7.00	\$ 34,468.00	\$ 5.00	\$ 24,620.00	\$ 6.75	\$ 33,237.00	\$ 5.00	\$ 24,620.00	\$ 8.00	\$ 39,392.00	\$ 6.00	\$ 29,544.00	\$ 3.00	\$ 14,772.00
12	Level 2, 1/2 Inch ACP Mixture, Temporary, 2 Inches Depth (00744)	SY	2,060	\$ 30.00	\$ 61,800.00	\$ 19.49	\$ 40,149.40	\$ 25.00	\$ 51,500.00	\$ 36.00	\$ 74,160.00	\$ 27.50	\$ 56,650.00	\$ 60.00	\$ 123,600.00	\$ 40.50	\$ 83,430.00	\$ 12.00	\$ 24,720.00	\$ 67.50	\$ 139,050.00	\$ 20.00	\$ 41,200.00	\$ 17.00	\$ 35,020.00	\$ 30.00	\$ 61,800.00	\$ 22.00	\$ 45,320.00
13	Level 2, 1/2 Inch ACP Mixture (00744)	TN	510	\$ 190.00	\$ 96,900.00	\$ 242.46	\$ 123,654.60	\$ 325.00	\$ 165,750.00	\$ 208.00	\$ 106,080.00	\$ 259.00	\$ 132,090.00	\$ 192.00	\$ 97,920.00	\$ 262.50	\$ 133,875.00	\$ 330.00	\$ 168,300.00	\$ 303.00	\$ 154,530.00	\$ 275.00	\$ 140,250.00	\$ 242.00	\$ 123,420.00	\$ 270.00	\$ 137,700.00	\$ 201.00	\$ 102,510.00
14	8 Inch Potable Water Pipe, Fittings and Couplings with Restrained Joints and Class B Backfill (01140)	LF	4,924	\$ 130.00	\$ 640,120.00	\$ 128.75	\$ 633,965.00	\$ 121.50	\$ 598,266.00	\$ 146.00	\$ 718,904.00	\$ 149.00	\$ 733,676.00	\$ 193.00	\$ 950,332.00	\$ 144.00	\$ 709,056.00	\$ 170.00	\$ 837,080.00	\$ 119.75	\$ 589,649.00	\$ 175.00	\$ 861,700.00	\$ 144.00	\$ 709,056.00	\$ 140.00	\$ 689,360.00	\$ 150.00	\$ 738,600.00
15	Extra for Encasing Sanitary Sewer Lines (01140)	EA	10	\$ 5,000.00	\$ 50,000.00	\$ 1,779.64	\$ 17,796.40	\$ 1,785.00	\$ 17,850.00	\$ 1,930.00	\$ 19,300.00	\$ 2,625.00	\$ 26,250.00	\$ 551.00	\$ 5,510.00	\$ 2,700.00	\$ 27,000.00	\$ 1,075.00	\$ 10,750.00	\$ 2,398.00	\$ 23,980.00	\$ 1,500.00	\$ 15,000.00	\$ 1,300.00	\$ 13,000.00	\$ 1,100.00	\$ 11,000.00	\$ 1,250.00	\$ 12,500.00
16	Connection to Existing at Bedford Dr and Clairmont Wy (01140)	EA	1	\$ 6,000.00	\$ 6,000.00	\$ 4,724.89	\$ 4,724.89	\$ 4,765.00	\$ 4,765.00	\$ 5,929.00	\$ 5,929.00	\$ 4,144.00	\$ 4,144.00	\$ 6,795.00	\$ 6,795.00	\$ 2,600.00	\$ 2,600.00	\$ 1,600.00	\$ 1,600.00	\$ 9,786.00	\$ 9,786.00	\$ 7,500.00	\$ 7,500.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 3,500.00	\$ 3,500.00
17	Connection to Existing at Whitney Ln and Clairmont Wy (01140)	EA	1	\$ 5,000.00	\$ 5,000.00	\$ 5,314.15	\$ 5,314.15	\$ 7,650.00	\$ 7,650.00	\$ 6,060.00	\$ 6,060.00	\$ 8,838.00	\$ 8,838.00	\$ 10,975.00	\$ 10,975.00	\$ 3,025.00	\$ 3,025.00	\$ 3,300.00	\$ 3,300.00	\$ 9,189.00	\$ 9,189.00	\$ 9,500.00	\$ 9,500.00	\$ 7,000.00	\$ 7,000.00	\$ 7,500.00	\$ 7,500.00	\$ 3,500.00	\$ 3,500.00
18	Connection to Existing at Autumn Ln and Meyers Rd (01140)	EA	1	\$ 6,000.00	\$ 6,000.00	\$ 4,885.60	\$ 4,885.60	\$ 4,750.00	\$ 4,750.00	\$ 18,052.00	\$ 18,052.00	\$ 5,540.00	\$ 5,540.00	\$ 6,882.00	\$ 6,882.00	\$ 6,300.00	\$ 6,300.00	\$ 1,575.00	\$ 1,575.00	\$ 6,449.00	\$ 6,449.00	\$ 8,500.00	\$ 8,500.00	\$ 7,000.00	\$ 7,000.00	\$ 15,000.00	\$ 15,000.00	\$ 3,500.00	\$ 3,500.00
19	Connection to Existing at Autumn Ln and Clairmont Wy (01140)	EA	1	\$ 5,000.00	\$ 5,000.00	\$ 5,421.29	\$ 5,421.29	\$ 8,100.00	\$ 8,100.00	\$ 22,500.00	\$ 22,500.00	\$ 8,508.00	\$ 8,508.00	\$ 8,677.00	\$ 8,677.00	\$ 5,625.00	\$ 5,625.00	\$ 3,750.00	\$ 3,750.00	\$ 9,142.00	\$ 9,142.00	\$ 11,500.00	\$ 11,500.00	\$ 7,000.00	\$ 7,000.00	\$ 8,000.00	\$ 8,000.00	\$ 3,500.00	\$ 3,500.00
20	1 Inch Combination Air Release/Air Vacuum Valve Assembly (01150)	EA	4	\$ 4,000.00	\$ 16,000.00	\$ 1,509.02	\$ 6,036.08	\$ 3,680.00	\$ 14,720.00	\$ 2,085.00	\$ 8,340.00	\$ 4,609.00	\$ 18,436.00	\$ 5,001.00	\$ 20,004.00	\$ 2,800.00	\$ 11,200.00	\$ 3,850.00	\$ 15,400.00	\$ 4,525.00	\$ 18,100.00	\$ 3,500.00	\$ 14,000.00	\$ 5,000.00	\$ 20,000.00	\$ 2,500.00	\$ 10,000.00	\$ 4,400.00	\$ 17,600.00
21	8 Inch Gate Valve with Restrained Joints (01150)	EA	17	\$ 2,500.00	\$ 42,500.00	\$ 2,117.53	\$ 35,998.01	\$ 2,200.00	\$ 37,400.00	\$ 2,378.00	\$ 40,426.00	\$ 2,331.00	\$ 39,627.00	\$ 2,831.00	\$ 48,127.00	\$ 2,550.00	\$ 43,350.00	\$ 2,500.00	\$ 42,500.00	\$ 2,246.00	\$ 38,182.00	\$ 2,500.00	\$ 42,500.00	\$ 2,500.00	\$ 42,500.00	\$ 2,500.00	\$ 42,500.00	\$ 2,750.00	\$ 46,750.00
22	Hydrant Assemblies (01160)	EA	10	\$ 9,000.00	\$ 90,000.00	\$ 7,747.13	\$ 77,471.30	\$ 8,300.00	\$ 83,000.00	\$ 9,127.00	\$ 91,270.00	\$ 12,333.00	\$ 123,330.00	\$ 14,742.00	\$ 147,420.00	\$ 10,000.00	\$ 100,000.00	\$ 9,200.00	\$ 92,000.00	\$ 8,610.00	\$ 86,100.00	\$ 7,500.00	\$ 75,000.00	\$ 8,000.00	\$ 80,000.00	\$ 10,500.00	\$ 105,000.00	\$ 9,100.00	\$ 91,000.00
23	1 inch Water Service Replacement, Short Run (01170)	EA	58	\$ 2,500.00	\$ 145,000.00	\$ 3,012.43	\$ 174,720.94	\$ 2,725.00	\$ 158,050.00	\$ 2,994.00	\$ 173,652.00	\$ 4,749.00	\$ 275,442.00	\$ 3,765.00	\$ 218,370.00	\$ 4,700.00	\$ 272,600.00	\$ 3,400.00	\$ 197,200.00	\$ 3,138.00	\$ 182,004.00	\$ 3,200.00	\$ 185,600.00	\$ 3,000.00	\$ 174,000.00	\$ 2,500.00	\$ 145,000.00	\$ 2,650.00	\$ 153,700.00
24	1 inch Water Service Replacement, Long Run (01170)	EA	50	\$ 3,250.00	\$ 162,500.00	\$ 3,213.59	\$ 160,679.50	\$ 3,450.00	\$ 172,500.00	\$ 3,355.00	\$ 167,750.00	\$ 5,988.00	\$ 299,400.00	\$ 4,178.00	\$ 208,900.00	\$ 5,900.00	\$ 295,000.00	\$ 4,200.00	\$ 210,000.00	\$ 3,950.00	\$ 197,500.00	\$ 3,600.00	\$ 180,000.00	\$ 3,500.00	\$ 175,000.00	\$ 3,000.00	\$ 150,000.00	\$ 3,200.00	\$ 160,000.00
25	Temporary Water Service Connections	LS	1	\$ 5,500.00	\$ 5,500.00	\$ 5,412.18	\$ 5,412.18	\$ 12,000.00	\$ 12,000.00	\$ 15,710.00	\$ 15,710.00	\$ 11,545.00	\$ 11,545.00	\$ 3,822.00	\$ 3,822.00	\$ 10,000.00	\$ 10,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,940.00	\$ 11,940.00	\$ 10,000.00	\$ 10,000.00	\$ 8,000.00	\$ 8,000.00	\$ 11,500.00	\$ 11,500.00	\$ 15,000.00	\$ 15,000.00
TOTAL (ITEMS 1 TO 25)					\$ 1,831,188.00	-16.3%	\$ 1,532,999.00	0.4%	\$ 1,837,639.00	8.5%	\$ 1,986,329.00	18.4%	\$ 2,168,012.00	23.5%	\$ 2,261,420.00	8.3%	\$ 1,983,729.00	10.6%	\$ 2,025,345.00	6.9%	\$ 1,958,273.00	6.9%	\$ 1,956,970.00	9.4%	\$ 2,003,938.00	-2.4%	\$ 1,787,000.00	-8.3%	\$ 1,679,602.00
Incorrect Bid Total =				\$ 2,295,818.00																									

December 20, 2023

John Burrell
City of Oregon City
13895 Fir Street
Oregon City, Oregon 97045

Re: Clairmont Area Waterline Replacements Project - Phase 2
OC Project No. CI 22-010
Recommendation to Award

Dear John:

On December 19, 2023, twelve (12) bids were received to construct the above referenced project. The bids ranged from \$1,532,999.00 to \$2,295,818.00, with the Engineer's estimate of probable construction cost identified as \$1,831,188.00.

There was a summation error found in the total amount of Enterprise Northwest's bid. The bid proposal total was \$2,295,818.00, while the actual total is \$2,261,420, a difference of \$34,398.00. The error has no effect on selection of the low bid. No other errors were found.

The following bids have been deemed non-responsive and are therefore rejected:

(1) Icon Construction – for not submitting the WIFIA Funded Project Acknowledgment form.

The lowest responsive and responsible bid was submitted by Trenchline Excavation Inc of Corvallis, Oregon in the amount of 1,532,999.00.

Based upon review of the bid submissions received and verification of the required bid documents, Century West Engineering recommends that the City award the contract to:

Trenchline Excavation Inc

Sincerely,



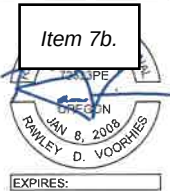
Rawley Voorhies, PE
Project Manager

CLAIRMONT AREA WATERLINE REPLACEMENTS - PHASE 2

CITY OF OREGON CITY, OR

OC PROJECT #: CI 22-010

POTENTIAL UNDERGROUND FACILITY OWNERS "ONE CALL" UTILITY NOTIFICATION CENTER 1-800-332-2344 OR 811



CENTURY WEST ENGINEERING
PORTLAND OFFICE
5500 MEADOWS ROAD, SUITE 250
LAKE OSWEGO, OR 97035
503.419.2130 OFFICE
503.419.2130 FAX

SHEET INDEX		
SHT NO.	TITLE	DESCRIPTION
1	G1.1	COVER SHEET
2	G1.2	LEGEND, ABBREVIATIONS & SHEET LAYOUT
3	G1.3	GENERAL NOTES
4	G1.4	SURVEY CONTROL
5	C2.1	AUTUMN LN - STA 0+00 TO STA 4+00
6	C2.2	AUTUMN LN - STA 4+00 TO STA 8+75
7	C2.3	AUTUMN LN - STA 8+75 TO STA 13+27
8	C2.4	WHITNEY LN - STA 20+00 TO STA 21+50
9	C2.5	WHITNEY LN - STA 21+50 TO STA 25+00
10	C2.6	WHITNEY LN - STA 25+00 TO STA 29+50
11	C2.7	WHITNEY LN - STA 29+50 TO STA 33+75
12	C2.8	WHITNEY LN - STA 33+75 TO STA 37+78
13	C2.9	BEDFORD DR - STA 40+00 TO STA 43+50
14	C2.10	BEDFORD DR - STA 43+50 TO STA 48+00
15	C2.11	BEDFORD DR - STA 48+00 TO STA 51+50
16	C2.12	BEDFORD DR - STA 51+50 TO STA 55+50
17	C2.13	BEDFORD DR - STA 55+50 TO STA 58+49
18	C3.1	CONNECTION DETAILS
19	C3.2	CONNECTION DETAILS
20	C3.3	CONNECTION DETAILS
21	C4.1	DETAILS
22	C4.2	DETAILS

PROJECT CONTACTS

<u>CITY OF OREGON CITY</u> JOHN BURRELL, EIT 13895 FIR STREET OREGON CITY, OR 97045 T: 971.204.4623 E: jburrell@orcity.org	<u>CENTURY WEST ENGINEERING</u> RAWLEY VOORHIES, P.E. 5500 MEADOWS ROAD, #250 LAKE OSWEGO, OR 97035 T: 503.419.2130 E: rvoorhies@centurywest.com	<u>CENTURY WEST ENGINEERING</u> ANTHONY FISCHER, P.E. 5500 MEADOWS ROAD, #250 LAKE OSWEGO, OR 97035 T: 971.317.0556 E: afischer@centurywest.com
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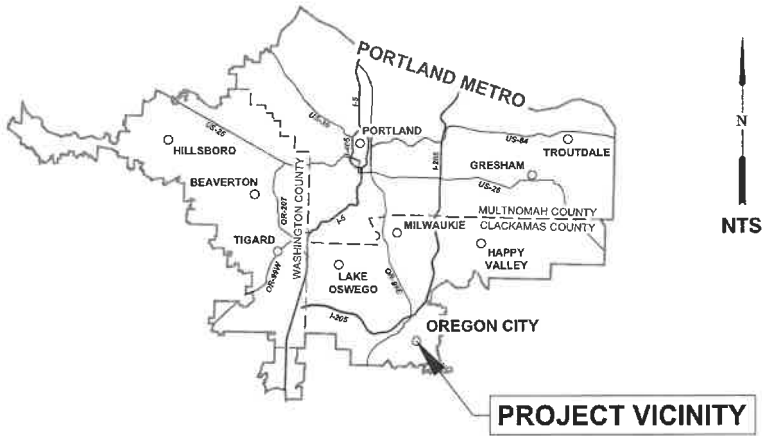
UTILITY CONTACTS

<u>COMCAST</u> SCOTT ANDERSON T: 503.351.9487 E: scott_anderson3@comcast.com	<u>OREGON CITY STREET SYSTEM</u> JAYSON THORNBERG T: 971.204.4680 E: jthornberg@orcity.org	<u>NW NATURAL</u> RYAN WINFREE T: 503.226.4211 E: ryan.winfree@nwnatural.com
<u>LUMEN</u> DON SHEERAN T: 503.422.0483 E: Donal.Sheeran@lumen.com	<u>OREGON CITY WATER SYSTEM</u> KEVIN HANKS T: 971.204.4662 E: khanks@orcity.org	<u>PORTLAND GENERAL ELECTRIC</u> ROD SNODGRASS T: 503.908.4394 E: Ron.Snodgrass@pgn.com
<u>OREGON CITY SANITARY AND STORM</u> ERIC HAND T: 971.204.4661 E: ehand@oregoncity.com		

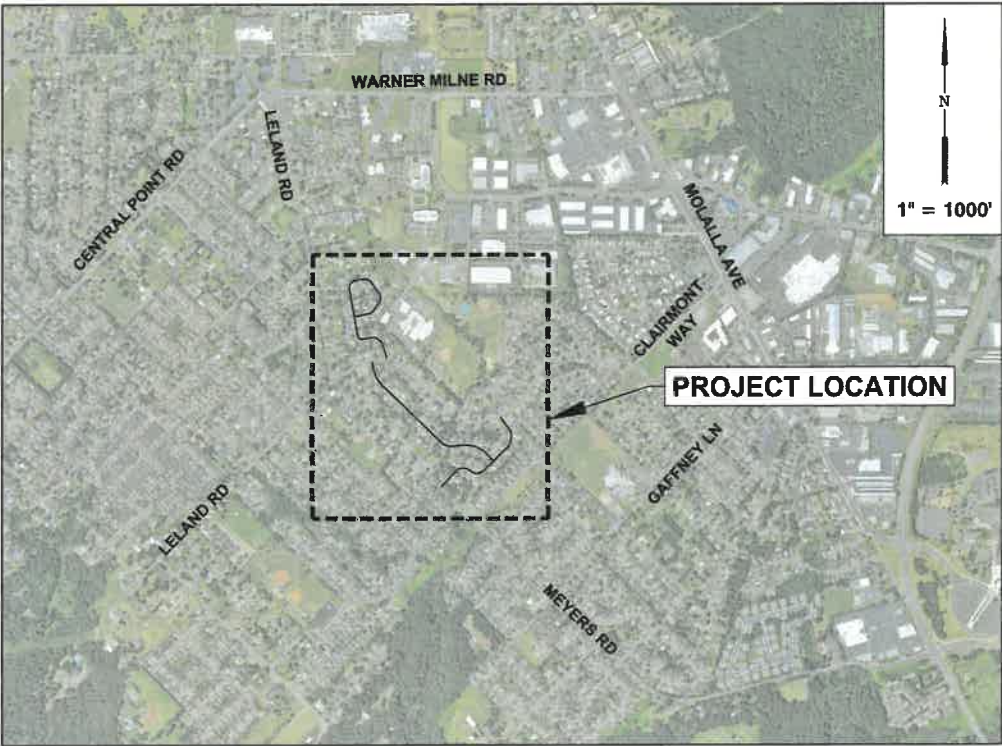
ATTENTION EXCAVATORS:

OREGON LAW REQUIRES THE CONTRACTOR TO FOLLOW RULES ADOPTED BY THE OREGON UTILITY NOTIFICATION CENTER. THOSE RULES ARE SET FORTH IN OAR 952-001-0010 THROUGH OAR 952-001-0090. THE CONTRACTOR MAY OBTAIN COPIES OF THESE RULES FROM THE CENTER BY CALLING (503) 232-1987 OR BY ACCESSING THE INTERNET AT www.state.or.us/government.htm. THE CONTRACTOR MUST NOTIFY THE CENTER AT LEAST 2 BUSINESS DAYS, BUT NOT MORE THAN 10 BUSINESS DAYS, BEFORE COMMENCING AN EXCAVATION. CALL (503) 246-6699.

VICINITY MAP



LOCATION MAP



CITY OF OREGON CITY, OREGON
OC PROJECT #: CI 22-010
CLAIRMONT AREA WATERLINE REPLACEMENTS - PHASE 2
COVER SHEET

REV #	DATE	DESCRIPTION



CITY OF OREGON CITY
PUBLIC WORKS DEPARTMENT
APPROVAL FOR CONSTRUCTION
☐ APPROVED AS SUBMITTED

SIGNATURE
NAME: _____
DATE: _____
APPROVAL EXPIRES 6 MONTHS AFTER DATE ABOVE
PRINTED: 11/14/2023
OC RECORD DRAWING #:

DRAWING NUMBER:



CITY OF OREGON CITY

Staff Report

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

To: City Commission **Agenda Date:** 01/03/2024
From: Parks and Recreation Director, Kendall Reid

SUBJECT:

Mountain View Cemetery Veterans Memorial Renovation

STAFF RECOMMENDATION:

The staff recommends that the City Manager be authorized to execute the Personal Services Agreement (PSA) with OM Stone in the amount of \$108,170.00. The agreement is for purchasing and installing six granite podiums that will feature military emblems, a memorial wall base that will hold the historic memorial plaques, and bench seating around the perimeter of the memorial plaza.

BACKGROUND:

This grant project began in late 2019 with early conversations and planning with a core group to include the VFW, Friends of Mountain View Cemetery, PRAC, Parents of Murdered Children, Landscape Architects, City Planners, and Parks and Cemetery Staff. This is a 3-phase project, with the first phase being demolition and concrete work. The second phase was the installation of the flag and landscape work.

The third and final phase includes the installation of the granite Military Podiums along the pathway, re-setting the Memorial wall on a new granite base that will be the new home to the bronze plaques that were previously in the plaza, adding granite bench seating around the perimeter of the memorial plaza.

Funding support for this project has come from the following generous donations and grants:

- Community Donations:
 - Three Rivers VFW Post 1324
 - Oregon City Woman's Club
 - Oregon City Optimists, Historic Cemeteries Grant, Veterans & War Memorial Grant, Metro Enhancement Grant.
- Material and Labor Donations:
 - Bud's Crane Service
 - Mutual Materials

- Horizon Distributors
- The Wall
- Pacific Landscape Services, Inc.
- Grant Funding:
 - Historic Cemeteries Grant
 - Veterans Memorial Grant
 - Metro Enhancement Grant
- The procurement process involved contacting 10 concrete companies to request quotes or referrals. See the results below.
 - Received quotes from 2 companies:
 - OM Stone (all granite): Cost \$108,170.00
 - NW Precast (all precast concrete): Cost \$133,821.00
 - Companies that showed interest and were provided construction documents, but quotes were not received:
 - Coulee Concrete Designs
 - Diamon Design Precast
 - Companies that do not do this type of work:
 - Johnson Concrete Products
 - Knife River
 - Helser Industries
 - Old Castle
 - Olympian Precast,
 - Company that could do the work, but they are currently unavailable due to a heavy workload.
 - Michael's Precast

The selected company for this project is OM Stone. They provided the lowest bid for the podiums, memorial walls, and benches. Additionally, they are a local company, which made it possible to meet on-site, walk through the project, and discuss specific details, enabling them to provide an accurate quote. A budget of \$108,170.00 has been allocated for the installation and purchase price.

OPTIONS:

1. Authorize the City Manager to execute the Personal Services Agreement (PSA) in the amount of \$108,170.00 with OM Stone.
2. Deny the contract to OM Stone and provide staff direction

BUDGET IMPACT:

Amount: \$108,170.00
 FY(s): 2023-2024
 Funding Source(s): Park Improvements (100-311-7041)

\$12,000.00 donation from Three Rivers VFW Post 1324

\$1,900.00 donation from Oregon City Woman's Club

Veterans Memorial Plaza – Bench, Planter Wall, and podium companies for quotes

Johnson Concrete Products 503-774-2351

Called 12/12/2022. Spoke to Lacy. She said they don't do this type of work but asked that I send our drawings and she will see if they have someone interested. No further correspondence.

Email: sales@johnsonconcreteproductsinc.com OR sherryjcp@outlook.com

Knife River – Coffee Lake 503-944-3500

Called 12/12/2022. They do not do precast. They only supply concrete

Helser Industries 503-692-6909

Called 12/12/2022. They do not do custom precast. They suggested Old Castle, Olympian Precast, NW Precast, and Michael's Precast

Old Castle 503-682-2844

Called 12/12/2022. They don't do precast. Suggested Willamette Graystone.

Olympian Precast 425-868-1922

Called 12/12/2022. Spoke to Rick. They do not do this type of precast.

NW Precast (Puyallup, WA) 503-257-9806

This is the company we have received a quote from.

Michael's Precast 503-668-4073 mark@michaelsprecast.com

Spoke to Mark 12/12/2022. He said I can send over the drawings. Their schedule is pretty tight so he does not really know if they can provide a bid, but he will take a look. Email sent with construction docs. They are too busy to take on this size of job.

Coulee Concrete Designs 503-895-2621 contact@couleeconcrete.com

12/12/2022 - Spoke to Ben Cunin. He asked me to email over docs. Emailed construction docs. Never heard back. 12/21/2022. Emailed again. They said they would provide a quote. Nothing received yet.

Diamond Design Precast (Arlington) 1-800-655-7010 jasmine@ddpconcrete.com

12/12/2022 - Spoke to Jasmine. She asked me to email them to her and she will forward on to their team. Never heard back. 12/21/2022. Emailed company again. They don't do this type of work.

OM Stone

2023 – Explored granite option as a more affordable material option. This is a local company so will avoid high freight charges. They were able to come out and walk Cemetery to discuss niche location options, brought samples, completed their measurements and provided quotes.



Request for Quote

7c.

The global leader in handcrafted stone art
A company of innovators dedicated to
"The Values We Live By"

PURCHASE AGREEMENT

Order # 390812

Date:	12/12/2023	Attention:	Jianny King
Sold To:	ML View Cemetery - Oregon City	Phone:	971-204-4683
Address:	PO Box 3040	E-mail:	
City/State/Zip:	Oreogm CMY, OR 97045	Submitted By:	Tony Coibura

Veteran's Plaza

Indndcs:

All polished grey granite

Carved wall part A and B

12 benches, 6 podiums and plaques.

GLASS Art imaging full color military emblems (6)

Mounting 30 small (10x1/2") bronze plates to wall. Recessed by quarry.

Granite: \$65,120

GLASS Art imaging: \$6,300

Mounting bronze plaques: \$3,000

Freight: \$21,250

Local delivery: \$1,000

Equipment rental (crane): \$4,000

Installation: \$7,500

Total \$108,170.00

Quote Valid for 30 Days.

Terms of payment: 75% due with signed agreement, net due upon completion.

Other terms and conditions may apply.

By signing below, I agree to the terms of payment and approve the description of work described above. Payment must be received within 30 days of the date of this signed purchase agreement.

Name _____

Date _____

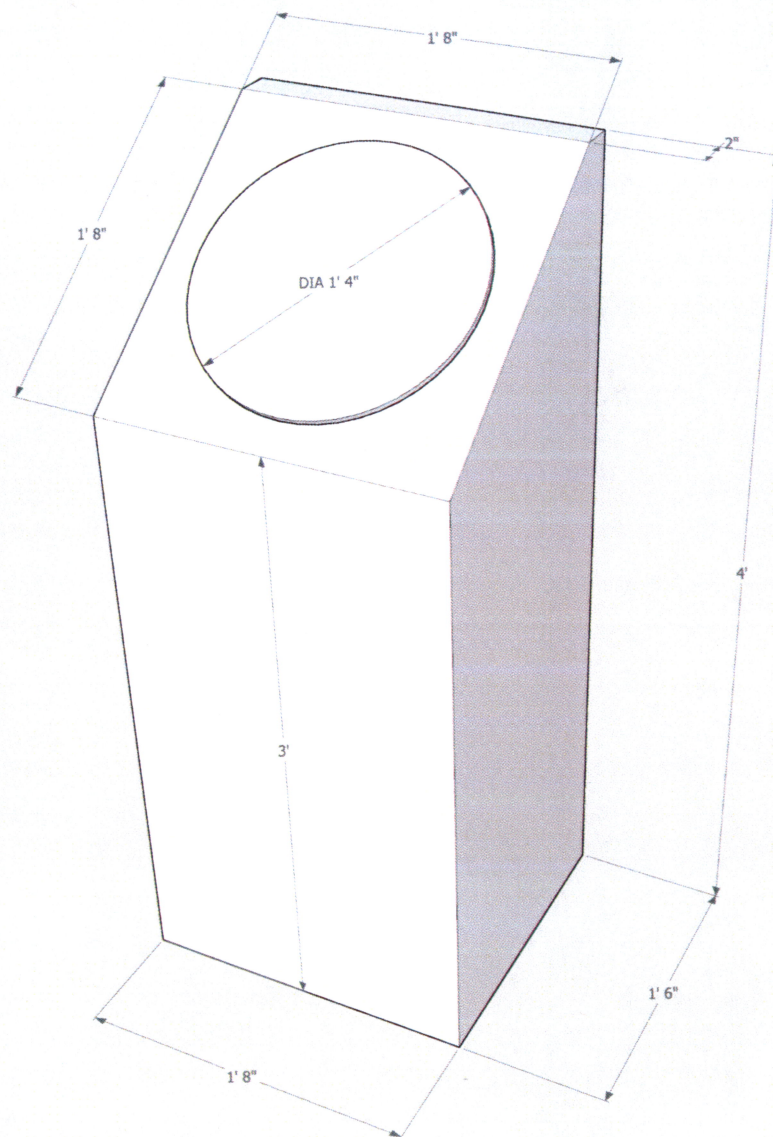
Signature _____



1299 NE 25th Avenue
Hillsboro, OR 97124

Phi 503.648.3596
TF: 800.767.7866

tammy@myomstone.com

PROOF # ☒ 1VERSION # ☐☒ APPROVED

Military Branch Pedestals, 20" x 18" x 48", All Polish, Georgia Grey
& 16" Dia. x 3/8" All Polish Elite Black Plaque

Special Requests / Instructions:
GLASS Art - 15.5" Full Color Military Emblem

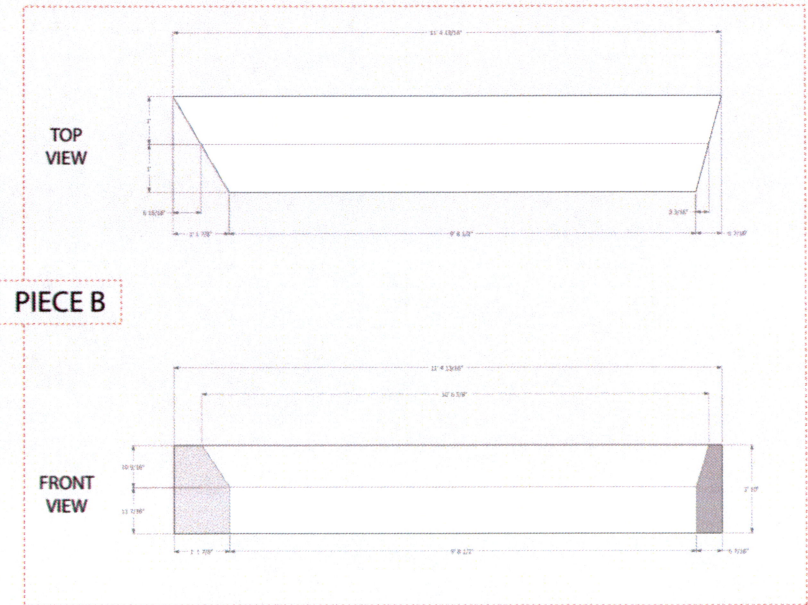
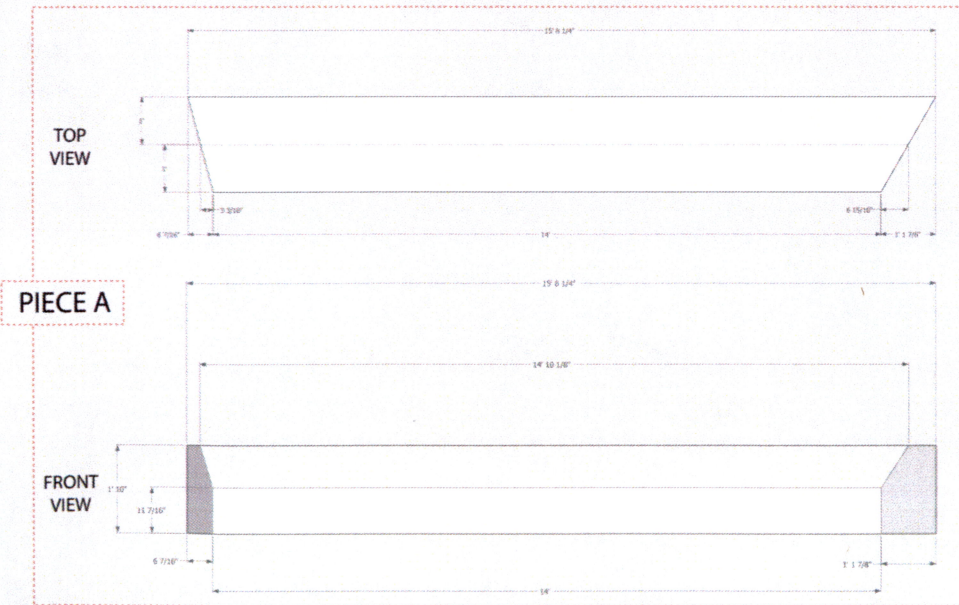
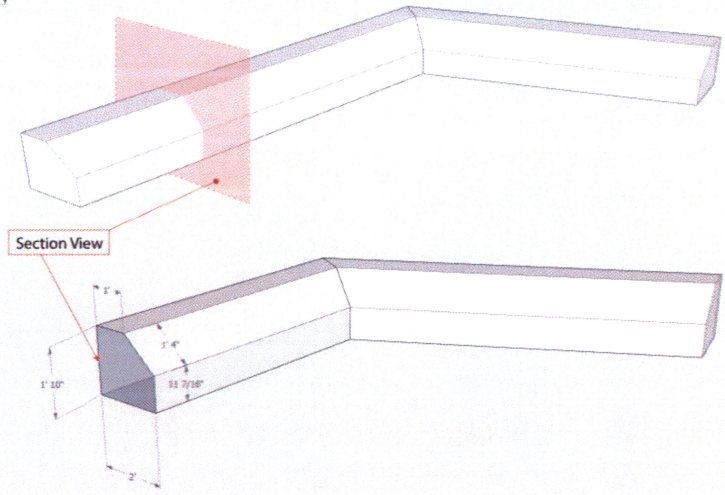
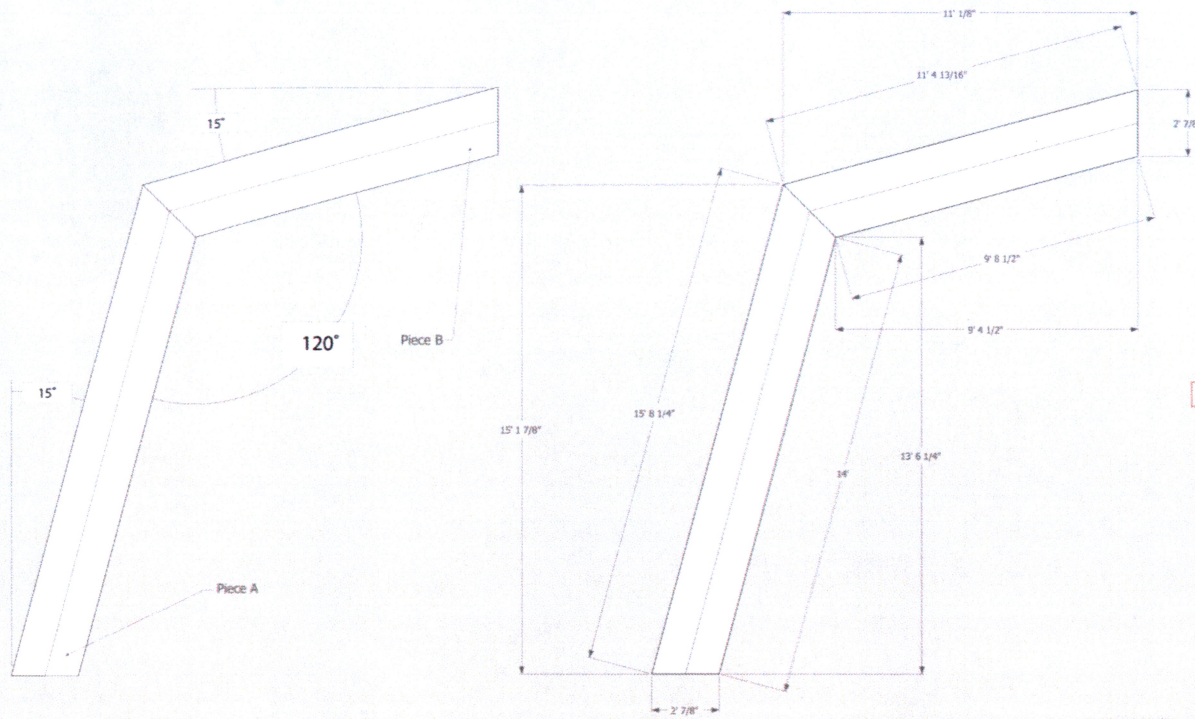
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DATE: 12-12-2023

