



22500 Salamo Road  
West Linn, Oregon 97068  
<http://westlinnoregon.gov>

# **WEST LINN**

## **CITY COUNCIL MEETING**

### **NOTES**

### **January 16, 2024**

#### **Pre-Meeting**

#### **Call to Order and Pledge of Allegiance [6:00 pm/5 min]**

#### **Council Present:**

Mayor Rory Bialostosky, Council President Mary Baumgardner, Councilor Carol Bryck, Councilor Scott Erwin, and Councilor Lou Groner.

#### **Staff Present:**

City Manager John Williams, Public Works Director Erich Lais, Management Analyst Morgan Coffie, Parks & Recreation Director Megan Big John, Finance Director Lauren Breithaupt, City Recorder Kathy Mollusky, and City Attorney Bill Monahan.

#### **Approval of Agenda [6:05 pm/5 min]**

Council President Mary Baumgardner moved to approve the agenda for the January 16, 2024, West Linn City Council Meeting. Councilor Lou Groner seconded the motion.

**Ayes: Mayor Rory Bialostosky, Council President Mary Baumgardner, Councilor Carol Bryck, Councilor Scott Erwin, and Councilor Lou Groner.**

**Nays: None.**

**The motion carried 5 - 0**

**[Public Comment \[6:10 pm/10 min\]](#)**

There were none.

**[Consider Resolution Censuring Council Member for Violations of City Workplace Policy](#)**

[Res 2024-01 Information](#)

[Complaint](#)

[Investigative Report](#)

[Defense Statement](#)

Mayor Bialostosky read his statement, noting he and City Council did not take this action lightly. He provided background information on the complaints. The matter had not been made public to this point because of confidentiality rules, and the City hired an outside investigator to investigate the filed complaint. The investigation sustained two violations of the City's Workplace Harassment Policy and two violations of the City's policy prohibiting retaliation against potential complainants. He read relevant portions from Ordinance 1704 related to reprimanding a member of City Council when an investigation confirmed violations of the Workplace Harassment Policy had occurred, and stated the Council would take action to follow through on the charges. The resolution under consideration was drafted by the City Attorney following an Executive Session and was included on the meeting Agenda. Following the final decision, the investigation report and related documents would be made public.

Councilor Carol Bryck moved to adopt Resolution 2024-01, Censuring Councilor Erwin for violation of the City's Workplace Harassment Policy. Councilor Lou Groner seconded the motion.

Councilor Erwin read his prepared statement, noting he was willing to make apologies, have difficult conversations, listen, learn, and continue to grow. He wanted to show the community that the City Council could resolve tough issues in a supportive and understanding manner. He believed the complaint stemmed from two brief interactions with two different people involving two different issues that occurred three months apart. After the second interaction, he felt uncomfortable and intimidated, and as a result, got defensive and did not respond well. He made his concern known to City leaders and no action was taken on his behalf to resolve the raised issues before the complaint was filed. He had not filed a formal complaint because he knew it would be a time-consuming and expensive process that would not fix the underlying issue.

- He did not believe the resolution was appropriate under the circumstances. Ordinance 1704 mandated a sufficient and appropriate remedy to reprimand the member and deter future conduct violating the policy. The resolution under consideration was the

most punitive action the City Council could take and should be reserved for the worst violations when criminal prosecution or severe civil penalties were certain.

- He asked Council to carefully consider the resolution and what it said about how interpersonal issues were resolved. When problems arose, they needed to be talked about with each person having the opportunity to be heard in a comfortable setting, be understood, and strive for the healing of all who were involved. It was a mistake to take a hard line and not explore restorative resolutions and forgiveness.

Council President Baumgardner read her prepared statement, noting she was the person on City Council most consistently targeted by the harassment and retaliation outlined in and proven by the investigation and subsequent report. She believed this was a wholly unprovoked and manufactured situation. She had never attempted to provoke, incite, intimidate, or disparage Councilor Erwin, but the reverse had been found to be true and confirmed by the report. Officially, she had lost confidence in Councilor Erwin's ability to serve the city and City Council. She supported the resolution, which was appropriate and included steps to inhibit his ability to serve. Neither she nor Council took these steps lightly. The entire matter was very unfortunate and could have been avoided if steps had been taken, mostly by Councilor Erwin who chose not to but instead chose to continue to blame her and suggest that she had incited or created the situation, which was absolutely false.

Councilor Groner believed as elected officials, Councilors owed the community and each other a standard of civility, mutual respect, and professionalism. He supported the resolution, believing the lapses of those standards could not be ignored.

Councilor Bryck stated that while she appreciated Councilor Erwin's offer to apologize, it seemed too far down the road for that. As public officials, Councilors need to realize that anything they said or did could be on the front of the newspaper so they should behave how they wanted to be seen and be their best selves all the time for the citizens of the community.

Mayor Bialostosky repeated his statement that the City had no tolerance for workplace harassment or retaliation, and he believed that throughout this difficult process, Council needed to hold themselves accountable to the same standards that Staff and others were expected to follow. He supported the resolution because the actions that occurred had harmed the City, public trust, and Council's ability to function.

**Ayes: Mayor Rory Bialostosky, Council President Mary Baumgardner, Councilor Carol Bryck, and Councilor Lou Groner.**

**Nays: None.**

**The motion carried 4 - 0**

**[Mayor and Council Reports \[6:25 pm/30 min\]](#)**

**Election of Council President**

Councilor Lou Groner moved to Re-elect Councilor Baumgardner as City Council President. Councilor Carol Bryck seconded the motion.

**Ayes: Mayor Rory Bialostosky, Council President Mary Baumgardner, Councilor Carol Bryck, Councilor Scott Erwin, and Councilor Lou Groner.**

**Nays: None.**

**The motion carried 5 - 0**

### **Reports from Community Advisory Groups**

Councilor Bryck reported she attended the Water & Environmental Services Advisory Group meeting last week, and exciting things were planned for the upcoming year. After doing virtual meetings for the last few years, the Group planned to hold some in-person meetings this year.

Councilor Erwin reported the Arts & Culture Commission was seeking Council's input on whether to place an art piece by Historic City Hall or in Old Town. The Parks & Recreation Board held a meeting last week, discussing what items were within the Board's purview, as they were very busy dealing with Parks & Recreation activities. The Board wanted to make sure it had a clear line of sight regarding matters it reviewed, such as the item under consideration later tonight.

### **Complete City Manager Evaluation**

Mayor Bialostosky noted Council had considered input from both the public and City Staff and had held one Executive Session to review goals for the City Manager to focus on in 2024, which he then reviewed.

City Manager Williams believed the goal list was great with a lot of challenging items but much of the work was already being done. The items were extremely important and exciting. He considered it an honor to do this job and was excited to work on these topics. He appreciated the community and Staff input for the evaluation and looked forward to the next year.

City Council members expressed their appreciation for the City Manager's efforts and congratulated him for his excellent work.

Mayor Rory Bialostosky moved to Award the City Manager a three percent merit increase retroactive to September 15, 2023, and establish the following goals for the City Manager in 2024: support Council priority work, strengthen City organization, enhance external communications, stay future-focused, and advance Diversity, Equity, Inclusion, and Belonging. Councilor Lou Groner seconded the motion.



Mayor Bialostosky noted the three percent merit increase language came from the City Manager's contract, allowing up to a three percent merit increase after completion of the annual review.

**Ayes: Mayor Rory Bialostosky, Council President Mary Baumgardner, Councilor Carol Bryck, Councilor Scott Erwin, and Councilor Lou Groner.**

**Nays: None.**

**The motion carried 5 - 0**

#### **[Audit Report \[6:55 pm/10 min\]](#)**

##### **[Audit Report Information](#)**

Finance Director Breithaupt noted the City had a successful audit this year with a clean opinion issued.

Tonya Moffitt, CPA Merina+Co, reported that on January 2, 2024, the firm had issued a clean, or unmodified, opinion on the City's June 30, 2023, audited financial statements covering the period of July 1, 2022, to June 30, 2023. The City received close to \$7 million in Federal funding, over the \$750,000 threshold for a single audit. The audit did not reveal any compliance issues. She noted it was hard to not have compliance issues because there were so many checkboxes to complete, especially for events like the ice storm where money was received after the fact. The audit report included the Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Oregon State Regulations (OSR) (Page 150 of the Agenda packet, Page 129 of the Audit Statement).

#### **[Consent Agenda \[7:05 pm/5 min\]](#)**

##### **[Agenda Bill 2024-01-16-01: Electronic Health Record Database Intergovernmental Agreement](#)** **[Electronic Health IGA Information](#)**

Council President Mary Baumgardner moved to approve the Consent Agenda for the January 17, 2024, West Linn City Council Meeting. Councilor Lou Groner seconded the motion.

**Ayes: Mayor Rory Bialostosky, Council President Mary Baumgardner, Councilor Carol Bryck, Councilor Scott Erwin, and Councilor Lou Groner.**

**Nays: None.**

**The motion carried 5 - 0**

## Business Meeting [7:10 pm/30 min]

### Agenda Bill 2024-01-16-02: Acceptance of offer to buy Vacant Property at 3955 Cedaroak Dr Cedaroak Property Information

City Manager Williams noted this issue went back to decisions made around 2008, if not earlier. Tonight's decision went back two years when the Council declared this lot surplus property and directed Staff to move forward with the sale. An offer was now under consideration.

Public Works Director Lais presented the Staff report, noting the City had not participated in any stream restoration or stormwater projects on the property. Due to land use restrictions because of a stream on the site, the City was unlikely to receive additional or higher offers. Staff recommended the Council approve the sale.

Council President Baumgardner noted in July 2021, when the City Council was first presented with the request to declare this a surplus property, no background information was provided. She voted in an uninformed way, and being fairly new to the Council, did not do her own research. After the unanimous vote to declare it surplus property, the Council received information related to prior legal matters that were very relevant and would have changed her vote. This information was also not included in the information presented tonight, but she believed it should be highlighted because even though the vote was not on whether to declare it surplus property, it did inform her own personal view on whether it should be sold.