JOB #: 390812

DESIGNER: IMC





PROOF # ☐ 1
 VERSION # ☐
☐ APPROVED

Mt. View - Vetran's Plaza
 2 Pieces, Various Dimensions, Georgia Grey

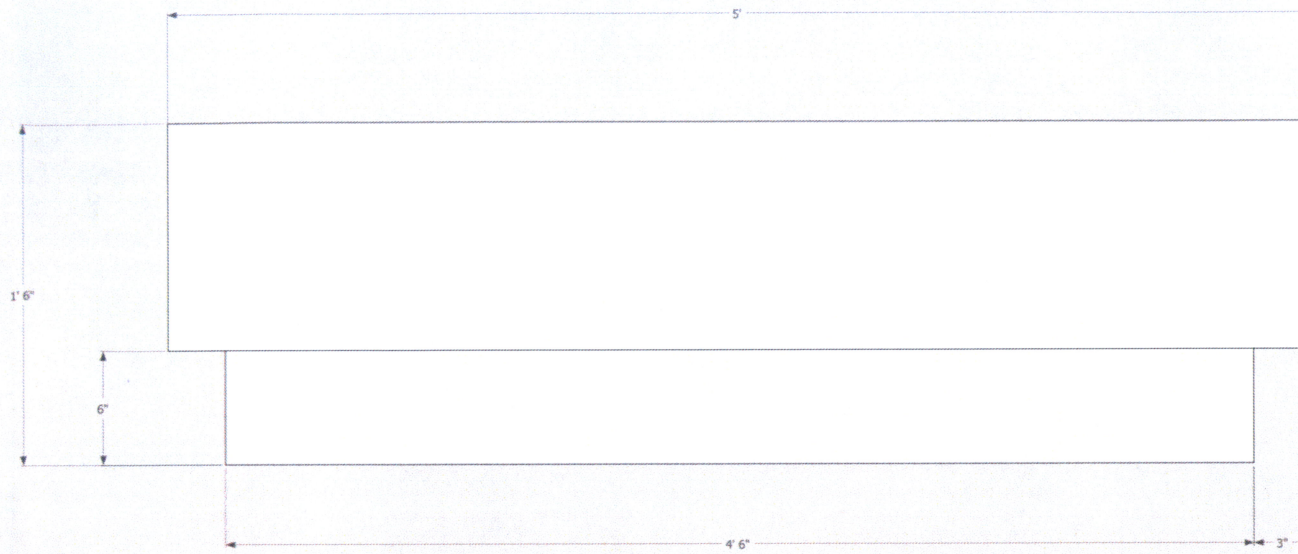
Special Requests / Instructions:
 N/A

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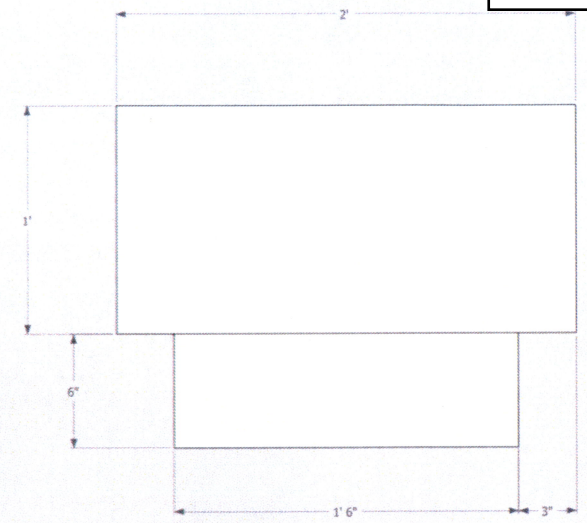
DATE: 11-16-2023
 JOB #: 390812
 DESIGNER: IMC



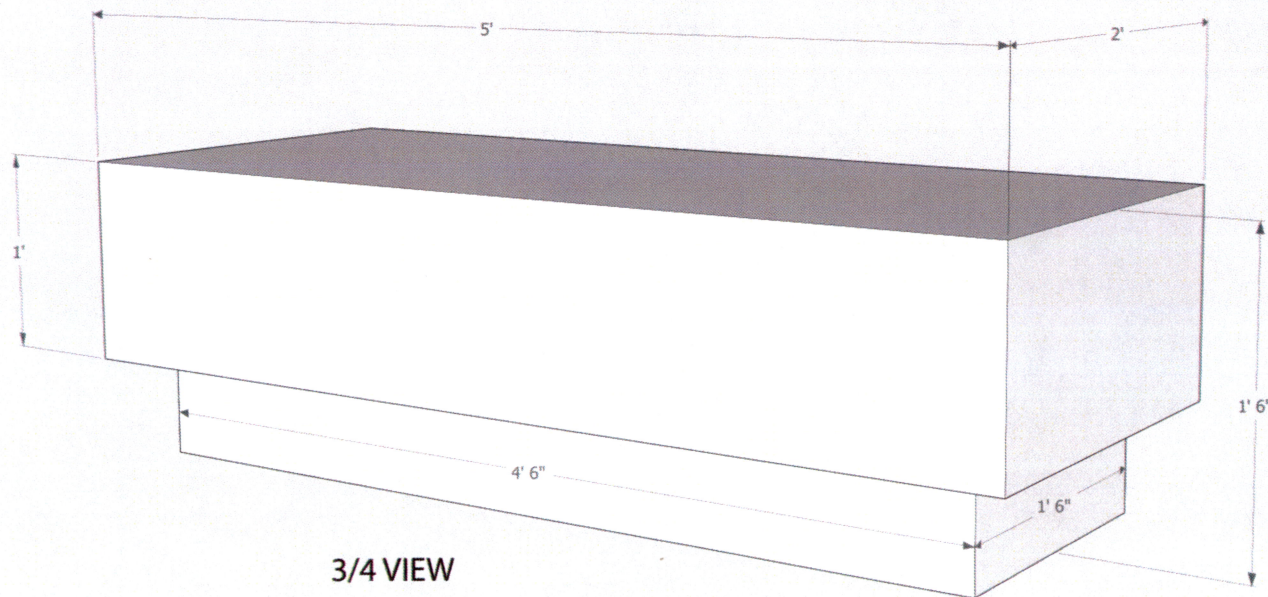
FRONT VIEW



SIDE VIEW



Item 7c.



3/4 VIEW

PROOF # ☐ 1

VERSION # ☐

☐ APPROVED

Mt. View - Vetran's Plaza
Bench

Special Requests / Instructions:
N/A

☒ Email Proof
0 Inch Sanded Border

DATE: 11-16-2023

JOB #: 390812

DESIGNER: IMC



Page 26

2023

Request for Quote



NORTHWEST PRECAST

architectural concrete products

A LIMITED LIABILITY COMPANY



BID PROPOSAL

12/20/2023

PROJECT NAME: Mountain View Veterans Memorial Plaza - Benches

QUOTE: \$64,215

DRAWINGS/SPEC : Drawings dated 1/2/20. No precast spec provided.

ADDENDA: N/A

REVISION #: 4 - (Updated pricing)

This quote includes the following precast concrete products:

129	LF		Precast Bench Tops (3,4,5/L5.1) various lengths x 2' x 1' (17 PCS.)
51	LF		Precast Bench Legs (3,4,5/L5.1) 1'6" x 1' x6" (34 PCS.)

INCLUSIONS: Standard gray concrete, etch finish, hardware, engineering, FOB jobsite on trailer, (2) shipments/deliveries

EXCLUSIONS: See the following page for a complete list of exclusions

- 1.) Sealant/anti-graffiti
- 2.) Supply, install, or engineering of memorial plaques
- 3.) Supply, install, or engineering of stone monument slabs

NOTES:

- 1.) Option for dyed concrete (limited color options) - add \$3,175
- 2.) Option for full range of custom color concrete - add \$13,500
- 3.) Option for sealant/anti-graffiti - add \$8,160
- 4.) Material & freight costs subject to escalation
- 5.) Quote is valid for 30 days

Northwest Precast LLC is a manufacturer of architectural precast products. All purchases will be contracted under a standard vendor purchase order agreement.

IF YOU HAVE ANY QUESTIONS PLEASE CONTACT ADAM WHITEHURST AT 253-770-9119.

CORPORATE OFFICE
2313 W Overland Rd
Boise, ID 83705
(800) 771-4862
(208) 472-0042
(208) 331-8342 (fax)

WWW.NW-PRECAST.COM

MFG FACILITY
212 10th Street SE
Puyallup, WA 98372
(253) 770-9119
(252) 770-3

Exclusions:

Unless noted in the inclusions section on the proposal Northwest Precast **excludes** the following

General Exclusions:

- State, local, or regionally assessed taxes
- Precast items that are not specified in the quote
- OCIP/DCIP
- Textura fees
- Fees associated with mandatory financial statements
- Prevailing wages
- Bonds
- Northwest Precast is APA and NPCA certified. Additional certifications are excluded.
- Northwest Precast is not bound to terms and conditions of sample contracts provided in bidding documents.

Materials/Finishes Exclude:

- Custom color and/or aggregate
- Fiber reinforcement
- Fly ash, slag, and/or silica fume
- Water repellents/ sealers
- Grout and shims
- Epoxy/galvanized coated rebar
- Stainless steel and galvanized embeds
- Stair nosings
- Stair railing embeds
- Skateboard deterrent hardware
- Mockups
- Polished and/or sandblast finishes

Design and Engineering Exclude:

- Stair railing and railing embeds
- Supporting structures
- BIM modeling and coordination
- Deferred submittals

Testing Exclude:

- 3rd party testing

Shipping Exclude:

- Additional fees to accommodate delivery requirements
- Night and weekend deliveries
- Port fees
- Additional shipments
- Offloading, including equipment to offload

Site Exclusions:

- Installation
- Field measurements
- Patching and field repairs
- On site meetings
- Site cleaning



NORTHWEST PRECAST

architectural concrete products

A LIMITED LIABILITY COMPANY



BID PROPOSAL

12/20/2023

PROJECT NAME: Mountain View Veterans Memorial Plaza - Planter

QUOTE: \$39,476

DRAWINGS/SPEC : Drawings dated 1/2/20. No precast spec provided.

ADDENDA: N/A

REVISION #: 3 - (Updated pricing)

This quote includes the following precast concrete products:

36	LF		Precast Planter Wall (6/L5.2) 6' x 1' 9" x 1' (6 PCS.)
24	LF		Precast Planter Plaque Wall (7/L5.2) 2' 1" x 1' 10" (2 PCS.)

INCLUSIONS: Standard gray concrete, etch finish, hardware, engineering, FOB jobsite on trailer, (1) shipments/deliveries

EXCLUSIONS: See the following page for a complete list of exclusions

- 1.) Sealant/anti-graffiti
- 2.) Supply, install, or engineering of memorial plaques
- 3.) Supply, install, or engineering of stone monument slabs

NOTES:

- 1.) Option for dyed concrete (limited color options) - add \$1,700
- 2.) Option for full range of custom color concrete - add \$7,100
- 3.) Option for sealant/anti-graffiti - add \$5,050
- 4.) Material & freight costs subject to escalation
- 5.) Quote is valid for 30 days

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IF YOU HAVE ANY QUESTIONS PLEASE CONTACT ADAM WHITEHURST AT 253-770-9119.

CORPORATE OFFICE
2313 W Overland Rd
Boise, ID 83705
(800) 771-4862
(208) 472-0042
(208) 331-8342 (fax)

WWW.NW-PRECAST.COM

MFG FACILITY
212 10th Street SE
Puyallup, WA 98372
(253) 770-9119
(252) 770-3

Exclusions:

Unless noted in the inclusions section on the proposal Northwest Precast **excludes** the following

General Exclusions:

- State, local, or regionally assessed taxes
- Precast items that are not specified in the quote
- OCIP/DCIP
- Textura fees
- Fees associated with mandatory financial statements
- Prevailing wages
- Bonds
- Northwest Precast is APA and NPCA certified. Additional certifications are excluded.
- Northwest Precast is not bound to terms and conditions of sample contracts provided in bidding documents.

Materials/Finishes Exclude:

- Custom color and/or aggregate
- Fiber reinforcement
- Fly ash, slag, and/or silica fume
- Water repellents/ sealers
- Grout and shims
- Epoxy/galvanized coated rebar
- Stainless steel and galvanized embeds
- Stair nosings
- Stair railing embeds
- Skateboard deterrent hardware
- Mockups
- Polished and/or sandblast finishes

Design and Engineering Exclude:

- Stair railing and railing embeds
- Supporting structures
- BIM modeling and coordination
- Deferred submittals

Testing Exclude:

- 3rd party testing

Shipping Exclude:

- Additional fees to accommodate delivery requirements
- Night and weekend deliveries
- Port fees
- Additional shipments
- Offloading, including equipment to offload

Site Exclusions:

- Installation
- Field measurements
- Patching and field repairs
- On site meetings
- Site cleaning



NORTHWEST PRECAST

architectural concrete products

A LIMITED LIABILITY COMPANY



BID PROPOSAL

12/20/2023

PROJECT NAME: Mountain View Veterans Memorial Plaza - Podiums

QUOTE: \$30,130

DRAWINGS/SPEC : Drawings dated 1/2/20. No precast spec provided.

ADDENDA: N/A

REVISION #: 3 - (Updated pricing)

This quote includes the following precast concrete products:

5 EA Precast Podiums (7&8/L5.1) 4' 7 1/2" tall x 1' 8" x 1' 6"

INCLUSIONS: Standard gray concrete, etch finish, hardware, engineering, FOB jobsite on trailer, (1) shipments/deliveries

EXCLUSIONS: See the following page for a complete list of exclusions
 1.) Sealant/anti-graffiti
 2.) Supply, install, or engineering of memorial plaques
 3.) Supply, install, or engineering of stone monument slabs

NOTES: 1.) Option for dyed concrete (limited color options) - add \$740
 2.) Option for full range of custom color concrete - add \$3,140
 3.) Option for sealant/anti-graffiti - add \$2,120
 4.) Material & freight costs subject to escalation
 5.) Quote is valid for 30 days

Northwest Precast LLC is a manufacturer of architectural precast products. All purchases will be contracted under a standard vendor purchase order agreement.

IF YOU HAVE ANY QUESTIONS PLEASE CONTACT ADAM WHITEHURST AT 253-770-9119.

CORPORATE OFFICE
 2313 W Overland Rd
 Boise, ID 83705
 (800) 771-4862
 (208) 472-0042
 (208) 331-8342 (fax)

WWW.NW-PRECAST.COM

MFG FACILITY
 212 10th Street SE
 Puyallup, WA 98372
 (253) 770-9119
 (252) 770-3

Exclusions:

Unless noted in the inclusions section on the proposal Northwest Precast **excludes** the following

General Exclusions:

- State, local, or regionally assessed taxes
- Precast items that are not specified in the quote
- OCIP/DCIP
- Textura fees
- Fees associated with mandatory financial statements
- Prevailing wages
- Bonds
- Northwest Precast is APA and NPCA certified. Additional certifications are excluded.
- Northwest Precast is not bound to terms and conditions of sample contracts provided in bidding documents.

Materials/Finishes Exclude:

- Custom color and/or aggregate
- Fiber reinforcement
- Fly ash, slag, and/or silica fume
- Water repellents/ sealers
- Grout and shims
- Epoxy/galvanized coated rebar
- Stainless steel and galvanized embeds
- Stair nosings
- Stair railing embeds
- Skateboard deterrent hardware
- Mockups
- Polished and/or sandblast finishes

Design and Engineering Exclude:

- Stair railing and railing embeds
- Supporting structures
- BIM modeling and coordination
- Deferred submittals

Testing Exclude:

- 3rd party testing

Shipping Exclude:

- Additional fees to accommodate delivery requirements
- Night and weekend deliveries
- Port fees
- Additional shipments
- Offloading, including equipment to offload

Site Exclusions:

- Installation
- Field measurements
- Patching and field repairs
- On site meetings
- Site cleaning

Mountain View Cemetery - Veterans Memorial Plaza Renovation

Over a century of history lives in the memorial plaza which speaks to the importance of preserving and maintaining the area to ensure it is a safe, accessible, and usable space for the entire Community for the next century.

The goals of this restoration project are to address several needs:

- ADA accessibility by eliminating barriers
- Installing new concrete seat wall benches
- Install bronze memorial plaques on base of memorial wall for better visibility and preservation
- New stairs and added handrails to improve access
- Adding informational signage
- Installation of podiums to recognize each branch of the armed forces

We would like to thank all who have supported the Veterans Memorial Plaza Renovation

Community Organization Donations

Armed Forces Podium Donation - Three Rivers VFW Post 1324

- Army, Marine Corps, Navy, Air Force, Coast Guard and Space Force podiums along pathway (To be completed early 2024)

Flagpole Donation – Oregon City Woman’s Club

- Funding to purchase and install a new flagpole (Completed in April 2023) and funding to help install historic bronze plaques on the base of the memorial wall (To be completed early 2024)

Flagpole Donation – Oregon City Optimists

- Funding to purchase and install a new flagpole (Completed in April 2023)

Material and Labor Donations

- Mutual Materials: Donation of all pavers for plaza and new pathway
- Horizon Distributors: Donation of paver sand and edging for new pathway
- The Wall: Donation of paver install and creating new paver pathway
- Pacific Landscape Services, Inc: Donation of paver install and new pathway
- Bud’s Crane Service: Donation of time to remove old flagpole

Grant Funding

Historic Cemeteries Grant - Oregon Heritage, Oregon State Parks

- Design plans, site survey, construction documents and observation, bidding support (Completed)

Veterans Memorial Grant - Oregon Heritage, Oregon State Parks

- Concrete pathway, footings, and support walls around perimeter of memorial plaza (Completed)

Metro Enhancement Grant - Metro Community Grant Program

- Earthwork, concrete stairs, and footings (Completed)



**CITY OF OREGON CITY
PERSONAL SERVICES AGREEMENT**

Mountain View Cemetery – Veterans Memorial Podiums, Wall, Bench Seating

This PERSONAL SERVICES AGREEMENT (“Agreement”) is entered into between the CITY OF OREGON CITY (“City”) and **OM Stone** (“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 **May 17, 2024**, 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 **One Hundred Eight Thousand, One Hundred Seventy and 00/100 (\$108,170.00)**.

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
ATTN: **Kendall Reid**
500 Hilda Street
Oregon City, OR 97045

To Consultant:

OM Stone
ATTN: Tony Goiburn
1299 NE 25th Avenue
Hillsboro, OR 97124

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 _____, 20____.

CITY OF OREGON CITY

OM Stone

By: _____
Kendall Reid
Title: Parks and Recreation Director

By: _____
Tony Goiburn
Title: Customer Relations

DATED: _____, 20____.

DATED: _____, 20____.

By: _____
Anthony J. Konkol, III
Title: City Manager

Date Authorized by Commission, if applicable:

DATED: _____, 20____.



CITY OF OREGON CITY

Staff Report

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

To: City Commission **Agenda Date:** 01/03/2024
From: Parks and Recreation Director, Kendall Reid

SUBJECT:

Mountain View Cemetery – Addition of New Niche Columbarium Wall

STAFF RECOMMENDATION:

The staff recommends that the City Manager be authorized to execute the Personal Services Agreement (PSA) with OM Stone in the amount of \$105,300.00. The agreement is for the purchase and installation of a new niche columbarium wall in mausoleum Unit 7.

BACKGROUND:

As of the beginning of December, the cemetery currently has one remaining niche for sale. The most cost-effective and low-impact solution for adding additional niche space is to utilize a large, recessed alcove on the end of Mausoleum Unit 7. This end wall unit will accommodate installation of an aluminum frame niche assembly which will house the total of 157 additional niches (77 double niches and 80 single niches).

There is a consistent need for niche placement options. The installation of a new columbarium not only helps meet the needs mausoleum placement options, but it also expands options to allow sales of double niches which will accommodate placing two urns (cremation placements) in one niche. Mountain View has never had a double niche option to offer. This will help continue revenue generated by the cemetery with revenue potential of \$230,000-\$300,000 (depending on markup percentages).

The procurement process followed was reaching out to companies for quote requests which companies reached outlined below:

- Received quotes from 2 companies:
 - OM Stone (utilizing existing alcove and installation): \$105,300.00.
 - Salem Stones (free-standing columbarium cost): \$77,180.70. This price does not include any construction costs, pathway for accessibility, or cost to install.
- Companies that did not reply to provide quote or quote was not received:
 - Premier Columbaria

- Koppenberg Enterprises

OM Stone is the selected company to complete the work for this project. They inspected location options and provided feedback and suggestions. They were able to measure and provide a quote to utilize alcove area from existing mausoleum to install aluminum inserts. It is a low-impact way to add niche inventory without the expense of excavation, new pathways, locating, and construction.

The installation and purchase price of \$100,000.00 had been budgeted for. The actual cost is \$105,300.00 if ordered before December 31, 2023, before price increase in 2024 calendar year. If ordered in 2024, the purchase and installation price will increase to \$117,000.00.

OPTIONS:

1. Authorize the City Manager to execute the Personal Services Agreement (PSA) in the amount of \$105,300.00 with OM Stone.
2. Deny the contract to OM Stone and provide staff direction

BUDGET IMPACT:

Amount:	\$105,300.00
FY(s):	2023-2024
Funding Source(s):	Park Improvements (100-311-7041)



Request for Quote

The global leader in handcrafted stone art
A company of innovators dedicated to
"The Values We Live By"

PURCHASE AGREEMENT

Order # 382081

Date:	12/12/23	Attention:	Jinny King
Sold To:	Mt. View Cemetery - Oregon City	Phone:	971-204-4603
Address:	PO Box 3040	E-mail:	
City/State/Zip:	Oregon City, OR 97045	Submitted By:	Tony Goiburn

**234 cremation spaces (80 single, 77 double)
Per OM drawing/specs.**

Includes delivery and installation by OM.

Total: \$117,000.00*

***10% discount if signed agreement and at least 75% deposit received by 12/31/23. (\$11,700 discount amount)**

\$105,300 - discount total.

\$78,975 - 75% deposit amount.

Quote Valid until 12/31/23.

Terms of payment: 75% due with signed agreement, net due upon completion.

Other terms and conditions may apply.

By signing below, I agree to the terms of payment and approve the description of work described above. Payment must be received within 30 days of the date of this signed purchase agreement.

Name _____

Date _____

Signature _____

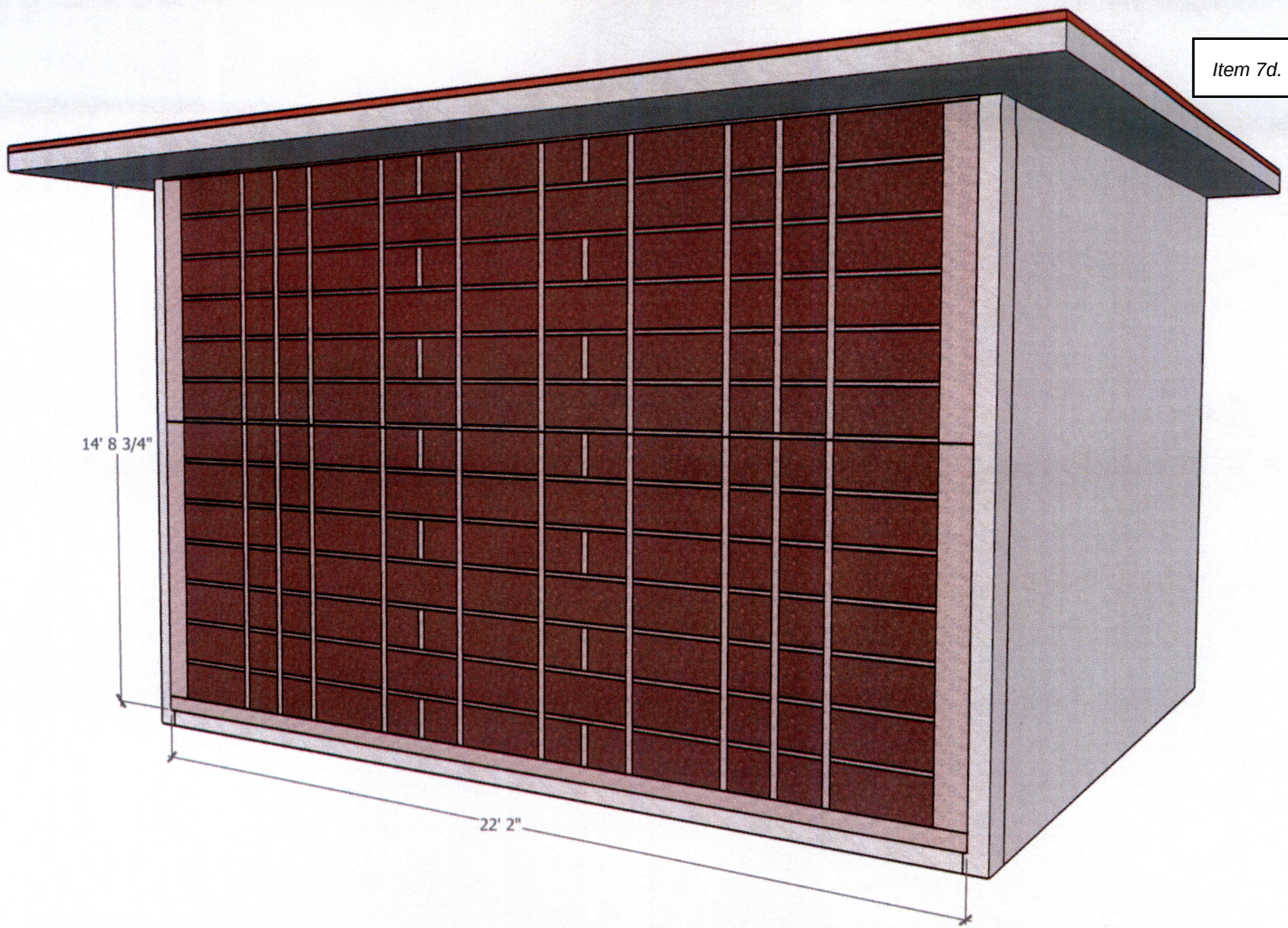


1299 NE 25th Avenue
Hillsboro, OR 97124

Ph: 503.648.3596
TF: 800.767.7866

tammy@myomstone.com

Item 7d.



PROOF#

VERSION#

☐ Approved
(Spelling Correct)

Your approval authorizes OM Stone to manufacture the memorial as shown in the drawing. By signing, you relieve OM Stone of any and all responsibility for mistakes in design or text.
*Actual granite color will vary from what is shown in this proof.

Mt. View Cemetery Columbarium

Special Requests / Instructions:
N/A

☒ Email Proof
0 Inch Sanded Border

DATE: 11/15/2023

JOB #: 382081

DESIGNER: IMC

OM
STONE
COPYRIGHT
2023

Signature _____

Date _____

Request for Quote

Jinny King

From: Adam Canaday <adamc@salemstones.com>
Sent: Thursday, December 14, 2023 11:29 AM
To: Jinny King
Subject: RE: Columbaria quote
Attachments: 300 niche starburst columbarium proposal, China Grey -- City of Oregon City, 12.14.23.pdf

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Jinny,

Great to hear from you! I hope all is well.

I have attached an updated proposal. Our international freight surcharge has been eliminated, so that line item has been removed which reduces the overall cost. Pricing for the granite and freight remains unchanged.

If there is anything else that I can provide, please let me know.

Happy holidays!

Adam

From: Jinny King <jking@orccity.org>
Sent: Thursday, December 14, 2023 1:36 PM
To: Adam Canaday <adamc@salemstones.com>
Subject: FW: Columbaria quote

Hi Adam,

I am discussing and reviewing quotes with our finance department today. Can you update the attached quote date and current price?

Thank you,
Jinny



Jinny King, Administrative Assistant

jking@orccity.org

Parks Maintenance & Mountain View Cemetery
500 Hilda Street
Oregon City, OR 97045
Direct: 971-204-4706

Parks Maintenance Division
parksinfo@orccity.org
Parks 971-204-4602

Mountain View Cemetery
cemetery-info@orccity.org
Cemetery: 971-204-4603

From: Adam Canaday <adamc@saalemstones.com>

Sent: Monday, December 19, 2022 8:32 AM

To: Jinny King <jking@orcite.org>

Subject: RE: Columbaria quote

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good Morning Jinny,

Thank you for your inquiry. I have attached a cost proposal, along with line drawings and a rendering for this design. The attached pricing is for China Grey granite walls, and either Jet Black or Indian Mahogany granite doors. Jet Black is the most popular choice for niche doors.

If there is anything else that I can provide, please let me know.

Have a great week!

Adam



Adam Canaday

adamc@saalemstones.com / 614.779.0494

Salem Stones

Office: 866.834.1219 / Fax: 866.400.1289

4849 Groveport Road

Obetz, OH. 43207

www.salemstones.com

From: Jinny King <jking@orcite.org>

Date: Friday, December 16, 2022 at 2:47 PM

To: Info <info@saalemstones.com>

Subject: Columbaria quote

Hello,

We are looking at adding a columbaria unit here at Mt. View Cemetery in Oregon City, OR. I'd like a quote for the 300 Niche Starburst Gray Granite Walls with Mahogany Doors, please. We need a rough price to help with budgeting for this project.

My one question is if we could change the mahogany door color?

Thank you,
Jinny

Item 7d.



Jinny King
Administrative Assistant
jking@orccity.org

Direct: 971-204-4706
Cemetery: 971-204-4603
Parks: 971-204-4602
Fax: 503-656-7488

Parks Division & Mt. View Cemetery
500 Hilda Street
Oregon City, OR 97045

Website: www.orccity.org | maps.orccity.org |

PUBLIC RECORDS LAW DISCLOSURE: This e-mail is subject to the State Retention Schedule and may be made available to the public.

The City of Oregon City continues to offer services and programs in-person and online - find facility hours of operation [here](#).

Customer:	Quote/Project Description:
The City of Oregon City	300 niche starburst
500 Hilda St	Quote includes granite and freight only – does not include crane rental/installation or foundation
Oregon City, OR 97045	

Item	Description	Wall Color	Door Color	Quantity	Unit Weight (lbs)	Total Weight (lbs)	Tariff?	Unit Price	Total Price
300 niche starburst	Center 50 niche columbarium with (5) 50 niche two-sided wings	China Grey	Jet Black or Indian Mahogany	1	37,038	37,038	Yes	\$ 47,300.00	\$ 47,300.00

SPECIAL NOTES AND INSTRUCTIONS								Total Weight	37038 lbs
- Belts, pins, and straps may be provided on delivery of larger items. These must be returned by mail to Salem Stones Elberton location (1105 Allen Logan Rd, Elberton, GA 30635) to avoid additional charges - Any sourced items from China will incur a 25% tariff (listed in the pricing summary to the right), -180 days to receive to our warehouse - Delivery will be arranged by Salem Stones. Freight cost is estimated and may be adjusted at time of delivery - International freight surcharge has been eliminated - 50% payment required at time of order, balance due prior to shipping. Installation is not included								Subtotal	\$47,300.00
								Freight estimate	\$12,500.00
								Int'l container surcharge	N/A
								Tariff	\$11,825.00
								Installation	N/A
								Total	\$71,625.00
								Deposit Required	\$35,812.50

Above information is not an invoice and only an estimate of services/goods described above.

Thank you for your business!
Please remit all payments to the below address

Salem Stones
4849 Groveport Rd, Obetz, OH, 43207

Request for Quote

Jinny King

From: Kim Koppenberg <Kim@koppenbergenterprises.com>
Sent: Thursday, December 21, 2023 10:05 AM
To: Jinny King
Subject: RE: Quote Request - Mountain View Cemetery
Attachments: Round unit.jpg; round unit photo.jpg; Wall placement.jpg

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Jinny, I will work out some numbers for your 2 projects and see what we can come up with. I appreciate you asking for our numbers. We are closed next week but I will try to get some numbers out. Thank you.

Kim Koppenberg, President
Koppenberg Enterprises, Inc.
800-574-2481
www.koppenbergenterprises.com

From: Jinny King <jking@orccity.org>
Sent: Thursday, December 21, 2023 11:55 AM
To: Kim Koppenberg <Kim@koppenbergenterprises.com>
Subject: FW: Quote Request - Mountain View Cemetery

Hi Kim,

I wanted to reach out to see if you are able to provide a quote for Mountain View Cemetery. We were hoping to get this project moving forward at the beginning of 2024.

Thank you,
Jinny



Jinny King, Administrative Assistant

jking@orccity.org

Parks Maintenance & Mountain View Cemetery
500 Hilda Street
Oregon City, OR 97045
Direct: 971-204-4706

Parks Maintenance Division
parksinfo@orccity.org
Parks 971-204-4602

Mountain View Cemetery
cemetery-info@orccity.org
Cemetery: 971-204-4603

From: Jinny King
Sent: Thursday, August 31, 2023 11:57 AM
To: Kim Koppenberg <Kim@koppenbergenterprises.com>
Subject: RE: Quote Request - Mountain View Cemetery

Hi Kim,

I just wanted to follow up to see if you were able to provide a quote for Mountain View Cemetery. Please let me know.

Thank you,
Jinny

	Jinny King, Administrative Assistant jking@orccity.org Parks Maintenance & Mountain View Cemetery 500 Hilda Street Oregon City, OR 97045 Direct: 971-204-4706	
	Parks Maintenance Division parksinfo@orccity.org Parks 971-204-4602	Mountain View Cemetery cemetery-info@orccity.org Cemetery: 971-204-4603

From: Jinny King
Sent: Wednesday, March 22, 2023 1:28 PM
To: Kim Koppenberg <Kim@koppenbergenterprises.com>
Subject: RE: Quote Request - Mountain View Cemetery

I believe it is spring rose.



Jinny King
Administrative Assistant
jking@orccity.org

Direct: 971-204-4706 Parks Division & Mt. View Cemetery
 Cemetery: 971-204-4603 500 Hilda Street
 Parks: 971-204-4602 Oregon City, OR 97045
 Fax: 503-656-7488

Website: www.orccity.org | maps.orccity.org |

PUBLIC RECORDS LAW DISCLOSURE: This e-mail is subject to the State Retention Schedule and may be made available to the public.

The City of Oregon City continues to offer services and programs in-person and online - find facility hours of operation [here](#).

From: Kim Koppenberg <Kim@koppenbergenterprises.com>
Sent: Wednesday, March 22, 2023 1:25 PM
To: Jinny King <jking@orccity.org>
Subject: RE: Quote Request - Mountain View Cemetery

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

I only can see just a blurred photo of the granite but it looks like a spring rose or Rosa porhino and I can tell you that I am doing a project locally and needed to match that material and I couldn't find anything in the US. We will have to see what we can do about that.

Kim Koppenberg, President
Koppenberg Enterprises, Inc.
800-574-2481

www.koppenbergenterprises.com

From: Jinny King <jking@orccity.org>
Sent: Wednesday, March 22, 2023 1:11 PM
To: Kim Koppenberg <Kim@koppenbergenterprises.com>
Subject: RE: Quote Request - Mountain View Cemetery

Hi Kim,

Yes, we would want to attempt to match the granite as closely as a possible, or at the least with something that blends well. I did forget to mention that we would like approximately 50% of the niches to be companion/double niches.

Thank you for attaching some of the work you have completed.

Jinny



Jinny King
Administrative Assistant
jking@orccity.org

Direct: 971-204-4706 Parks Division & Mt. View Cemetery
Cemetery: 971-204-4603 500 Hilda Street
Parks: 971-204-4602 Oregon City, OR 97045
Fax: 503-656-7488

Website: www.orccity.org | maps.orccity.org |

PUBLIC RECORDS LAW DISCLOSURE: This e-mail is subject to the State Retention Schedule and may be made available to the public.

The City of Oregon City continues to offer services and programs in-person and online - find facility hours of operation [here](#).

From: Kim Koppenberg <Kim@koppenbergenterprises.com>
Sent: Wednesday, March 22, 2023 12:53 PM
To: Jinny King <jking@orccity.org>
Subject: RE: Quote Request - Mountain View Cemetery

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Thank you Jinny, It seems pretty straight forward and I will put something together. Do we need to match the g
the mausoleum. I also attached several photos for you showing a couple of different installations.

Item 7d.

Kim Koppenberg, President
Koppenberg Enterprises, Inc.
800-574-2481

www.koppenbergenterprises.com

From: Jinny King <jking@orccity.org>
Sent: Wednesday, March 22, 2023 12:40 PM
To: Kim Koppenberg <Kim@koppenbergenterprises.com>
Subject: Quote Request - Mountain View Cemetery

Hi Kim,

Thank you for taking the time to review our quote requests.

Let me know if these are projects that your company is interested in bidding.

Thank you,
Jinny



Jinny King
Administrative Assistant
jking@orccity.org

Direct: 971-204-4706 Parks Division & Mt. View Cemetery
Cemetery: 971-204-4603 500 Hilda Street
Parks: 971-204-4602 Oregon City, OR 97045
Fax: 503-656-7488

Website: www.orccity.org | maps.orccity.org |

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Request for Quote

Jinny King

From: Jinny King
Sent: Wednesday, March 22, 2023 1:58 PM
To: info@premiercolumbaria.com
Subject: Quote Request
Attachments: Quote Request.pdf

Good afternoon,

I am looking for a few different quotes to add some niches to our cemetery. I have attached a PDF of what we are looking for.

We would like to try to match the granite color of the existing granite "Polished Spring Rose" as closely as possible. We are also looking for a combination (50/50) of single and companion/double niches.

Are you able to provide a quote for the attached requests?

Thank you,
Jinny



Jinny King
Administrative Assistant
jking@orccity.org

Direct: 971-204-4706
Cemetery: 971-204-4603
Parks: 971-204-4602
Fax: 503-656-7488

Parks Division & Mt. View Cemetery
500 Hilda Street
Oregon City, OR 97045

Website: www.orccity.org | maps.orccity.org |

PUBLIC RECORDS LAW DISCLOSURE: This e-mail is subject to the State Retention Schedule and may be made available to the public.

The City of Oregon City continues to offer services and programs in-person and online - find facility hours of operation [here](#).

**CITY OF OREGON CITY
PERSONAL SERVICES AGREEMENT**

Mountain View Cemetery – Columbarium Niche Wall

This PERSONAL SERVICES AGREEMENT (“Agreement”) is entered into between the CITY OF OREGON CITY (“City”) and **OM Stone** (“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 **May 17, 2024**, 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 **One Hundred Five Thousand Three Hundred and 00/100 (\$105,300.00)**.

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
ATTN: **Kendall Reid**
500 Hilda Street
Oregon City, OR 97045

To Consultant:

OM Stone
ATTN: Tony Goiburn
1299 NE 25th Avenue
Hillsboro, OR 97124

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 _____, 20____.

CITY OF OREGON CITY

OM Stone

By: _____
Kendall Reid
Title: Parks and Recreation Director

By: _____
Tony Goiburn
Title: Customer Relations

DATED: _____, 20____.

DATED: _____, 20____.

By: _____
Anthony J. Konkol, III
Title: City Manager

Date Authorized by Commission, if applicable:

DATED: _____, 20____.



CITY OF OREGON CITY

Staff Report

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

To: City Commission
From: City Manager Tony Konkol

Agenda Date: 1/3/2024

SUBJECT:

City Commission 4th of July celebration discussion

EXECUTIVE SUMMARY:

The City Commission requested an opportunity to discuss the opportunities for a 4th of July celebration and/or event in Oregon City.

STAFF RECCOMENDATION:

Staff recommends the City Commission discuss the topic and provide staff direction on how to proceed.

BACKGROUND:

OPTIONS:

1. Provide staff direction concerning a 4th of July celebration in Oregon City.



CITY OF OREGON CITY

Staff Report

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

To: City Commission
From: City Manager Tony Konkol

Agenda Date: 1/3/2024

SUBJECT:

City Commission Work Session Agenda Items Review

EXECUTIVE SUMMARY:

The City Commission requested an opportunity to review the List of Future Work Session Agenda Items, specifically the Additional Upcoming Items, to discuss, review, and determine if items should be added, removed, and/or reprioritized.

STAFF RECOMMENDATION:

Staff recommends the City Commission review the list of work session items and provide staff direction on how to proceed.

BACKGROUND:

OPTIONS:

1. Provide staff direction concerning the Additional Upcoming Items identified on the List of Future Work Session Agenda Items.



CITY OF OREGON CITY

Staff Report

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

To: City Commission
From: City Manager Tony Konkol

Agenda Date: 12/12/2023

SUBJECT:

List of Future Work Session Agenda Items

BACKGROUND:

January 9, 2024
Destination Marketing Organization

Additional Upcoming Items (These items are in no particular order)

Adding Native Land Acknowledgement to Agenda/Revised Rules of Procedure

Beavercreek Road Concept Plan (Thimble Creek) Funding Discussion

Boards and Committees Orientation Manual Review and Discussion

Canemah Area - Encroachments in the Right-of-Way Policy Discussion

City Seal Revision

Clackamas County Water Environmental Services (WES) Rate Differential

Climate Action Plan Presentation (City of Milwaukie)

Compatible Change Update

Construction Excise Tax

Ethics Training

Facilities Master Plan

Frog Ferry Informational Update

The Cove Water Quality and Habitat Restoration Opportunities

Metro Food Waste Program Requirements - Annual Review

South Fork Water Board - Mountain Line Easements Vacation

Water System Risk and Resiliency Review

Willamette Falls Legacy Project Operations and Maintenance Discussion



CITY OF OREGON CITY

Staff Report

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

To: City Commission
From: City Manager Tony Konkol

Agenda Date: 1/3/2024

SUBJECT:

Annual Comprehensive Financial Report for the Fiscal Year ending June 30, 2023

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, 2023. The ACFR can also be found on the City website at the following URL - <https://www.orcity.org/DocumentCenter/Index/960>. 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 June 30, 2022 ACFR qualified for the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting. We believe the 2023 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, OR 97035

December 12, 2023

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) for the year ended June 30, 2023. 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 July 19, 2023. 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 Agency changed accounting policies related to public-private and public-public partnership and availability payment arrangements by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 94, *Public-Private and Public-Public Partnerships and Availability of Payment Arrangements*, and subscription based information technology arrangements by adopting GASB No. 96, *Subscription Based Information Technology Arrangements* (SBITAs) in 2023. 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 December 31, 2020, and rolled forward to June 30, 2022. 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 December 31, 2020, and rolled forward to June 30, 2022. 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 July 1, 2022. 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. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit. 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 12, 2023, 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

Item a.



Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2023

City of Oregon City, Oregon

The cover photograph is courtesy of Jarrod Lyman, Communications Manager.

CITY OF OREGON CITY, OREGON

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

Prepared by

City of Oregon City
Finance Department

Available at: www.orcity.org



CITY OF OREGON CITY, OREGON
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INTRODUCTORY SECTION





625 Center Street | PO Box 3040 | Oregon City OR 97045
Ph (503) 657-0891 | Fax (503) 657-3339

December 12, 2023

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, 2023.

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, 2023. 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 37,471.

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 and the Municipal Judge. 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 Municipal Judge is appointed by the City Commission to hold municipal court and exercise jurisdiction of most offenses defined and punishable by ordinance of the city, as well as city and state traffic offenses and misdemeanor crimes.

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 either one or two fiscal years beginning July 1 and ending on 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 program (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 State of Oregon's Economic and Revenue Forecast issued in September of 2023 indicates that Portland metropolitan area growth is in a decline, as deaths outpace births and migration of population out of the area. The current median household income in Clackamas County is estimated at \$88,517, compared to \$69,021 nationwide.

The State of Oregon's Economic and Revenue Forecast also states that inflation has slowed considerably in the past year and the labor market is tight. As inflation slows, income gains are outpacing price increases, leading to rising living standards. With the economy at full employment, future growth will come from labor force gains driven by a return of positive net migration in the years ahead, along with productivity gains driven by capital investment.

Government and education are the top employment sectors in Oregon City, constituting almost 31% 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 19,000 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. Despite a rise in interest rates, growth and demand for housing has remained steady although future growth may slow. For instance, according to the State's Economic and Revenue Forecast, new housing supply has not kept pace with demand in either the ownership or rental markets. To the extent home prices and rents rise significantly faster than incomes, it is a clear risk to the housing outlook. Worsening housing affordability hurts Oregonians as they need to devote a larger share of their household budget to the basic necessities. Furthermore, while on the baseline outlook, declining affordability may dampen future growth as fewer people can afford to live here, lowering net in-migration and the size of the labor force in the years ahead.

The median home value in Oregon City was estimated at approximately \$598,000 in September of 2023, relatively consistent with last year as a slight decrease of 0.3% 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 implemented Euna (formerly Questica) budgeting and long-term financial planning software to aid with the development of a comprehensive financial planning tool which will be used for the 2025-2027 budget cycle as well as long-term projections.

The City Commission holds a formal goal setting process every two years to establish policy direction and financial goals for the upcoming biennium. Highlights of the adopted budget include continuing funding toward Commission goals, greater investment in information technology infrastructure, increased investment in transportation, water, wastewater, and stormwater projects, further development of the City's Economic Development and Tourism Plans, investigating the creation of a Destination Marketing Organization, investments in Diversity, Equity and Inclusion, addition of an Assistant City Manager position, and improving citizen engagement in the local government process.

The City continues to fund various Economic Development initiatives, including efforts to support the small business community with programs such as, Talent Ready, a workforce development initiative bringing together state, county and nonprofit organizations to serve individuals hampered with a variety of obstacles to employment such as childcare, homelessness, or legal challenges. The City also established the BIZ POD program, a high quality small business training and education resource that provides mentors and other tools designed to improve the resiliency of small businesses. Additionally, the City entered a partnership with a local credit union to provide loans to startup ventures.

On July 20, 2023, the City closed on a loan with the United States Environmental Protection Agency (EPA) for a \$16.3 million to fund a portion of future water infrastructure projects. The loan is part of EPA's Water Infrastructure Finance and Innovation Act (WIFIA) program. 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 General Fund surpluses in connection with the American Rescue Plan Act (ARPA). The City will begin multiple projects in the next biennium funded by the WIFIA program, such as multiple pipe replacement projects and multiple transmission main improvements throughout the City.

RELEVANT FINANCIAL POLICIES

The following financial policies are expected to provide a solid framework for 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, 2022. This was the twelfth consecutive year the City 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. 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 their support, this report would not have been possible.

Respectfully submitted,



Matt Zook
signer ID: LY09ISECA7
 Finance Director

ELECTED OFFICIALS

(as of June 30, 2023)

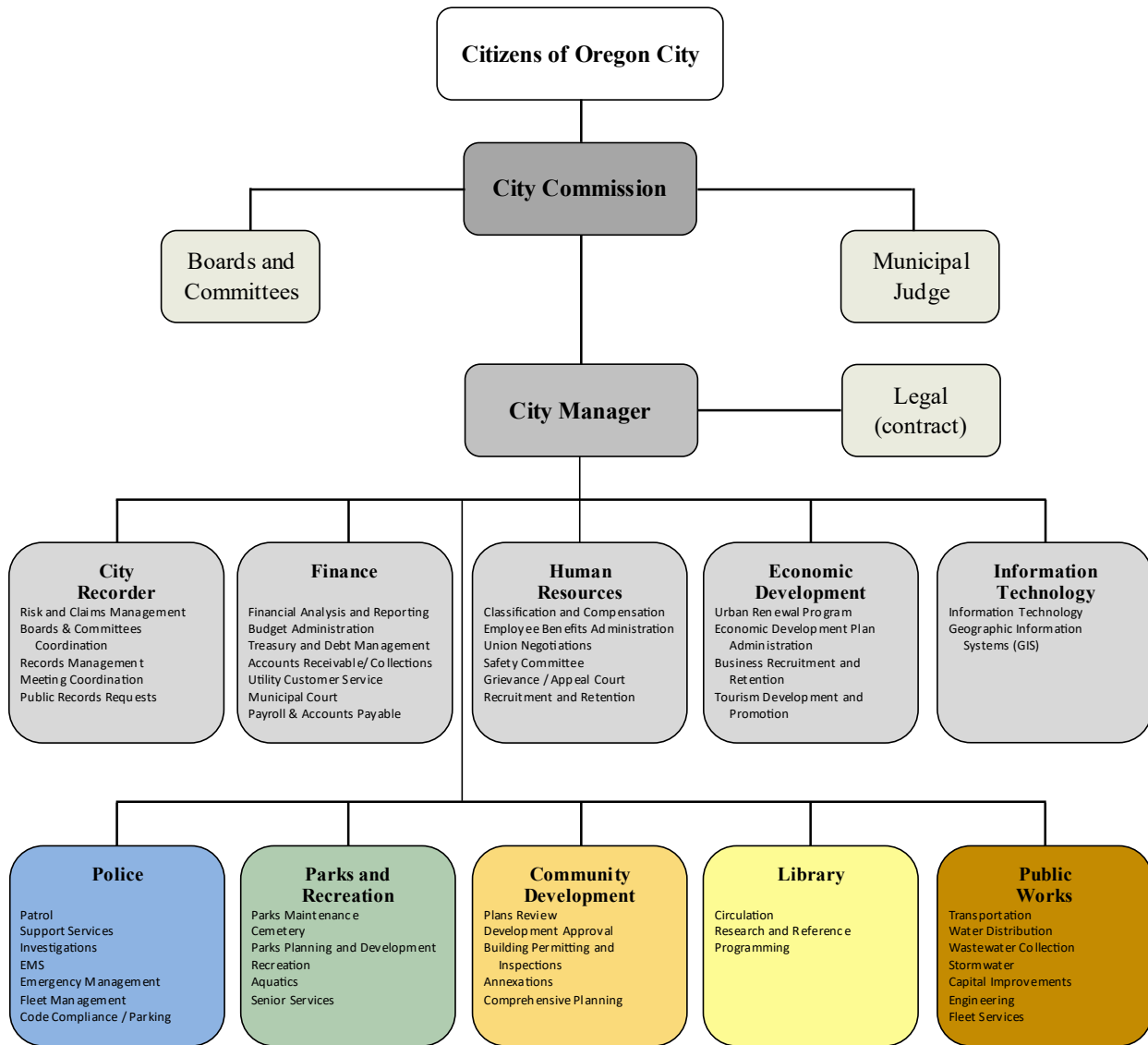
Mayor	<u>Term Expires</u>
Denyse McGriff	December 31, 2026
Commission Members	
Rocky Smith, Jr.	December 31, 2026
Mike Mitchell	December 31, 2024
Frank O'Donnell	December 31, 2024
Adam Marl	December 31, 2026

MANAGEMENT TEAM

(as of June 30, 2023)

Tony Konkol III	City Manager
Jim Band	Chief of Police
Michael Dobaj	Information Technology Director
Patrick Foiles	Human Resources Director
James Graham	Economic Development Manager
Aquilla Hurd-Ravich	Community Development Director
John Lewis	Public Works Director
Kendall Reid	Parks and Recreation Director
Jacob Wiley	City Recorder
Greg Williams	Library Director
Matt Zook	Finance Director

CITY OF OREGON CITY, OREGON
ORGANIZATION CHART
JUNE 30, 2023





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, 2022

Christopher P. Morill

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.



FINANCIAL SECTION





Aldrich CPAs + Advisors LLP
5665 SW Meadows Road, #200
Lake Oswego, OR 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof 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, schedule of future debt service requirements, schedule of property tax transactions and outstanding balances, 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, schedule of future debt service requirements, schedule of property tax transactions and outstanding balances, 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 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*

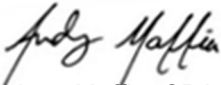
In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and 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 12, 2023, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.

Aldrich CPAs + Advisors LLP

By:



Andrew Maffia, CPA, Partner
Lake Oswego, Oregon
December 12, 2023





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, 2023. 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 \$334.77 million (reported as net position). Within the net position, \$28.14 million is unrestricted and may be used to meet the City's general obligations to citizens and creditors.
- Total assets are \$404.11 million, an increase of \$27.26 million, or 7.23%. Governmental type activities provided an increase of \$13.67 million while business-type activities increased \$13.59 million. The increase is attributed to an increase in cash from operating activities and the second tranche of American Rescue Plan Act (ARPA) funds. Capital assets increased by \$13.07 million, net of depreciation, primarily due to the continuation of the inflow and infiltration and Henrici reservoir rehabilitation projects.
- The City's liabilities totaled \$67.24 million, a decrease of approximately \$4.65 million. Liabilities consist of \$56.44 million in long-term liabilities and \$10.80 million in accounts payable and other liabilities. Much of the decrease was associated with a decrease in unearned revenue as ARPA funds are recognized as grant revenues.
- For its governmental activities, the City generated \$13.79 million in charges for services and \$26.11 million in operating and capital grants and contributions. Operating expenses and interest on long-term debt for governmental activities totaled \$45.06 million for the year. Additionally, governmental activities recorded general revenues of \$29.68 million and \$6.35 million of transfers out. This resulted in net position increasing by \$18.20 million to \$201.60 million at year end. The ending net position includes a prior period adjustment increase of \$0.01 million restatement of net position due to an erroneous inclusion of an airspace lease terminated in fiscal year 2022, thus removing the lease asset, net of amortization, and the lease liability upon implementation of Governmental Accounting Standards Board's (GASB) Statement No. 87.
- For its business-type activities, the City generated \$26.81 million in charges for services and \$5.88 million in operating and capital grants and contributions to fund expenses of \$24.31 million. After other general revenues of \$1.12 million and transfers in of \$6.35 million, business type net position increased by \$15.86 million. The ending net position includes a prior period adjustment increase of \$3,752 restatement of net position due to an erroneous exclusion of three leases for tasers, taser accessories and body worn cameras for traffic officers upon implementation of GASB Statement No. 87, therefore, the restatement is the net effect of recognizing the lease assets, net of amortization, and the lease liabilities.

FUND LEVEL

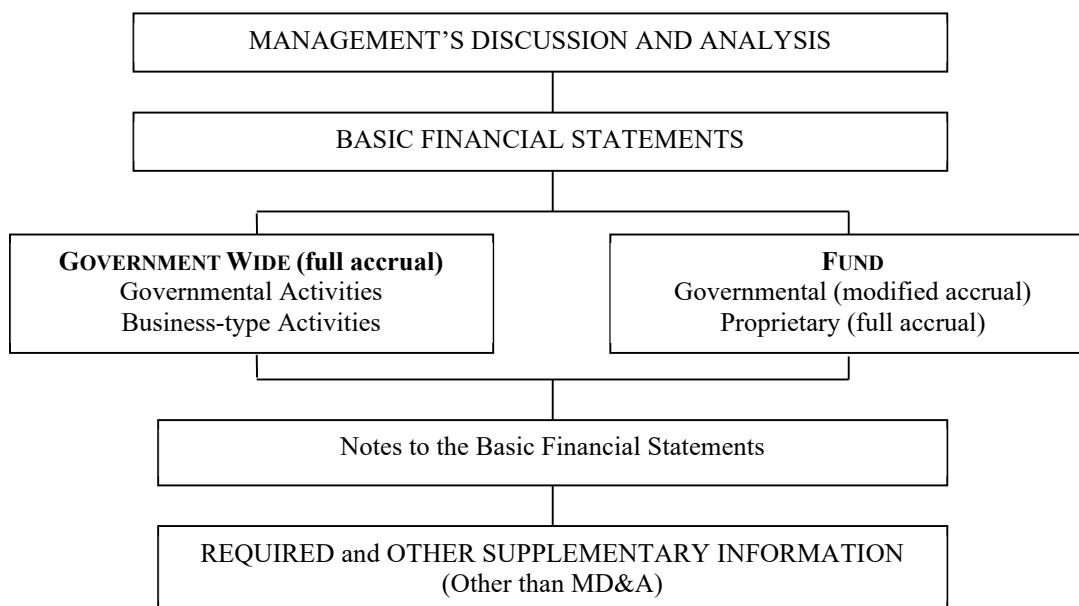
- The City's governmental funds report a combined fund balance of \$76.08 million, a \$16.21 million increase compared to the prior year. Of the total fund balance reported, \$64.60 million is considered nonspendable, restricted, committed or assigned. The remaining \$11.47 million, or 15.08%, is available for spending at the City's discretion. The fund balance increase is largely due to revenue increases in system development charges as some large projects are in process and recognition of ARPA funds as grant revenues.
- The proprietary funds, those used to account for programs which the City charges for the services it provides, reported combined net position of \$133.17 million, an increase of \$15.86 million compared to the prior year. The ending net position includes a prior period adjustment increase of \$3,752 restatement of net position

exclusion of three leases for tasers, taser accessories and body worn cameras for traffic officers therefore, the restatement is the net effect of recognizing the lease assets, net of amortization, and the lease liabilities.

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 103. Individual fund data for each of these nonmajor governmental funds is provided as Other Supplementary Information on pages 106 through 109.

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 86 and for the major special revenue funds on pages 87 through 90. Additional budgetary compliance with the major capital projects fund and other

CITY OF OREGON CITY, OREGON
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

governmental funds is included in Other Supplementary Information on page 101 and 103 through 109, 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 116 through 118 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 112 through 114 and for the internal services funds, on pages 120 through 122.

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 86.

Other Supplementary Information – The report presents combining and individual fund statements and schedules as well as other financial schedules starting on page 101.

The report also includes statistical information including financial trends, and demographic and economic information. The Statistical Section starts on page 130.

GOVERNMENT WIDE FINANCIAL ANALYSIS

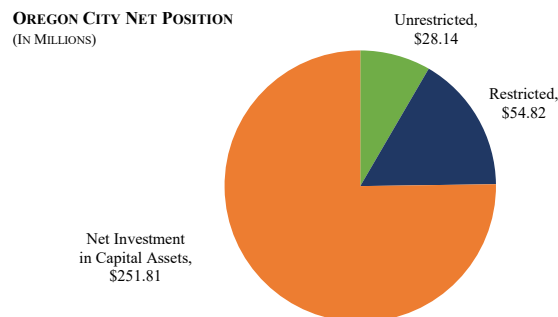
NET POSITION

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 \$334.77 million at the close of this year. This is an increase of \$34.06 million from the beginning net position.

TABLE 1
NET POSITION AS OF JUNE 30

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 83,732,408	\$ 70,650,196	\$ 49,357,259	\$ 48,248,069	\$ 133,089,667	\$ 118,898,265
Capital assets	177,695,615	177,101,198	93,326,562	80,847,897	271,022,177	257,949,095
Total assets	261,428,023	247,751,394	142,683,821	129,095,966	404,111,844	376,847,360
Deferred outflows of resources	8,820,429	10,248,817	1,838,495	2,319,674	10,658,924	12,568,491
Long term liabilities	50,390,367	50,571,270	6,054,013	5,890,831	56,444,380	56,462,101
Other liabilities	8,071,427	10,743,121	2,719,484	4,675,110	10,790,911	15,418,231
Total liabilities	58,461,794	61,314,391	8,773,497	10,565,941	67,235,291	71,880,332
Deferred inflows of resources	10,190,586	13,284,837	2,577,527	3,540,219	12,768,113	16,825,056
Net position:						
Net investment in capital assets	159,771,923	158,820,509	92,038,220	80,790,568	251,810,143	239,611,077
Restricted	54,726,514	40,590,633	86,685	86,963	54,813,199	40,677,596
Unrestricted	(12,902,365)	(16,010,159)	41,046,387	36,431,949	28,144,022	20,421,790
Total net position	<u>\$ 201,596,072</u>	<u>\$ 183,400,983</u>	<u>\$ 133,171,292</u>	<u>\$ 117,309,480</u>	<u>\$ 334,767,364</u>	<u>\$ 300,710,463</u>

At \$251.81 million, or 75.22%, 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 and subscriptions, 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, \$54.82 million, or 16.37%, represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted net position totaling \$28.14 million or 8.41%. As of June 30, 2023, the City had positive balances in all three categories of net position for the City as a whole.



Governmental activities – Total net position of governmental activities increased \$18.20 million or 9.92% for the year. The \$13.67 million increase in assets included a \$0.60 million increase in capital assets (which represents \$6.73 million of capital asset purchases, contributions and intangible assets offset by \$6.07 million in depreciation and amortization, \$0.18 million in deletions and a prior period adjustment for \$0.24 million to remove a lease terminated the prior fiscal year). Current and other assets increased by \$13.08 million, due primarily to an increase in cash and investments attributed to receipt of the second tranche of ARPA funds and accumulation of resources from system development charges as a result of large residential and commercial projects within the City.

Long term liabilities decreased by \$0.18 million mostly due to a decrease of the lease liability and recognition of a subscription liability through implementation of GASB Statement No. 96, Subscription-Based Information

CITY OF OREGON CITY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Technology Arrangements. The decrease to other liabilities of \$2.67 million is due to recognition of unearned revenue for ARPA funds earned as grant revenue.

Business-type activities – Total net position of business-type activities increased \$15.86 million or 13.52% for the year. The \$13.59 million increase in assets included a \$1.02 million increase in the investment in South Fork Water Board, a wholesale water distributor jointly owned by the City of Oregon City and the City of West Linn. The increase in assets also included a \$12.48 million increase in capital assets (which represents \$15.15 million of capital asset purchases, contributions and intangible assets offset by \$2.97 million in depreciation and amortization, \$0.20 million in deletions and a prior period adjustment of \$0.09 million to recognize intangible lease assets). Total liabilities decreased by \$1.79 million is due to recognition of unearned revenue for ARPA funds earned as grant revenue.

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	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services	\$ 13,794,062	\$ 13,642,300	\$ 26,813,324	\$ 24,813,928	\$ 40,607,386	\$ 38,456,228
Operating grants and contributions	16,000,474	7,384,170	2,357,840	617,182	18,358,314	8,001,352
Capital grants and contributions	10,109,047	6,380,476	3,522,854	2,910,827	13,631,901	9,291,303
General revenues						
Property taxes	18,760,606	18,516,695	-	-	18,760,606	18,516,695
Franchise taxes	4,491,261	4,585,159	334,174	314,206	4,825,435	4,899,365
Other	6,432,177	4,124,258	790,456	(54,636)	7,222,633	4,069,622
Total revenues	69,587,627	54,633,058	33,818,648	28,601,507	103,406,275	83,234,565
Expenses						
General governmental	9,385,154	8,466,143	-	-	9,385,154	8,466,143
Public safety	13,124,090	12,153,036	-	-	13,124,090	12,153,036
Public works	8,337,604	8,050,720	-	-	8,337,604	8,050,720
Culture and recreation	9,563,967	8,190,792	-	-	9,563,967	8,190,792
Community development	3,619,719	3,307,988	-	-	3,619,719	3,307,988
Interest on long-term debt	1,028,158	1,128,589	6,690	-	1,034,848	1,128,589
Water	-	-	7,827,537	7,436,503	7,827,537	7,436,503
Wastewater	-	-	12,904,231	12,663,573	12,904,231	12,663,573
Stormwater	-	-	2,902,744	2,832,689	2,902,744	2,832,689
Fleet	-	-	666,036	570,003	666,036	570,003
Total expenses	45,058,692	41,297,268	24,307,238	23,502,768	69,365,930	64,800,036
Changes in net position before transfers	24,528,935	13,335,790	9,511,410	5,098,739	34,040,345	18,434,529
Transfers	(6,346,650)	40,884	6,346,650	(40,884)	-	-
Changes in net position	18,182,285	13,376,674	15,858,060	5,057,855	34,040,345	18,434,529
Beginning net position, as originally reported	183,400,983	170,267,640	117,309,480	112,296,089	300,710,463	282,563,729
Prior period adjustment	12,804	(243,331)	3,752	(44,464)	16,556	(287,795)
Beginning net position	183,413,787	170,024,309	117,313,232	112,251,625	300,727,019	282,275,934
Net position - ending	\$ 201,596,072	\$ 183,400,983	\$ 133,171,292	\$ 117,309,480	\$ 334,767,364	\$ 300,710,463

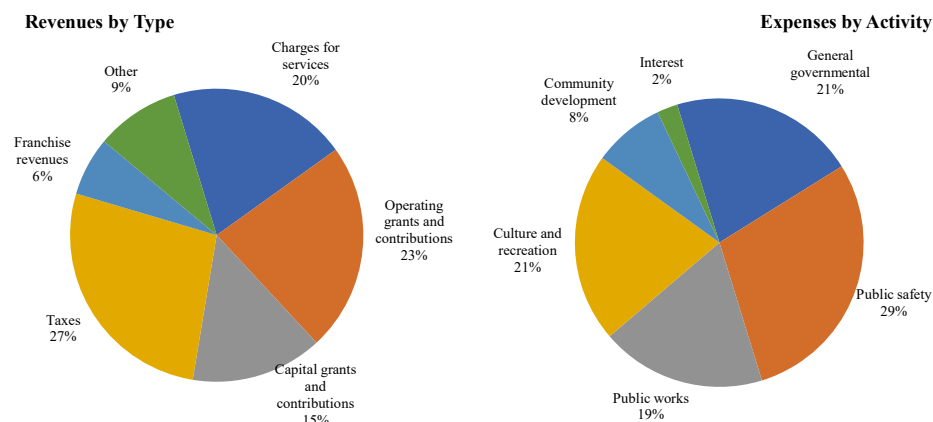
Governmental activities

Net position of governmental activities increased by \$18.20 million. This was more than the prior year increase of \$13.38 million by \$4.82 million. This greater increase in net position compared to the prior year was due to a \$14.95 million increase in revenue, a \$3.76 million increase in expense and a \$6.39 million decrease in net transfers (the extent to which transfers-out to governmental activities exceeded transfers-in to business-type activities). The ending net position includes a prior period adjustment increase of \$0.01 million restatement of net position due to an erroneous inclusion of an airspace lease terminated in fiscal year 2022, thus removing the lease asset, net of amortization, and the lease liability upon implementation of GASB Statement No. 87.