- From reviewing past meetings, particularly the August 2, 2021 meeting as mentioned by Public Works Director Lais, she had learned the property had a creek on it that had been illegally excavated and redirected by the previous owner, and the City embarked on a remedy including a plan to restore the creek to its previous direction themselves. After threats from the owner to sue the City, Staff decided to purchase the property as a restoration project property using environmental funds.
- The restoration project of redirecting the creek was never completed. She was concerned that the creek was never repaired, but the property could be sold in its current state with the creek redirected. The harm done to an important creek that was two converging creeks feeding into the Willamette River was a significant consideration when Council was given the task to declare it surplus property.
- She read a letter from Lisa Clifton from the August 2, 2021 meeting into the record, noting she continued to have the same concerns regarding the overlaying Water Resource (WRA) and Habitat Conservation Areas. She asked what options were available at this point since she did not believe the process was rigorous at the time.

Councilor Bryck commented that she walked by the property frequently, and the creek actually meandered through the property and did not run along the edge as previously reported. Requirements to allow some development would encroach on the streambed. Streams moved and shifted over time, and any structure near the streambed could be damaged by the shifts,

causing significant impacts to residents both upstream and downstream, as Trillium Creek ran from Rosemont Road to the Willamette River. While the City was not currently using the property, she saw it as a stormwater filter because water would run down into the creek, through the streambed and plants, and eventually into the Willamette River.

The City Council continued to discuss potential environmental damage and the sustainability impact section of the Staff report. Council President Baumgardner believed it was important to make informed decisions and asked what, if anything, had changed since the City decided it was necessary to purchase this property that would not set up a situation for a future takings challenge.

City Attorney Monahan explained since the City had owned the property for over 15 years, he was not familiar with what the conditions were that led to the potential litigation. If the property was sold, the new owner would use Planning Staff's memorandum in creating a development plan. He explained that a taking challenge could occur if the City denied or modified a development proposal to the extent that the property owner felt the City was unreasonable, particularly if City Standards did not allow for development of some or all the property. The taking could occur if no development took place or reductions limiting the marketability or use of the property plan were made to the plan. He believed Council was correct to consider whether a new buyer would want to use the property for something other than open space and if the application of City Standards could create an issue where the owner could allege a taking.

Mayor Bialostosky asked if the buyer was aware of regulations creating a risk that the new owner may not be able to develop the property.

City Attorney Monahan replied the City was not placing land use restrictions on the purchase, and no plan had been submitted to and approved by the Planning Department limiting use of the Moderate Value Habitat Conservation Area, so an element of risk did exist.

Management Analyst Morgan Coffie added the sales agreement contained a due diligence period for the applicant to submit a proposal for review and have it substantially approved prior to closing the sale.

City Manager Williams asked that if City Council decided to not sell the property, they give clear direction about what Staff should do with it. If restoration needed to be completed on the property prior to reselling it, the City would need to look at the cost and work it into the Capital Plan.

Council President Baumgardner noted that when the City initially purchased the property, a plan was in place and asked what happened to that plan. She asked under what legal process the purchase occurred, why the City did not follow through, and how the City needed to proceed with the property if the purchase was in truth to restore a creek from excavation damage. She agreed with concerns about the City getting into the business of purchasing

properties for open spaces, but they needed to acknowledge the environmental impacts of the decisions, and if a past undertaking was not a good idea, she wanted to know that as well.

Councilor Groner suggested postponing the decision until the next meeting so they could get clarity on some of the issues.

City Manager Williams replied that Council was in the driver's seat as owners of the property and noted that it had been difficult to find a buyer for reasons Council had already discussed.

Management Analyst Coffie was unsure whether the buyer would agree to another extension or not.

City Manager Williams offered to research the 2008 decision, but he was not certain that a specific plan was actually in place and believed that the property may have been purchased to do restoration work or prevent other activities.

Councilor Erwin commented he would like a compromise where the City Council sold the property and the buyer promised to be a good steward of that land. He was unsure if the City could ask the buyer what was planned for the property.

Councilor Bryck believed this could lead to problems with future owners, as the buyer could follow all of the rules in developing the property, but a future owner could further develop it without permits. A buyer who was all about sustainability, the environment, and the WRA could end up selling the property to someone who did not have the knowledge, awareness, or concern of the issues.

Council President Baumgardner asked if the Planning Commission could review any plans for this property.

Public Works Director Lais explained that Staff had previously asked the Planning Commission what was buildable on the site, and in the end, everyone believed it was a waste of time to run it through Land Use if the plan was to ultimately sell the property. He did not realize the stream had been modified from its original location, but if that was true, it brought up different issues, including whether the intent of the restoration was to return the creek to its natural state.

The Council reached consensus to delay the decision regarding the sale of the property until they had more information.

Mayor Bialostosky asked how much it would cost to take this through Land Use and formulate a plan.

City Manager Williams replied that a specific plan had to be taken through Land Use, not a general concept. He understood the biggest issue was the question of whether the City should

have or intended to do restoration on the property. Staff could research that, keeping in mind the City had lost Staff who could have the answers. Regarding Land Use, he agreed with Management Analyst Coffie to let someone purchase the property and use the due diligence process to take a development proposal to Land Use.

Councilor Erwin suggested revising Chapter 28 of the Code to make it more aligned with the City's conservation perspective, so Council could be more comfortable with this type of transaction.

City Attorney Monahan advised that if the City decided not to sell the property to this buyer after undergoing review to determine the original restoration intent, Council should determine what restrictions to place on the property before putting it back on the market. The Planning Department could review the restrictions to determine if the property could still be developed, helping the City avoid the risk of a potential taking challenge.

Council President Baumgardner asked if the adjacent property owners had ever been approached about purchasing this lot, even if it was together as a common area.

Management Analyst Coffie replied they had not been approached to purchase it as a common area, but one owner had been in contact with them a year or two ago. When the property was put on the market again, the individual declined to make an offer.

#### **[Agenda Bill 2024-01-16-03: Phase Two Recreation Center Feasibility Study Rec Study Information](#)**

City Manager Williams explained that this Agenda item was to propose a Phase II work plan for the indoor community recreation center. If approved, the contract would be above his signing limit and needed Council authorization.

Parks and Recreation Director Big John presented the Staff report, explaining that the report from MIG included the scope and estimated cost of Phase II and highlighting the community engagement component.

Ryan Mottau, MIG Director of Engagement, noted MIG was excited to add in components the City had been asking for, such as drawings, polling, and increased outreach.

Parks and Recreation Director Big John added having the renderings and operational analysis together before starting community outreach was, unfortunately, not going to happen but case studies showing operational plans were available if the community still wanted to get behind the recreation center. The end goal was to have the package available for everybody to advocate for the center as they moved forward into the election season.

Parks and Recreation Director Big John and Mr. Mottau addressed Council concerns and questions as follows:

- The second community-wide questionnaire would differ from the first one because it was specifically responding to the outpouring of interest in the project.
- They had received over 600 requests from the “Contact Us” form, and they would receive between 200 and 300 responses to the polls.
- The poll and community questionnaire would use the same questions, but the poll would provide a managed sample for randomness and allow them to make assumptions representing the entire voter population.
- The community-wide survey would be available for anybody to respond to, giving people an opportunity to have their voice heard.
- The results would not necessarily be lumped together but could be used side-by-side to understand or explore if slightly different results were seen between the groups.

Mayor Bialostosky asked that MIG do whatever it could to increase the size of the statistically valid poll to ensure that those who may not necessarily support the project were included, as the open poll may skew towards those who did support the project.

Mr. Mattou explained the size of the community would make it hard to get a sample size larger than 250 respondents. The polling partners would ensure the poll had the randomness needed to represent the entire community.

- The project’s deliverables would include options for what both the City Council and the community needed to do for the project to fund itself and avoid creating a financial boondoggle.
- At this point, focus group use had not been specified. Youth were an important audience in the design process and would be actively solicited in community workshops to help build out the design, but they wanted flexibility to ensure other demographics had a chance to respond as well. This would be a multi-generational recreational community center, requiring a holistic look at the system.
- Direct mailings had been included in the line item for communication. Having an in-house communication and graphics team provided flexibility on what they could do in public information campaigns. Once the team determined the best reach, they could produce a variety of materials for distribution through Staff effort or direct mail.

Council President Mary Baumgardner moved to approve Agenda Bill 2024-01-16-03, moving forward on Phase II of the Community Recreation Center and authorizing the City Manager to sign the contract with MIG, Inc. Councilor Scott Erwin seconded the motion.

**Ayes: Mayor Rory Bialostosky, Council President Mary Baumgardner, Councilor Carol Bryck, Councilor Scott Erwin, and Councilor Lou Groner.**

**Nays: None.**

**The motion carried 5 - 0**

#### [City Manager Report \[7:40 pm/5 min\]](#)

City Manager Williams reported on tonight's storm, noting Staff was trying to decide what to do as a City tomorrow. Keeping the roads clear was a challenge, especially with thin ice and no fluffy snow to plow. The City had a small streets crew and six vehicles able to do the work. De-icer helped only when the roads were dry, and the City tried to use it in advance of an event. After that, it was less useful, so the focus was on closing the steepest roads and trying to keep other routes open. He anticipated a late start for public facilities tomorrow morning, no earlier than 10:00 AM. If the streets were drivable, they would reopen. Otherwise, they would stay closed as long as needed. West Linn–Wilsonville and Lake Oswego schools would close for the entire day.

- Earlier today, a tiny piece of ice clogged a tiny copper line near the Horton Reservoir, causing the gauges to misread and the reservoir to not refill. The City ran out of water in the Horton Water Pressure Zone. The City issued a boil water alert for drinking or cooking, but most other uses were safe. Instructions were available on the website. Samples were being tested to confirm no leakages occurred, and the notice would be rescinded as soon as possible.
- He reminded residents to stay off the roads for another 12-plus hours as the roads were icy, and he appreciated Council's willingness to hold tonight's meeting virtually.
- A CAG and Neighborhood Association (NA) training was scheduled for January 22. The Council Retreat to work on priorities for the year would be held January 24 at 10:00 AM, and the draft agenda would be sent out tomorrow. The next work session was scheduled for February 5, and the regular business meeting was on February 12. Also in February, the City Council would hold joint meetings with the Sustainability Advisory Board and Planning Commission and hear a report from Police Review and Recommend.

#### [City Attorney Report \[7:45 pm/5 min\]](#)

City Attorney Monahan reported that a revised project list had been submitted to the Council in January. Many projects were now completed, reducing the list quite a bit. He would chair the Citizen Advisory Group training next Monday, and City Recorder Mollusky had prepared documentation for submission to the group, including discussion about Zoom/WebEx bombing and how to handle it, and the adopted changes to Council rules.

#### [Adjourn to Work Session \[7:50 pm/5 min\]](#)

Notes approved 3-11-24.

#### [Call to Order Work Session \[7:55 pm/5 min\]](#)

#### [Historic Tugboat Storage/Display Request \[8:00 pm/30 min\]](#)

##### [Historic Tugboat Information](#)

Adjourn [8:30 pm]





22500 Salamo Road  
West Linn, Oregon 97068  
<http://westlinnoregon.gov>

## Revised CITY COUNCIL AGENDA

Tuesday, January 16, 2024

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5:30 p.m. – Pre-Meeting – ~~Bolton Room~~ & Virtual\*

6:00 p.m. – Business Meeting & Work Session – ~~Council Chambers~~ & Virtual\*

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1. Call to Order and Pledge of Allegiance [6:00 pm/5 min]
2. Approval of Agenda [6:05 pm/5 min]
3. Public Comment [6:10 pm/10 min]

The purpose of Public Comment is to allow the community to present information or raise an issue regarding items that do not include a public hearing. All remarks should be addressed to the Council as a body. This is a time for Council to listen, they will not typically engage in discussion on topics not on the agenda. Time limit for each participant is three minutes, unless the Mayor decides to allocate more or less time. Designated representatives of Neighborhood Associations and Community Advisory Groups are granted five minutes.

4. Consider Resolution Censuring Council Member for Violations of City Workplace Policy [6:20 pm/5 min]
5. Mayor and Council Reports [6:25 pm/30 min]
  - a. Election of Council President
  - b. Reports from Community Advisory Groups
  - c. Complete City Manager Evaluation
6. Audit Report [6:55 pm/10 min]
7. Consent Agenda [7:05 pm/5 min]

The Consent Agenda allows Council to consider routine items that do not require a discussion. An item may only be discussed if it is removed from the Consent Agenda. Council makes one motion covering all items included on the Consent Agenda.

- a. Agenda Bill 2024-01-16-01: Electronic Health Record Database Intergovernmental Agreement

Business Meeting

[7:10 pm/30 min]

Persons wishing to speak on agenda items shall complete the form provided in the foyer and hand them to staff prior to the item being called for discussion. A separate slip must be turned in for each item. The time limit for each participant is three minutes, unless the Mayor decides to allocate more or less time. Designated representatives of Neighborhood Associations and Community Advisory Groups are granted five minutes.

- b. Agenda Bill 2024-01-16-02: Acceptance of offer to buy Vacant Property at 3955 Cedaroak Dr
  - c. Agenda Bill 2024-01-16-03: Phase Two Recreation Center Feasibility Study
- |  |                  |
|--|------------------|
| 8. City Manager Report                       | [7:40 pm/5 min]  |
| 9. City Attorney Report                      | [7:45 pm/5 min]  |
| 10. Adjourn to Work Session                  | [7:50 pm/5 min]  |
| 11. Call to Order Work Session               | [7:55 pm/5 min]  |
| 12. Historic Tugboat Storage/Display Request | [8:00 pm/30 min] |
| 13. Adjourn                                  | [8:30 pm]        |

*\*Due to the weather conditions, this City Council meeting will be conducted virtually. To participate remotely during the meeting, please complete the form at: <https://westlinnoregon.gov/citycouncil/meeting-request-speak-signup> by 4:00 pm. If you miss the deadline and would like to speak at the meeting, please fill out the form and staff will send you a link as time allows.*

*The public can watch the meetings via YouTube: <https://youtube.com/live/Mvk6W21siEg?feature=share> or on Cable Channel 30.*

*Submit written comments by email to City Council at [citycouncil@westlinnoregon.gov](mailto:citycouncil@westlinnoregon.gov). We ask that written comments be provided before noon on the day of the meeting to allow City Council members time to review your comments.*

*If you require special assistance under the Americans with Disabilities Act, please call City Hall 48 hours before the meeting date, 503-657-0331.*

*When needed, the Council will meet in Executive Session pursuant to ORS 192.660(2).*

**RESOLUTION NO. 2024-\_\_\_\_\_**  
**A RESOLUTION CENSURING COUNCILOR ERWIN FOR VIOLATION OF THE CITY’S WORKPLACE HARASSMENT POLICY**

**WHEREAS**, effective January 1, 2020, the City Council of West Linn adopted Ordinance 1704 setting forth the City’s policy and procedure for reporting and investigation of workplace harassment; and

**WHEREAS**, the City’s policy regarding workplace harassment, which is part of the City’s Personnel Policy, applies to all employees of the City, as well as elected officials, members of City boards and committees, and volunteers through Ordinance 1704; and

**WHEREAS**, the City received a complaint accusing Councilor Erwin of workplace harassment, as defined in Ordinance 1704 and ORS 659A.030, 659.082, and 659A.112; and

**WHEREAS**, the City delegated the responsibility for coordinating and conducting an investigation of the alleged workplace harassment to an independent investigator unaffiliated with the City to determine whether any violation of the City’s Workplace Harassment Policy occurred; and

**WHEREAS**, the City notified Councilor Erwin that an investigation into the alleged workplace harassment commenced; and

**WHEREAS**, the investigator’s report contained facts and findings substantiating the alleged workplace harassment in violation of the City’s Workplace Harassment Policy; and

**WHEREAS**, the City notified Councilor Erwin of the finding that reasonable grounds exist that a substantial violation of the City’s Workplace Harassment Policy has occurred; and

**WHEREAS**, the City further notified Councilor Erwin that the Council would hold a hearing to consider the complaint and charges and that Councilor Erwin had the right to present a defense to the alleged misconduct; and

**WHEREAS**, Councilor Erwin was afforded sufficient advance notice of the purpose of the hearing and chose an executive session for the hearing rather than an open session; and

**WHEREAS**, on January 8, 2024, the balance of Council not accused held the executive session hearing concerning Councilor Erwin’s alleged workplace harassment and the findings contained within the investigation report.

**NOW, THEREFORE, THE CITY COUNCIL OF WEST LINN RESOLVES AS FOLLOWS:**

**Section 1:** The City Council accepts the facts and findings set forth in the independent investigator’s report substantiating the allegations resulting in violations of the City’s Workplace Harassment Policy found in Ordinance 1704.

**Section 2.** The City Council has lost confidence in Councilor Erwin.

**Section 3:** The City Council censures and reprimands Councilor Erwin for violating the City's Workplace Harassment Policy set forth in Ordinance 1704.

**Section 4.** Under the direction of the City Council as a whole and upon passage of this Resolution, Councilor Erwin's appointment as Council liaison to the Arts & Culture Commission, the Historic Review Board, the Parks and Recreation Advisory Board, and the Planning Commission are rescinded by the Mayor. The liaison assignments will be redistributed by the Mayor.

**Section 5:** The City Council further asks that Councilor Erwin voluntarily resign from office.

**Section 6:** The City Council restates and reaffirms the City's policy that workplace harassment of employees, prospective employees, volunteers, community advisory board members, and elected officials is not permitted regardless of working relationship or supervisory role. The City Council further reaffirms the rights of victims of such violative conduct to report the conduct for immediate investigation without fear of retaliation.

**Section 7:** This Resolution is effective upon passage by a unanimous vote of the balance of City Council not accused.

This Resolution was PASSED and ADOPTED this \_\_\_\_ day of January 2024.

AYES:

NAYS:

ABSTENTIONS:

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RORY BIALOSTOSKY, MAYOR

ATTEST:

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KATHY MOLLUSKY, CITY RECORDER

APPROVED AS TO FORM:

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CITY ATTORNEY

**CITY OF WEST LINN, OREGON  
SINGLE AUDIT REPORT**

**FOR THE YEAR ENDED JUNE 30, 2023**



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FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Mayor and City Council  
City of West Linn, 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 West Linn, Oregon as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of West Linn's basic financial statements, and have issued our report thereon dated January 2, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of West Linn, Oregon'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of West Linn, Oregon's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of West Linn, Oregon'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 may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of West Linn, Oregon'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 and those of the other auditor 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.

A handwritten signature in black ink, appearing to read "Sonya M. H." with a stylized flourish at the end.

For Merina+Co  
Tualatin, Oregon  
January 2, 2024



**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 Council  
City of West Linn, Oregon

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of West Linn, Oregon's compliance with the types of compliance requirements identified as subject to audit in the *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on the City of West Linn, Oregon's major federal programs for the year ended June 30, 2023. The City of West Linn, Oregon'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 of West Linn, Oregon, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 (CFR) 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 of West Linn, Oregon 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 of West Linn, Oregon's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with requirement 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 of West Linn, Oregon'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 of West Linn, Oregon'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 of West Linn, Oregon's compliance with the requirements of each major federal program as a whole.

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 of West Linn, Oregon'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 of West Linn, Oregon'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 of West Linn, Oregon'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.

### **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.

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.

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Linn, Oregon, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of West Linn, Oregon's basic financial statements. We issued our report thereon dated January 2, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



For Merina+Co  
Tualatin, Oregon  
January 2, 2024

## CITY OF WEST LINN, OREGON

## Schedule of Expenditures of Federal Awards

Fiscal Year Ended June 30, 2023

Federal Grantor Pass-through Grantor Program Title/Cluster	Assistance Listing Number (ALN)	Pass-through Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Treasury Passed through Oregon Department of Administrative Services <b>COVID-19 Relief, SLFRF Funds</b>	21.027	1505-0271		5,663,465 *
Federal Emergency Management Agency Passed through State of Oregon, Department of Emergency Management <b>Disaster Grants - Public Assistance</b> Oregon Ice Storm Disaster, DR-4599-OR	97.036	4599DRORP000001741		1,936,489 *
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			<u>\$ -</u>	<u>\$ 7,599,954</u>

\* Denotes major program

See the notes to the Schedule of Expenditures of Federal Awards.

**CITY OF WEST LINN, OREGON**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**June 30, 2023**

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Note 1. General

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal financial assistance programs of the City of West Linn, Oregon (City) for the year ended June 30, 2023. The Schedule was prepared from only a select portion of the operations of the City and, therefore, does not present the financial position or results of operation of the City.

Note 2. Significant Accounting Policies

Reporting Entity: The reporting entity is fully described in Note 1 to the City's basic financial statements.