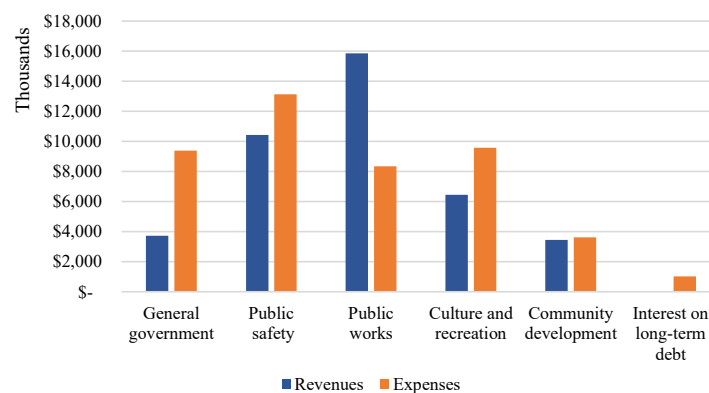
Compared to prior year, revenue increased, primarily due to a \$8.62 million increase in operating grants and contributions (due mostly to the recognition of ARPA funds as earned revenue), an increase of \$3.97 million in system development revenue (due to multiple new commercial and residential developments) and a \$1.79 million increase in investment revenue (due to increased rates at the State of Oregon Local Government Investment Pool (LGIP) and higher cash balances). The increase in expense of \$3.76 million represents an increase of 9.11% over the prior year, which reflects an increase in personnel costs due to contractually required wage and benefit increases and the completion of the capital outlay related to reconstruction of the cemetery bathroom and replacement of the cemetery mausoleum roof.

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

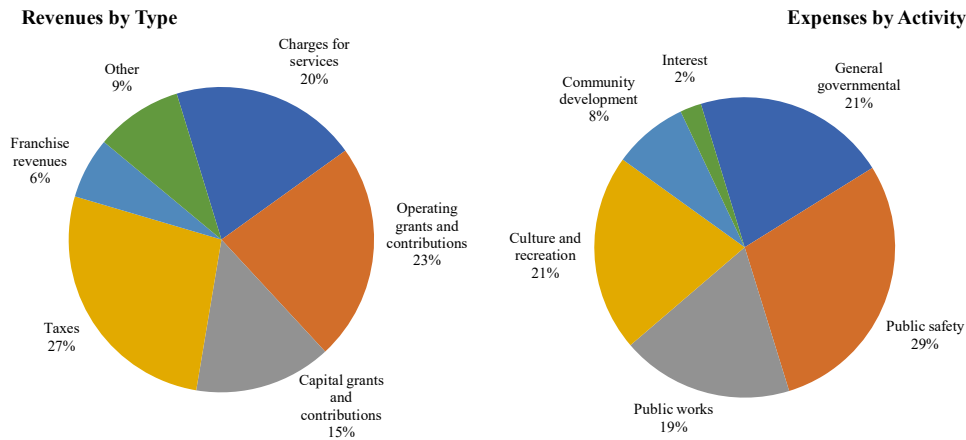
Net position of business-type activities increased by \$15.86 million. This was more than the prior year increase of \$5.06 million by \$10.80 million. This increase in net position compared to the prior year was due to a \$5.21 million increase in revenue, a \$0.80 million increase in expense, and a \$6.39 million increase in net transfers (the extent to which transfers-in to business-type activities exceeded transfers-out to governmental activities). The ending net position includes a prior period adjustment increase of \$3,752 restatement of net position due to an erroneous exclusion of three leases for tasers, taser accessories and body worn cameras for traffic officers upon implementation of GASB Statement No. 87, therefore, the restatement is the net effect of recognizing the lease assets, net of amortization, and the lease liabilities.

CITY OF OREGON CITY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

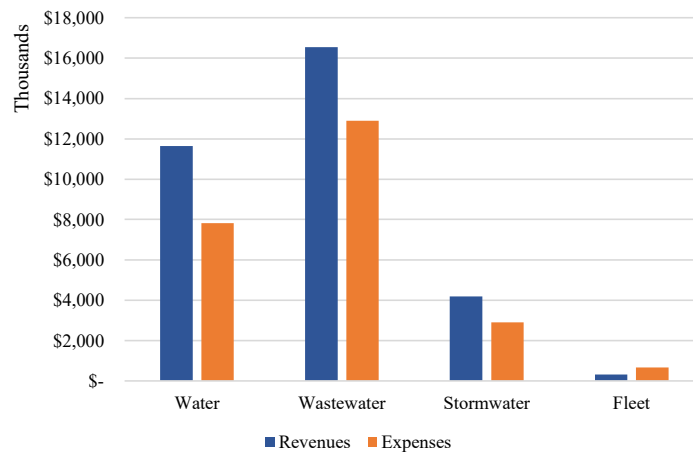
The increase in revenue was due primarily to a \$2.00 million increase in charges for services (due to inflationary utility rate adjustments), a \$1.74 million increase in operating grants and contributions (due to proceeds received through a cost sharing agreement with Water Environmental Services on the City's inflow and infiltration project), a \$0.85 million increase in investment revenue (due to increased interest rates at the State of Oregon Local Government Investment Pool (LGIP) and higher cash balances) and a \$6.39 million increase in transfers in (due mostly to additional funds recognized in the Governmental Activities that are available to be used toward water projects). The increase in expense of \$0.80 million is due in part to an increase in wholesale water purchases, stormwater catch basin grounds maintenance and general operating costs.

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 \$0.68 million, a difference of \$1.43 million compared to the prior year's increase of \$2.11 million. The \$9.83 million increase in revenue is most due to the recognition of ARPA funds earned as grant revenue, offset by an increase in expenses of \$5.07 million related to increased personnel costs and capital outlay for a new cemetery bathroom and replacement of the mausoleum roof. Transfers out increased by \$6.85 million to allocate ARPA-enabled funds to the Water fund for future projects.
- The Engineering Fund remained relatively consistent with a slight decrease to its ending balance of \$0.10 million in the current year compared to a \$0.13 million decrease in the prior year. The decline in the ending fund balance reflects 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 \$8.24 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 \$3.34 million primarily due to property taxes collected in the current year. The City continues to identify projects to fund in the Urban Renewal Fund.
- 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 increased by \$1.86 million a difference of \$3.38 million compared to the prior year's decrease of \$1.52 million. This increase of \$3.38 million represents a decrease in expense and an increase of transfers in of \$1.10 million. The \$1.97 million decrease to capital outlay was due primarily to the completion of the Molalla Avenue Streetscape Project, while the increase to transfers in was the result of allocation of ARPA-enabled funds for a future quiet zone project.
- The Community Facilities Fund ending balance increased by \$1.71 million. This increase represents savings for future capital projects.

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 \$9.06 million.
- The net position increase for the Wastewater Fund was \$4.47 million.
- The net position increase for the Stormwater Fund was \$1.04 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
- Recognition of \$8,241,316 in public safety federal grant revenue received through the American Rescue Plan Act (ARPA) for COVID-19 pandemic response and appropriation of the expense:
 - Increase the transfer out to the Water Fund by \$5,600,000 to fund water projects
 - Increase the transfer out to the Transportation Fund by \$925,000 to replace lost revenue during the pandemic, match federal dollars for a railroad quiet zone and elevator security enhancements
 - Increase the transfer out to the Community Facility Fund by \$75,000 for post-COVID reconfiguration at the Library

CITY OF OREGON CITY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

- Increase the transfer out to the Building Fund by \$32,500 for renovations for a community meeting room
- Increase the transfer out to the Community Development Fund by \$17,500 for renovations for a community meeting room
- Increase the transfer out to the Equipment Replacement Fund by \$158,549 for additional C800 implementation costs
- Increase the appropriation for construction of a downtown bathroom by \$400,000
- Increase the appropriation for tourism promotion by \$100,000
- Increase the appropriation for consulting by \$81,590 for a broadband feasibility study
- Increase capital outlay by \$225,000 to purchase additional parking kiosks
- Increase the future reserve by \$626,177 for future projects
- Recognize federal grant revenue and increase capital outlay by \$149,379 for the purchase of law enforcement simulation equipment and software
- Recognize federal grant revenue from FEMA and increase capital outlay by \$500,000 to cover higher than anticipated construction costs for the cemetery bathroom
- Increase the transfer out to the Transportation Fund by \$13,000 to adjust for increased contract costs to operate the municipal elevator
- Increase vehicle maintenance by \$3,000 to cover higher than anticipated costs
- Recognition of implementation of Governmental Accounting Standards Board's (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements, for two network security subscriptions, an operating system subscription, a community engagement subscription, and a public safety database subscription:
 - recognition of capital outlay for subscription obligations in the amount of \$370,000
 - recognition of proceeds from subscription obligations in the amount of \$370,000
 - reclassify professional expenses of \$289,000 and appropriate debt payments of principal in the amount of \$253,000 and interest in the amount of \$36,000

Revenues and expenditures were consistent with budgeted amounts for the biennium.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

At June 30, 2023, the City had approximately \$271.02 million invested in a broad range of capital assets, including land, buildings and improvements, equipment, roads, bridges, utility infrastructure, lease and subscription assets. Capital assets comprise approximately 67.07% 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 AND AMORTIZATION
AS OF JUNE 30

	Governmental Activities		Business-type Activities		Total Government-wide	
	2023	2022	2023	2022	2023	2022
Land	\$ 13,295,346	\$ 13,178,045	\$ 2,742,070	\$ 1,540,418	\$ 16,037,416	\$ 14,718,463
Construction in progress	2,961,279	10,564,384	12,050,395	6,373,813	15,011,674	16,938,197
Subscription implementation	221,556	-	-	-	221,556	-
Equipment	1,491,524	1,352,966	2,154,896	1,683,803	3,646,420	3,036,769
Buildings and improvements	48,574,437	49,624,244	16,207,185	15,973,052	64,781,622	65,597,296
Infrastructure	110,570,838	102,029,486	59,882,173	55,220,132	170,453,011	157,249,618
Leases	100,497	352,073	175,334	56,679	275,831	408,752
Subscriptions	480,138	-	114,509	-	594,647	-
Total	<u>\$ 177,695,615</u>	<u>\$ 177,101,198</u>	<u>\$ 93,326,562</u>	<u>\$ 80,847,897</u>	<u>\$ 271,022,177</u>	<u>\$ 257,949,095</u>

The total increase to the capital asset balance for the City was \$13.07 million from the prior year which was comprised of \$21.92 million in capital asset additions, offset by net decreases of \$0.06 million, depreciation and amortization expense of \$9.03 million and net increase of \$0.24 million prior period adjustments related to the implementation of GASB 87 and GASB 96, for a total change in the capital asset balance of \$13.07 million. The increase in capital assets included recognition of \$0.59 million of intangible subscription assets for the implementation of GASB Statement No. 96. 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 starting on page 54 of this report.

- ★ Inflow and Infiltration Rehabilitation \$4.15 million
- ★ Henrici Reservoir Rehabilitation \$2.67 million
- ★ Water and Sanitary Utility Replacements \$1.68 million
- ★ Main Street Waterline Improvements \$1.53 million
- ★ Roadway Reconstruction \$1.46 million

DEBT ADMINISTRATION

At the end of the current fiscal year, the City had total debt outstanding of approximately \$24.43 million. All debt is reported in the governmental funds. The City's total debt outstanding represents long term borrowings.

Outstanding bonds totaling \$3.83 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 \$7.45 million are limited tax obligation funds that are payable from various City funds that have personnel services. Outstanding bonds totaling \$12.01 million, with \$1.16 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	
	2023	2022	2023	2022	2023	2022
General Obligation Bonds	\$ 3,826,296	\$ 4,114,927	\$ -	\$ -	\$ 3,826,296	\$ 4,114,927
Limited Obligation Bonds	19,450,000	21,275,000	-	-	19,450,000	21,275,000
Total Issued Debt Outstanding	23,276,296	25,389,927	-	-	23,276,296	25,389,927
Bond Premiums/(Discounts)	1,156,638	1,233,747	-	-	1,156,638	1,233,747
Total Long Term Debt	\$ 24,432,934	\$ 26,623,674	\$ -	\$ -	\$ 24,432,934	\$ 26,623,674

In addition to long term debt outstanding, the City has a long term compensated absences liability of \$1.45 million, a long term lease liability of \$0.26 million and a long term subscription liability of \$0.50 million. Additional information on the City's debt can be found in Notes 2.E through H on pages 58 through 63 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 than its maximum property tax rate to support taxpayers. In 2023, the City's assessed value increased 4.29%. The City's business-type activities are funded through water, wastewater, and stormwater rates; these rates are generally adjusted annually for inflation.

CITY OF OREGON CITY, OREGON
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

On May 16, 2023, voters rejected Measure 3-597, which requested the approval for the Urban Renewal Agency to borrow up to \$44 million for projects in the Urban Renewal Plan. During the budget adoption process, the Urban Renewal Commission declared an Incremental Assessed Value of \$0 for fiscal year 2023-24 with prior year collections as \$46,000 and an Incremental Assessed Value of \$55,165,000, which anticipates approximately \$828,000 in fiscal year 2024-25 levy collections with prior year collections at \$26,000.

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 (PERS). 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, 2023 through June 30, 2025 biennium was \$282.12 million. The current budget, after adjustments, is \$253.47 million. The following are the major assumptions used in developing the budget:

- ★ The City's population was estimated at 37,786 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 3.7% 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 budgeted conservatively for the biennium.
- ★ Cost of living increases were proposed for all employees in the amount of 3.00% to 4.00%.
- ★ Oregon Public Employees Retirement System (PERS) contributions were forecasted to increase 1.25% to 4.95% of covered payroll.
- ★ Health benefit costs were projected at a 4.0% to 8.1% 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, reflecting increased construction costs 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, 2023

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 78,291,080	\$ 31,032,029	\$ 109,323,109
Accounts receivable	2,313,312	4,628,755	6,942,067
Property taxes receivable	757,114	-	757,114
Assessment liens receivable	819,569	57,128	876,697
Lease receivable	362,343	533,838	896,181
Settlement receivable	386,607	-	386,607
Note receivable	100,000	-	100,000
Interest receivable	6,476	10,381	16,857
Inventories	-	267,968	267,968
Other post employment benefit asset	415,883	86,685	502,568
Other assets	280,024	-	280,024
Investment in South Fork Water Board	-	12,740,475	12,740,475
Non-depreciable capital and subscription assets	16,478,181	14,792,465	31,270,646
Capital assets, net of depreciation	160,636,799	78,244,254	238,881,053
Lease assets, net of amortization	100,497	175,334	275,831
Subscription assets, net of amortization	480,138	114,509	594,647
Total Assets	261,428,023	142,683,821	404,111,844
DEFERRED OUTFLOWS OF RESOURCES			
Deferred resources related to pensions	7,177,024	1,495,950	8,672,974
Deferred resources related to other benefits	1,643,405	342,545	1,985,950
Total Deferred Outflows of Resources	8,820,429	1,838,495	10,658,924
LIABILITIES			
Current liabilities:			
Accounts payable	2,016,098	2,142,363	4,158,461
Accrued payroll liabilities	965,126	194,742	1,159,868
Deposits payable	1,539,036	254,595	1,793,631
Accrued interest payable	89,925	3,522	93,447
Unearned revenue	601,087	-	601,087
Bonds payable	2,354,630	-	2,354,630
Accrued compensated absences	238,194	52,254	290,448
Lease payable	7,913	35,534	43,447
Subscription payable	259,418	36,474	295,892
Noncurrent liabilities:			
Due in more than one year:			
Bonds payable, net of unamortized premium	22,078,304	-	22,078,304
Accrued compensated absences	952,779	209,021	1,161,800
Lease payable	95,575	122,804	218,379
Subscription payable	138,650	68,349	206,999
Net pension liability	18,215,093	3,796,681	22,011,774
Other post employment benefit liability	8,909,966	1,857,158	10,767,124
Total Liabilities	58,461,794	8,773,497	67,235,291
DEFERRED INFLOWS OF RESOURCES			
Deferred resources related to leases	353,505	527,127	880,632
Deferred resources related to pensions	5,866,089	1,222,703	7,088,792
Deferred resources related to other benefits	3,970,992	827,697	4,798,689
Total Deferred Inflows of Resources	10,190,586	2,577,527	12,768,113
NET POSITION			
Net investment in capital assets	159,771,923	92,038,220	251,810,143
Restricted for:			
Enhancement grants	661,173	-	661,173
Tourism	880,769	-	880,769
Parks and recreation	6,777,327	-	6,777,327
Urban renewal	9,332,297	-	9,332,297
Public safety	91,266	-	91,266
Public works	28,194,855	-	28,194,855
Library	2,967,474	-	2,967,474
Building operations	5,405,470	-	5,405,470
OPEB benefits	415,883	86,685	502,568
Unrestricted	(12,902,365)	41,046,387	28,144,022
Total Net Position	\$ 201,596,072	\$ 133,171,292	\$ 334,767,364

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, 2023

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
Governmental activities:							
General government	\$ 9,385,154	\$ 2,935,993	\$ 799,408	\$ -	\$ (5,649,753)	\$ -	\$ (5,649,753)
Public safety	13,124,090	1,869,583	8,553,504	-	(2,701,003)	-	(2,701,003)
Public works	8,337,604	4,099,160	3,341,587	8,399,237	7,502,380	-	7,502,380
Culture and recreation	9,563,967	1,446,327	3,305,975	1,701,063	(3,110,602)	-	(3,110,602)
Community development	3,619,719	3,442,999	-	8,747	(167,973)	-	(167,973)
Interest on long-term debt	1,028,158	-	-	-	(1,028,158)	-	(1,028,158)
Total Governmental activities	45,058,692	13,794,062	16,000,474	10,109,047	(5,155,109)	-	(5,155,109)
Business-type activities:							
Water	7,827,537	10,107,086	1,039,157	494,985	-	3,813,691	3,813,691
Wastewater	12,904,231	12,651,383	1,308,117	2,586,041	-	3,641,310	3,641,310
Stormwater	2,902,744	3,729,541	10,566	441,828	-	1,279,191	1,279,191
Fleet	666,036	325,314	-	-	-	(340,722)	(340,722)
Interest on long-term debt	6,690	-	-	-	-	(6,690)	(6,690)
Total Business-type activities	24,307,238	26,813,324	2,357,840	3,522,854	-	8,386,780	8,386,780
Total Activities	<u>\$ 69,365,930</u>	<u>\$ 40,607,386</u>	<u>\$ 18,358,314</u>	<u>\$ 13,631,901</u>	(5,155,109)	8,386,780	3,231,671
General revenues:							
Property taxes					18,760,606	-	18,760,606
Franchise taxes					4,491,261	334,174	4,825,435
Intergovernmental revenues not restricted for specific purposes					1,308,887	-	1,308,887
Unrestricted investment earnings					1,811,814	734,806	2,546,620
Miscellaneous					3,311,476	55,650	3,367,126
Total General revenues					29,684,044	1,124,630	30,808,674
Transfers					(6,346,650)	6,346,650	-
Change in net position					18,182,285	15,858,060	34,040,345
Beginning net position					183,400,983	117,309,480	300,710,463
Prior period adjustment					12,804	3,752	16,556
Beginning net position, as restated					183,413,787	117,313,232	300,727,019
Ending net position					<u>\$ 201,596,072</u>	<u>\$ 133,171,292</u>	<u>\$ 334,767,364</u>

The notes to the financial statements are an integral part of this statement

CITY OF OREGON CITY, OREGON
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2023

	General	Engineering	System Development	Urban Renewal	Transportation	Community Facilities	Nonmajor Governmental Funds	Total
ASSETS								
Cash and investments	\$ 14,932,615	\$ 1,708,210	\$ 29,921,809	\$ 9,217,186	\$ 5,068,955	\$ 3,701,882	\$ 13,740,423	\$ 78,291,080
Receivables:								
Accounts	1,218,886	-	60,487	1,237	853,154	174,959	4,589	2,313,312
Property taxes	626,150	-	-	130,964	-	-	-	757,114
Assessment liens	-	-	819,569	-	-	-	-	819,569
Settlement	386,607	-	-	-	-	-	-	386,607
Lease	118,719	-	87,420	156,204	-	-	-	362,343
Notes	100,000	-	-	-	-	-	-	100,000
Interest	1,022	332	2,692	357	5	299	1,769	6,476
Prepays and deposits	110,009	-	142,369	22,596	-	-	5,050	280,024
TOTAL ASSETS	\$ 17,494,008	\$ 1,708,542	\$ 31,034,346	\$ 9,528,544	\$ 5,922,114	\$ 3,877,140	\$ 13,751,831	\$ 83,316,525
LIABILITIES								
Accounts payable	\$ 773,259	\$ 78,353	\$ 104,858	\$ 16,476	\$ 510,532	\$ -	\$ 532,620	\$ 2,016,098
Accrued payroll	721,351	30,691	-	-	56,511	-	156,573	965,126
Deposits payable	477,130	729,830	45,822	1,800	284,454	-	-	1,539,036
Unearned revenue	597,146	-	-	3,941	-	-	-	601,087
TOTAL LIABILITIES	2,568,886	838,874	150,680	22,217	851,497	-	689,193	5,121,347
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	497,324	164	815,072	82,446	488	356	1,323	1,397,173
Unavailable revenue, settlement	369,176	-	-	-	-	-	-	369,176
Unavailable revenue, leases	118,170	-	83,901	151,434	-	-	-	353,505
Total Deferred Inflows of Resources	984,670	164	898,973	233,880	488	356	1,323	2,119,854
FUND BALANCES								
Nonspendable:								
Prepays and deposits	110,009	-	142,369	22,596	-	-	1,050	276,024
Restricted:								
Enhancement grants	661,173	-	-	-	-	-	-	661,173
Tourism	880,769	-	-	-	-	-	-	880,769
Parks and recreation	-	-	6,803,860	-	-	-	-	6,803,860
Library	-	-	-	-	-	632,466	4,349,667	4,982,133
Building operations	-	-	-	-	-	-	6,841,351	6,841,351
Public safety	91,266	-	-	-	-	-	-	91,266
Public works	-	-	23,038,464	-	4,171,467	1,677,507	-	28,887,438
Urban renewal projects	-	-	-	9,249,851	-	-	-	9,249,851
Committed:								
Pavement maintenance	-	-	-	-	898,662	-	-	898,662
Engineering operations	-	869,504	-	-	-	-	-	869,504
Planning operations	-	-	-	-	-	-	845,237	845,237
Debt service	-	-	-	-	-	-	1,024,010	1,024,010
Assigned:								
Police facilities	-	-	-	-	-	380,283	-	380,283
General government facilities	-	-	-	-	-	1,186,528	-	1,186,528
Parks and recreation	726,083	-	-	-	-	-	-	726,083
Unassigned	11,471,152	-	-	-	-	-	-	11,471,152
TOTAL FUND BALANCES	13,940,452	869,504	29,984,693	9,272,447	5,070,129	3,876,784	13,061,315	76,075,324
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 17,494,008	\$ 1,708,542	\$ 31,034,346	\$ 9,528,544	\$ 5,922,114	\$ 3,877,140	\$ 13,751,831	\$ 83,316,525

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, 2023**

Fund Balances - Combined Balance Sheet	\$ 76,075,324
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.	1,766,349
Capital assets are not financial resources in governmental funds, but are reported in the Statement of Net Position at their net depreciable value.	
Cost	241,973,008
Accumulated depreciation	(64,858,028)
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	119,339
Accumulated depreciation	(18,842)
Intangible subscription assets are not financial resources in governmental funds, but are reported in the Statement of Net Position at their net depreciable value.	
Cost	674,348
Accumulated depreciation	(194,210)
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	(1,190,973)
Other post employment benefits	(8,494,083)
Deferred inflows related to other post employment benefits	(3,970,992)
Deferred outflows related to other post employment benefits	1,643,405
Accrued interest payable	(89,925)
Long-term debt payable	(24,432,934)
Leases payable	(103,488)
Subscriptions payable	(398,068)
Net pension liability	(18,215,093)
Deferred inflows related to pensions	(5,866,089)
Deferred outflows related to pensions	7,177,024
Net Position of Governmental Activities	<u>\$ 201,596,072</u>

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, 2023

	General	Engineering	System Development	Urban Renewal	Transportation	Community Facilities	Other Governmental Funds	Total
REVENUES								
Property taxes	\$ 15,650,428	\$ -	\$ -	\$ 3,237,853	\$ -	\$ -	\$ -	\$ 18,888,281
Franchise taxes	4,491,261	-	-	-	-	-	-	4,491,261
Assessments and other taxes	772,307	-	-	-	-	-	-	772,307
Licenses and permits	233,465	90,482	-	-	-	-	2,092,067	2,416,014
Charges for services	3,355,436	991,793	-	112,743	3,016,885	1,227,459	1,362,792	10,067,108
System development charges	-	-	9,149,374	-	-	-	-	9,149,374
Intergovernmental	10,778,870	-	119,012	-	4,143,939	-	2,726,258	17,768,079
Fines and forfeitures	980,185	-	-	-	-	-	25,054	1,005,239
Interest income	380,201	57,560	472,057	274,379	166,584	86,131	368,358	1,805,270
Miscellaneous	842,099	-	119,647	19,305	55,014	87,855	1,499,544	2,623,464
TOTAL REVENUES	37,484,252	1,139,835	9,860,090	3,644,280	7,382,422	1,401,445	8,074,073	68,986,397
EXPENDITURES								
General government	8,514,849	-	-	304,145	-	-	-	8,818,994
Public safety	12,533,144	-	-	-	-	-	-	12,533,144
Public works	-	1,169,380	308,193	-	3,347,577	-	-	4,825,150
Culture and recreation	5,223,622	-	121,578	-	-	-	2,332,654	7,677,854
Community development	-	-	-	-	-	-	3,605,346	3,605,346
Debt service								
Principal	270,430	-	-	-	920	-	2,113,631	2,384,981
Interest	4,777	-	-	-	561	-	1,104,489	1,109,827
Capital outlay								
General government	673,183	-	-	-	-	-	-	673,183
Public safety	453,813	-	-	-	-	-	-	453,813
Public works	-	-	1,089,727	-	2,838,024	33,278	-	3,961,029
Culture and recreation	1,389,977	-	103,414	-	-	41,628	-	1,535,019
Community development	-	-	-	-	-	-	47,371	47,371
TOTAL EXPENDITURES	29,063,795	1,169,380	1,622,912	304,145	6,187,082	74,906	9,203,491	47,625,711
REVENUES OVER (UNDER) EXPENDITURES	8,420,457	(29,545)	8,237,178	3,340,135	1,195,340	1,326,539	(1,129,418)	21,360,686
OTHER FINANCING SOURCES (USES)								
Transfers in	-	45,000	-	-	1,102,004	1,490,000	1,662,900	4,299,904
Subscription financing	366,177	-	-	-	-	-	-	366,177
Transfers out	(8,111,458)	(118,000)	-	-	(440,000)	(1,101,900)	(41,000)	(9,812,358)
TOTAL OTHER FINANCING SOURCES (USES)	(7,745,281)	(73,000)	-	-	662,004	388,100	1,621,900	(5,146,277)
NET CHANGE IN FUND BALANCE	675,176	(102,545)	8,237,178	3,340,135	1,857,344	1,714,639	492,482	16,214,409
FUND BALANCE, beginning 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
FUND BALANCE, end of year	\$ 13,940,452	\$ 869,504	\$ 29,984,693	\$ 9,272,447	\$ 5,070,129	\$ 3,876,784	\$ 13,061,315	\$ 76,075,324

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, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ 16,214,409
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.	(171,375)
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	(63,720)
Accrued interest payable	4,559
Changes in pension liabilities and related deferred outflows and inflows of resources	(137,537)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(301,863)
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	6,070,301
Depreciation	(5,864,410)
Contribution and transfers of capital assets	(61,592)
Leases	1,178
Lease amortization	(9,487)
Subscriptions	600,117
Subscription amortization	(194,210)
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
Subscription financing	(366,177)
Debt principal paid	2,113,631
Lease financing principal paid	7,456
Subscription financing principal paid	263,896
Change in Net Position of Governmental Activities	<u>\$ 18,182,285</u>

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, 2023

	Water	Wastewater	Stormwater	Total Enterprise Funds	Total Internal Service Funds	Total Proprietary Funds
ASSETS						
Current Assets						
Cash and investments	\$ 6,984,291	\$ 12,644,684	\$ 3,095,098	\$ 22,724,073	\$ 8,307,956	\$ 31,032,029
Accounts receivable, net of allowance	1,489,088	2,554,146	560,884	4,604,118	24,637	4,628,755
Assessment liens receivable	-	57,128	-	57,128	-	57,128
Lease receivable, current portion	58,171	-	-	58,171	-	58,171
Interest receivable	6,576	2,323	439	9,338	1,043	10,381
Inventories	267,968	-	-	267,968	-	267,968
Total Current Assets	8,806,094	15,258,281	3,656,421	27,720,796	8,333,636	36,054,432
Noncurrent Assets						
Investment in South Fork Water Board	12,740,475	-	-	12,740,475	-	12,740,475
Lease receivable	475,667	-	-	475,667	-	475,667
Nondepreciable capital assets	6,850,228	6,256,245	1,685,992	14,792,465	-	14,792,465
Capital assets, net of depreciation	39,030,359	20,832,275	17,112,360	76,974,994	1,269,260	78,244,254
Lease assets, net of amortization	17,740	17,740	17,740	53,220	122,114	175,334
Subscription assets, net of amortization	-	-	-	-	114,509	114,509
OPEB Asset	33,038	19,158	19,855	72,051	14,634	86,685
Total Noncurrent Assets	59,147,507	27,125,418	18,835,947	105,108,872	1,520,517	106,629,389
Total Assets	67,953,601	42,383,699	22,492,368	132,829,668	9,854,153	142,683,821
DEFERRED OUTFLOWS OF RESOURCES						
Deferred resources related to pensions	570,142	330,612	342,644	1,243,398	252,552	1,495,950
Deferred resources related to OPEB	130,552	75,704	78,459	284,715	57,830	342,545
Total Deferred Outflows of Resources	700,694	406,316	421,103	1,528,113	310,382	1,838,495
LIABILITIES						
Current Liabilities						
Accounts payable	1,025,850	873,272	99,819	1,998,941	143,422	2,142,363
Accrued payroll liabilities	64,363	49,779	48,048	162,190	32,552	194,742
Accrued interest payable	45	45	45	135	3,387	3,522
Deposits payable	75,690	-	178,905	254,595	-	254,595
Current portion of long-term liabilities:						
Lease payable	949	949	949	2,847	32,687	35,534
Subscription payable	-	-	-	-	36,474	36,474
Accrued compensated absences	19,298	12,011	13,334	44,643	7,611	52,254
Total Current Liabilities	1,186,195	936,056	341,100	2,463,351	256,133	2,719,484
Noncurrent Liabilities						
Lease payable	17,241	17,241	17,241	51,723	71,081	122,804
Subscription payable	-	-	-	-	68,349	68,349
Accrued compensated absences	77,193	48,046	53,337	178,576	30,445	209,021
Net pension liability	1,447,005	839,085	869,622	3,155,712	640,969	3,796,681
OPEB liability	707,807	410,441	425,378	1,543,626	313,532	1,857,158
Total Noncurrent Liabilities	2,249,246	1,314,813	1,365,578	4,929,637	1,124,376	6,054,013
Total Liabilities	3,435,441	2,250,869	1,706,678	7,392,988	1,380,509	8,773,497
DEFERRED INFLOWS OF RESOURCES						
Deferred resources related to leases	527,127	-	-	527,127	-	527,127
Deferred resources related to pensions	466,001	270,223	280,058	1,016,282	206,421	1,222,703
Deferred resources related to OPEB	315,455	182,925	189,582	687,962	139,735	827,697
Total Deferred Inflows of Resources	1,308,583	453,148	469,640	2,231,371	346,156	2,577,527
NET POSITION:						
Net investment in capital assets	45,225,341	26,759,410	18,781,183	90,765,934	1,272,286	92,038,220
Restricted for:						
OPEB benefits	33,038	19,158	19,855	72,051	14,634	86,685
Unrestricted	18,651,892	13,307,430	1,936,115	33,895,437	7,150,950	41,046,387
Total Net Position	\$ 63,910,271	\$ 40,085,998	\$ 20,737,153	\$ 124,733,422	\$ 8,437,870	\$ 133,171,292

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, 2023

	Water	Wastewater	Stormwater	Total Enterprise Funds	Total Internal Service Funds	Total Proprietary Funds
OPERATING REVENUES						
Charges for services	\$ 8,836,557	\$ 12,651,383	\$ 3,729,541	\$ 25,217,481	\$ 1,595,843	\$ 26,813,324
System development revenue pass through	272,696	2,366,498	-	2,639,194	-	2,639,194
Intergovernmental	23,092	1,308,117	10,566	1,341,775	-	1,341,775
Miscellaneous	19,499	-	30,269	49,768	5,882	55,650
Total Operating Revenues	9,151,844	16,325,998	3,770,376	29,248,218	1,601,725	30,849,943
OPERATING EXPENSES						
Personnel services	1,786,107	1,030,528	965,892	3,782,527	874,403	4,656,930
Materials and services	4,483,132	9,873,791	1,305,717	15,662,640	1,015,263	16,677,903
Depreciation and amortization	1,093,547	1,182,467	446,662	2,722,676	243,039	2,965,715
Total Operating Expenses	7,362,786	12,086,786	2,718,271	22,167,843	2,132,705	24,300,548
OPERATING INCOME (LOSS)	1,789,058	4,239,212	1,052,105	7,080,375	(530,980)	6,549,395
NONOPERATING REVENUES (EXPENSES)						
Franchise taxes	-	334,174	-	334,174	-	334,174
Investment revenue	154,473	335,653	65,052	555,178	179,628	734,806
Interest expense	(606)	(606)	(606)	(1,818)	(4,872)	(6,690)
Increase in equity of South Fork Water Board	1,016,065	-	-	1,016,065	-	1,016,065
Total Nonoperating Revenues (Expenses)	1,169,932	669,221	64,446	1,903,599	174,756	2,078,355
NET INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	2,958,990	4,908,433	1,116,551	8,983,974	(356,224)	8,627,750
Capital contributions	1,053,791	220,023	444,042	1,717,856	-	1,717,856
Transfers in	5,600,000	-	-	5,600,000	1,650,454	7,250,454
Transfers out	(550,000)	(660,000)	(525,000)	(1,735,000)	(3,000)	(1,738,000)
CHANGE IN NET POSITION	9,062,781	4,468,456	1,035,593	14,566,830	1,291,230	15,858,060
Beginning net position	54,847,490	35,617,542	19,701,560	110,166,592	7,142,888	117,309,480
Prior period adjustment	-	-	-	-	3,752	3,752
Beginning net position, as restated	54,847,490	35,617,542	19,701,560	110,166,592	7,146,640	117,313,232
Ending net position	\$ 63,910,271	\$ 40,085,998	\$ 20,737,153	\$ 124,733,422	\$ 8,437,870	\$ 133,171,292

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, 2023

	Water	Wastewater	Stormwater	Total Enterprise Funds	Total Internal Service Funds	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Collected from customers	\$ 8,466,065	\$ 11,886,339	\$ 3,664,102	\$ 24,016,506	\$ 1,595,439	\$ 25,611,945
Other receipts	(18,518)	1,308,117	40,835	1,330,434	5,882	1,336,316
Paid to suppliers	(3,641,130)	(8,508,987)	(1,296,758)	(13,446,875)	(985,025)	(14,431,900)
Paid to employees	(1,817,339)	(1,204,645)	(1,190,274)	(4,212,258)	(813,108)	(5,025,366)
Net cash provided by (used in) operating activities	2,989,078	3,480,824	1,217,905	7,687,807	(196,812)	7,490,995
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Cash receipts from taxes	-	334,174	-	334,174	-	334,174
Transfers out	(550,000)	(660,000)	(525,000)	(1,735,000)	(3,000)	(1,738,000)
Net cash provided by (used in) non-capital financing activities	(550,000)	(325,826)	(525,000)	(1,400,826)	(3,000)	(1,403,826)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of capital assets	(6,504,668)	(5,662,207)	(509,845)	(12,676,720)	(783,597)	(13,460,317)
Transfers in	5,600,000	-	-	5,600,000	1,650,454	7,250,454
Proceeds from disposal of capital assets	-	-	-	-	60,927	60,927
Proceeds from grant	(1,753,225)	-	-	(1,753,225)	-	(1,753,225)
Principal paid on leases	(920)	(920)	(920)	(2,760)	(89,784)	(92,544)
Interest paid on leases	(561)	(561)	(561)	(1,683)	(1,485)	(3,168)
Net cash provided by (used in) capital and related financing activities	(2,659,374)	(5,663,688)	(511,326)	(8,834,388)	836,515	(7,997,873)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on cash equivalents	147,897	333,330	64,613	545,840	178,585	724,425
Increase in cash and cash equivalents	(72,399)	(2,175,360)	246,192	(2,001,567)	815,288	(1,186,279)
CASH AND INVESTMENTS, Beginning of year	7,056,690	14,820,044	2,848,906	24,725,640	7,492,668	32,218,308
CASH AND INVESTMENTS, End of year	\$ 6,984,291	\$ 12,644,684	\$ 3,095,098	\$ 22,724,073	\$ 8,307,956	\$ 31,032,029

	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)	\$ 1,789,058	\$ 4,239,212	\$ 1,052,105	\$ 7,080,375	\$ (530,980)	\$ 6,549,395
Depreciation and amortization	1,093,547	1,182,467	446,662	2,722,676	243,039	2,965,715
<i>Change in assets and liabilities:</i>						
Accounts receivable	(370,492)	(765,044)	(65,439)	(1,200,975)	(22,440)	(1,223,415)
Inventory	(45,887)	-	-	(45,887)	-	(45,887)
Accounts payable and accrued liabilities	609,382	(992,349)	20,261	(362,706)	65,839	(296,867)
Net pension liability	326,445	104,440	85,333	516,218	174,273	690,491
Net OPEB liability	(204,523)	(185,186)	(209,901)	(599,610)	(67,314)	(666,924)
Deferred outflows	136,130	142,310	164,597	443,037	38,142	481,179
Deferred inflows	(344,582)	(245,026)	(275,713)	(865,321)	(97,371)	(962,692)
Net cash provided by (used in) operating activities	\$ 2,989,078	\$ 3,480,824	\$ 1,217,905	\$ 7,687,807	\$ (196,812)	\$ 7,490,995
NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES						
Increase in equity of South Fork Water Board	\$ 1,016,065	\$ -	\$ -	\$ 1,016,065	\$ -	\$ 1,016,065
Lease and subscription liability activity	-	-	-	-	107,145	107,145
Lease and subscription asset activity	-	-	-	-	(107,145)	(107,145)
Capital contributions	1,053,791	220,023	444,042	1,717,856	-	1,717,856
	\$ 2,069,856	\$ 220,023	\$ 444,042	\$ 2,733,921	\$ -	\$ 2,733,921

The notes to the financial statements are an integral part of this statement

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF OREGON CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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, 2023.

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.

CITY OF OREGON CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

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.

CITY OF OREGON CITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

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.

CITY OF OREGON CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

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

CITY OF OREGON CITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2023

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.

CITY OF OREGON CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

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.

CITY OF OREGON CITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2023

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.

Subscription Assets

Subscription-based information technology arrangement assets are assets which the City contracts with a vendor that grants the right to use IT software for a term of more than one year. The value of subscriptions are determined by the net present value of the subscriptions at the City's incremental borrowing rate at the time of the subscription 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.

CITY OF OREGON CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

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 which is determined at the time of the lease agreement.

Subscription Payable

In the government-wide financial statements, subscriptions payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of subscription payments is reported as other financing sources which is determined at the time of the subscription agreement.

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 (PERS), and additions to/deductions from Implicit Rate Subsidy and PERS's fiduciary net position, have been determined on the same basis as they are reported by Implicit Rate Subsidy and PERS. For this purpose, Implicit Rate Subsidy and PERS 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.

CITY OF OREGON CITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

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.

CITY OF OREGON CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

NOTE 2: DETAILED NOTES

A. Cash, Cash Equivalents and Investments

The City maintains a cash, cash equivalents and investment pool that is available for use by all funds. Each fund's portion of the pool is displayed as part of cash, cash equivalents and investments by type of activity on the Statement of Net Position. Cash, and cash equivalents and investments are comprised of the following at June 30, 2023:

Cash and cash equivalents

Petty cash	\$ 3,961
Deposits with financial institutions	37,750,240
Local Government Investment Pool	65,642,648

Investments

US Agency Securities	5,926,260
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Total cash and investments	<u>\$ 109,323,109</u>
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Deposits

Deposits with financial institutions consist primarily of bank demand deposits. The total book balance of deposits at year-end was \$37,750,240 and the bank balance was \$41,040,683. 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, 2023, \$40,790,683 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.

Fair Value Measurement

The City's investments in U.S. Agency Securities are reported at fair value. The City categorizes fair value measurements within the hierarchy established by GASB Statement No. 72. The hierarchy is based on the activity level in the market for the security type and the inputs used to determine fair value. Level 1 inputs are quoted prices in active markets for identical instruments; Level 2 inputs are quoted prices for similar instruments in active markets or quoted prices for identical instruments in markets that are not active; Level 3 inputs are valuations derived from techniques in which significant inputs are unobservable. The City's investments in U.S. Agency Securities are valued using quoted prices for similar instruments in active markets (Level 2). The City's \$5,926,260 of investments in U.S. Agency Securities are valued using quoted prices for similar instruments in active markets (Level 2).

CITY OF OREGON CITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2023

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.

CITY OF OREGON CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

B. Receivables

Receivables at June 30, 2023, consisted of the following:

Governmental Activities	General	Engineering	System Development	Urban Renewal	Transportation	Community Facilities Capital Projects	Other Governmental Funds	Total
Accounts	\$ 1,218,886	\$ -	\$ 60,487	\$ 1,237	\$ 868,402	\$ 178,984	\$ 4,589	\$ 2,332,585
Property taxes	626,150	-	-	130,964	-	-	-	757,114
Assessments	-	-	819,569	-	-	-	-	819,569
Settlement	386,607	-	-	-	-	-	-	386,607
Leases	118,719	-	87,420	156,204	-	-	-	362,343
Notes	100,000	-	-	-	-	-	-	100,000
Interest	1,022	332	2,692	357	5	299	1,769	6,476
Less: Allowance for uncollectibles	-	-	-	-	(15,248)	(4,025)	-	(19,273)
	<u>\$ 2,451,384</u>	<u>\$ 332</u>	<u>\$ 970,168</u>	<u>\$ 288,762</u>	<u>\$ 853,159</u>	<u>\$ 175,258</u>	<u>\$ 6,358</u>	<u>\$ 4,745,421</u>

Business-type Activities	Water	Wastewater	Stormwater	Internal Service	Total
Accounts	\$ 1,527,745	\$ 2,611,204	\$ 576,713	\$ 24,637	\$ 4,740,299
Assessments	-	57,128	-	-	57,128
Leases	533,838	-	-	-	533,838
Interest	6,576	2,323	439	1,043	10,381
Less: Allowance for uncollectibles	(38,657)	(57,058)	(15,829)	-	(111,544)
	<u>\$ 2,029,502</u>	<u>\$ 2,613,597</u>	<u>\$ 561,323</u>	<u>\$ 25,680</u>	<u>\$ 5,230,102</u>

Based on the payment schedule for special assessments receivable, approximately \$689,000 of the amount reported in governmental activities and approximately \$57,000 of the amount reported in business-type activities is not expected to be collected within the next year. Additionally, approximately \$76,000 of property taxes receivable and \$364,000 of settlement receivable are not expected to be collected within the next year. Based on the payment schedule for leases receivable, approximately \$291,000 in governmental activities and \$476,000 in business-type activities are not expected to be collected within the next year. The \$100,000 note receivable is not expected to be collected within the next year.

CITY OF OREGON CITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2023

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 has a five year lease, expiring in fiscal year 2027, for 2,044 square feet of space located at 624 Taylor Street. Inflows of resources from this lease are recorded in the System Development Fund. The City has a 53 month lease, expiring in fiscal year 2025, for property and submersible land located at 1701 Clackamette Drive. Inflows of resources from this lease are recorded in the General 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 2025, 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, 2023, consisted of the following:

	Outstanding June 30, 2022	Additions	Decrease	Outstanding June 30, 2023
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	\$ 109,128	\$ -	\$ (21,707)	\$ 87,421
Facility Lease, issued June 1, 2021, interest rate at 2.96%, total annual principal and interest ranges from \$27,600 to \$30,000, due 2026	109,743	-	(26,006)	83,737
Facility Lease, issued January 1, 2021, interest rate at 2.50%, total annual principal and interest ranges from \$46,100 to \$47,300, due 2025	23,473	95,820	(46,826)	72,467
Facility Lease, issued May 1, 2023 retroactive to July 1, 2021, interest rate at 0.315%, total annual principal and interest ranges from \$84,000, due 2025	-	284,998	(166,280)	118,718
Total Governmental	\$ 242,344	\$ 380,818	\$ (260,819)	\$ 362,343

CITY OF OREGON CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

	Outstanding June 30, 2022	Additions	Decrease	Outstanding June 30, 2023
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	\$ 101,141	\$ -	\$ (31,017)	\$ 70,124
Boynton Reservoir Cell Tower, issued January 1, 2018, interest rate at 2.00%, total annual principal and interest \$30,000, due 2037	487,095	-	(23,381)	\$ 463,714
Total Business-type	\$ 588,236	\$ -	\$ (54,398)	\$ 533,838
Total lease receivables	\$ 830,580	\$ 380,818	\$ (315,217)	\$ 896,181

Future maturities are as follows:

Fiscal Year Ending June 30,	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 182,573	\$ 5,931	\$ 58,170	\$ 12,079	\$ 240,743	\$ 18,010
2025	112,965	3,066	62,141	10,243	175,106	13,309
2026	53,237	1,239	26,879	8,271	80,116	9,510
2027	13,568	119	28,120	7,733	41,688	7,852
2028	-	-	29,399	7,171	29,399	7,171
2029-2033	-	-	167,625	26,493	167,625	26,493
2034-2038	-	-	161,504	8,238	161,504	8,238
	\$ 362,343	\$ 10,355	\$ 533,838	\$ 80,228	\$ 896,181	\$ 90,583

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.

CITY OF OREGON CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

D. Capital Assets

Activity for capital assets for the fiscal year ended June 30, 2023 is as follows:

Governmental Activities	Balance June 30, 2022	Increases	Reclasses	Decreases	Balance June 30, 2023
Non-depreciable/non-amortizable capital assets					
Land	\$ 13,178,045	\$ 117,301	\$ -	\$ -	\$ 13,295,346
Construction in progress	10,564,384	3,961,838	(11,564,943)	-	2,961,279
Subscription implementation	-	221,556	-	-	221,556
Total non-depreciable/non-amortizable	23,742,429	4,300,695	(11,564,943)	-	16,478,181
Depreciable/amortizable capital assets					
Equipment	6,194,843	529,326	-	(172,114)	6,552,055
Buildings and improvements	57,563,364	399,077	-	(7,090)	57,955,351
Infrastructure	148,421,311	1,001,167	11,564,943	-	160,987,421
Intangible assets - land and easement leases ^{1,2}	78,153	1,129	-	-	79,282
Intangible assets - infrastructure leases ²	40,008	49	-	-	40,057
Intangible assets - subscriptions	295,787	378,561	-	-	674,348
Total depreciable/amortizable	212,593,466	2,309,309	11,564,943	(179,204)	226,288,514
Accumulated depreciation/amortization					
Equipment	(4,841,877)	(390,768)	-	172,114	(5,060,531)
Buildings and improvements	(7,939,120)	(1,448,884)	-	7,090	(9,380,914)
Infrastructure	(46,391,825)	(4,024,758)	-	-	(50,416,583)
Intangible assets - land and easement leases ^{1,2}	(7,133)	(7,131)	-	-	(14,264)
Intangible assets - infrastructure leases ²	(2,222)	(2,356)	-	-	(4,578)
Intangible assets - subscriptions	-	(194,210)	-	-	(194,210)
Total accumulated depreciation/amortization	(59,182,177)	(6,068,107)	-	179,204	(65,071,080)
Depreciable/amortizable capital assets, net	153,411,289	(3,758,798)	11,564,943	-	161,217,434
Governmental capital assets, net ¹	\$ 177,153,718	\$ 541,897	\$ -	\$ -	\$ 177,695,615

CITY OF OREGON CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

Business-type Activities	Balance June 30, 2022	Increases	Reclasses	Decreases	Balance June 30, 2023
Non-depreciable/non-amortizable capital assets					
Land	\$ 1,540,418	\$ 1,201,652	\$ -	\$ -	2,742,070
Construction in progress	6,373,815	12,308,375	(6,631,795)	-	12,050,395
Total Non-depreciable/non-amortizable	7,914,233	13,510,027	(6,631,795)	-	14,792,465
Depreciable/amortizable capital assets					
Equipment	10,684,771	808,604	-	(261,889)	11,231,486
Buildings and improvements ³	21,949,717	441,865	168,462	-	22,560,044
Infrastructure ³	98,741,143	442,534	6,463,333	-	105,647,010
Intangible assets - equipment leases ¹	101,883	62,088	-	-	163,971
Intangible assets - infrastructure leases ²	60,011	150	-	-	60,161
Intangible assets - subscriptions	104,900	45,058	-	-	149,958
Total depreciable/amortizable	131,642,425	1,800,299	6,631,795	(261,889)	139,812,630
Accumulated depreciation/amortization					
Equipment	(9,000,967)	(276,585)	-	200,962	(9,076,590)
Buildings and improvements	(5,897,418)	(455,441)	-	-	(6,352,859)
Infrastructure	(43,600,260)	(2,164,577)	-	-	(45,764,837)
Intangible assets - equipment leases ¹	(11,802)	(30,054)	-	-	(41,856)
Intangible assets - infrastructure leases ²	(3,333)	(3,609)	-	-	(6,942)
Intangible assets - subscriptions	-	(35,449)	-	-	(35,449)
Total accumulated depreciation/amortization	(58,513,780)	(2,965,715)	-	200,962	(61,278,533)
Depreciable/amortizable capital assets, net	73,128,645	(1,165,416)	6,631,795	(60,927)	78,534,097
Business-type capital assets, net ¹	\$ 81,042,878	\$ 12,344,611	\$ -	\$ (60,927)	\$ 93,326,562

¹ Beginning balances restated.

² Adjusted for small rounding differences due to implementation of lease and subscription software tracking system.

³ Restated to reflect correct asset classification.

Depreciation/amortization expense for the year was charged to each function as follows:

Governmental Activities	
General government	\$ 584,460
Public safety	432,417
Public works	3,646,798
Culture and recreation	1,365,042
Community development	39,390
Total governmental activities accumulated depreciation/amortization	<u>\$ 6,068,107</u>
Business-type Activities	
Water	\$ 1,093,547
Wastewater	1,182,467
Stormwater	446,662
Fleet	243,039
Total business type activities accumulated depreciation/amortization	<u>\$ 2,965,715</u>

CITY OF OREGON CITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2023

Activity for lease assets for the fiscal year ended June 30, 2023 is as follows:

Governmental Activities	Balance June 30, 2022	Increases	Reclasses	Decreases	Balance June 30, 2023
Lease assets					
Land and easements ^{1,2}	\$ 78,153	\$ 1,129	\$ -	\$ -	\$ 79,282
Infrastructure ²	40,008	49	-	-	40,057
Total lease assets	118,161	1,178	-	-	119,339
Accumulated amortization					
Land and easements ^{1,2}	(7,133)	(7,131)	-	-	(14,264)
Infrastructure ²	(2,222)	(2,356)	-	-	(4,578)
Total accumulated amorization	(9,355)	(9,487)	-	-	(18,842)
Governmental lease assets, net	\$ 108,806	\$ (8,309)	\$ -	\$ -	\$ 100,497
Business-type Activities	Balance June 30, 2022	Increases	Reclasses	Decreases	Balance June 30, 2023
Lease assets					
Equipment ¹	\$ 101,883	\$ 62,088	\$ -	\$ -	\$ 163,971
Infrastructure ²	60,011	150	-	-	60,161
Total lease assets	161,894	62,238	-	-	224,132
Accumulated amortization					
Equipment ¹	(11,802)	(30,054)	-	-	(41,856)
Infrastructure ²	(3,333)	(3,609)	-	-	(6,942)
Total accumulated amorization	(15,135)	(33,663)	-	-	(48,798)
Business-type lease assets, net	\$ 146,759	\$ 28,575	\$ -	\$ -	\$ 175,334

¹ Beginning balances restated.² Adjusted for small rounding differences due to implementation of lease and subscription software tracking system.

CITY OF OREGON CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

Amortization expense for the year was charged to each function as follows:

Governmental Activities	
Public works	\$ 1,203
Culture and recreation	8,284
Amortization, governmental activities	<u>\$ 9,487</u>
 Business-type Activities	
Water	\$ 1,203
Wastewater	1,203
Stormwater	1,203
Fleet	30,054
Amortization, business-type activities	<u>\$ 33,663</u>

Activity for subscription assets for the fiscal year ended June 30, 2023 is as follows:

Governmental Activities	Balance June 30, 2022	Increases	Reclasses	Decreases	Balance June 30, 2023
Subscription assets					
Subscription - software implemenations	\$ -	\$ 221,556	\$ -	\$ -	\$ 221,556
Subscription - software subscriptions	295,787	378,561	-	-	674,348
Total subscription assets	295,787	600,117	-	-	895,904
Accumulated amortization					
Subscription - software subscriptions	-	(194,210)	-	-	(194,210)
Total accumulated amorization	-	(194,210)	-	-	(194,210)
Governmental subscription assets, net	<u>\$ 295,787</u>	<u>\$ 405,907</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 701,694</u>
Business-type Activities	Balance June 30, 2022	Increases	Reclasses	Decreases	Balance June 30, 2023
Subscription assets					
Subscription - software subscriptions	\$ 104,900	\$ 45,058	\$ -	\$ -	\$ 149,958
Total subscription assets	104,900	45,058	-	-	149,958
Accumulated amortization					
Subscription - software subscriptions	-	(35,449)	-	-	(35,449)
Total accumulated amorization	-	(35,449)	-	-	(35,449)
Business-type subscription assets, net	<u>\$ 104,900</u>	<u>\$ 9,609</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,509</u>

CITY OF OREGON CITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2023

Amortization expense for the year was charged to each function as follows:

Governmental Activities	
General government	\$ 176,783
Public safety	17,427
Amortization, governmental activities	<u>\$ 194,210</u>
Fleet	
Amortization, business-type activities	<u>\$ 35,449</u>

E. 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 \$3.83 million is significantly below the debt limitation of \$229 million. The City has no outstanding bonds payable for its Business Activities.

	Outstanding June 30, 2022	Issued	Matured / Redeemed	Outstanding June 30, 2023	Due Within One Year
Governmental Activities					
Direct Placement General Obligation Bonds					
Library General Obligation Bonds, Issued January 7, 2015, interest rate at 3.08%	\$ 4,114,927	\$ -	\$ (288,631)	\$ 3,826,296	\$ 297,521
Limited Obligation Bonds					
PERS Limited Tax Pension Obligations, Series 2005, Issued September 28, 2005, interest rates from 4.21% to 5.00%	8,710,000	-	(1,265,000)	7,445,000	1,395,000
Oregon City Full Faith and Credit Obligations, Series 2018, Issued June 5, 2018, interest rates from 3.00% to 5.00%	12,565,000	-	(560,000)	12,005,000	585,000
Bond Premiums and Discounts	1,233,747	-	(77,109)	1,156,638	77,109
Total long-term debt	<u>\$ 26,623,674</u>	<u>\$ -</u>	<u>\$ (2,190,740)</u>	<u>\$ 24,432,934</u>	<u>\$ 2,354,630</u>

CITY OF OREGON CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

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, 2023.

Future Principal and Interest

Future maturities of bond principal and interest at June 30, 2023, are as follows:

Fiscal Year Ending June 30,	Governmental Activities				Total	
	Bonds		Direct Placement Bonds			
	Principal	Interest	Principal	Interest	Principal	Interest
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	1,660,000	469,089	335,904	79,467	1,995,904	548,556
2029-2033	3,930,000	1,591,000	1,841,229	235,625	5,771,229	1,826,625
2034-2038	4,910,000	604,600	402,960	12,411	5,312,960	617,011
	<u>\$ 19,450,000</u>	<u>\$ 5,641,073</u>	<u>\$ 3,826,296</u>	<u>\$ 742,783</u>	<u>\$ 23,276,296</u>	<u>\$ 6,383,856</u>

F. 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, 2022	Earned	Paid	Outstanding June 30, 2023	Due Within One Year
Governmental Activities	\$ 1,127,253	\$ 1,349,347	\$ 1,285,627	\$ 1,190,973	\$ 238,194
Business-type Activities	257,142	286,344	282,211	261,275	52,254
	<u>\$ 1,384,395</u>	<u>\$ 1,635,691</u>	<u>\$ 1,567,838</u>	<u>\$ 1,452,248</u>	<u>\$ 290,448</u>

CITY OF OREGON CITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2023

G. 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 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.

The City has five leases with Axon for various types of public safety equipment including body worn cameras, tasers and taser accessories. The terms of the leases vary from 44 months to 60 months, expiring in fiscal years 2026, 2027, and 2028. Outflows of these resources for these leases are recorded in the Equipment Replacement Fund.

	Outstanding June 30, 2022	Additions	Decrease	Outstanding June 30, 2023
Governmental Activities				
ODSL 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	\$ 31,730	\$ -	\$ (3,133)	\$ 28,597
ODSL 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	34,595	-	(2,202)	32,393
ODSL 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	6,398	-	(279)	6,119
Beavercreek Cooperative Telephone Company Conduit, issued November 1, 2018, interest rate at 3.00%, total annual principal and interest \$3,000, due 2039	38,221	-	(1,842)	36,379
Total Governmental ¹	\$ 110,944	\$ -	\$ (7,456)	\$ 103,488

CITY OF OREGON CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

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	\$ 57,330	\$ -	\$ (2,762)	\$ 54,568
Body Worn Cameras - Traffic, issued October 1, 2021, interest rate at 0.632%, total annual principal and interest \$2,134, due 2026	8,404	-	(2,081)	6,323
Taser 7 Cert Bundle, issued October 1, 2022, interest rate at 3.305%, total annual principal and interest \$10,499, due 2028	-	49,244	(10,499)	38,745
Taser Accessories, issued April 1, 2022, interest rate at 2.157%, total annual principal and interest \$10,800, due 2027	40,968	-	(9,916)	31,052
Tasers, issued August 1, 2021, interest rate at 0.577%, total annual principal and interest ranging from \$5,733 to \$8,820, due 2026	26,158	-	(8,669)	17,489
Body Worn Cameras - Detectives, issued January 1, 2023, interest rate at 2.676%, total annual principal and interest \$2,683, due 2027	-	12,844	(2,683)	10,161
Total Business-type ¹	\$ 132,860	\$ 62,088	\$ (36,610)	\$ 158,338
Total lease payables ¹	\$ 243,804	\$ 62,088	\$ (44,066)	\$ 261,826

¹ Beginning balances restated.

Future maturities are as follows:

Fiscal Year Ending June 30,	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 7,913	\$ 3,079	\$ 35,534	\$ 3,848	\$ 43,447	\$ 6,927
2025	8,393	2,841	36,161	3,220	44,554	6,061
2026	8,893	2,588	28,098	2,463	36,991	5,051
2027	9,416	2,320	15,891	1,736	25,307	4,056
2028	9,963	2,037	3,209	1,236	13,172	3,273
2029-2033	42,427	5,809	17,567	4,654	59,994	10,463
2034-2038	15,502	1,326	20,406	1,815	35,908	3,141
2039	981	6	1,472	9	2,453	15
	<u>\$ 103,488</u>	<u>\$ 20,006</u>	<u>\$ 158,338</u>	<u>\$ 18,981</u>	<u>\$ 261,826</u>	<u>\$ 38,987</u>

CITY OF OREGON CITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

H. Long Term Debt – Subscriptions Payable

The City recognizes a subscription payable for the following contracts in which the City is granted the right to use the asset of another entity.

Governmental Activities

The City has a subscription with Dark Trace for network enterprise immune software. The term of the subscription is three years expiring in fiscal year 2025. Outflows of resources for this subscription is recorded in the General Fund.

The City has a subscription with Granicus for community engagement software. The term of the subscription is two years expiring in fiscal year 2025. Outflows of resources for this subscription is recorded in the General Fund.

The City has a subscription with ThinkGard for network security software. The term of the subscription is three years expiring in fiscal year 2024. Outflows of resources for this subscription is recorded in the General Fund.

The City has a subscription with Dell for computer operating system software. The term of the subscription is three years expiring in fiscal year 2025. Outflows of resources for this subscription is recorded in the General Fund.

The City has a subscription with the City of Lake Oswego for access to database services through Law Enforcement Date System (LEDS) and the National Crime Information Center (NCIC). The term of the subscription is four years expiring in fiscal year 2025. Outflows of resources for this subscription is recorded in the General Fund.

Business-Type Activities

The City has three subscriptions with Axon for various types of public safety software including auto tagging software, redaction software and body worn camera software. The terms of the subscriptions vary from 49 months to 60 months, expiring in fiscal years 2024, 2026 and 2027, respectively. Outflows of these resources for these leases are recorded in the Equipment Replacement Fund.

	Outstanding June 30, 2022	Additions	Decrease	Outstanding June 30, 2023
Governmental Activities				
Network Enterprise Immune Software, issued August 1, 2021, interest rate at 2.0237%, total annual principal and interest of \$62,103, due 2025	\$ 122,767	\$ -	\$ (61,896)	\$ 60,871
Community Engagement Software, issued January 1, 2023, interest rate at 2.656%, total annual principal and interest ranges from \$17,200 to \$19,800, due 2025	-	54,079	(17,285)	36,794
Network Security Software, issued August 1, 2021, interest rate at 2.0237%, total annual principal and interest ranges of \$66,772, due 2024	130,990	-	(64,944)	66,046
Computer Operating System Software, issued February 1, 2023, interest rate at 2.656%, total annual principal and interest from \$106,771, due 2025	-	312,098	(106,771)	205,327
LEDS and NCIC Software, issued July 1, 2021, interest rate at 2.656%, total annual principal and interest ranging from \$13,000 to \$15,700, due 2025	42,030	-	(13,000)	29,030
Total Governmental	\$ 295,787	\$ 366,177	\$ (263,896)	\$ 398,068

CITY OF OREGON CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

Business-type Activities

Body Camera Auto Tagging Software, issued October 15, 2022, interest rate at 3.238%, total annual principal and interest ranging from \$6,237 to \$6,426, due 2024

\$ - \$ 18,695 \$ (12,653) \$ 6,042

Body Camera Redaction Software, issued August 1, 2022, interest rate at 2.2753%, total annual principal and interest \$5,513, due 2026

- 26,363 (5,513) 20,850

Body Worn Camera Software, issued July 1, 2021, interest rate at 2.2753%, total annual principal and interest of \$27,168, due 2027

104,900 - (26,969) 77,931

Total Business-type

\$ 104,900 \$ 45,058 \$ (45,135) \$ 104,823

Total subscription payables

\$ 400,687 \$ 411,235 \$ (309,031) \$ 502,891

Future maturities are as follows:

Fiscal Year Ending June 30,	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 259,418	\$ 9,023	\$ 36,474	\$ 2,443	\$ 295,892	\$ 11,466
2025	138,650	3,610	31,125	1,555	169,775	5,165
2026	-	-	31,834	847	31,834	847
2027	-	-	5,390	123	5,390	123
	<u>\$ 398,068</u>	<u>\$ 12,633</u>	<u>\$ 104,823</u>	<u>\$ 4,968</u>	<u>\$ 502,891</u>	<u>\$ 17,601</u>

CITY OF OREGON CITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2023

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	\$ -	\$ 502,568	\$ 502,568
Deferred Outflows of Resources			
Change in Assumptions	1,678,188	3,935	1,682,123
Difference in Expected and Actual Experience	-	-	-
Difference in Earnings	-	-	-
Change in Proportionate Share	-	-	-
Contributions After MD	301,078	2,749	303,827
OPEB Liability	(10,767,124)	-	(10,767,124)
Deferred Inflows of Resources			
Difference in Expected and Actual Experience	(3,682,000)	(13,619)	(3,695,619)
Difference in Earnings	-	(38,328)	(38,328)
Change in Assumptions	(1,040,226)	(16,752)	(1,056,978)
Change in Proportionate Share	-	(7,764)	(7,764)
OPEB Expense/(Income)*	568,350	(87,700)	480,650

*Included in operating expenses on the Statement of Revenues, Expenses and Changes in Net Position

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>.

CITY OF OREGON CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

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, 2022, the following employees were covered by the benefit terms:

Active employees	180
Eligible retirees	109
Spouses of ineligible retirees	0
Total participants	<u>289</u>

CITY OF OREGON CITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2023

OPEB Plan Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The City's OPEB liability of \$10,767,124 was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2022. For the fiscal year ended June 30, 2023, the City recognized OPEB expense from this plan of \$568,350. 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	\$ -	\$ 3,682,000
Changes of assumptions	1,678,188	1,040,226
Total (prior to post-MD contributions)	1,678,188	4,722,226
Contributions subsequent to the MD	301,078	-
Total	<u>\$ 1,979,266</u>	<u>\$ 4,722,226</u>

Deferred outflows of resources related to OPEB of \$301,078 resulting from the City's contributions subsequent to the measurement date will be recognized as an increase of the OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2024	\$ (368,942)
2025	(295,580)
2026	(236,284)
2027	(326,208)
2028	(365,584)
Thereafter	<u>(1,451,440)</u>
Total	<u>\$ (3,044,038)</u>

CITY OF OREGON CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

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, 2022 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	2.40 percent
Discount Rate*	3.54 percent
Projected Salary Increases	3.40 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: 4.25 percent per year increasing to 6.75 percent in 2023 then decreasing to 3.75 percent by 2072. Dental: 1.75 percent in 2022 increasing to 4 percent in 2023 until 2072 when it decreases to 3.75 percent.

*The discount rate was based on Bond Buyer 20-Year General Obligation Bond Index.

CITY OF OREGON CITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2023

Changes in the OPEB Liability

	OPEB Liability
Balance as of June 30, 2022	<u>\$ 13,677,515</u>
Changes for the year:	
Service cost	778,276
Interest on total OPEB liability	308,881
Effect of changes to benefit terms	-
Effect of economic demographic gains or losses	(2,663,840)
Effect of assumptions changes or inputs	(1,020,584)
Benefit payments	<u>(313,124)</u>
Balance as of June 30, 2023	<u>\$ 10,767,124</u>

Changes in assumptions are the result of the change in the discount rate from 2.16% to 3.54%. Assumption changes also include an assumed medical and vision cost increase. The annual pay rate decreased from 3.5% to 3.4%. Rates adopted by the Oregon Public Employees Retirement System (PERS) for its December 31, 2021 actuarial valuation of retirement benefits are used for withdrawal, retirement and mortality rates.