Basis of Presentation: 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, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Expenditures reported on the Schedule are reported on the modified accrual basis of accounting.

Note 3. Indirect Cost Rate

The City did not elect to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4. Subrecipients

No amounts were paid to subrecipients by the City from federal funds for the year ended June 30, 2023.

**CITY OF WEST LINN, OREGON**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2023**

---

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(s) identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

**Federal Awards**

Internal Control over major federal programs:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(s) identified that are Not considered to be material weaknesses? ☐ Yes ☒ None reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) section ☐ Yes ☒ No

**Identification of Major Federal Programs:**

<b><u>CFDA Number</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
21.027	Coronavirus State and Local Fiscal Recovery Funds
97.036	Disaster Grant

Dollar threshold used to distinguish between Type A Type B programs: \$750,000

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

**CITY OF WEST LINN, OREGON**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2023**

---

**Section II – Financial Statement Findings**

None

**Section III – Federal Awards Findings and Questioned Costs**

None

**Section IV – Schedule of Prior Federal Award Findings and Questioned Costs for the Years Ended June 30, 2022**

None





# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023





# **CITY OF WEST LINN, OREGON**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

For the fiscal year ended June 30, 2023

prepared by

Finance Department  
City of West Linn, Oregon

available online at  
<http://westlinnoregon.gov>



*THIS REPORT WAS PRINTED  
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## CITY OF WEST LINN, OREGON

Annual Comprehensive Financial Report  
For the fiscal year ended June 30, 2023

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Annual Comprehensive Financial Report  
For the fiscal year ended June 30, 2023

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Annual Comprehensive Financial Report  
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CITY OF WEST LINN, OREGON  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

SECTION I

**INTRODUCTORY SECTION**



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# CITY OF West Linn

January 2, 2024

Mayor, City Councilors, Audit Committee and  
Citizens of the City of West Linn, Oregon

The Annual Comprehensive Financial Report (ACFR) of the City of West Linn, Oregon (the City) for the fiscal year ended June 30, 2023 is hereby submitted.

This report presents the financial position of the City as of June 30, 2023 and the results of its operations for the fiscal year then ended. The financial statements and supporting schedules have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and meet the requirements of the standards prescribed by the Oregon Secretary of State Audits Division. We believe the data, as presented, 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 various funds of the City.

The accuracy of the City's financial statements and the completeness and fairness of their presentation is the responsibility of City management. The City maintains a system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded against loss or unauthorized use and that financial records can be relied upon to produce financial statements in accordance with GAAP. The concept of reasonable assurance recognizes that the cost of maintaining the system of internal accounting controls should not exceed benefits likely to be derived.

Merina & Company LLP, Certified Public Accountants, have issued an unmodified or "clean" opinion on the City's financial statements for the fiscal year ended June 30, 2023. The independent auditor's report is located at page 12 in the Financial Section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A is located at page 15 immediately following the independent auditor's report.

## **Profile of the Government**

West Linn is a community where citizens, civic organizations, businesses and city government work together to ensure that the community retains its hometown identity, high quality of life and its natural beauty. The City incorporated in 1913 and today serves a population of 27,420. It is close to the region's business core and urban amenities, with Portland approximately twenty miles to the north. At the same time, the City provides a

small-town atmosphere and distinct neighborhoods that range from the Historic Willamette District with its pioneer-era dwellings, to the contemporary architecture of newer homes. The City is approximately twenty miles from Portland International Airport.

The City is a full-service municipality that operates under a council/manager form of government. The elected City Council consists of the Mayor and four Councilors who act as the board of directors. The Council sets policies for city government, enacts ordinances and hires, directs and evaluates the City Manager. In turn, the City Manager is the City's chief executive officer, responsible for overall management and administration.

Municipal services are provided by City employees under the direction of the City Manager. The City operates its own police department, municipal court, water, sewer and surface water utilities, street operations, planning, engineering, fleet management, library and extensive year-round park and recreation programs.

Tualatin Valley Fire and Rescue District provides fire and emergency services to the community. The City lies within Clackamas County, which is headed by a board of commissioners and based in neighboring Oregon City. The City is also part of Metro, the tri-county urban services district based in Portland.

### **Local Economy**

The City's economy is linked with that of the entire Portland Metropolitan area, but is more insulated from economic downturns because of the high education and skill level of its population. Per capita income is one of the highest of any city in the state of Oregon.

West Linn is primarily a residential community with a low ratio of heavy industry and retail-based commercial activity. The largest employers are West Linn Wilsonville School District and Willamette Falls Paper Company.

### **Long-term Financial Planning**

Long-term financial planning is performed on an ongoing basis. The controlling document is the City's five year financial forecasting plan which includes reserves by fund that fall within the policy guidelines set by Council and reviewed by the Citizens' Budget Committee during the budget process. Reserve policy guidelines are measured as 15 percent of annual operating expenses per fund.

Along with the adoption of the 2022-2023 biennial budget, certain utility rate fee increases were approved by City Council with the support of the Citizens' Budget Committee and the Utility Advisory Board. Effective January 1, 2023, a five percent rate increase for water, sewer, and surface water management fees was approved. Effective July 1, 2023, a five percent rate increase was approved for the residential street fees and a sixteen percent rate increase was approved for parks maintenance fees. Effective January 1, 2024, a five percent rate increase was approved for water, sewer, and surface water management.

In regards to the City's long-term debt obligations, the City had \$24.3 million outstanding in two general obligation bond issues, and \$4.2 million outstanding in two full faith and credit obligations, for a total of \$28.5 million in long-term debt outstanding as of June 30, 2023.

## **City's Credit Ratings**

On November 23, 2015, Standard & Poor's Ratings Services raised its long-term rating to 'AA+' from 'AA' on the City's general obligation bonds and full faith and credit obligations outstanding due to the city's improved budgetary performance. The rating agency cited very strong economic characteristics, budgetary flexibility and strong management with "good" financial policies. The City maintained this rating in the January 2023 review.

On February 23, 2017, Moody's Investors Services raised its long-term rating to 'Aa2' from 'Aa3' on the City's full faith and credit obligations Series 2010 outstanding due to an overall review undertaken by Moody's in conjunction with the publication on December 16, 2016 of the US Local Government General Obligation Debt Methodology. The City maintained this rating in the July 2021 review.

## **History of City's Low Permanent Property Tax Rate**

Two serial levies were in place for the City of West Linn in fiscal years 1994-95, 1995-96 and 1996-97. Both of these serial levies expired before the Measure 50 permanent property tax rates were established. Hence, neither of these two serial levies rolled into the permanent rate for the City of West Linn. In March 1997, West Linn voters approved two local option levies which replaced the two serial levies; however, this election was too late for the permanent rate calculation which occurred in late 1996. Today, the permanent property tax rate for the City of West Linn is at \$2.12 per thousand of assessed value, the lowest property tax rate for cities in the surrounding area.

## **Major Initiatives**

The City has continued to establish and work toward clearly defined goals and objectives. During the budget review process, goals and objectives are developed and prioritized by the City Council and staff. The process is a continuing cycle of setting goals and objectives, reviewing short- and long-term goals, evaluating results, and reassessing the goals and their priority.

In preparing the budget for the 2022-2023 biennium, the City Council adopted various goals that were then incorporated into budgeted operations. The City Council updated their previous goal list and established guidelines for achievement in the following major areas: diversity, equity and inclusion; livability and affordability; Sustainability; and thriving and moving forward.

The Citizens' Budget Committee continued with biennial budgeting and approved the City's seventh biennial budget allowing better alignment of the City's budget with the State's and an increased focus on a longer term. With this financial report for the fiscal year ended June 30, 2023, the actual results reflect the second year of the biennium. Additionally, the City's Audit Committee, consisting of Councilors Carol Bryck and Lou Groner, partnering with Abby Farber who is a West Linn resident, continue their focus on audit oversight and improving all finance processes.

## Awards

***Annual Comprehensive Financial Reporting Award.*** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. This was the fourteenth consecutive year that 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 ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A *Certificate of Achievement* is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

***Distinguished Budget Presentation Award.*** The GFOA presented a *Distinguished Budget Presentation Award* to the City for its biennial budget for the biennium beginning July 1, 2021. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

This award is valid for a period of two years only. We will continue to submit future budgets to GFOA for the award.

## Acknowledgements

The preparation of this Annual Comprehensive Financial Report was a combined effort of the dedicated Finance staff. We wish to express our appreciation to everyone who contributed to the preparation of this report. Credit is also given to the Mayor, the Councilors and the Audit Committee for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

A handwritten signature in cursive script that reads "Lauren Breithaupt".

Lauren Breithaupt, CPA CMA CGMA  
Finance Director

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Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of West Linn  
Oregon**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

**CITY OF WEST LINN, OREGON**  
Elected and Appointed Officials

---

<b>Elected Officials</b>	<b>Term Expires</b>
Rory Bialostosky, Mayor	December 31, 2024
Mary Baumgardner, Council	December 31, 2024
Scott Erwin, Councilor President	December 31, 2026
Leo (Lou) Groner, Councilor	December 31, 2026
Carol Bryck, Councilor	December 31, 2024
Rhett Bernstein, Municipal Court Judge	December 31, 2026