Sensitivity of the OPEB Liability

The following presents the City's OPEB liability, calculated using the discount rate of 3.54%, as well as what the liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.54%) or 1 percentage point higher (4.54%) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Discount Rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
OPEB Liability	\$ 12,039,763	\$ 10,767,124	\$ 9,678,686

Healthcare Cost Trend:

	1% Decrease	Current Health Care Trend Rates	1% Increase
OPEB Liability	\$ 9,446,109	\$ 10,767,124	\$ 12,372,784

CITY OF OREGON CITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2023

K. Other Postemployment Benefits (OPEB) – Retirement Health Insurance Account (RHIA)*Plan Description*

As a member of Oregon Public Employees Retirement System (PERS), the City contributes to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan. RHIA pays a monthly contribution toward the cost of health insurance for eligible PERS members. Oregon Revised Statute (ORS) 238.420 established this trust fund and authorized the Oregon Legislature to establish and amend the benefit provisions. 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

ORS 238.420 authorizes a payment of up to \$60 from RHIA toward the monthly cost of health insurance for eligible PERS members. 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. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to 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 0.05% of PERS-covered salaries for Tier One/Tier Two members to fund the normal cost portion of RHIA benefits. No unfunded actuarial liability (UAL) rate was assigned for the RHIA program as it was funded over 100% as of December 31, 2019. Typically, the City contributes an actuarially determined percent 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 10 years. The City's total contributions for the year ended June 30, 2023 was \$2,749.

OPEB Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the City reported an asset of \$502,568 for its proportionate share of the PERS net OPEB asset. The net OPEB asset was measured as of June 30, 2022, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to June 30, 2022. 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, 2023, the City's proportionate share was 0.14143504%, which is an increase from its proportion of 0.137211% as of June 30, 2022.

CITY OF OREGON CITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2023

For the year ended June 30, 2023, the City recognized OPEB income from this plan of \$87,700. At June 30, 2023, 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	\$ -	\$ 13,619
Changes of assumptions	3,935	16,752
Net difference between projected and actual earnings on investments	-	38,328
Changes in proportionate share	-	7,764
Differences between employer contributions and proportionate share of contributions	-	-
Total (prior to post-MD contributions)	3,935	76,463
Contributions subsequent to the MD	2,749	-
Total	<u>\$ 6,684</u>	<u>\$ 76,463</u>

Deferred outflows of resources related to OPEB of \$2,749 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, 2024. 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:

<u>Year ended June 30:</u>	
2024	\$ (35,901)
2025	(24,715)
2026	(24,187)
2027	12,275
Total	<u>\$ (72,528)</u>

Actuarial Methods and Assumptions

The net OPEB asset in the December 31, 2020 actuarial valuation was determined using the actuarial methods and assumptions as listed below in Note L – Pension Plan – Oregon Public Employees Retirement System under the “Actuarial Assumptions” section except for:

Long-Term Expected Rate of Return

The Long-Term Expected Rate of Return is the same as listed below in Note L – Pension Plan – Oregon Public Employees Retirement System (PERS) 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 OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the net OPEB asset.

CITY OF OREGON CITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2023

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:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Net OPEB Asset	\$ (452,956)	\$ (502,568)	\$ (545,098)

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 During the Measurement Period

There were no changes during the June 30, 2022 measurement period that require disclosure.

Changes in Plan Provisions Subsequent to Measurement Date

There were no changes subsequent to the June 30, 2022 measurement date that require disclosure.

L. Pension Plan – Oregon Public Employees Retirement System (PERS)*Plan Description*

The City is a participating employer in the Oregon Public Employees Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan. All benefits of PERS 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 PERS.

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.

PERS 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 PERS 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 that are actuarially equivalent to the base benefit. 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 and Fire 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

CITY OF OREGON CITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2023

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 is limited for all members beginning in 2021. The limit was equal to \$225,533 as of January 1, 2023 and it is indexed with inflation every year. Police and Fire members may purchase increased benefits that are payable between the date of retirement and age 65.

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

Death Benefits

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

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

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 \$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 account after retiring and may experience annual benefit fluctuations by changes in the fair value of the underlying global equity investments of that account. 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 OPSRP pension program is available for members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

- Police and Fire: 1.8% 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.

CITY OF OREGON CITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2023

- General Service: 1.5% 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 is limited for all members beginning in 2021. The limit was equal to \$225,533 as of January 1, 2023 and is indexed with inflation every year.

A member of the OPSRP Pension Program becomes vested on the earliest of 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, 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 an individual account -based program under the PER tax-qualified governmental plan as defined under ORS 238A.400 and 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 contributions are deposited into a separate employer account. The member becomes vested in this account 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. The accounts fall under Internal Revenue Code Section 401(a).

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. Installment amounts vary with market returns as the account remains invested while in distribution. When chosen, the distribution option must result in a \$200 minimum distribution amount, or the frequency of the installments will be adjusted to reach that minimum.

CITY OF OREGON CITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2023

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%) contributions. Employer contributions for the year ended June 30, 2023 were \$3,101,136 excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2023 were:

- 23.13% for Tier One/Tier Two General Service Member
- 23.13% for Tier One/Tier Two Police and Fire
- 17.44% for OPSRP Pension Program General Service Members
- 21.80% 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% 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 \$939,521 for the year ended June 30, 2023, of which \$199,558 was redirected to EPSA.

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

At June 30, 2023, the City reported a liability of \$22,011,774 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020 rolled forward to June 30, 2022. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2023, the City's proportion was 0.14375499% which was increased from its proportion of

CITY OF OREGON CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

0.14064293% measured as of June 30, 2022.

For the year ended June 30, 2023, the City recognized pension expense of \$3,214,787. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,068,493	\$ 137,269
Changes of assumptions	3,453,767	31,554
Net difference between projected and actual earnings on investments	-	3,935,279
Changes in proportion	1,045,768	449,581
Differences between employer contributions and proportionate share of contributions	3,810	2,535,109
Total (prior to post-MD contributions)	5,571,838	7,088,792
Contributions subsequent to the MD	3,101,136	-
Total	<u>\$ 8,672,974</u>	<u>\$ 7,088,792</u>

The City's contributions subsequent to the measurement date of \$3,101,136 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2024	\$ (331,359)
2025	(917,313)
2026	(1,916,804)
2027	1,711,126
2028	(62,604)
Total	<u>\$ (1,516,954)</u>

CITY OF OREGON CITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2023

Actuarial assumptions

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

Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study Report	2020, published July 20, 2021
Actuarial Cost Method	Entry Age Normal
Administrative Expenses	\$59 million per year is added to the total system normal cost and allocated between Tier One/Tier Two and OPSRP based on valuation payroll.
Actuarial Assumptions:	
Inflation Rate	2.40 percent
Long-Term Expected Rate of Return	6.90 percent
Discount Rate	6.90 percent
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 <i>Moro</i> 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 2020 Experience Study, which reviewed experience for the four-year period ending on December 31, 2020.

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. 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.

CITY OF OREGON CITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2023

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.

Asset Class	Target Allocation
Cash	0.0%
Debt Securities	20.0%
Public Equity	30.0%
Private Equity	20.0%
Real Estate	12.5%
Real Assets	7.5%
Diversifying Strategies	7.5%
Risk Parity	2.5%
Total	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.

CITY OF OREGON CITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2023

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:

	<u>1% Decrease (5.90%)</u>	<u>Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
City's proportionate share of the net pension liability (asset)	\$ 39,035,977	\$ 22,011,774	\$ 7,763,302

Pension 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 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, 2022 measurement date which require disclosure.

CITY OF OREGON CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

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.

M. 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, 2023 is as follows:

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 8,111,458
Engineering Fund	45,000	118,000
Transportation Fund	1,102,004	440,000
Community Facilities Fund	1,490,000	1,101,900
Other Governmental Funds	1,662,900	41,000
Water Fund	5,600,000	550,000
Wastewater Fund	-	660,000
Stormwater Fund	-	525,000
Internal Service Funds	1,650,454	3,000
Total Transfers	<u>\$ 11,550,358</u>	<u>\$ 11,550,358</u>

CITY OF OREGON CITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2023

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	\$ -	\$ 834,196
Water Fund	831,502	-
Wastewater Fund	480	-
Stormwater Fund	2,214	-
	<u>\$ 834,196</u>	<u>\$ 834,196</u>

The City had no interfund receivables / payables at June 30, 2023.

N. Tax Abatements

The City enters into property tax abatement agreements with local businesses under the state Vertical Housing Program, authorized by ORS 307.841 through 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 \$59,519 for the City and \$12,296 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 \$5,670 for the City and \$1,171 for Urban Renewal.

CITY OF OREGON CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

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, 2023. At year end, the City's commitments with contractors are as follows:

Project	Commitment	Expended thru 6/30/2023
I&I Program Management	\$ 4,379,231	\$ 1,080,281
Sanitary Sewer I&I Rivercrest	2,947,708	2,854,770
2023 Oregon City Roadway Reconstruction	2,927,637	164,172
Henrici Reservoir Rehabilitation	2,625,000	2,342,184
Main Street Waterline Replacement	2,230,678	1,219,494
Holcomb Boulevard Sidewalk	613,038	41,475
2023 Peterbuilt Elgin Street Sweeper	358,168	-
2023 Oregon City Roadway Reconstruction - Engineering	352,769	232,478
Trillium Park Drive Road Reconstruction	290,176	164,821
2024 Freightliner Patch Truck	265,139	-
2022 Ford F-150 Fleet Utility Truck	151,985	-
2022 Ford F-450 Utility Truck with Crane	110,276	-
2022 Ford F-450 Utility Truck	102,996	-

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 \$495,000 each year, with annual increases subject to inflation (Consumer Price Index).

D. Subsequent Events

The United States Environmental Protection Agency (EPA) approved a \$16.3 million loan to fund a portion of future water infrastructure projects. The loan which closed on July 20, 2023, is part of EPA's Water Infrastructure Finance and Innovation Act (WIFIA) program.

CITY OF OREGON CITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

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, 2023.

	South Fork Water Board	Oregon City Portion
Total assets	\$ 27,158,867	\$ 13,579,434
Total deferred outflows of resources	598,723	299,362
Total liabilities	1,848,441	924,221
Total deferred inflows of resources	428,200	214,100
Total net position	25,480,949	12,740,475
Operating revenues	4,794,649	2,397,325
Operating expenses	3,396,444	1,698,222
Other non-operating revenue (expense), net	299,841	149,920
Capital contributions	334,084	167,042
Change in net position	2,032,130	1,016,065

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, 2023, 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 \$961,619 due to implementation of GASB Statement No. 75.

CITY OF OREGON CITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2023

G. New Pronouncements

During the fiscal year ended June 30, 2023, the City implemented the following GASB pronouncements:

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability of Payment Arrangements. This statement enhances financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). It also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). Under this Statement, a transferor is required to recognize the receivables for installment payments to be submitted by the operator and a deferred inflow of resources, while an operator is required to recognize a liability for installment payments to be submitted and a deferred outflow of resources, which taken together enhance the relevance and consistency of information about governments' outsourcing functions to external operators. The City did not have any agreements covered by GASB Statement No. 94 in the fiscal year ending June 30, 2023. Therefore, there are no effects on the City's financial statements upon implementation.

GASB Statement No. 96, Subscription Based IT Arrangements (SBITAs). This statement requires recognition of subscription arrangements that do not transfer ownership of the information technology (IT) software or underlying IT assets are now classified as short-term or long-term SBITAs. For long-term SBITAs, subscribers are required to recognize an intangible right-to-use subscription asset and a subscription liability at the commencement of the subscription term. The subscription liability is measured as the net present value of future subscription payments. The subscription asset is measured as the sum of the subscription liability, payments made at the commencement of the subscription term, and capitalizable implementation costs, less any incentives received prior to commencement of the subscription term. For short-term SBITAs, payments are considered outflows of resources and are classified as operating expenditures or expenses, as appropriate.

H. Prior Period Adjustment

Government-Wide

Beginning net position was restated as of June 30, 2023 for lease assets and leases payable due to an erroneous inclusion of a lease that was terminated in fiscal year 2022. The result is an increase of \$12,804 to beginning net position for governmental activities. An increase of \$3,752 for business-type activities is the result of recognition of additional lease assets and lease liabilities for three public safety equipment contracts for tasers, taser accessories, and body worn cameras for traffic officers.

Fund Financial Statements

The prior period adjustments also affected fund balance in the proprietary funds with a total increase to the Equipment Replacement fund balance of \$3,752 as the result of additional lease assets and leases payable. The prior period adjustments had no effect on the governmental funds.



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, 2023**

	Biennial Budget		Actual		Biennial	Variance
	Original	Final	FY 2022	FY 2023		
REVENUES						
Property taxes	\$ 30,559,291	\$ 30,559,291	\$ 14,750,731	\$ 15,650,428	\$ 30,401,159	\$ (158,132)
Franchise taxes	8,242,423	8,242,423	4,585,159	4,491,261	9,076,420	833,997
Assessments and other taxes	1,196,000	1,196,000	648,332	772,307	1,420,639	224,639
Licenses and permits	426,000	426,000	216,417	233,465	449,882	23,882
Charges for services	5,277,166	5,277,166	3,062,229	3,355,436	6,417,665	1,140,499
Intergovernmental	6,164,392	15,055,084	2,663,616	10,778,870	13,442,486	(1,612,598)
Fines and forfeitures	2,925,000	2,925,000	971,575	980,185	1,951,760	(973,240)
Interest income	450,000	450,000	203,571	380,201	583,772	133,772
Miscellaneous	834,400	834,400	551,160	842,099	1,393,259	558,859
TOTAL REVENUES	56,074,672	64,965,364	27,652,790	37,484,252	65,137,042	171,678
EXPENDITURES						
Policy and administration	13,265,423	13,522,013	5,317,998	6,723,140	12,041,138	1,480,875
Police	24,906,903	25,354,279	11,990,419	12,986,957	24,977,376	376,903
Parks and recreation	11,045,699	11,849,928	4,600,890	6,613,599	11,214,489	635,439
General government	4,656,030	5,059,030	2,164,235	2,288,297	4,452,532	606,498
Special payments	700,000	700,000	188,128	176,595	364,723	335,277
Debt service						
Principal	-	266,000	6,322	270,430	276,752	(10,752)
Interest	-	73,000	17,952	4,777	22,729	50,271
Contingency	7,652,108	7,569,108	-	-	-	7,569,108
TOTAL EXPENDITURES	62,226,163	64,393,358	24,285,944	29,063,795	53,349,739	11,043,619
REVENUES OVER (UNDER) EXPENDITURES	(6,151,491)	572,006	3,366,846	8,420,457	11,787,303	11,215,297
OTHER FINANCING SOURCES (USES)						
Proceeds from Lease Obligations	-	354,229	6,855	-	6,855	(347,374)
Proceeds from Subscription Obligations	-	370,000	-	366,177	366,177	(3,823)
Transfers out	(2,638,008)	(9,459,557)	(1,266,004)	(8,111,458)	(9,377,462)	82,095
TOTAL OTHER FINANCING SOURCES (USES)	(2,638,008)	(8,735,328)	(1,259,149)	(7,745,281)	(9,004,430)	(269,102)
NET CHANGE IN FUND BALANCE	(8,789,499)	(8,163,322)	2,107,697	675,176	2,782,873	10,946,195
FUND BALANCE, beginning of year	10,088,373	10,088,373	11,157,579	13,265,276	11,157,579	1,069,206
FUND BALANCE, end of year	\$ 1,298,874	\$ 1,925,051	\$ 13,265,276	\$ 13,940,452	\$ 13,940,452	\$ 12,015,401

CITY OF OREGON CITY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – ENGINEERING FUND
YEAR ENDED JUNE 30, 2023

	Budget Amounts		Actual			Variance
	Original	Final	FY 2022	FY 2023	Biennial	
REVENUES						
Licenses and permits	\$ 76,000	\$ 76,000	\$ 101,564	\$ 90,482	\$ 192,046	\$ 116,046
Charges for services	1,726,240	1,726,240	882,380	991,793	1,874,173	147,933
Interest	34,000	34,000	(9,270)	57,560	48,290	14,290
TOTAL REVENUES	1,836,240	1,836,240	974,674	1,139,835	2,114,509	278,269
EXPENDITURES						
Public works	2,433,269	2,433,269	1,022,224	1,169,380	2,191,604	241,665
Contingency	173,918	173,918	-	-	-	173,918
TOTAL EXPENDITURES	2,607,187	2,607,187	1,022,224	1,169,380	2,191,604	415,583
REVENUES OVER (UNDER) EXPENDITURES	(770,947)	(770,947)	(47,550)	(29,545)	(77,095)	693,852
OTHER FINANCING SOURCES (USES)						
Transfers in	90,000	90,000	45,000	45,000	90,000	-
Transfers out	(243,000)	(243,000)	(125,000)	(118,000)	(243,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(153,000)	(153,000)	(80,000)	(73,000)	(153,000)	-
NET CHANGE IN FUND BALANCE	(923,947)	(923,947)	(127,550)	(102,545)	(230,095)	693,852
FUND BALANCE, beginning of year	923,947	923,947	1,099,599	972,049	1,099,599	175,652
FUND BALANCE, end of year	\$ -	\$ -	\$ 972,049	\$ 869,504	\$ 869,504	\$ 869,504

CITY OF OREGON CITY, OREGON
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL – SYSTEM DEVELOPMENT FUND
 YEAR ENDED JUNE 30, 2023**

	Budget Amounts		Actual			Variance
	Original	Final	FY 2022	FY 2023	Biennial	
REVENUES						
System development charges	\$ 5,570,000	\$ 5,570,000	\$ 5,660,320	\$ 9,149,374	\$ 14,809,694	\$ 9,239,694
Intergovernmental	43,350	43,350	546,520	119,012	665,532	622,182
Interest	207,500	207,500	(50,421)	472,057	421,636	214,136
Miscellaneous	607,940	607,940	128,733	119,647	248,380	(359,560)
TOTAL REVENUES	6,428,790	6,428,790	6,285,152	9,860,090	16,145,242	9,716,452
EXPENDITURES						
Public Works	8,362,894	8,362,894	2,329,340	1,397,920	3,727,260	4,635,634
Parks and recreation	3,911,176	3,911,176	1,202,560	224,992	1,427,552	2,483,624
Contingency	6,442,716	6,442,716	-	-	-	6,442,716
TOTAL EXPENDITURES	18,716,786	18,716,786	3,531,900	1,622,912	5,154,812	13,561,974
NET CHANGE IN FUND BALANCE	(12,287,996)	(12,287,996)	2,753,252	8,237,178	10,990,430	23,278,426
FUND BALANCE, beginning of year	12,287,996	12,287,996	18,994,263	21,747,515	18,994,263	6,706,267
FUND BALANCE, end of year	\$ -	\$ -	\$ 21,747,515	\$ 29,984,693	\$ 29,984,693	\$ 29,984,693

CITY OF OREGON CITY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – URBAN RENEWAL FUND
YEAR ENDED JUNE 30, 2023

	Budget Amounts		Actual			Variance
	Original	Final	FY 2022	FY 2023	Biennial	
REVENUES						
Property Taxes	\$ 6,287,500	\$ 6,287,500	\$ 3,147,348	\$ 3,237,853	\$ 6,385,201	\$ 97,701
Charges for services	221,000	221,000	112,706	112,743	225,449	4,449
Interest	90,000	90,000	(30,010)	274,379	244,369	154,369
Miscellaneous	30,000	30,000	10,391	19,305	29,696	(304)
TOTAL REVENUES	6,628,500	6,628,500	3,240,435	3,644,280	6,884,715	256,215
EXPENDITURES						
Urban Renewal	792,000	792,000	280,834	304,145	584,979	207,021
Contingency	8,909,811	8,909,811	-	-	-	8,909,811
TOTAL EXPENDITURES	9,701,811	9,701,811	280,834	304,145	584,979	9,116,832
REVENUES OVER (UNDER) EXPENDITURES	(3,073,311)	(3,073,311)	2,959,601	3,340,135	6,299,736	9,373,047
FUND BALANCE, beginning of year	3,073,311	3,073,311	2,972,711	5,932,312	2,972,711	(100,600)
FUND BALANCE, end of year	\$ -	\$ -	\$ 5,932,312	\$ 9,272,447	\$ 9,272,447	\$ 9,272,447

CITY OF OREGON CITY, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – TRANSPORTATION FUND
YEAR ENDED JUNE 30, 2023**

	Budget Amounts		Actual			Variance
	Original	Final	FY 2022	FY 2023	Biennial	
REVENUES						
Charges for services	\$ 5,853,850	\$ 5,853,850	\$ 2,889,342	\$ 3,016,885	\$ 5,906,227	\$ 52,377
Intergovernmental	7,611,061	7,311,061	3,970,784	4,143,939	8,114,723	803,662
Interest	26,000	26,000	(31,614)	166,584	134,970	108,970
Miscellaneous	-	-	11,367	55,014	66,381	66,381
TOTAL REVENUES	13,490,911	13,190,911	6,839,879	7,382,422	14,222,301	1,031,390
EXPENDITURES						
Public works	15,961,649	16,676,652	8,080,600	6,185,601	14,266,201	2,410,451
Debt service						
Principal	-	1,840	894	920	1,814	26
Interest	-	1,160	588	561	1,149	11
Contingency	996,252	936,252	-	-	-	936,252
TOTAL EXPENDITURES	16,957,901	17,615,904	8,082,082	6,187,082	14,269,164	3,346,740
REVENUES OVER (UNDER) EXPENDITURES	(3,466,990)	(4,424,993)	(1,242,203)	1,195,340	(46,863)	4,378,130
OTHER FINANCING SOURCES (USES)						
Proceeds from Lease Obligations	-	20,003	-	-	-	(20,003)
Transfers in	322,008	1,260,008	158,004	1,102,004	1,260,008	-
Transfers out	(875,000)	(875,000)	(435,000)	(440,000)	(875,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(552,992)	405,011	(276,996)	662,004	385,008	(20,003)
NET CHANGE IN FUND BALANCE	(4,019,982)	(4,019,982)	(1,519,199)	1,857,344	338,145	4,358,127
FUND BALANCE, beginning of year	4,019,982	4,019,982	4,731,984	3,212,785	4,731,984	712,002
FUND BALANCE, end of year	\$ -	\$ -	\$ 3,212,785	\$ 5,070,129	\$ 5,070,129	\$ 5,070,129

CITY OF OREGON CITY, OREGON
SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS – IMPLICIT RATE SUBSIDY
FOR THE LAST TEN FISCAL YEARS¹

Implicit Rate Subsidy for Retiree Health Insurance Continuation Premiums

	As of Measurement Date June 30,					
	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	\$ 778,276	\$ 753,887	\$ 580,976	\$ 509,046	\$ 495,179	\$ 550,475
Interest on total OPEB liability	308,881	297,506	427,415	427,424	406,225	345,133
Effect of changes to benefit terms	-	-	-	-	-	-
Effect of economic/demographic gains or losses	(2,663,840)	-	(2,171,090)	-	(465,787)	-
Effect of assumptions changes or inputs	(1,020,584)	85,552	2,597,382	546,837	(336,053)	(1,161,431)
Benefit payment	(313,124)	(332,895)	(380,897)	(394,502)	(437,294)	(446,894)
Net change in total OPEB liability	(2,910,391)	804,050	1,053,786	1,088,805	(337,730)	(712,717)
Total OPEB liability - beginning	13,677,515	12,873,465	11,819,679	10,730,874	11,068,604	11,781,321
Total OPEB liability - ending	\$ 10,767,124	\$ 13,677,515	\$ 12,873,465	\$ 11,819,679	\$ 10,730,874	\$ 11,068,604
Covered-employee payroll	\$ 15,740,440	\$ 15,356,765	\$ 14,893,881	\$ 13,814,411	\$ 13,435,454	\$ 12,916,238
Total OPEB liability as a percentage of covered-employee payroll	68.40%	89.07%	86.43%	85.56%	79.87%	85.70%

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 supplementary information is available.

² No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

CITY OF OREGON CITY, OREGON
SCHEDULE OF THE PROPORTIONATE SHARE OF OPEB – RHIA
FOR THE LAST TEN FISCAL YEARS¹

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
2022	0.14143504%	\$ (502,568)	\$ 15,740,440	-3.19%	194.6%
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.

¹This 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 YEARS¹

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
2023	\$ 2,749	\$ 2,749	\$ -	\$ 16,283,755	0.02%
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%

¹This 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

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
2022	0.14375499%	\$ 22,011,774	\$ 15,740,440	139.84%	84.50%
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.

CITY OF OREGON CITY, OREGON
SCHEDULE OF CONTRIBUTIONS – PENSION
FOR THE LAST TEN FISCAL YEARS¹

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
2023	\$ 3,101,136	\$ 3,101,136	\$ -	\$ 16,283,755	19.04%
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%

CITY OF OREGON CITY, OREGON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2023

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 two 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
<i>Building Fund</i>				
Community development	\$ 3,263,484	\$ 3,268,340	\$ (4,856)	Unforeseen outsourced personnel costs
<i>Fleet Maintenance</i>				
Public works	\$ 615,008	\$ 641,015	\$ (26,007)	Unexpected vehicle repair costs
<i>Customer Service</i>				
Policy and administration	\$ 2,685,417	\$ 2,739,612	\$ (54,195)	Unforeseen credit card costs
<i>Equipment Replacement Fund</i>				
Debt	\$ 13,000	\$ 91,269	\$ (78,269)	Implementation of GASB 96, SBITAs

NOTE 2: OPEB

A. Actuarial assumptions – CIS

Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions:

Actuarial valuation:	July 1, 2022	July 1, 2020	July 1, 2018	July 1, 2016
Effective:	June 30, 2022 and 2023	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:	9.9 years	6.5 years	6.7 years	6.2 years
Remaining amortization periods:	10 years		20 years	
Actuarial assumptions:				
Inflation rate	2.40%	2.50%		
Projected salary increases	3.40%	3.50%		

CITY OF OREGON CITY, OREGON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2023

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. For June 30, 2021, the long-term expected rate of return was lowered to 6.90 percent, and the inflation rate was lowered from, 2.5 to 2.4 percent.

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.

CITY OF OREGON CITY, OREGON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2023

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.

A legislative change that occurred after the December 31, 2019 actuarial valuation date affected the plan provisions reflected for June 2021 financial reporting liability calculations. Senate Bill 111, enacted in June 2021, provides an increased pre-retirement death benefit for members who die on or after their early retirement age. For GASB 67 and GASB 68, the benefits valued in the total pension liability are required to be in accordance with the benefit terms legally in effect as of the relevant fiscal year-end for the plan. As a result, Senate Bill 111 was reflected in the June 30, 2021 total pension liability. While Senate Bill 111 also made changes to certain aspect of PERS funding and administration, the change in the death benefit provision is the only change that affects the measured total pension liability. As a result, the death benefit provision is the only difference between June 30, 2020 and June 30, 2021 in the plan provisions basis used to determine the total pension liability as of those two respective measurement dates.

B. 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

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, 2023

	Budget Amounts		Actual			Variance
	Original	Final	FY 2022	FY 2023	Biennial	
REVENUES						
Charges for services	\$ 2,647,460	\$ 2,647,460	\$ 1,222,837	\$ 1,227,459	\$ 2,450,296	\$ (197,164)
Intergovernmental	-	-	6,643	-	6,643	6,643
Interest	19,000	19,000	(18,672)	86,131	67,459	48,459
Miscellaneous	-	67,000	20,134	87,855	107,989	40,989
TOTAL REVENUES	2,666,460	2,733,460	1,230,942	1,401,445	2,632,387	(101,073)
EXPENDITURES						
Public works	3,103,733	4,992,673	4,916,765	33,278	4,950,043	42,630
Police	102,900	169,900	128,538	-	128,538	41,362
Library	150,000	225,000	141,667	41,628	183,295	41,705
Contingency	6,361,593	6,211,593	-	-	-	6,211,593
TOTAL EXPENDITURES	9,718,226	11,599,166	5,186,970	74,906	5,261,876	6,337,290
REVENUES OVER (UNDER) EXPENDITURES	(7,051,766)	(8,865,706)	(3,956,028)	1,326,539	(2,629,489)	6,236,217
OTHER FINANCING SOURCES (USES)						
Transfers in	3,830,000	3,905,000	1,915,000	1,490,000	3,405,000	(500,000)
Transfers out	(2,205,400)	(2,205,400)	(1,103,500)	(1,101,900)	(2,205,400)	-
TOTAL OTHER FINANCING SOURCES (USES)	1,624,600	1,699,600	811,500	388,100	1,199,600	(500,000)
NET CHANGE IN FUND BALANCE	(5,427,166)	(7,166,106)	(3,144,528)	1,714,639	(1,429,889)	5,736,217
FUND BALANCE, beginning of year	5,427,166	7,166,106	5,306,673	2,162,145	5,306,673	(1,859,433)
FUND BALANCE, end of year	\$ -	\$ -	\$ 2,162,145	\$ 3,876,784	\$ 3,876,784	\$ 3,876,784

*Combining and Individual Fund Financial
Statements and Schedules –
Nonmajor Governmental Funds*

CITY OF OREGON CITY, OREGON
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	<u>Special Revenue</u>			<u>Debt Service</u>	
	<u>Library</u>	<u>Planning</u>	<u>Building</u>	<u>Debt Service</u>	<u>Total</u>
ASSETS					
Cash and investments	\$ 4,454,218	\$ 1,301,110	\$ 6,961,221	\$ 1,023,874	\$ 13,740,423
Receivables:					
Accounts	1,789	2,800	-	-	4,589
Interest	531	61	942	235	1,769
Prepays and deposits	1,050	4,000	-	-	5,050
TOTAL ASSETS	<u>\$ 4,457,588</u>	<u>\$ 1,307,971</u>	<u>\$ 6,962,163</u>	<u>\$ 1,024,109</u>	<u>\$ 13,751,831</u>
LIABILITIES					
Accounts payable	\$ 39,946	\$ 433,244	\$ 59,430	\$ -	\$ 532,620
Accrued payroll	66,496	29,365	60,712	-	156,573
TOTAL LIABILITIES	<u>106,442</u>	<u>462,609</u>	<u>120,142</u>	<u>-</u>	<u>689,193</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	429	125	670	99	1,323
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>429</u>	<u>125</u>	<u>670</u>	<u>99</u>	<u>1,323</u>
FUND BALANCES					
Non-spendable	1,050	-	-	-	1,050
Restricted for:					
Library operations	4,349,667	-	-	-	4,349,667
Building operations	-	-	6,841,351	-	6,841,351
Committed to:					
Debt service	-	-	-	1,024,010	1,024,010
Planning operations	-	845,237	-	-	845,237
TOTAL FUND BALANCES	<u>4,350,717</u>	<u>845,237</u>	<u>6,841,351</u>	<u>1,024,010</u>	<u>13,061,315</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,457,588</u>	<u>\$ 1,307,971</u>	<u>\$ 6,962,163</u>	<u>\$ 1,024,109</u>	<u>\$ 13,751,831</u>

CITY OF OREGON CITY, OREGON**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023**

	Special Revenue			Debt Service	
	Library	Planning	Building	Debt Service	Total
REVENUES					
Licenses and permits	\$ -	\$ 18,028	\$ 2,074,039	\$ -	\$ 2,092,067
Charges for services	11,860	1,105,158	245,774	-	1,362,792
Intergovernmental	2,717,511	8,747	-	-	2,726,258
Fines and forfeitures	25,054	-	-	-	25,054
Interest income	165,583	29,970	148,417	24,388	368,358
Miscellaneous	12,514	-	-	1,487,030	1,499,544
TOTAL REVENUES	2,932,522	1,161,903	2,468,230	1,511,418	8,074,073
EXPENDITURES					
Culture and recreation	2,332,654	-	-	-	2,332,654
Community development	-	1,653,910	1,951,436	-	3,605,346
Debt service					
Principal	288,631	-	-	1,825,000	2,113,631
Interest	126,740	-	-	977,749	1,104,489
Capital Outlay	-	15,884	31,487	-	47,371
TOTAL EXPENDITURES	2,748,025	1,669,794	1,982,923	2,802,749	9,203,491
REVENUES OVER (UNDER) EXPENDITURES	184,497	(507,891)	485,307	(1,291,331)	(1,129,418)
OTHER FINANCING SOURCES (USES)					
Transfers in	150,000	378,500	32,500	1,101,900	1,662,900
Transfers out	(20,000)	(1,000)	(20,000)	-	(41,000)
TOTAL OTHER FINANCING SOURCES (USES)	130,000	377,500	12,500	1,101,900	1,621,900
NET CHANGE IN FUND BALANCE	314,497	(130,391)	497,807	(189,431)	492,482
FUND BALANCE, beginning of year	4,036,220	975,628	6,343,544	1,213,441	12,568,833
FUND BALANCE, end of year	\$ 4,350,717	\$ 845,237	\$ 6,841,351	\$ 1,024,010	\$ 13,061,315

*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, 2023**

	Budget Amounts		Actual			Variance
	Original	Final	FY 2022	FY 2023	Biennial	
REVENUES						
Charges for services	\$ 5,540	\$ 5,540	\$ 9,954	\$ 11,860	\$ 21,814	\$ 16,274
Intergovernmental	5,239,890	5,239,890	2,578,618	2,717,511	5,296,129	56,239
Fines and forfeitures	40,000	40,000	17,303	25,054	42,357	2,357
Interest	45,000	45,000	(29,532)	165,583	136,051	91,051
Miscellaneous	10,000	10,000	11,138	12,514	23,652	13,652
TOTAL REVENUES	5,340,430	5,340,430	2,587,481	2,932,522	5,520,003	179,573
EXPENDITURES						
Library	4,586,654	4,586,654	2,084,348	2,332,654	4,417,002	169,652
Debt service						
Principal	568,638	568,638	280,007	288,631	568,638	-
Interest	262,104	262,104	135,364	126,740	262,104	-
Contingency	3,991,707	3,991,707	-	-	-	3,991,707
TOTAL EXPENDITURES	9,409,103	9,409,103	2,499,719	2,748,025	5,247,744	4,161,359
REVENUES OVER (UNDER) EXPENDITURES	(4,068,673)	(4,068,673)	87,762	184,497	272,259	4,340,932
OTHER FINANCING SOURCES (USES)						
Transfers in	300,000	300,000	150,000	150,000	300,000	-
Transfers out	(40,000)	(40,000)	(20,000)	(20,000)	(40,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	260,000	260,000	130,000	130,000	260,000	-
NET CHANGE IN FUND BALANCE	(3,808,673)	(3,808,673)	217,762	314,497	532,259	4,340,932
FUND BALANCE, beginning of year	3,808,673	3,808,673	3,818,458	4,036,220	3,818,458	9,785
FUND BALANCE, end of year	\$ -	\$ -	\$ 4,036,220	\$ 4,350,717	\$ 4,350,717	\$ 4,350,717

CITY OF OREGON CITY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – PLANNING FUND
YEAR ENDED JUNE 30, 2023

	Budget Amounts		Actual			Variance
	Original	Final	FY 2022	FY 2023	Biennial	
REVENUES						
Licenses and permits	\$ 30,000	\$ 30,000	\$ 16,232	\$ 18,028	\$ 34,260	\$ 4,260
Charges for services	2,416,090	2,416,090	1,301,954	1,105,158	2,407,112	(8,978)
Intergovernmental	102,500	102,500	52,638	8,747	61,385	(41,115)
Interest	7,200	7,200	(3,869)	29,970	26,101	18,901
TOTAL REVENUES	2,555,790	2,555,790	1,366,955	1,161,903	2,528,858	(26,932)
EXPENDITURES						
Community development	2,731,853	2,749,353	1,161,246	1,213,169	2,374,415	374,938
Special payments	1,200,000	1,200,000	589,943	456,625	1,046,568	153,432
Contingency	107,005	107,005	-	-	-	107,005
TOTAL EXPENDITURES	4,038,858	4,056,358	1,751,189	1,669,794	3,420,983	635,375
REVENUES OVER (UNDER) EXPENDITURES	(1,483,068)	(1,500,568)	(384,234)	(507,891)	(892,125)	608,443
OTHER FINANCING SOURCES (USES)						
Transfers in	622,000	639,500	261,000	378,500	639,500	-
Transfers out	(2,000)	(2,000)	(1,000)	(1,000)	(2,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	620,000	637,500	260,000	377,500	637,500	-
NET CHANGE IN FUND BALANCE	(863,068)	(863,068)	(124,234)	(130,391)	(254,625)	608,443
FUND BALANCE, beginning of year	863,068	863,068	1,099,862	975,628	1,099,862	236,794
FUND BALANCE, end of year	\$ -	\$ -	\$ 975,628	\$ 845,237	\$ 845,237	\$ 845,237

CITY OF OREGON CITY, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – BUILDING FUND
YEAR ENDED JUNE 30, 2023**

	Budget Amounts		Actual			Variance
	Original	Final	FY 2022	FY 2023	Biennial	
REVENUES						
Licenses and permits	\$ 3,297,300	\$ 3,297,300	\$ 2,289,340	\$ 2,074,039	\$ 4,363,379	\$ 1,066,079
Charges for services	406,200	601,200	303,227	245,774	549,001	(52,199)
Interest	72,000	72,000	(17,150)	148,417	131,267	59,267
Miscellaneous	600	600	305	-	305	(295)
TOTAL REVENUES	3,776,100	3,971,100	2,575,722	2,468,230	5,043,952	1,072,852
EXPENDITURES						
Community development	3,227,984	3,263,484	1,527,055	1,741,285	3,268,340	(4,856)
Special payments	400,000	595,000	297,182	241,638	538,820	56,180
Debt service						
Principal	-	1,500	-	-	-	1,500
Interest	-	500	-	-	-	500
Contingency	5,483,173	5,483,173	-	-	-	5,483,173
TOTAL EXPENDITURES	9,111,157	9,343,657	1,824,237	1,982,923	3,807,160	5,536,497
REVENUES OVER (UNDER) EXPENDITURES	(5,335,057)	(5,372,557)	751,485	485,307	1,236,792	6,609,349
OTHER FINANCING SOURCES (USES)						
Proceeds from Subscription Obligations	-	5,000	-	-	-	(5,000)
Transfers in	-	32,500	-	32,500	32,500	-
Transfers out	(40,000)	(40,000)	(20,000)	(20,000)	(40,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(40,000)	(2,500)	(20,000)	12,500	(7,500)	(5,000)
NET CHANGE IN FUND BALANCE	(5,375,057)	(5,375,057)	731,485	497,807	1,229,292	6,604,349
FUND BALANCE, beginning of year	5,375,057	5,375,057	5,612,059	6,343,544	5,612,059	237,002
FUND BALANCE, end of year	\$ -	\$ -	\$ 6,343,544	\$ 6,841,351	\$ 6,841,351	\$ 6,841,351

CITY OF OREGON CITY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2023

	Budget Amounts		Actual			Variance
	Original	Final	FY 2022	FY 2023	Biennial	
REVENUES						
Interest	\$ 22,000	\$ 22,000	\$ 4,841	\$ 24,388	\$ 29,229	\$ 7,229
Miscellaneous	2,909,362	2,909,362	1,422,330	1,487,030	2,909,360	(2)
TOTAL REVENUES	2,931,362	2,931,362	1,427,171	1,511,418	2,938,589	7,227
EXPENDITURES						
Debt service						
Principal	3,510,000	3,510,000	1,685,000	1,825,000	3,510,000	-
Interest	2,034,393	2,034,393	1,056,644	977,749	2,034,393	-
TOTAL EXPENDITURES	5,544,393	5,544,393	2,741,644	2,802,749	5,544,393	-
REVENUES OVER (UNDER) EXPENDITURES	(2,613,031)	(2,613,031)	(1,314,473)	(1,291,331)	(2,605,804)	7,227
OTHER FINANCING SOURCES (USES)						
Transfers in	2,205,400	2,205,400	1,103,500	1,101,900	2,205,400	-
NET CHANGE IN FUND BALANCE	(407,631)	(407,631)	(210,973)	(189,431)	(400,404)	7,227
FUND BALANCE, beginning of year	1,426,719	1,426,719	1,424,414	1,213,441	1,424,414	(2,305)
FUND BALANCE, end of year	\$ 1,019,088	\$ 1,019,088	\$ 1,213,441	\$ 1,024,010	\$ 1,024,010	\$ 4,922



*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, 2023

	Biennial Budget		Actual			
	Original	Final	FY 2022	FY 2023	Biennial	Variance
REVENUES						
Charges for services	\$ 16,160,446	\$ 16,480,446	\$ 8,039,594	\$ 8,836,557	\$ 16,876,151	\$ 395,705
System development charges	600,000	600,000	419,195	272,696	691,891	91,891
Intergovernmental	5,607,000	7,000	5,903	23,092	28,995	21,995
Interest	60,000	60,000	(15,025)	154,473	139,448	79,448
Miscellaneous	15,000	15,000	20,648	19,499	40,147	25,147
Total Revenues	22,442,446	17,162,446	8,470,315	9,306,317	17,776,632	614,186
EXPENDITURES						
Public Works	18,230,756	23,897,759	6,978,581	12,535,583	19,514,164	4,383,595
Special payments	600,000	920,000	419,195	272,696	691,891	228,109
Debt service						
Principal	-	1,840	894	920	-	1,840
Interest	-	1,160	588	561	-	1,160
Contingency	7,418,149	1,768,149	-	-	-	1,768,149
Total Expenditures	26,248,905	26,588,908	7,399,258	12,809,760	20,206,055	6,382,853
REVENUES OVER (UNDER) EXPENDITURES	(3,806,459)	(9,426,462)	1,071,057	(3,503,443)	(2,432,386)	6,994,076
OTHER FINANCING SOURCES (USES)						
Proceeds from Lease Obligations	-	20,003	-	-	-	(20,003)
Transfers in	-	5,600,000	-	5,600,000	5,600,000	-
Transfers out	(2,000,000)	(2,000,000)	(950,000)	(550,000)	(1,500,000)	500,000
TOTAL OTHER FINANCING SOURCES (USES)	(2,000,000)	3,620,003	(950,000)	5,050,000	4,100,000	479,997
NET CHANGE IN FUND BALANCE	(5,806,459)	(5,806,459)	121,057	1,546,557	1,667,614	7,474,073
FUND BALANCE, beginning of year	5,806,459	5,806,459	5,921,117	6,042,174	5,921,117	114,658
FUND BALANCE, end of year	\$ -	\$ -	\$ 6,042,174	\$ 7,588,731	7,588,731	\$ 7,588,731

RECONCILIATION TO NET POSITION - GAAP BASIS

Adjustment for compensated absences accrual	(96,491)
Adjustment for capital assets, net of depreciation	39,048,099
Adjustment for capital assets not depreciated	6,850,228
Adjustment for interest in joint venture	12,740,475
Adjustment for net pension liability	(1,447,005)
Adjustment for net OPEB liability/asset	(674,769)
Adjustment for lease liability	(18,190)
Adjustment for accrued interest payable	(45)
Adjustment for deferred resources relating to pensions	104,141
Adjustment for deferred resources relating to OPEB	(184,903)

NET POSITION - GAAP BASIS

\$ 63,910,271

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, 2023

	Budget Amounts		Actual			
	Original	Final	FY 2022	FY 2023	Biennial	Variance
REVENUES						
Franchise taxes	\$ 621,400	\$ 621,400	\$ 314,206	\$ 334,174	\$ 648,380	\$ 26,980
Charges for services	23,660,279	23,660,279	11,832,573	12,651,383	24,483,956	823,677
System development charges	750,000	5,890,000	2,492,523	2,368,508	4,861,031	(1,028,969)
Intergovernmental	-	-	25,519	1,308,117	1,333,636	1,333,636
Interest	150,000	150,000	(36,837)	335,653	298,816	148,816
Miscellaneous	-	-	2,175	-	2,175	2,175
Total Revenues	25,181,679	30,321,679	14,630,159	16,997,835	31,627,994	1,306,315
EXPENDITURES						
Public works	19,613,120	19,630,123	4,817,660	8,810,701	13,628,361	6,001,762
Special payments	11,105,856	16,245,856	7,729,300	7,938,890	15,668,190	577,666
Debt service						
Principal	-	1,840	894	920	1,814	26
Interest	-	1,160	588	561	1,149	11
Contingency	6,144,504	6,144,504	-	-	-	6,144,504
Total Expenditures	36,863,480	42,023,483	12,548,442	16,751,072	29,299,514	12,723,969
REVENUES OVER (UNDER) EXPENDITURES	(11,681,801)	(11,701,804)	2,081,717	246,763	2,328,480	14,030,284
OTHER FINANCING SOURCES (USES)						
Proceeds from Lease Obligations	-	20,003	-	-	-	(20,003)
Transfers out	(1,275,000)	(1,275,000)	(615,000)	(660,000)	(1,275,000)	-
Total Other Financing Sources and Uses	(1,275,000)	(1,254,997)	(615,000)	(660,000)	(1,275,000)	(20,003)
NET CHANGE IN FUND BALANCE	(12,956,801)	(12,956,801)	1,466,717	(413,237)	1,053,480	14,010,281
FUND BALANCE, beginning of year	12,956,801	12,956,801	13,224,703	14,691,420	13,224,703	267,902
FUND BALANCE, end of year	\$ -	\$ -	\$ 14,691,420	\$ 14,278,183	14,278,183	\$ 14,278,183

RECONCILIATION TO NET POSITION - GAAP BASIS

Adjustment for compensated absences accrual	(60,057)
Adjustment for capital assets, net of depreciation	20,850,015
Adjustment for capital assets not depreciated	6,256,245
Adjustment for receivables deferred	57,047
Adjustment for net pension liability	(839,085)
Adjustment for net OPEB liability/asset	(391,283)
Adjustment for lease liability	(18,190)
Adjustment for accrued interest payable	(45)
Adjustment for deferred resources relating to pensions	60,389
Adjustment for deferred resources relating to OPEB	(107,221)

NET POSITION - GAAP BASIS

\$ 40,085,998

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, 2023**

	Biennial Budget		Actual			
	Original	Final	FY 2022	FY 2023	Biennial	Variance
REVENUES						
Charges for services	\$ 6,745,746	\$ 6,745,746	\$ 3,372,416	\$ 3,729,541	\$ 7,101,957	\$ 356,211
Intergovernmental	-	-	17,065	10,566	27,631	27,631
Interest	14,000	14,000	(7,179)	65,052	57,873	43,873
Miscellaneous	-	-	-	30,269	30,269	30,269
Total Revenues	6,759,746	6,759,746	3,382,302	3,835,428	7,217,730	457,984
EXPENDITURES						
Public works	6,343,507	6,387,510	2,521,834	3,011,919	5,533,753	853,757
Debt service						
Principal	-	1,840	894	920	1,814	26
Interest	-	1,160	588	561	1,149	11
Contingency	1,957,469	1,930,469	-	-	-	1,930,469
Total Expenditures	8,300,976	8,320,979	2,523,316	3,013,400	5,536,716	2,784,263
REVENUES OVER (UNDER) EXPENDITURES						
	(1,541,230)	(1,561,233)	858,986	822,028	1,681,014	3,242,247
OTHER FINANCING SOURCES (USES)						
Proceeds from Lease Obligations	-	20,003	-	-	-	(20,003)
Transfers out	(965,000)	(965,000)	(440,000)	(525,000)	(965,000)	-
Total Other Financing Sources and Uses	(965,000)	(944,997)	(440,000)	(525,000)	(965,000)	(20,003)
NET CHANGE IN FUND BALANCE						
	(2,506,230)	(2,506,230)	418,986	297,028	716,014	3,222,244
FUND BALANCE, beginning of year						
	2,506,230	2,506,230	2,613,635	3,032,621	2,613,635	107,405
FUND BALANCE, end of year						
	\$ -	\$ -	\$ 3,032,621	\$ 3,329,649	3,329,649	\$ 3,329,649
RECONCILIATION TO NET POSITION - GAAP BASIS						
Adjustment for compensated absences accrual					(66,671)	
Adjustment for capital assets, net of depreciation					17,130,100	
Adjustment for capital assets not depreciated					1,685,992	
Adjustment for net pension liability					(869,622)	
Adjustment for net OPEB liability/asset					(405,523)	
Adjustment for lease liability					(18,190)	
Adjustment for accrued interest payable					(45)	
Adjustment for deferred resources relating to pensions					62,586	
Adjustment for deferred resources relating to OPEB					(111,123)	
NET POSITION - GAAP BASIS					\$ 20,737,153	

*Combining and Individual Fund Financial Statements –
Internal Service Funds*

CITY OF OREGON CITY, OREGON
COMBINING STATEMENT OF NET POSITION –
INTERNAL SERVICE FUNDS
JUNE 30, 2023

	Fleet Service	Customer Service	Equipment Replacement	Total
ASSETS				
Current Assets				
Cash and investments	\$ 37,834	\$ 88,406	\$ 8,181,716	\$ 8,307,956
Accounts receivable	-	2,601	22,036	24,637
Interest receivable	-	64	979	1,043
Total Current Assets	37,834	91,071	8,204,731	8,333,636
Noncurrent Assets				
Capital assets, net of depreciation	4,932	-	1,264,328	1,269,260
Lease assets, net of amortization	-	-	122,114	122,114
Subscription assets, net of amortization	-	-	114,509	114,509
OPEB asset	-	14,634	-	14,634
Total Noncurrent Assets	4,932	14,634	1,500,951	1,520,517
Total Assets	42,766	105,705	9,705,682	9,854,153
DEFERRED OUTFLOWS OF RESOURCES				
Deferred resources related to pensions	-	252,552	-	252,552
Deferred resources related to OPEB	-	57,830	-	57,830
Total Deferred Inflows of Resources	-	310,382	-	310,382
LIABILITIES				
Current Liabilities				
Accounts payable	35,521	6,441	101,460	143,422
Accrued payroll liabilities	-	32,552	-	32,552
Accrued interest payable	-	-	3,387	3,387
Current portion of long-term liabilities:				
Lease payable	-	-	32,687	32,687
Subscription payable	-	-	36,474	36,474
Accrued compensated absences	-	7,611	-	7,611
Total Current Liabilities	35,521	46,604	174,008	256,133
Noncurrent Liabilities				
Lease payable	-	-	71,081	71,081
Subscription payable	-	-	68,349	68,349
Accrued compensated absences	-	30,445	-	30,445
Net pension liability	-	640,969	-	640,969
OPEB liability	-	313,532	-	313,532
Total Noncurrent Liabilities	-	984,946	139,430	1,124,376
Total Liabilities	35,521	1,031,550	313,438	1,380,509
DEFERRED INFLOWS OF RESOURCES				
Deferred resources related to pensions	-	206,421	-	206,421
Deferred resources related to OPEB	-	139,735	-	139,735
Total Deferred Inflows of Resources	-	346,156	-	346,156
NET POSITION:				
Net investment in capital assets	4,932	-	1,267,354	1,272,286
Restricted for:				
OPEB benefits	-	14,634	-	14,634
Unrestricted	2,313	(976,253)	8,124,890	7,150,950
Total Net Position	\$ 7,245	\$ (961,619)	\$ 9,392,244	\$ 8,437,870

CITY OF OREGON CITY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2023

	<u>Fleet Service</u>	<u>Customer Service</u>	<u>Equipment Replacement</u>	<u>Total</u>
OPERATING REVENUES				
Charges for services	\$ 325,314	\$ 1,270,529	\$ -	\$ 1,595,843
Miscellaneous	1,018	-	4,864	5,882
	<u>326,332</u>	<u>1,270,529</u>	<u>4,864</u>	<u>1,601,725</u>
OPERATING EXPENSES				
Personnel services	-	874,403	-	874,403
Materials and services	327,237	592,265	95,761	1,015,263
Depreciation and Amortization	986	-	242,053	243,039
	<u>328,223</u>	<u>1,466,668</u>	<u>337,814</u>	<u>2,132,705</u>
OPERATING INCOME (LOSS)	(1,891)	(196,139)	(332,950)	(530,980)
NONOPERATING REVENUES (EXPENSES)				
Investment revenue	549	6,054	173,025	179,628
Interest Expense	-	-	(4,872)	(4,872)
	<u>549</u>	<u>6,054</u>	<u>168,153</u>	<u>174,756</u>
NET INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	(1,342)	(190,085)	(164,797)	(356,224)
Transfers in	-	-	1,650,454	1,650,454
Transfers out	-	(3,000)	-	(3,000)
CHANGE IN NET POSITION	(1,342)	(193,085)	1,485,657	1,291,230
Beginning net position	8,587	(768,534)	7,902,835	7,142,888
Prior period adjustment	-	-	3,752	3,752
Beginning net position, as restated	<u>8,587</u>	<u>(768,534)</u>	<u>7,906,587</u>	<u>7,146,640</u>
Ending net position	<u>\$ 7,245</u>	<u>\$ (961,619)</u>	<u>\$ 9,392,244</u>	<u>\$ 8,437,870</u>

CITY OF OREGON CITY, OREGON
COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2023

	Fleet Service	Customer Service	Equipment Replacement	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Collections from other funds	\$ 325,314	\$ 1,270,125	\$ -	\$ 1,595,439
Other receipts	1,018	-	4,864	5,882
Paid to suppliers	(317,398)	(589,603)	(78,024)	(985,025)
Paid to employees	-	(813,108)	-	(813,108)
Net cash provided by (used in) operating activities	8,934	(132,586)	(73,160)	(196,812)
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	-	-	(783,597)	(783,597)
Transfers in	-	-	1,650,454	1,650,454
Proceeds from disposal of capital assets	-	-	60,927	60,927
Principal paid on leases and subscriptions	-	-	(89,784)	(89,784)
Interest paid on leases and subscriptions	-	-	(1,485)	(1,485)
Net cash used in capital and related financing activities	-	-	836,515	836,515
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on cash equivalents	549	5,990	172,046	178,585
Increase in cash and cash equivalents	9,483	(129,596)	935,401	815,288
CASH AND INVESTMENTS, Beginning of year	28,351	218,002	7,246,315	7,492,668
CASH AND INVESTMENTS, End of year	<u>\$ 37,834</u>	<u>\$ 88,406</u>	<u>\$ 8,181,716</u>	<u>\$ 8,307,956</u>
RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (1,891)	\$ (196,139)	\$ (332,950)	\$ (530,980)
Depreciation expense	986	-	242,053	243,039
Change in assets and liabilities				
Accounts receivable	-	(404)	(22,036)	(22,440)
Accounts payable and accrued liabilities	9,839	16,227	39,773	65,839
Net pension liability	-	174,273	-	174,273
Net OPEB liability	-	(67,314)	-	(67,314)
Deferred outflows	-	38,142	-	38,142
Deferred inflows	-	(97,371)	-	(97,371)
Net cash provided by (used in) operating activities	<u>\$ 8,934</u>	<u>\$ (132,586)</u>	<u>\$ (73,160)</u>	<u>\$ (196,812)</u>
NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES				
Lease and subscription liability activity	\$ -	\$ -	\$ 107,145	\$ 107,145
Lease and subscription asset activity	-	-	(107,145)	(107,145)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*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, 2023**

	Biennial Budget		Actual		Biennial	Variance
	Original	Final	FY 2022	FY 2023		
REVENUES						
Charges for services	\$ 526,110	\$ 666,110	\$ 305,775	\$ 325,314	\$ 631,089	\$ (35,021)
Interest	-	-	(67)	549	482	482
Miscellaneous	-	-	3,746	1,018	4,764	4,764
Total Revenues	526,110	666,110	309,454	326,881	636,335	(29,775)
EXPENDITURES						
Public works	475,008	615,008	313,778	327,237	641,015	(26,007)
Contingency	78,821	78,821	-	-	-	78,821
Total Expenditures	553,829	693,829	313,778	327,237	641,015	52,814
REVENUES OVER (UNDER) EXPENDITURES	(27,719)	(27,719)	(4,324)	(356)	(4,680)	23,039
NET CHANGE IN FUND BALANCE	(27,719)	(27,719)	(4,324)	(356)	(4,680)	23,039
FUND BALANCE, beginning of year	27,719	27,719	6,993	2,669	6,993	(20,726)
FUND BALANCE, end of year	\$ -	\$ -	\$ 2,669	\$ 2,313	2,313	\$ 2,313
RECONCILIATION TO NET POSITION - GAAP BASIS						
Adjustment for capital assets, net of depreciation					4,932	
NET POSITION - GAAP BASIS					\$ 7,245	

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, 2023

	Biennial Budget		Actual		Biennial	Variance
	Original	Final	FY 2022	FY 2023		
REVENUES						
Charges for services	\$ 2,526,200	\$ 2,526,200	\$ 1,263,570	\$ 1,270,529	\$ 2,534,099	7,899
Interest	-	-	(837)	6,054	5,217	5,217
Miscellaneous	-	-	249	-	249	249
Total Revenues	2,526,200	2,526,200	1,262,982	1,276,583	2,539,565	13,365
EXPENDITURES						
Policy and administration	2,685,417	2,685,417	1,328,142	1,411,470	2,739,612	(54,195)
Contingency	101,950	101,950	-	-	-	101,950
Total Expenditures	2,787,367	2,787,367	1,328,142	1,411,470	2,739,612	47,755
REVENUES OVER (UNDER) EXPENDITURES	(261,167)	(261,167)	(65,160)	(134,887)	(200,047)	61,120
OTHER FINANCING SOURCES (USES)						
Transfers out	(6,000)	(6,000)	(3,000)	(3,000)	(6,000)	-
NET CHANGE IN FUND BALANCE	(267,167)	(267,167)	(68,160)	(137,887)	(206,047)	61,120
FUND BALANCE, beginning of year	267,167	267,167	258,125	189,965	258,125	(9,042)
FUND BALANCE, end of year	\$ -	\$ -	\$ 189,965	\$ 52,078	52,078	\$ 52,078

RECONCILIATION TO NET POSITION - GAAP BASIS

Adjustment for compensated absences accrual	(38,056)
Adjustment for net pension liability	(640,969)
Adjustment for net OPEB liability/asset	(298,898)
Adjustment for deferred resources relating to pensions	46,131
Adjustment for deferred resources relating to OPEB	(81,905)

NET POSITION - GAAP BASIS

\$ (961,619)

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, 2023**

	Budget Amounts		Actual			
	Original	Final	FY 2022	FY 2023	Biennial	Variance
REVENUES						
Interest	\$ 80,000	\$ 80,000	\$ (27,990)	\$ 172,238	\$ 144,248	\$ 64,248
Miscellaneous	60,000	60,000	65,009	65,791	130,800	70,800
Total Revenues	140,000	140,000	37,019	238,029	275,048	135,048
EXPENDITURES						
Policy and administration	33,000	33,000	29,348	-	29,348	3,652
Police	932,000	1,117,549	331,209	259,297	590,506	527,043
Parks and recreation	352,000	352,000	-	124,991	124,991	227,009
General government	35,208	35,208	17,604	17,604	35,208	-
Community development	30,000	30,000	-	30,000	30,000	-
Public works	1,889,500	1,889,500	39,620	579,618	619,238	1,270,262
Debt service						
Principal	-	10,000	-	89,784	89,784	(79,784)
Interest	-	3,000	-	1,485	1,485	1,515
Total Expenditures	3,271,708	3,470,257	417,781	1,102,779	1,520,560	1,949,697
REVENUES OVER (UNDER) EXPENDITURES	(3,131,708)	(3,330,257)	(380,762)	(864,750)	(1,245,512)	2,084,745
OTHER FINANCING SOURCES (USES)						
Proceeds from Lease Obligations	-	-	-	62,088	62,088	62,088
Proceeds from Subscription Obligations	-	40,000	-	45,058	45,058	5,058
Transfers in	2,920,000	3,078,549	1,346,000	1,650,454	2,996,454	(82,095)
TOTAL OTHER FINANCING SOURCES (USES)	2,920,000	3,118,549	1,346,000	1,757,600	3,103,600	(14,949)
NET CHANGE IN FUND BALANCE	(211,708)	(211,708)	965,238	892,850	1,858,088	2,069,796
FUND BALANCE, beginning of year	6,452,952	6,452,952	6,244,396	7,209,634	6,244,396	(208,556)
FUND BALANCE, end of year	\$ 6,241,244	\$ 6,241,244	\$ 7,209,634	\$ 8,102,484	8,102,484	\$ 1,861,240
RECONCILIATION TO NET POSITION - GAAP BASIS						
Adjustment for capital assets, net of depreciation					1,500,951	
Adjustment for lease liability					(103,768)	
Adjustment for subscription liability					(104,823)	
Adjustment for accrued interest					(3,387)	
Adjustment for receivables deferred					787	
NET POSITION - GAAP BASIS					\$ 9,392,244	

Other Financial Schedules

CITY OF OREGON CITY, OREGON
SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS
YEAR ENDED JUNE 30, 2023

Fiscal Year

<i>Ending June 30,</i>	<i>2015 Library General Obligation Bonds</i>			<i>2018 Full Faith and Credit Bonds CSAF</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
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
	<u>\$ 3,826,296</u>	<u>\$ 742,783</u>	<u>\$ 4,569,079</u>	<u>\$ 12,005,000</u>	<u>\$ 4,549,700</u>	<u>\$ 16,554,700</u>

CITY OF OREGON CITY, OREGON
 SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS (Continued)
 YEAR ENDED JUNE 30, 2023

<i>2005 PERS UAL Bond</i>		
<i>Principal</i>	<i>Interest</i>	<i>Total</i>
\$ 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
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>\$ 7,445,000</u>	<u>\$ 1,091,373</u>	<u>\$ 8,536,373</u>

CITY OF OREGON CITY, OREGON**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES
YEAR ENDED JUNE 30, 2023****City of Oregon City**

Tax Year	Uncollected Balances June 30, 2022	2022-2023 Levy	Interest, Discounts & Adjustments	Turnovers	Uncollected Balances June 30, 2023
2022-23	\$ -	\$ 16,043,879	\$ (446,591)	\$ (15,155,039)	\$ 442,249
2021-22	340,202	-	(18,916)	(226,484)	94,802
2020-21	109,335	-	(4,753)	(58,828)	45,754
2019-20	58,952	-	1,927	(43,740)	17,139
2018-19	14,032	-	727	(9,089)	5,670
2017-18 and prior	26,842	-	(2,575)	(3,731)	20,536
Total	\$ 549,363	\$ 16,043,879	\$ (470,181)	\$ (15,496,911)	\$ 626,150

Oregon City Urban Renewal

Tax Year	Uncollected Balances June 30, 2022	2022-2023 Levy	Interest, Discounts & Adjustments	Turnovers	Uncollected Balances June 30, 2023
2022-23	\$ -	\$ 3,308,517	\$ (92,095)	\$ (3,124,550)	\$ 91,872
2021-22	72,411	-	(4,029)	(48,188)	20,194
2020-21	23,410	-	(1,018)	(12,596)	9,796
2019-20	13,601	-	445	(10,092)	3,954
2018-19	2,958	-	153	(1,916)	1,195
2017-18 and prior	5,239	-	(545)	(741)	3,953
Total	\$ 117,619	\$ 3,308,517	\$ (97,089)	\$ (3,198,083)	\$ 130,964

STATISTICAL SECTION



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.

<u>Contents</u>	<u>Page</u>
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.	130
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	140
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.	144
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.	148
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.	150

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)

	2023	2022	2021	2020
Governmental activities				
Net investment in capital assets	\$ 159,771,923	\$ 158,820,509	\$ 150,702,278	\$ 123,436,477
Restricted for special purposes	54,726,514	40,590,633	30,249,491	32,090,793
Unrestricted	<u>(12,902,365)</u>	<u>(16,010,159)</u>	<u>(10,684,129)</u>	<u>4,466,022</u>
Total governmental activities net position	201,596,072	183,400,983	170,267,640	159,993,292
Business-type activities				
Net investment in capital assets	92,038,220	80,790,568	79,362,840	76,121,011
Restricted for special purposes	86,685	86,963	49,517	43,775
Unrestricted	<u>41,046,387</u>	<u>36,431,949</u>	<u>32,883,732</u>	<u>31,203,807</u>
Total business-type activities net position	133,171,292	117,309,480	112,296,089	107,368,593
Total government				
Net investment in capital assets	251,810,143	239,611,077	230,065,118	199,557,488
Restricted for special purposes	54,813,199	40,677,596	30,299,008	32,134,568
Unrestricted	<u>28,144,022</u>	<u>20,421,790</u>	<u>22,199,603</u>	<u>35,669,829</u>
Total government net position	<u>\$ 334,767,364</u>	<u>\$ 300,710,463</u>	<u>\$ 282,563,729</u>	<u>\$ 267,361,885</u>

2019	2018	2017	2016	2015	2014
\$ 112,838,180	\$ 107,219,008	\$ 98,512,736	\$ 91,671,741	\$ 82,947,522	\$ 83,949,562
21,511,494	22,910,088	20,405,260	20,684,505	22,714,219	12,212,699
6,854,069	(905,713)	5,185,965	1,150,993	4,215,385	17,410,231
141,203,743	129,223,383	124,103,961	113,507,239	109,877,126	113,572,492
73,993,057	69,904,459	66,828,362	62,178,638	59,613,791	58,464,942
26,004	-	-	-	-	6,656,608
27,383,090	23,901,172	25,143,381	22,862,191	21,559,003	19,332,055
101,402,151	93,805,631	91,971,743	85,040,829	81,172,794	84,453,605
186,831,237	177,123,467	165,341,098	153,850,379	127,971,313	142,414,504
21,537,498	22,910,088	20,405,260	20,684,505	37,304,219	18,869,307
34,237,159	22,995,459	30,329,346	24,013,184	25,774,388	36,742,286
<u>\$ 242,605,894</u>	<u>\$ 223,029,014</u>	<u>\$ 216,075,704</u>	<u>\$ 198,548,068</u>	<u>\$ 191,049,920</u>	<u>\$ 198,026,097</u>

CITY OF OREGON CITY, OREGON
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS – UNAUDITED
(Accrual basis of accounting)

	2023	2022	2021	2020
Expenses:				
Governmental activities:				
General government	\$ 9,385,154	\$ 8,466,143	\$ 9,010,937	\$ 9,373,368
Public safety	13,124,090	12,153,036	13,853,016	11,793,974
Public works	8,337,604	8,050,720	8,145,420	7,738,706
Culture and recreation	9,563,967	8,190,792	7,938,164	7,405,747
Community development	3,619,719	3,307,988	3,318,339	3,470,850
Interest on long-term debt	1,028,158	1,128,589	1,308,150	1,589,947
Total governmental activities expenses	45,058,692	41,297,268	43,574,026	41,372,592
Business-type activities:				
Water	7,827,537	7,436,503	8,044,736	6,252,361
Wastewater	12,904,231	12,663,573	11,034,218	10,514,584
Stormwater	2,902,744	2,832,689	2,838,118	2,922,440
Fleet	666,036	570,003	897,408	556,526
Interest on long-term debt	6,690	-	-	-
Total business-type activities expenses	24,307,238	23,502,768	22,814,480	20,245,911
Total City expenses	69,365,930	64,800,036	66,388,506	61,618,503
Program Revenues:				
Governmental activities:				
Fees, fines, and charges for services:				
General government	2,935,993	2,941,009	2,813,688	2,664,024
Public safety	1,869,583	1,829,059	1,518,937	1,864,235
Public works	4,099,160	3,873,286	3,878,554	3,704,502
Culture and recreation	1,446,327	1,088,194	597,643	708,777
Community development	3,442,999	3,910,752	2,962,631	4,810,896
Operating grants and contributions	16,000,474	7,384,170	7,229,665	6,567,385
Capital grants and contributions	10,109,047	6,380,476	6,986,238	12,115,164
Total governmental activities program revenues	39,903,583	27,406,946	25,987,356	32,434,983
Business-type activities:				
Fees, fines, and charges for services:				
Water	10,107,086	9,303,164	9,352,368	8,598,561
Wastewater	12,651,383	11,832,573	11,528,849	11,094,148
Stormwater	3,729,541	3,372,416	3,225,188	3,133,103
Fleet	325,314	305,775	236,503	229,911
Operating grants and contributions	2,357,840	617,182	498,110	322,487
Capital grants and contributions	3,522,854	2,910,827	1,759,790	3,308,978
Total business-type activities program revenues	32,694,018	28,341,937	26,600,808	26,687,188
Total City program revenues	72,597,601	55,748,883	52,588,164	59,122,171
Net (Expense)/Revenue				
Governmental activities	(5,155,109)	(13,890,322)	(17,586,670)	(8,937,609)
Business-type activities	8,386,780	4,839,169	3,786,328	6,441,277
Total Net (Expense) Revenue	3,231,671	(9,051,153)	(13,800,342)	(2,496,332)