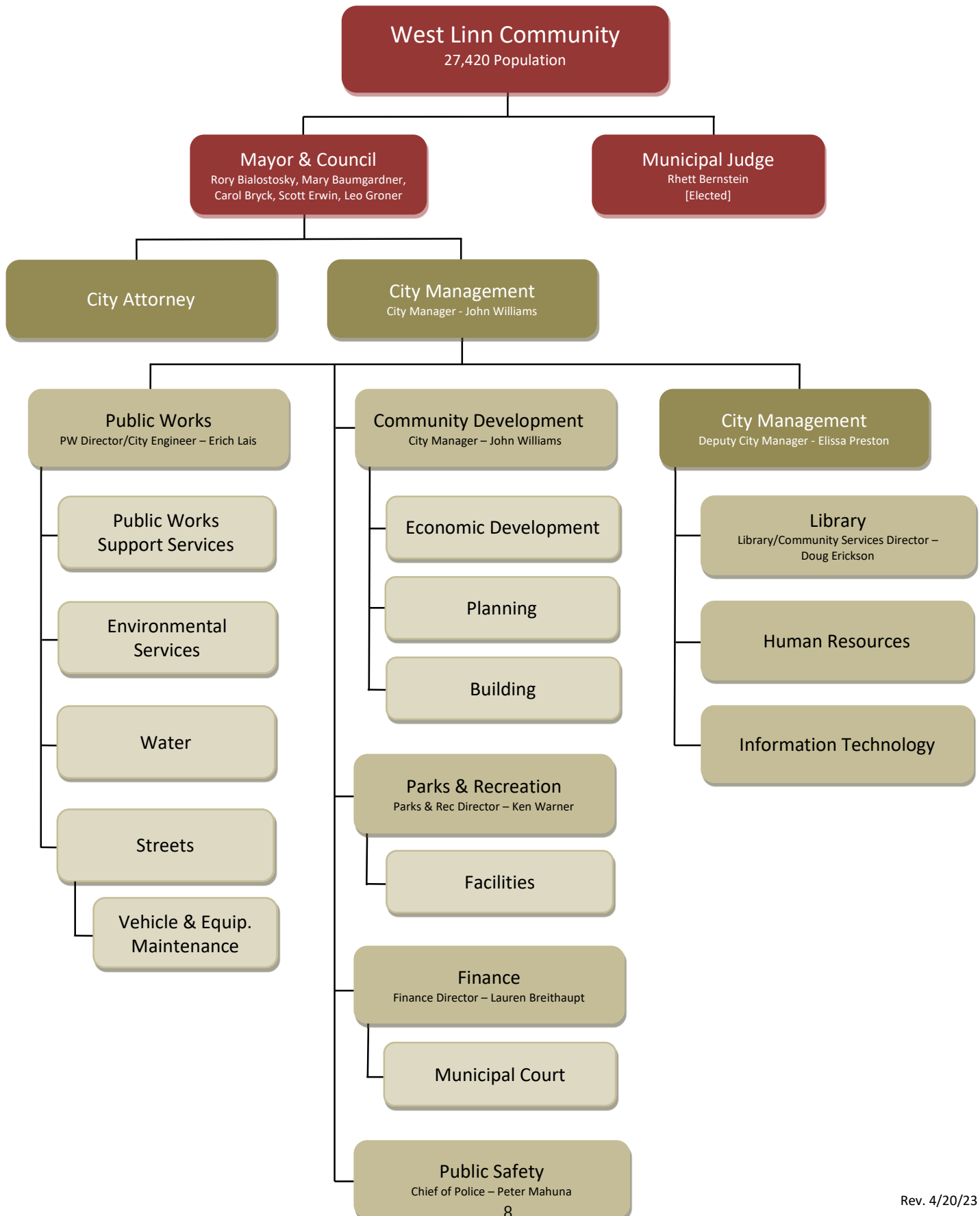
<b>Appointed Officials</b>	<b>Position</b>
John Williams	City Manager
JORDAN RAMIS PC	Legal Counsel/City Attorney

***Management Team:***

Lauren Breithaupt, CPA	Finance Director
Doug Erickson	Library and Community Services Director
Erich Lais	Public Works Director
Peter Mahuna	Chief of Police
Kathy Mollusky, CMC	City Recorder
Elissa Preston	Human Resources/Deputy City Manager
John Williams	City Manager
Terry Wise	Information Tech. Manager
Ken Warner	Parks and Recreation Director



# ORGANIZATIONAL CHART



**CITY OF WEST LINN, OREGON**  
**Audit Committee**

---

Resolution 06-33 adopted in July 2006 established an Audit Committee to ensure that audits are completed annually in accordance with Oregon state law, provide oversight of the independent auditors, assist in the review and selection of audit firms, and ensure transparent communication back to the Council and citizens of West Linn.

Resolution 09-11 adopted in June 2009 added one citizen member to the Audit Committee for a four-year term with an interest and experience in City government financial operations, preferably a Certified Public Accountant residing within City limits.

<b>Audit Committee Members</b>	<b>Term Expires</b>
Council Members:	
Carol Bryck, Councilor	December 31, 2024
Leo (Lou) Groner, Councilor	December 31, 2026
Citizen Member:	
Abby Farber	December 31, 2025

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CITY OF WEST LINN, OREGON  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

SECTION II

**FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council  
City of West Linn, Oregon

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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 West Linn, Oregon, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City of West Linn, Oregon's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 City of West Linn, Oregon, 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.

We did not audit the financial statements of South Fork Water Board which represents 15 percent, 19 percent, and 8 percent, respectively, of the assets, net position, and revenues of the business-type activities of the City of West Linn, Oregon as of June 30, 2023. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the City of West Linn, Oregon are based solely on the report of the other auditors. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (GAS). 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 of West Linn, 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.

#### ***Change in Accounting Principle***

As discussed in Note 2 to the financial statements, the City of West Linn adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

City of West Linn, Oregon's management is responsible for the preparation and fair presentation of these 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 of West Linn'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.

### ***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 GAAS and GAS 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 GAAS and GAS, 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 of West Linn'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 of West Linn'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 required supplementary information, such as management's discussion and analysis and schedule of revenues, expenditures and changes in fund balance – budget and actual, schedule of the changes in the City's total OPEB liability and related ratios, schedule of the City's proportionate share of the net OPEB (asset)/liability, schedule of funding progress – other postemployment benefits plan, schedule of the City's proportionate share of the net pension (asset)/liability, and schedule of City pension plan contributions, as listed in the table of contents under required supplementary information, 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 the changes in the City's total OPEB liability and related ratios, schedule of the City's proportionate share of the net OPEB (asset)/liability, schedule of funding progress – other postemployment benefits plan, schedule of the City's proportionate share of the net pension (asset)/liability, and schedule of City pension plan contributions, as listed in the table of contents under required supplementary information 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.

The schedule 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 relates 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 City of West Linn, Oregon's basic financial statements. The accompanying supplementary information, as listed in the table of contents including the combining and individual nonmajor fund financial statements 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 supplementary information, as listed in the table of contents is 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, other financial schedules, 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 January 2, 2024 on our consideration of City of West Linn, Oregon'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 of West Linn, Oregon'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 City of West Linn, Oregon's internal control over financial reporting and compliance.

#### **Other Reporting Required by Oregon Minimum Standards**

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated January 2, 2024, on our consideration of City of West Linn, Oregon'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.



For Merina+Co  
Tualatin, Oregon  
January 2, 2024

## CITY OF WEST LINN, OREGON

### Management's Discussion and Analysis

For the fiscal year ended June 30, 2023

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Management's Discussion and Analysis (MD&A) is presented to facilitate financial analysis and provide an overview of the financial activities of the City of West Linn (the City) for the fiscal year ended June 30, 2023. Information in the MD&A is based on currently known facts, decisions and conditions. Please read it in conjunction with the basic financial statements and the accompanying notes to those financial statements.

#### FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources totaled \$385.1 million at June 30, 2023, consisting of \$292.8 million in capital assets, \$50.5 million in unrestricted cash and investments, \$18.1 million in restricted cash and investments, and \$12.7 million in investment in joint venture, other assets and deferred outflows of resources. Total assets and deferred outflows of resources increased by \$23.7 million from the previous fiscal year.
- The City's liabilities and deferred inflows of resources totaled \$67.0 million at June 30, 2023 consisting of \$56.0 million in long-term liabilities and \$5.8 million in accounts payable and other liabilities, and \$5.2 million in deferred inflows related to pensions and other postemployment benefits.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$317.8 million at the close of fiscal year 2022-23. Unrestricted net position totaled \$37.1 million with the remainder of the City's net position invested in capital assets (\$270.1 million) and restricted for endowment, capital projects and debt service (\$10.6 million).
- For its governmental activities, the City generated \$16.0 million in charges for services, received \$10.4 million in operating and capital grants and contributions, and \$0.2 million in capital grants and contributions. Direct expenses, including interest on long-term debt for governmental activities were \$32.7 million for the year, resulting in a net direct revenues of \$6.0 million. \$14.4 million of general revenues received resulted in an increase of \$8.3 million in net position.
- For its business-type activities, the City generated \$11.9 million in charges for services and capital grants and contributions to fund direct expenses of \$9.2 million.
- Fund balance in the City's governmental funds was \$42.1 million at June 30, 2023, an increase of \$4.0 million from June 30, 2022.

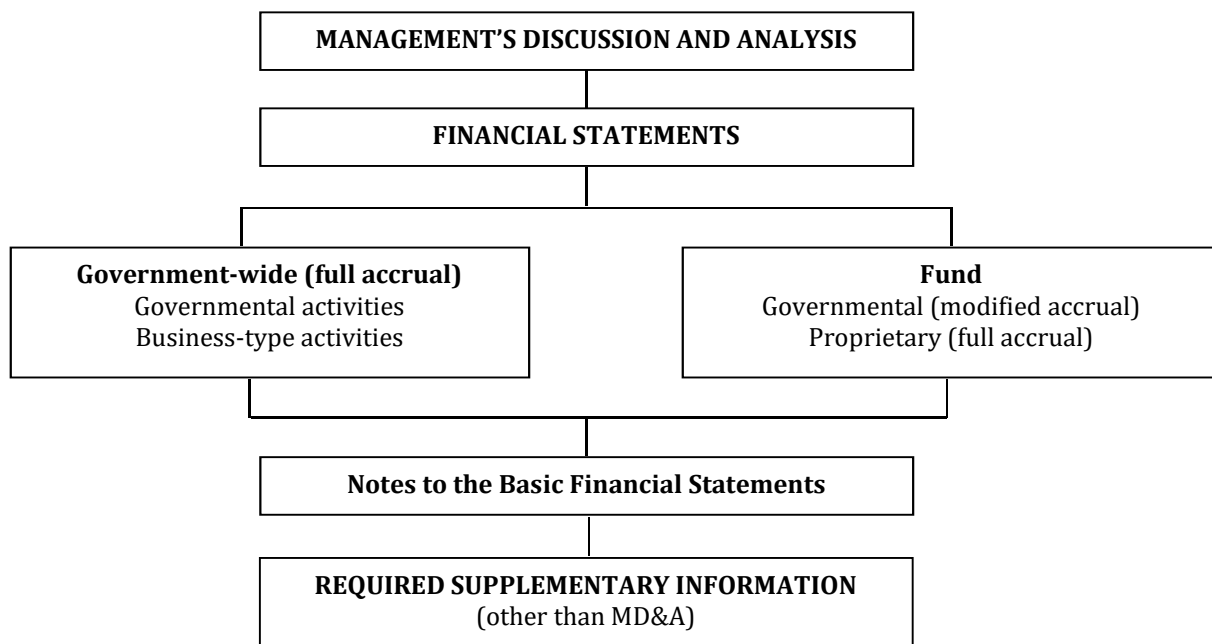
#### OVERVIEW OF THE FINANCIAL STATEMENTS

In addition to this discussion and analysis, the financial section of this annual report contains the *basic financial statements, required supplementary information, and other supplementary information*, including the *combining statements and schedules* of the nonmajor funds.



The basic financial statements also include *notes* that explain the information in the financial statements and provide additional details. The following chart illustrates how the various sections of this annual report are arranged relative to one another.

**Chart 1 - Required Elements of the  
Annual Comprehensive Financial Report**



### Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The *Statement of Net Position* includes *all* of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources. 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.

The two government-wide statements report the City's *net position* and how it has changed. Net position—the net difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources—is one way to measure the City's *financial health* or *position*.

- Over time, increases or decreases in the City's net position are indicators of whether its *financial health* is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as changes in the City's property tax base and the condition of the City's roads.

The government-wide financial statements of the City are divided into two categories:

- Governmental activities—Most of the City's basic services are included here, such as police, parks and recreation, library, public works, and general administration. Property taxes, charges for services, and operating and capital grants and contributions fund most of these activities.

- Business-type activities—The City charges fees to customers to help cover the costs of certain services it provides. The City's water and environmental services, including sanitary sewer and surface water management systems, are included here.

## Statement of Net Position

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 \$249.5 million at June 30, 2023.

By far, the largest portion of the City's net position (85 percent) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment, and infrastructure), less any related debt outstanding used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves either cannot or are not expected to be used or liquidated to repay these liabilities.

**Table 1 – Net Position as of June 30<sup>th</sup> (in millions)**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 47.3	\$ 41.4	\$ 39.6	\$ 24.5	\$ 86.9	\$ 65.9
Capital assets	246.8	244.0	46.1	45.2	292.9	289.2
Total assets	294.1	285.4	85.7	69.7	379.8	355.1
Deferred outflows of resources	4.8	5.6	0.5	0.6	5.3	6.2
Long-term liabilities	40.3	38.7	15.7	2.9	56.0	41.6
Other liabilities	4.4	2.4	1.4	1.2	5.8	3.6
Total liabilities	44.7	41.1	17.1	4.1	61.8	45.2
Deferred inflows of resources	4.7	8.7	0.9	1.0	5.6	9.7
Net position:						
Net investment in capital assets	226.7	225.6	43.4	43.6	270.1	269.2
Restricted for:						
Library endowment	0.2	0.2	-	-	0.2	0.2
Debt service	0.5	0.3	-	-	0.5	0.3
Building operations	1.5	1.6	-	-	1.5	1.6
OPEB Assets	0.2	0.2	-	0.1	0.2	0.3
Mclean House	0.1	-	-	-	0.1	-
Capital projects	8.1	7.5	-	-	8.1	7.5
Unrestricted	12.2	5.7	24.8	21.6	37.0	27.3
Total net position	\$ 249.5	\$ 241.1	\$ 68.2	\$ 65.3	\$ 317.7	\$ 306.4

A portion of the City's net position (\$10.6 million or about three percent) represents resources that are subject to external restrictions on how they may be used. The balance of *unrestricted net position* (\$37.0 million or about twelve percent) may be used to meet the City's ongoing obligations to citizens and creditors.

As of June 30, 2023, the City had positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities.

Total net position increased by \$11.3 million during the fiscal year.

## Statement of Activities

As with the *Statement of Net Position*, the City reports governmental activities on a consolidated basis. A summary of the *Statement of Activities* follows:

**Table 2 – Changes in Net Position (in millions)**

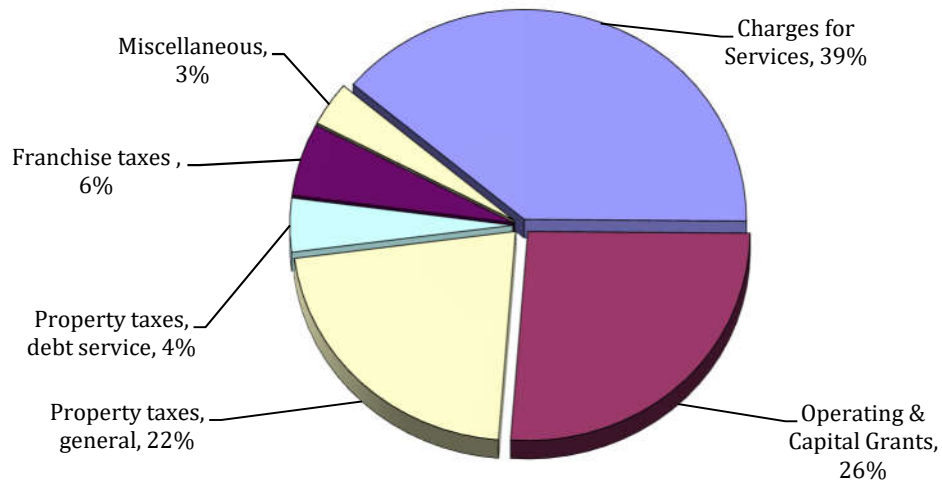
	Governmental Activities		Business-type Activities		Total	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Revenues						
Program revenues						
Charges for services	\$ 16.0	\$ 18.0	\$ 11.2	\$ 10.9	\$ 27.2	\$ 28.9
Operating grants and contributions	10.4	8.5	0.2	-	10.6	8.5
Capital grants and contributions	0.2	0.1	0.5	0.3	0.7	0.4
General revenues						
Property taxes	10.6	10.2	-	-	10.6	10.2
Franchise taxes	2.3	2.0	-	-	2.3	2.0
Grants and contributions not restricted to specific programs	0.1	0.1	-	-	0.1	0.1
Miscellaneous	1.4	0.1	0.3	-	1.7	0.1
Total revenues	<u>41.0</u>	<u>39.0</u>	<u>12.2</u>	<u>11.2</u>	<u>53.2</u>	<u>50.2</u>
Expenses						
Governmental activities						
General government	10.2	9.0	-	-	10.2	9.0
Culture and recreation	8.7	8.0	-	-	8.7	8.0
Public safety	9.6	8.9	-	-	9.6	8.9
Highways and streets	3.4	3.4	-	-	3.4	3.4
Interest on long-term debt	0.8	0.9	-	-	0.8	0.9
Business-type activities						
Water	-	-	5.2	5.1	5.2	5.1
Environmental services	-	-	4.0	3.6	4.0	3.6
Total expenses	<u>32.7</u>	<u>30.2</u>	<u>9.2</u>	<u>8.7</u>	<u>41.9</u>	<u>38.9</u>
Change in net position	<u>8.3</u>	<u>8.8</u>	<u>3.0</u>	<u>2.5</u>	<u>11.3</u>	<u>11.3</u>
Net position - beginning	<u>241.2</u>	<u>232.4</u>	<u>65.3</u>	<u>62.8</u>	<u>306.5</u>	<u>295.2</u>
Net position - ending	<u>\$ 249.5</u>	<u>\$ 241.2</u>	<u>\$ 68.3</u>	<u>\$ 65.3</u>	<u>\$ 317.8</u>	<u>\$ 306.5</u>

## Governmental Activities

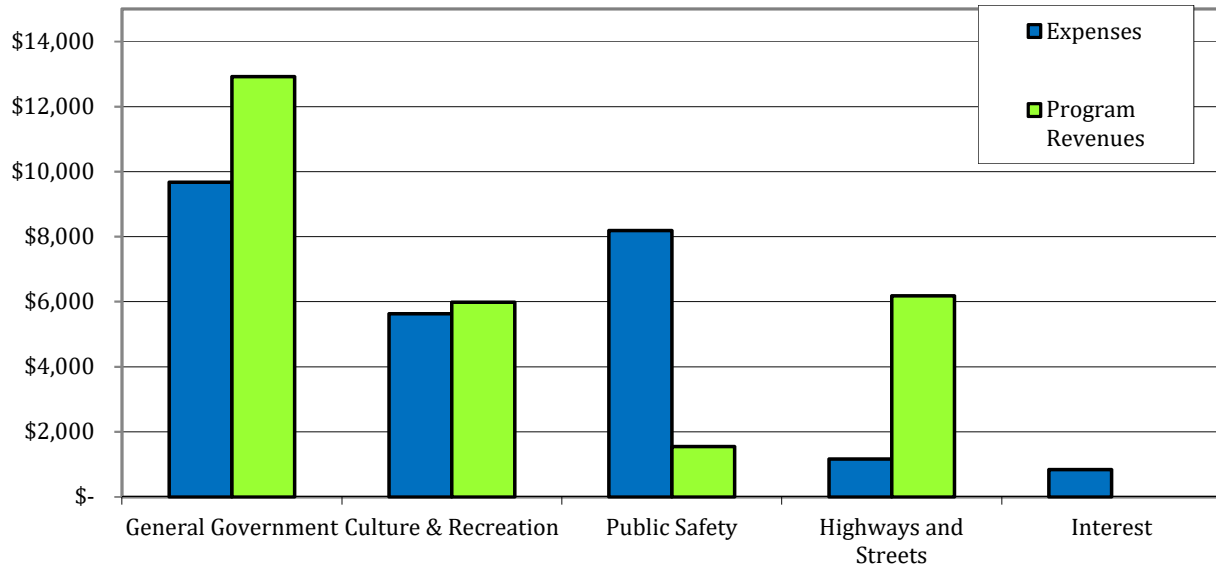
Governmental activities increased the City's net position by \$8.3 million in fiscal year 2022-23, as compared to an increase of \$8.8 million in the prior fiscal year. Revenue increased by \$2.0 million from the prior year and expenses, excluding transfers, increased by \$2.5 million. Key elements of these changes, as illustrated in Table 2 above, are primarily the results of an increase in operating grants and contributions due to ARPA and FEMA funding.

The revenues charted in the following pie chart include all program and general revenues for governmental activities such as property taxes, franchise taxes, charges for services, operating and capital grants and contributions, and miscellaneous revenues. Property taxes continue to be the major source of revenue for the City's governmental activities, once interfund service payments are factored out of charges for services.