2019	2018	2017	2016	2015	2014
\$ 8,577,496	\$ 7,448,383	\$ 7,947,344	\$ 7,547,409	\$ 3,528,340	\$ 6,615,088
10,883,771	11,595,492	10,842,456	11,383,715	8,309,944	8,018,198
6,978,502	6,867,970	6,876,632	6,685,545	5,319,822	4,983,309
6,245,678	6,375,010	5,835,146	5,524,614	5,072,036	4,900,341
2,906,968	2,891,302	2,907,659	3,174,168	3,382,547	3,309,773
1,732,088	1,407,996	1,339,404	1,430,985	1,417,462	1,395,499
37,324,503	36,586,153	35,748,641	35,746,436	27,030,151	29,222,208
6,462,476	6,431,175	5,453,642	5,640,772	4,518,351	4,768,673
9,898,303	9,792,585	8,561,317	8,212,827	6,791,908	6,481,198
2,548,229	2,474,327	2,204,164	2,386,425	1,771,529	1,908,836
1,252,333	1,012,240	965,043	875,496	805,419	805,630
-	-	-	-	-	-
20,161,341	19,710,327	17,184,166	17,115,520	13,887,207	13,964,337
57,485,844	56,296,480	52,932,807	52,861,956	40,917,358	43,186,545
2,885,237	2,932,559	1,808,279	1,216,065	1,380,937	1,206,165
2,076,802	2,192,706	2,272,781	1,602,172	925,225	791,005
3,520,298	3,438,000	2,956,226	4,954,538	3,363,184	3,081,373
977,308	990,222	884,343	1,503,604	917,908	881,299
3,360,863	2,989,087	3,765,135	2,931,522	2,306,216	1,600,704
6,103,603	5,474,992	5,095,057	5,006,825	4,570,141	4,987,749
5,564,471	3,062,693	7,907,564	877,610	1,192,708	2,064,858
24,488,582	21,080,259	24,689,385	18,092,336	14,656,319	14,613,153
8,833,873	8,169,832	7,206,477	6,833,922	6,021,672	5,766,017
10,893,729	10,181,048	10,476,356	9,618,375	7,961,224	6,730,168
3,000,968	2,836,265	2,713,307	2,625,274	2,495,762	2,397,498
277,811	197,002	233,146	201,492	201,316	221,352
776,722	479,274	353,942	172,917	278,178	277,591
3,422,338	930,731	3,149,009	1,171,711	2,430,291	1,504,337
27,205,441	22,794,152	24,132,237	20,623,691	19,388,443	16,896,963
51,694,023	43,874,411	48,821,622	38,716,027	34,044,762	31,510,116
(12,835,921)	(15,505,894)	(11,059,256)	(17,654,100)	(12,373,832)	(14,609,055)
7,044,100	3,083,825	6,948,071	3,508,171	5,501,236	2,932,626
(5,791,821)	(12,422,069)	(4,111,185)	(14,145,929)	(6,872,596)	(11,676,429)

CITY OF OREGON CITY, OREGON
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS – UNAUDITED (Continued)
(Accrual basis of accounting)

	2023	2022	2021	2020
General revenues and other changes in net position				
Governmental activities				
Property taxes	\$ 18,760,606	\$ 18,516,695	\$ 17,428,521	\$ 16,907,896
Franchise taxes	4,491,261	4,585,159	4,068,338	3,913,647
Intergovernmental	1,308,887	1,205,956	1,327,256	1,227,741
Miscellaneous	3,311,476	2,900,428	2,768,689	3,212,807
Unrestricted investment earnings	1,811,814	17,874	620,882	1,266,427
Gain (loss) on disposition of assets	-	-	2,344,863	-
Transfers	(6,346,650)	40,884	(697,531)	1,198,640
Total governmental activities	<u>23,337,394</u>	<u>27,266,996</u>	<u>27,861,018</u>	<u>27,727,158</u>
Business-type activities				
Franchise taxes	334,174	314,206	302,700	291,325
Miscellaneous	55,650	33,299	26,536	90,922
Unrestricted investment earnings	734,806	(87,935)	124,789	341,558
Gain (loss) on disposition of assets	-	-	(10,388)	-
Transfers	6,346,650	(40,884)	697,531	(1,198,640)
Total business-type activities	<u>7,471,280</u>	<u>218,686</u>	<u>1,141,168</u>	<u>(474,835)</u>
Total City General Revenues and Other Changes	<u>30,808,674</u>	<u>27,485,682</u>	<u>29,002,186</u>	<u>27,252,323</u>
Changes in net position				
Governmental activities	18,182,285	13,376,674	10,274,348	18,789,549
Business-type activities	15,858,060	5,057,855	4,927,496	5,966,442
Total changes in net position	<u>34,040,345</u>	<u>18,434,529</u>	<u>15,201,844</u>	<u>24,755,991</u>
Net position, July 1*				
Governmental activities	183,413,787	170,024,309	159,993,292	141,203,743
Business-type activities	117,313,232	112,251,625	107,368,593	101,402,151
Total Government	<u>300,727,019</u>	<u>282,275,934</u>	<u>267,361,885</u>	<u>242,605,894</u>
Net position, June 30				
Governmental activities	201,596,072	183,400,983	170,267,640	159,993,292
Business-type activities	133,171,292	117,309,480	112,296,089	107,368,593
Total Government	<u>\$ 334,767,364</u>	<u>\$ 300,710,463</u>	<u>\$ 282,563,729</u>	<u>\$ 267,361,885</u>

* Beginning net position as restated

2019	2018	2017	2016	2015	2014
\$ 15,734,726	\$ 15,145,511	\$ 14,636,241	\$ 13,987,720	\$ 13,490,590	\$ 12,859,315
3,810,988	3,780,955	3,634,332	3,541,761	3,199,473	2,759,690
1,122,464	961,015	919,857	920,764	911,419	871,419
2,157,187	1,938,632	1,487,831	1,782,997	1,709,104	1,802,430
1,778,747	858,521	503,858	364,128	228,512	262,767
-	-	-	-	302,450	-
212,169	(403,508)	473,859	523,873	7,884,435	1,197,283
24,816,281	22,281,126	21,655,978	21,121,243	27,725,983	19,752,904
281,811	268,785	258,220	237,075	-	-
35,394	41,622	74,071	-	132	-
447,384	173,245	124,411	91,944	99,191	94,778
-	(5,000)	-	-	-	-
(212,169)	403,508	(473,859)	(523,873)	(7,884,435)	(1,197,283)
552,420	882,160	(17,157)	(194,854)	(7,785,112)	(1,102,505)
25,368,701	23,163,286	21,638,821	20,926,389	19,940,871	18,650,399
11,980,360	6,775,232	10,596,722	3,467,143	15,352,151	5,143,849
7,596,520	3,965,985	6,930,914	3,313,317	(2,283,876)	1,830,121
19,576,880	10,741,217	17,527,636	6,780,460	13,068,275	6,973,970
129,223,383	122,448,151	113,507,239	110,040,096	94,524,975	108,428,643
93,805,631	89,839,646	85,040,829	81,727,512	83,456,670	82,623,484
223,029,014	212,287,797	198,548,068	191,767,608	177,981,645	191,052,127
141,203,743	129,223,383	124,103,961	113,507,239	109,877,126	113,572,492
101,402,151	93,805,631	91,971,743	85,040,829	81,172,794	84,453,605
\$ 242,605,894	\$ 223,029,014	\$ 216,075,704	\$ 198,548,068	\$ 191,049,920	\$ 198,026,097

CITY OF OREGON CITY, OREGON
FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS – UNAUDITED
 (Modified accrual basis of accounting)

	2023	2022	2021	2020
General fund				
Nonspendable	\$ 110,009	\$ 41,999	\$ 39,091	\$ 47,055
Restricted	1,633,208	1,244,458	1,087,675	-
Committed	-	-	-	-
Assigned	726,083			-
Unassigned	11,471,152	11,978,819	10,030,813	11,471,979
Total General fund	<u>13,940,452</u>	<u>13,265,276</u>	<u>11,157,579</u>	<u>11,519,034</u>
All other governmental funds				
Nonspendable	166,015	98,297	7,719	68,806
Restricted	56,764,633	41,452,329	34,745,375	33,455,087
Committed	3,637,413	3,903,337	9,321,329	23,082,261
Assigned	<u>1,566,811</u>	<u>1,141,676</u>	<u>985,600</u>	<u>-</u>
Total all other governmental funds	<u>62,134,872</u>	<u>46,595,639</u>	<u>45,060,023</u>	<u>56,606,154</u>
Total Fund Balances	<u><u>\$ 76,075,324</u></u>	<u><u>\$ 59,860,915</u></u>	<u><u>\$ 56,217,602</u></u>	<u><u>\$ 68,125,188</u></u>

2019	2018	2017	2016	2015	2014
\$ 73,356	\$ 60,555	\$ 116,000	\$ 59,641	\$ 58,978	\$ 45,131
-	-	-	-	-	-
-	-	-	908,882	-	-
-	-	-	-	-	-
9,743,445	8,504,753	7,154,174	6,470,357	6,130,187	4,150,829
<u>9,816,801</u>	<u>8,565,308</u>	<u>7,270,174</u>	<u>7,438,880</u>	<u>6,189,165</u>	<u>4,195,960</u>
-	-	-	-	-	-
30,101,001	28,507,504	27,474,611	21,343,249	36,527,532	11,346,021
34,862,477	31,836,218	18,462,121	18,177,135	3,771,034	16,105,822
-	-	-	-	-	-
<u>64,963,478</u>	<u>60,343,722</u>	<u>45,936,732</u>	<u>39,520,384</u>	<u>40,298,566</u>	<u>27,451,843</u>
<u>\$ 74,780,279</u>	<u>\$ 68,909,030</u>	<u>\$ 53,206,906</u>	<u>\$ 46,959,264</u>	<u>\$ 46,487,731</u>	<u>\$ 31,647,803</u>

CITY OF OREGON CITY, OREGON
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS – UNAUDITED
 (Modified accrual basis of accounting)

	2023	2022	2021	2020
Revenues				
Taxes and assessments	\$ 24,151,849	\$ 23,131,570	\$ 22,182,017	\$ 21,359,427
Licenses and permits	2,416,014	2,623,553	2,044,658	3,124,882
Charges for services	19,216,482	15,444,949	14,849,305	12,383,762
Intergovernmental	17,768,079	9,818,819	11,056,263	11,815,929
Fines and forfeitures	1,005,239	988,878	1,122,184	1,196,988
Other income	4,428,734	2,173,432	2,735,164	4,359,714
Total revenues	68,986,397	54,181,201	53,989,591	54,240,702
Expenditures				
Current operating:				
General government	8,818,994	7,841,285	8,504,268	8,328,582
Police	12,533,144	11,978,424	11,540,358	10,926,748
Public works	4,825,150	4,728,311	4,609,579	4,228,792
Culture and recreation	7,677,854	6,546,281	6,258,861	5,765,222
Community development	3,605,346	3,560,477	2,824,222	3,113,420
Capital outlay	6,670,415	13,369,194	27,057,260	26,782,351
Debt service				
Principal	2,384,981	1,972,223	7,995,560	2,548,164
Interest	1,109,827	1,210,548	1,430,478	1,681,033
Total expenditures	47,625,711	51,206,743	70,220,586	63,374,312
Revenues Over (under)				
Expenditures	21,360,686	2,974,458	(16,230,995)	(9,133,610)
Other financing sources (uses)				
Bond proceeds / loan payments	-	-	-	-
Lease financing	-	6,855	-	-
Subscription financing	366,177	-	-	-
Proceeds from sale of assets	-	-	3,235,873	-
Transfers in	4,299,904	3,632,504	3,564,470	6,283,870
Transfers out	(9,812,358)	(2,970,504)	(2,476,934)	(3,805,351)
Total other financing sources (uses)	(5,146,277)	668,855	4,323,409	2,478,519
Net change in fund balances	16,214,409	3,643,313	(11,907,586)	(6,655,091)
Fund balances, beginning of year *	59,860,915	56,217,602	68,125,188	74,780,279
Fund balances, end of year	\$ 76,075,324	\$ 59,860,915	\$ 56,217,602	\$ 68,125,188
Debt service as a percentage of noncapital expenditures	8.53%	8.41%	21.84%	11.56%

* Beginning Fund balance as restated

2019	2018	2017	2016	2015	2014
\$ 20,492,362	\$ 19,379,452	\$ 18,542,705	\$ 17,755,055	\$ 16,687,226	\$ 13,012,611
2,375,163	1,990,219	2,833,057	2,459,320	1,896,408	4,038,101
11,487,131	11,828,492	12,498,856	9,120,163	6,418,879	5,847,797
7,768,005	6,517,167	6,444,900	5,896,615	5,699,850	7,169,225
1,687,984	1,710,193	1,147,459	818,239	1,072,132	976,494
3,947,242	2,731,589	2,355,231	2,408,042	2,441,958	2,557,671
47,757,887	44,157,112	43,822,208	38,457,434	34,216,453	33,601,899
7,075,536	6,921,135	6,508,052	5,813,700	5,005,356	4,865,177
10,518,832	10,550,480	9,650,718	8,834,120	8,086,250	7,789,311
3,951,711	3,920,948	4,049,196	6,398,448	2,927,280	2,645,973
5,434,738	5,388,647	4,909,619	4,614,517	4,677,846	4,488,941
2,714,752	2,729,888	2,849,608	2,676,958	3,362,390	3,323,862
8,885,376	13,002,143	7,354,648	7,314,482	6,242,932	2,359,201
2,405,290	1,792,649	2,065,241	2,124,053	1,681,868	1,484,640
1,821,630	1,368,281	1,351,616	1,442,688	1,412,972	1,405,671
42,807,865	45,674,171	38,738,698	39,218,966	33,396,894	28,362,776
4,950,022	(1,517,059)	5,083,510	(761,532)	819,559	5,239,123
-	16,157,183	-	-	6,000,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	302,500	-
4,403,677	2,406,016	3,718,183	3,517,364	75,663,161	3,889,955
(3,482,450)	(1,344,016)	(2,554,051)	(2,341,599)	(67,945,292)	(2,692,672)
921,227	17,219,183	1,164,132	1,175,765	14,020,369	1,197,283
5,871,249	15,702,124	6,247,642	414,233	14,839,928	6,436,406
68,909,030	53,206,906	46,959,264	46,545,031	31,647,803	25,211,397
\$ 74,780,279	\$ 68,909,030	\$ 53,206,906	\$ 46,959,264	\$ 46,487,731	\$ 31,647,803
12.46%	9.67%	10.89%	11.18%	11.40%	11.11%

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⁾				
2023	3,647,673,936	7,417,940,334	199,576,495	209,998,129	3,847,250,431	7,627,938,463	50.4%	5.0293
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	180,339,835	3,556,637,128	5,932,445,317	60.0%	5.0511
2020	3,219,622,683	5,468,065,833	175,933,009	176,287,179	3,395,555,692	5,644,353,012	60.2%	5.1231
2019	3,064,848,212	5,098,679,755	172,780,575	168,516,154	3,237,628,787	5,267,195,909	61.5%	5.0613
2018	2,926,103,506	4,605,880,344	163,399,115	54,773,309	3,089,502,621	4,660,653,653	66.3%	5.0479
2017	2,883,655,457	4,178,977,212	54,773,309	52,451,145	2,938,428,766	4,231,428,357	69.4%	5.1248
2016	2,749,493,939	3,698,124,952	52,451,145	48,468,773	2,801,945,084	3,746,593,725	74.8%	5.1222
2015	2,641,700,255	3,279,405,424	48,468,773	50,536,919	2,690,169,028	3,329,942,343	80.8%	5.1446
2014	2,512,945,173	2,917,509,392	50,536,919	51,649,072	2,563,482,092	2,969,158,464	86.3%	5.1492

⁽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

Fiscal Year Ended June 30,	City Direct Rates				Overlapping Rates						Total Direct and Overlapping
	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	
2023	4.1682	-	0.8611	5.0293	5.9085	0.7691	0.3462	3.2420	2.9762	13.2420	18.2713
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

⁽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

Taxpayer	Type of Business	2023			2014		
		Assessed Value	Rank	Percentage of Total Value	Assessed Value	Rank	Percentage of Total Value
The Landing - 302 LLC	Real Estate	57,277,505	1	1.49%	43,853,625	1	1.71%
Portland General Electric Company	Utility	53,085,594	2	1.38%	22,233,423	2	0.87%
Northwest Natural Gas Co.	Utility	28,846,000	3	0.75%	13,395,600	10	0.52%
Quantum Management	Apartments	27,890,902	4	0.72%	21,376,055	3	0.83%
Loja Trails End LLC	Real Estate	24,104,830	5	0.63%	18,752,307	6	0.73%
Craig T Danielson	Real Estate	22,652,682	6	0.59%	16,733,836	7	0.65%
Providence Health	Health Services	22,070,296	7	0.57%	14,103,595	9	0.55%
Timberview 180 Limited Partnership	Real Estate	21,995,504	8	0.57%			
Orchid Orthopedic Solutions Oregon Inc	Health Services	20,648,550	9	0.54%			
Kiewit Infrastructure West Co	Construction	19,561,834	10	0.51%			
Fred Meyer Stores	Retail				20,119,512	4	0.78%
Comcast Corporation	Utility				19,747,373	5	0.77%
Oregon Center LLC	Health Services				14,681,594	8	0.57%
Subtotal - ten of the City's largest taxpayers		298,133,697		7.75%	204,996,920		6.27%
All other City taxpayers in Clackamas County		3,549,116,734		92.25%	2,358,485,172		93.73%
<i>Total City taxpayers</i>		<u>\$ 3,847,250,431</u>		<u>100.00%</u>	<u>\$ 2,563,482,092</u>		<u>100.00%</u>

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
2023	16,043,879	15,358,864	95.73%	-	15,358,864	95.73%	235,592	1.47%
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%

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, 2023

Total property real market value	\$7,627,938,463
	<u>3%</u>
Debt limit (3% of total property real market value) ⁽¹⁾	<u>228,838,154</u>
Amount of debt applicable to debt limit:	
Total bonded debt	24,432,934
Less debt excluded from debt limit:	
Limited obligation bonds	<u>(20,606,638)</u>
Net amount of debt applicable to limit	<u>3,826,296</u>
Legal debt margin - amount available for future indebtedness	<u>\$ 225,011,858</u>
Percentage of City's indebtedness to total allowed	1.67%

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Debt limit	\$ 228,838,154	\$ 196,476,455	\$ 178,270,859	\$ 169,452,170	\$ 158,249,008
Debt applicable to maximum limit	<u>3,826,296</u>	<u>4,114,927</u>	<u>4,394,934</u>	<u>4,666,574</u>	<u>4,930,098</u>
Legal debt margin available	<u>\$ 225,011,858</u>	<u>\$ 192,361,528</u>	<u>\$ 173,875,925</u>	<u>\$ 164,785,596</u>	<u>\$ 153,318,910</u>

Debt applicable to the maximum limit as a percentage of debt limit	1.67%	2.09%	2.47%	2.75%	3.12%
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	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt limit	\$ 143,231,895	\$ 127,012,516	\$ 112,517,283	\$ 99,836,226	\$ 89,041,389
Debt applicable to maximum limit	<u>5,185,748</u>	<u>5,433,759</u>	<u>6,059,360</u>	<u>6,657,772</u>	<u>1,095,000</u>
Legal debt margin available	<u>\$ 138,046,147</u>	<u>\$ 121,578,757</u>	<u>\$ 106,457,923</u>	<u>\$ 93,178,454</u>	<u>\$ 87,946,389</u>

Debt applicable to the maximum limit as a percentage of debt limit	3.62%	4.28%	5.39%	6.67%	1.23%
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⁽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

Fiscal Year Ended June 30,	Governmental Activities						Business-type Activities						Total Primary Government	Percentage of Personal Income ⁽²⁾	Total Debt per Capita ⁽²⁾
	Oregon City				Urban Renewal		Water Revenue Bonds	Sewer Revenue Bonds	Capital Leases	Capital Subscriptions					
	General Obligation Bonds	Limited Obligation Bonds ⁽¹⁾	Capital Leases	Capital Subscriptions	Increment Bonds	Line of Credit									
2023	\$ 3,826,296	\$20,606,638	\$ 103,488	\$ 398,068	\$ -	\$ -	\$ -	\$ -	\$ 158,338	\$ 104,823	\$ 25,197,651	-- *	\$ 667		
2022	4,114,927	22,508,747	367,015	-	-	-	-	-	57,330	-	26,990,689	0.98%	715		
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		

* 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
2023	37,471	\$ 7,627,938,463	\$ 3,847,250,431	\$ 3,826,296	\$ -	\$ 3,826,296	0.05%	0.10%	\$ 102
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	5,932,445,317	3,556,637,128	4,394,934	-	4,394,934	0.07%	0.12%	122
2020	35,570	5,644,353,012	3,395,555,692	4,666,574	-	4,666,574	0.08%	0.14%	131
2019	34,860	5,267,195,909	3,237,628,787	4,930,098	-	4,930,098	0.09%	0.15%	141
2018	34,610	4,660,653,653	3,089,502,621	5,185,748	-	5,185,748	0.11%	0.17%	150
2017	34,240	4,231,428,357	2,938,428,766	5,433,759	(96,672)	5,337,087	0.13%	0.18%	156
2016	33,940	3,746,593,725	2,801,945,084	6,059,360	(69,805)	5,989,555	0.16%	0.21%	176
2015	33,760	3,329,942,343	2,690,169,028	6,657,772	(48,780)	6,608,992	0.20%	0.25%	196
2014	33,390	2,969,158,464	2,563,482,092	1,095,000	(26,598)	1,068,402	0.04%	0.04%	32

⁽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, 2023

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	\$ 7,627,938,463	\$ 25,197,651	100.00%	\$ 25,197,651
Overlapping districts:				
Clackamas Community College	81,289,302,524	127,080,045	9.38%	11,924,810
Clackamas County	110,615,437,060	105,100,000	6.90%	7,247,591
Clackamas County Education Service District	106,356,798,803	19,855,267	7.17%	1,424,020
Clackamas County Fire District #1	50,405,565,788	23,488,636	15.13%	3,554,559
Oregon City School District No. 62	13,288,406,905	268,107,085	57.40%	153,901,510
Clackamas Soil & Water Conservation	110,615,437,060	5,416,000	6.90%	373,482
Metro	423,464,419,407	822,713,920	1.80%	14,793,219
Port of Portland	464,610,214,940	-	1.64%	-
Total overlapping districts		<u>1,371,760,953</u>		<u>193,219,191</u>
Total		<u>\$ 1,396,958,604</u>		<u>\$ 218,416,842</u>

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 \$12,005,000 for the City of Oregon City excludes bond premium of \$1,156,638.

⁽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⁾
2023	37,471	*	*	7,191	3.9%
2022	37,737	2,759,669	73,129	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%

* 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, 2023)

⁽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

Employer	Type of Business	2023			2014		
		Employees	Rank	Percentage of total City employment	Employees	Rank	Percentage of total City employment
Clackamas County	Government	2,388	1	17.12%	1,977	1	14.91%
Oregon City School District	Education	1,053	2	7.55%			0.00%
Clackamas Community College	Education	732	3	5.25%	901	2	6.80%
Providence Health	Health Services	625	4	4.48%	748	3	5.64%
Benchmade Knife Co., Inc	Manufacturing	393	5	2.82%	179	7	1.35%
Home Depot	Retail	298	6	2.14%	208	6	1.57%
Fred Meyer	Retail	342	7	2.45%	273	4	2.06%
City of Oregon City	Government	255	8	1.83%	246	5	1.86%
Orchid Orthopedic Solutions Oregon, Inc	Health Services	255	9	1.83%	106	9	0.80%
Safeway	Retail	142	10	1.02%	112	8	0.84%
General Distributors, Inc.	Retail				101	10	0.76%
Total		6,483		46.49%	4,851		36.59%

Source: City of Oregon City - Business Licenses

CITY OF OREGON CITY, OREGON
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

<i>Function</i>	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government										
Number of job applications processed	2,053	1,817	1,027	1,250	1,700	1,585	1,654	1,175	1,472	1,001
Number of positions filled	57	65	68	60	76	87	96	79	80	57
Public Safety *										
Calls for service	29,949	28,011	27,337	29,559	36,079	24,200	24,000	23,600	23,465	26,970
Number of arrests	1,526	1,455	1,258	1,395	1,549	1,520	1,500	1,437	1,682	1,517
Municipal court cases processed	3,448	5,498	7,172	6,195	10,060	7,800	6,900	7,769	6,024	6,268
Public Works										
Hundred cubic feet of water consumed (Million)	2.3	2.0	2.0	1.8	2.0	1.5	1.5	1.5	1.4	1.5
Number of water customers (Average)	11,677	11,661	11,464	11,440	11,609	11,285	10,700	10,614	10,445	10,248
Culture and recreation										
Pioneer Community Center (Senior Center)										
People transportation provided for	5,992	5,453	5,515	5,951	7,863	7,961	8,150	8,146	7,811	7,810
Meals on Wheels delivered	32,944	34,030	32,427	30,844	32,195	32,092	30,147	30,800	29,716	27,173
Congregate meals served at Center	4,320	1,744	3,696	7,168	8,189	8,119	7,518	7,701	7,973	8,731
Swimming Pool										
Number of visits	97,876	83,852	20,900	148,305	117,640	138,665	138,807	141,520	141,715	141,295

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

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
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	47	50	49	46	44	40	38	37	34	34
Public Works										
Buildings and facilities	2	2	2	2	2	2	1	1	1	1
Miles of streets	145	144	144	144	142	139	136	136	136	136
Miles of sidewalks	164	163	158	158	157	147	145	141	135	135
Acres of right-of-ways	1,194	1,188	1,183	1,183	1,179	1,125	1,125	1,125	1,125	1,125
Signalized intersections	55	54	49	49	49	52	50	50	49	49
Culture and recreation										
Buildings and facilities	7	7	7	7	7	7	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	27	26	25	25	25	25	25	25	25
Community development										
Buildings and facilities	1	1	1	1	1	1	-	-	-	-
Business-type activities:										
Water										
Miles of water mains	175	175	173	173	170	169	169	167	163	163
Reservoirs	5	5	5	5	5	5	5	5	5	5
Fire hydrants	1,533	1,529	1,508	1,508	1,494	1,478	1,478	1,464	1,458	1,430
Sewer										
Miles of sewer lines	138	138	138	137	136	133	133	133	132	132
Pump stations	14	14	14	14	14	14	14	14	12	12
Stormwater										
Drainage basins	23	23	23	22	23	23	23	23	23	22
Detention ponds	92	90	85	85	86	83	83	83	79	53
Catch basins	4,555	4,517	4,506	4,469	4,242	4,235	4,235	4,235	4,202	4,400
Miles of streams	33	33	33	33	33	31	31	31	31	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
2023	26.76	59.98	18.17	57.22	14.25	13.55	10.66	15.73	216.32
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

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





Aldrich CPAs + Advisors LLP
5665 SW Meadows Road, #200
Lake Oswego, OR 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, 2023, and have issued our report thereon dated December 12, 2023. 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:

<u>Fund</u>	<u>Budget Category</u>	<u>Budget</u>	<u>Actual</u>	<u>Overexpenditure</u>
Building	Community Development	\$3,263,484	\$3,268,340	\$(4,856)
Fleet Service	Public Works	615,008	641,015	(26,007)
Customer Service	Policy and Administration	2,685,417	2,739,612	(54,195)
Equipment Replacement	Debt Service	13,000	91,269	(78,269)

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS, CONTINUED

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.

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.

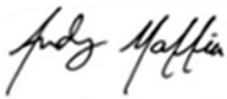
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not 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 12, 2023



Aldrich CPAs + Advisors LLP
5665 SW Meadows Road, #200
Lake Oswego, OR 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, 2023, 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 12, 2023.

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 12, 2023



Aldrich CPAs + Advisors LLP
5665 SW Meadows Road, #200
Lake Oswego, OR 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, 2023. 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, 2023.

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 item 2023-001. 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

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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

**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.

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 12, 2023

CITY OF OREGON CITY
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal AL (Assistance Listing) Number</i>	<i>Pass-through Number</i>	<i>Passed- through to Subrecipients</i>	<i>Expenditures</i>
U.S. Department of Housing and Urban Development				
<i>Community Development Block Grants - Entitlement Grants Cluster</i>				
Passed through Clackamas County Health, Housing & Human Services				
Community Development Block Grants/Entitlement Grants Cluster	14.218	23-022	\$ -	\$ 31,701
<i>Total U.S. Department of Housing and Urban Development</i>			-	31,701
Department of the Interior				
Passed through Oregon State Marine Board				
Clean Vessel Act	15.616	2123-020	-	2,400
<i>Total Department of the Interior</i>			-	2,400
Department of Justice				
Bulletproof Vest Partnership Program	16.607		-	3,298
Public Safety Partnership and Community Policing Grants	16.710		-	187,722
Body Worn Camera Policy and Implementation	16.835		-	2,683
<i>Total Department of Justice</i>			-	193,703
Department of Transportation				
<i>Motor Carrier Safety Assistance (FMCSA) - Cluster</i>				
Passed through Oregon Department of Transportation				
Motor Carrier Safety Assistance (FMCSA)	20.218	73000-00004148	-	19,829
<i>Total Motor Carrier Safety Assistance (FMCSA) - Cluster</i>			-	19,829
<i>Federal Transit Cluster</i>				
Passed through Metro				
Federal Transit Formula Grants	20.507	936405	-	8,747
<i>Total Federal Transit Cluster</i>			-	8,747
<i>Transit Services Program Cluster</i>				
Passed through Clackamas County Social Services				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	22-009	-	14,466
<i>Total Transit Services Program Cluster</i>			-	14,466
<i>Highway Safety Cluster</i>				
Passed through Oregon Department of Transportation				
State and Community Highway Safety	20.600	OP-22-45-03UUU	-	1,837
	20.600	69A375203000040200RO	-	8,858
<i>Total State and Community Highway Safety</i>				10,695
National Priority Safety Programs	20.616	M1HVE-23-46-03	-	9,527
	20.616	69A3752030000405EORC	-	6,600
	20.616	69A3752030000405DORM	-	6,097
<i>Total Highway Safety Cluster</i>			-	22,224
<i>Total Department of Transportation</i>			-	75,961
Department of the Treasury				
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		-	8,241,316
<i>Total Department of the Treasury</i>			-	8,241,316

CITY OF OREGON CITY
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal AL (Assistance Listing) Number</i>	<i>Pass-through Number</i>	<i>Passed- through to Subrecipients</i>	<i>Expenditures</i>
Department of Health and Human Services				
Passed through Clackamas County Social Services				
<i>Aging Cluster</i>				
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	\$ -	\$ 29,656
COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	22-009	-	1,000
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	22-009	-	49,945
<i>Total Aging Cluster</i>			-	80,601
<i>Total Department of Health and Human Services</i>			-	80,601
Total Expenditures of Federal Awards			\$ -	\$ 8,625,682

CITY OF OREGON CITY**Notes to Schedule of Expenditures of Federal Awards**Year Ended June 30, 2023

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, 2023. 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 de minimis 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, 2023

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?	None reported
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)?	Yes
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Identification of major programs:

Assistance Listing Number

21.027

Name of Federal Program or Cluster

Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish Between Type A and Type B programs:	\$750,000
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Auditee qualified as a low-risk auditee under the Uniform Guidance 2 CFR section 200.520	Yes
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Section II - Financial Statement Findings

None

CITY OF OREGON CITY**Schedule of Findings and Questioned Costs, continued**Year Ended June 30, 2023

Section III - Federal Award Findings and Questioned Costs**Finding 2023-001****21.027 - Coronavirus State and Local Fiscal Recovery Funds**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. A formal policy and procedure was approved and adopted August 22, 2023. 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.

CITY OF OREGON CITY
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2023

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.

Status:

This finding is repeated in the current year as 2023-001.

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.

Status:

This finding was corrected in the 2023 fiscal year.



CITY OF OREGON CITY

Staff Report

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

To: City Commission
From: City Recorder Jakob Wiley

Agenda Date: 01/03/2024

SUBJECT:

Mayoral Appointments to Boards and Committees for 2024

BACKGROUND:

The Mayor has selected the following candidates for appointment to the following boards and committees:

Transportation Advisory Committee

- Timothy Morgan (at-large, term ending December 31, 2026)
- Ben Simmons (at-large, term ending December 31, 2026)

Library Board

- Heidi Blackwell (city resident, term ending 12/31/2027)
- David Goldberg (unincorporated resident, term ending 12/31/2027)

Parks and Recreation Advisory Committee

- Tim Wuest (term ending 12/31/2026)
- Emily Lisborg (term ending 12/31/2026)
- David Bone (term ending 12/31/2025)
- Erin McClellan (term ending 12/31/2026)

Natural Resources Committee

- Doug Neeley (term ending 12/31/2024)
- Samantha Wolf (term ending 12/31/2025)

Arts Commission

- Amanda Alwine (term ending 12/31/2026)
- Daria Loi (term ending 12/31/2026)
- Rebecca Sira (term ending 12/31/2026)



CITY OF OREGON CITY

Staff Report

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

To: City Commission
From: City Recorder Jakob Wiley

Agenda Date: 01/03/2024

SUBJECT:

Updates to the City Commissioner's Committee Assignments

BACKGROUND:

The current committee assignments are as follows:

A. Commissioner O'Donnell

- South Fork Water Board

B. Commissioner Smith

- Clackamas Heritage Partners
- Oregon City Tourism Stakeholder's Group
- South Fork Water Board

C. Commissioner Marl

- Citizen Involvement Committee Liaison
- Clackamas County Coordinating Committee (C4)
- Clackamas County I-205 Tolling Strategies Committee
- Youth Advisory Committee Liaison

D. Commissioner Mitchell

- Clackamas County Coordinating Committee (C4) – Metro Subcommittee
- Clackamas County I-205 Tolling Diversion Committee (alternate)
- Metro Policy Advisory Committee (MPAC) (alternate)

E. Mayor McGriff

- Clackamas Water Environment Services Policy Committee
- Clackamas Heritage Partners (alternate)
- Downtown Oregon City Association Board
- Metro Policy Advisory Committee (MPAC)

- Oregon City Tourism Stakeholder's Group
- South Fork Water Board
- Willamette Falls and Landings Heritage Area
- Willamette Falls Legacy Project Liaisons
- Willamette Falls Locks Authority
- Youth Advisory Committee Liaison