**Revenues by Source - Governmental Activities**



### Expenses and Program Revenues - Governmental Activities (in thousands)

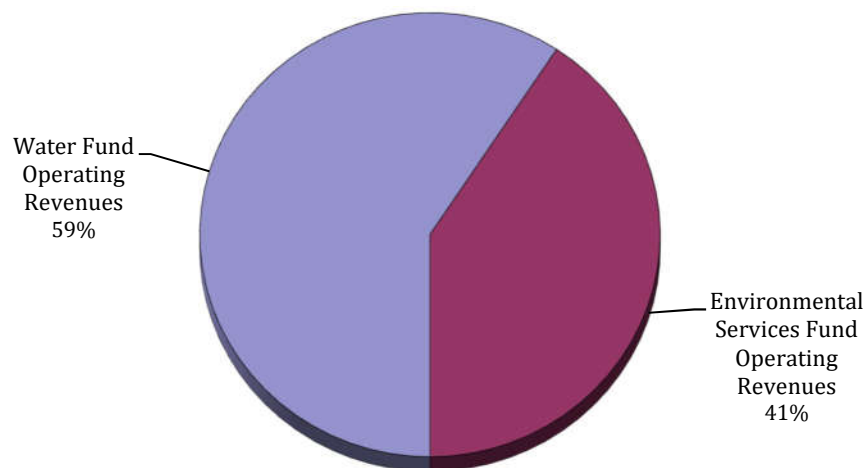


### Business-type Activities

Water fund revenues represent approximately 59 percent of all utility revenues for the City. The City continues to contribute capital investment to the water system while maintaining a consistent level of service.

Environmental services fund revenues represent approximately 41 percent of all utility revenues for the City. The fund provides sewer collection services and surface water management services. Overall, the fund continues to realize improved operating results. Both sewer and surface water management operations realized negative margins.

### Utility Revenues - Business-type Activities



## **FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2023, the City's governmental funds reported a combined ending fund balance of \$42.1 million, an increase of \$4.0 million when compared to the prior year. Unassigned fund balance as of June 30, 2023, was \$9.0 million and is available for spending at the City's discretion.

### **General Fund**

The general fund is the chief operating fund of the City. At June 30, 2023, total fund balance was \$9.4 million, reflecting an increase of \$2.8 million from the prior year. Within the general fund ending balance, \$9.0 million is considered unassigned. The City's general fund continues to be funded with charges for services from other funds, including the three special revenue funds receiving property tax revenues: public safety, parks and recreation, and library. General fund revenues increased from \$11.9 million the prior year to \$12.1 million due increasing in charges for services. Expenditures in the general fund increased by \$1.2 million from \$8.3 million in the prior year to \$9.5 million in the current year. The increase in expenditures was due to multiple departments. One significant increase was in the Information Technology (IT) Department. This was due to multiple year contracts renewing and a vacancy of the IT Director position and contracting that work out. The increase in fund balance is due to getting the second ARPA distribution in the fiscal year and FEMA funding for the 2021 Ice Storm.

### **Public Safety Fund**

This special revenue fund accounts for police, 911 dispatch, and overall safety activities within city limits. Revenues increased by \$0.7 million from \$8.1 million in the prior year to \$8.8 million in the current year. Expenditures in the public safety fund increased from prior year \$8.0 million to \$8.7 million. This was due to an increase in personnel costs and other inflationary items.

### **Parks and Recreation Fund**

This special revenue fund is used to account for funding parks and recreation programs throughout the City. Overall revenues increased to \$5.9 million in the current year from \$4.6 million in the prior year due to Federal Emergency Management Agency (FEMA) funding. Overall expenditures increased to \$5.6 million resulting in an overall fund balance increase of \$0.4 million. Increase in expenditures is primarily due to increases in capital outlay and personnel services due to contract increases. Debt service payments continued for the full faith and credit obligations issued in 2015.

### **Library Fund**

This special revenue fund is used to account for funding the City's library operations. Overall revenues increased to \$3.0 million in the current year from \$2.9 million in the prior year. Overall expenditures increased to \$3.1 million in the current year from \$2.8 million in the prior year. Overall fund balance stayed consistent at \$0.8 million.

## Street Fund

This special revenue fund accounts for the operation and maintenance of the City's street and sidewalk systems, including medians. Revenue increased to \$6.4 million from \$5.1 million in the prior year due to FEMA funding. Overall street expenditures increased to \$4.2 million from \$3.8 million in the prior year. The street fund had an overall increase in fund balance of \$2.2 million for the fiscal year ended June 30, 2023.

## Systems Development Charges Fund

This capital projects fund accounts for systems development charges and improvements including those for the street, water, surface water, sewer, park, and bike/pedestrian systems. Revenues decreased to \$0.8 million from \$1.9 million in the prior year. Expenditures in the systems development charges fund decreased to \$0.3 million from \$0.6 million. Major projects included street improvements and parks projects.

## City Facilities, Parks and Transportation Bond Fund

This capital projects fund was created in fiscal year 2019 to track spending related to the G.O. Bond issuance in August 2018. Revenues increased from \$61k in the prior year to \$259k in the current year, due to a increase in investment earnings. Capital outlay increased from \$1.8 million in the prior year to \$2.3 million in the current year due to a increase in project work over the last fiscal year.

## GENERAL FUND BUDGETARY HIGHLIGHTS

**Original budget compared to final budget.** The original appropriated budget was adjusted as shown below during the fiscal year. The final appropriated budget amounts to \$24.9 million, which includes \$1.0 million for contingencies.

General Fund Appropriated Budget	Original Budget	Final Budget	Difference
Expenditures	\$ 22,965,000	\$ 22,913,000	\$ (52,000)
Transfers to other funds	945,000	997,000	52,000
Contingency	1,007,000	1,007,000	-
	<u>\$ 24,917,000</u>	<u>\$ 24,917,000</u>	<u>\$ -</u>

**Final budgeted revenues compared to actual revenues.** The most significant difference between estimated revenues that were budgeted in the second year of the biennium and actual revenues were as follows:

General Fund Estimated Revenues	Biennium Estimated Revenues	Less FY 2022 Estimated Revenues	FY 2023 Estimated Revenues	FY 2023 Actual Revenues	Difference
Intergovernmental	\$ 2,700,000	\$ (2,700,000)	\$ -	\$ 2,988,357	\$ 2,988,357

Intergovernmental revenues have come in higher than our second year estimates by \$2,988,357 or 100 percent. This is due to a lag in the ARPA funding that pushed each years distribution to the following fiscal year. In addition, the City received FEMA funding for the 2021 ice storm.

**Final budgeted expenditures compared to actual expenditures.** The most significant differences between estimated expenditures that were budgeted in the first year of the biennium and actual expenditures were as follows:

General Fund	Biennium Estimated Expenditures	Less FY 2022 Estimated Expenditures	FY 2023 Estimated Expenditures	FY 2023 Actual Expenditures	Difference
Estimated Expenditures					
Public Works Support	3,626,000	(1,790,000)	1,836,000	1,607,647	228,353
Vehicle and Equipment Maintenance	847,000	(420,000)	427,000	250,624	176,376
Nondepartmental	5,450,000	(4,394,000)	1,056,000	822,347	233,653

Expenditures in the Public Works Support Services department of the general fund came in \$228,353 under second year estimates. Expenditures in the Vehicle and Equipment Maintenance department of the general fund came in \$176,376 under second year estimates. The variance for both departments are due to changes in personnel and vacancies. In Nondepartmental, Subscription Based Information Technology Agreements had \$300k budgeted prior to implementation. Only \$88k was spent.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

As of June 30, 2023, the City had invested \$292.9 million in capital assets, net of depreciation as reflected in the following table. This represents a net increase (additions, deductions and depreciation) of \$3.7 million in fiscal year 2022-23. Governmental capital assets totaled \$246.8 million while business-type capital assets totaled \$46.1 million.

**Table 3**  
**Capital Assets as of June 30<sup>th</sup>**  
*(net of depreciation, in millions)*

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land and easements	\$ 192.9	\$ 192.9	\$ 0.5	\$ 0.5	\$ 193.4	\$ 193.4
Buildings and improvements	27.8	29.3	0.3	0.3	28.1	29.6
Vehicles and equipment	2.1	2.1	1.3	1.2	3.4	3.3
Infrastructure	14.1	13.8	41.2	41.5	55.3	55.3
Construction in progress	9.9	5.9	2.8	1.7	12.7	7.6
Capital assets, net	<u>\$ 246.8</u>	<u>\$ 244.0</u>	<u>\$ 46.1</u>	<u>\$ 45.2</u>	<u>\$ 292.9</u>	<u>\$ 289.2</u>

The following table reconciles the change in capital assets for the fiscal year. Expenditures for construction projects in progress at fiscal year-end are included in additions. Reductions are for capital asset dispositions and transfers of construction projects in progress that were completed during the fiscal year. Additions include capital contributions from outside developers with the revenue from these contributions reflected in program revenues on the *Statement of Activities*.



**Table 4**  
**Change in Capital Assets**  
*(in millions)*

	Governmental Activities		Business-type Activities		Total	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Beginning balance	\$ 244.0	\$ 243.0	\$ 45.2	\$ 45.7	\$ 289.2	\$ 288.7
Additions	5.6	3.9	2.9	1.6	8.5	5.5
Reductions and adjustments	-	(0.3)	-	(0.2)	-	(0.5)
Depreciation	(2.8)	(2.6)	(2.0)	(1.9)	(4.8)	(4.5)
Ending balance	<u>\$ 246.8</u>	<u>\$ 244.0</u>	<u>\$ 46.1</u>	<u>\$ 45.2</u>	<u>\$ 292.9</u>	<u>\$ 289.2</u>

Assets utilized in governmental activities increased by a net \$2.8 million. This change includes increases in building, machinery and equipment, and sidewalk improvements, offset by depreciation. Capital asset additions include completion of various projects throughout the community. Additional detail on the City's capital assets can be found in the capital assets note on page 46 of this report.

### Debt Outstanding

As of the end of the fiscal year, the City had \$38.5 million in long-term bonded debt obligations outstanding – a increase of 37% from the prior year – as shown in Table 5. Additional detail on the City's long-term debt obligations can be found in the long-term debt obligations note on page 50 of this report.

**Table 5**  
**Outstanding Long-term Debt Obligations as of June 30<sup>th</sup>**  
*(in millions)*

	2023	2022
Governmental Activities:		
General obligation bonds	\$ 24.1	\$ 24.9
Full faith and credit obligations	1.5	1.8
Sub-total	25.6	26.7
Business-type Activities:		
Full faith and credit obligations	12.9	1.5
Total	<u>\$ 38.5</u>	<u>\$ 28.2</u>

During fiscal year 2022-23, \$11.5 million of full faith and credit obligation bonds were issued to pay for water line maintenance. With this bond issue which closed in February 2023, Standard and Poor's maintained the City's bond rating of AA+.

Under Oregon Revised Statutes, general obligation debt issues are limited to three percent of the real market value of all taxable property within the City's boundaries. The \$24.1 million in general obligation debt applicable to this limit is well below the City's \$222.0 million maximum limitation.

## **Economic Factors**

The City of West Linn is predominantly residential in nature, with commercial property representing less than five percent of the City's taxable assessed value. Therefore, the City receives a significant share of its revenue directly from local residents in the form of property taxes and charges for services.

The State of Oregon does not have a sales tax, making property taxes a primary funding source for general government, public safety, and culture and recreation services provided by the City. The underlying taxable assessed values continue to be below real market values, and are currently about 58 percent; therefore, real market values would have to decrease by approximately 42 percent before the City's property tax revenues would be negatively impacted.

The largest resource used for governmental activities, at 38 percent, consisted of charges for service, including permits, licenses, recreation charges, and system development charges. Property tax revenue, the next largest revenue source, provided 26 percent of the resources used for governmental activities. To maintain service levels and reduce the reliance on a local option levy requiring a vote every five years, the City implemented fees for parks and street maintenance to offset the foregone property tax revenue. Property taxes for general operations increased slightly over the last year and investment earnings increased slightly due to the increase in interest rates.

The business-type activities are funded with utility fees and charges. Utility rate increases are restricted by a Charter provision limiting annual utility rate increases to no more than five percent without a vote of the citizens. These annual five percent rate increases are consistent with financial proformas. Similar rate increases are anticipated over the next several years to generate sufficient revenue to fund operations and provide adequate funds for anticipated capital replacement projects.

## **Requests for Information**

This City's financial statements are designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability of the resources it receives and expends. If you have questions about this report, or need additional financial information, contact the Finance Director at City of West Linn, 22500 Salamo Road, West Linn, Oregon 97068 or e-mail [lbreithaupt@westlinnoregon.gov](mailto:lbreithaupt@westlinnoregon.gov).

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## **BASIC FINANCIAL STATEMENTS**

*Statement of Net Position*

*Statement of Activities*

*Fund Financial Statements*

*Notes to Basic Financial Statements*

**CITY OF WEST LINN, OREGON**

**STATEMENT OF NET POSITION**

**JUNE 30, 2023**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS:</b>			
Cash and investments	\$ 25,827,022	\$ 24,667,068	\$ 50,494,090
Restricted cash and investments	18,072,336	-	18,072,336
Property taxes receivable	429,262	-	429,262
Accounts receivable, net of allowance	2,196,765	1,820,307	4,017,072
Loans Receivable	146,208	5,147	151,355
Lease Receivable	-	346,350	346,350
Prepaid expenses	382,463	-	382,463
Net OPEB asset	217,988	24,472	242,460
Capital assets not being depreciated:			
Land and easements	192,929,093	482,625	193,411,718
Construction in progress	9,849,141	2,806,406	12,655,547
Capital assets net of accumulated depreciation:			
Buildings and improvements	27,757,321	310,976	28,068,297
Vehicles and equipment	2,096,725	1,257,206	3,353,931
Infrastructure	14,139,867	41,203,917	55,343,784
Investment in joint venture	-	12,740,474	12,740,474
<b>TOTAL ASSETS</b>	<b>294,044,191</b>	<b>85,664,948</b>	<b>379,709,139</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred charge on refunding	21,583	-	21,583
Deferred outflows of resources - pension	4,680,794	525,495	5,206,289
Deferred outflows of resources - OPEB	137,389	15,424	152,813
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>4,839,766</b>	<b>540,919</b>	<b>5,380,685</b>
<b>LIABILITIES:</b>			
Accounts payable	2,686,726	1,271,278	3,958,004
Accrued salaries and payroll taxes payable	546,905	41,610	588,515
Accrued interest payable	66,533	70,089	136,622
Deposits and other liabilities	1,084,567	-	1,084,567
Noncurrent liabilities:			
Due within one year	1,898,173	405,973	2,304,146
Due in more than one year	38,417,455	15,256,963	53,674,418
<b>TOTAL LIABILITIES</b>	<b>44,700,359</b>	<b>17,045,913</b>	<b>61,746,272</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflows of resources - pension	4,462,729	501,014	4,963,743
Deferred inflows of resources - OPEB	221,587	24,877	246,464
Deferred inflows of resources - leases	-	346,350	346,350
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>4,684,316</b>	<b>872,241</b>	<b>5,556,557</b>
<b>NET POSITION:</b>			
Net investment in capital assets	226,682,958	43,442,901	270,125,859
Restricted for:			
Library endowment, nonexpendable	157,300	-	157,300
Debt service	498,883	-	498,883
Building operations	1,530,290	-	1,530,290
OPEB Asset	217,988	24,472	242,460
McLean House	55,493	-	55,493
Capital projects	8,125,287	-	8,125,287
Unrestricted	12,231,083	24,820,340	37,051,423
<b>TOTAL NET POSITION</b>	<b>\$ 249,499,282</b>	<b>\$ 68,287,713</b>	<b>\$ 317,786,995</b>

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

**CITY OF WEST LINN, OREGON**

**STATEMENT OF ACTIVITIES**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

FUNCTION / PROGRAM	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>GOVERNMENTAL ACTIVITIES:</b>							
General government	\$ 10,193,072	\$ 9,552,937	\$ 3,363,843	\$ -	\$ 2,723,708	\$ -	\$ 2,723,708
Culture and recreation	8,643,585	3,287,601	2,672,067	21,239	(2,662,678)	-	(2,662,678)
Public safety	9,560,757	860,369	685,491	-	(8,014,897)	-	(8,014,897)
Highways and streets	3,421,138	2,322,302	3,694,014	164,555	2,759,733	-	2,759,733
Interest on long-term debt	839,473	-	-	-	(839,473)	-	(839,473)
TOTAL GOVERNMENTAL ACTIVITIES	32,658,025	16,023,209	10,415,415	185,794	(6,033,607)	-	(6,033,607)
<b>BUSINESS-TYPE ACTIVITIES:</b>							
Water	5,240,182	6,713,521	70,098	102,405	-	1,645,842	1,645,842
Environmental services	3,951,573	4,504,233	61,276	403,168	-	1,017,104	1,017,104
TOTAL BUSINESS-TYPE ACTIVITIES	9,191,755	11,217,754	131,374	505,573	-	2,662,946	2,662,946
TOTAL ACTIVITIES	<u>\$ 41,849,780</u>	<u>\$ 27,240,963</u>	<u>\$ 10,546,789</u>	<u>\$ 691,367</u>	<u>(6,033,607)</u>	<u>2,662,946</u>	<u>(3,370,661)</u>
GENERAL REVENUES:							
Property taxes, levied for general purposes					8,887,757	-	8,887,757
Property taxes, levied for debt service					1,691,866	-	1,691,866
Franchise taxes					2,274,049	-	2,274,049
Grants and contributions not restricted to specific programs					128,259	-	128,259
Unrestricted investment earnings					1,354,934	328,713	1,683,647
TOTAL GENERAL REVENUES					14,336,865	328,713	14,665,578
CHANGE IN NET POSITION					8,303,258	2,991,659	11,294,917
NET POSITION - beginning					241,193,726	65,296,054	306,489,780
RESTATEMENT (see note)					2,298	-	2,298
NET POSITION - beginning, restated					241,196,024	65,296,054	306,492,078
NET POSITION - ending					\$ 249,499,282	\$ 68,287,713	\$ 317,786,995

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

## CITY OF WEST LINN, OREGON

## GOVERNMENTAL FUNDS

## BALANCE SHEET

JUNE 30, 2023

	General Fund	Public Safety Fund	Parks and Recreation Fund	Library Fund	Street Fund	Systems Development Charges Fund	City Facilities, Parks, and Transportation Bond Fund	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS:</b>									
Cash and investments	\$ 10,259,286	\$ 2,582,332	\$ 1,796,736	\$ 660,345	\$ 9,670,785	\$ -	\$ -	\$ 857,538	\$ 25,827,022
Restricted cash and investments	-	-	55,493	157,300	-	7,292,089	8,545,034	2,022,420	18,072,336
Property taxes receivable	-	244,018	68,496	47,091	-	-	-	69,657	429,262
Accounts receivable (net)	200,900	500,641	597,928	-	618,896	-	-	156,400	2,074,765
Loans receivable	1,064	-	-	-	20,203	124,941	-	-	146,208
Prepaid expenditures	382,463	-	-	-	-	-	-	-	382,463
<b>TOTAL ASSETS</b>	<b>\$ 10,843,713</b>	<b>\$ 3,326,991</b>	<b>\$ 2,518,653</b>	<b>\$ 864,736</b>	<b>\$ 10,309,884</b>	<b>\$ 7,417,030</b>	<b>\$ 8,545,034</b>	<b>\$ 3,106,015</b>	<b>\$ 46,932,056</b>
<b>LIABILITIES:</b>									
Accounts payable	\$ 359,548	\$ 26,823	\$ 139,176	\$ 12,578	\$ 1,221,430	\$ 93,554	\$ 665,048	\$ 46,569	\$ 2,564,726
Accrued salaries and payroll taxes	190,608	169,605	79,577	53,655	19,919	-	-	33,541	546,905
Deposits and other liabilities	720,136	-	65,392	-	133,338	-	138,806	26,895	1,084,567
<b>TOTAL LIABILITIES</b>	<b>1,270,292</b>	<b>196,428</b>	<b>284,145</b>	<b>66,233</b>	<b>1,374,687</b>	<b>93,554</b>	<b>803,854</b>	<b>107,005</b>	<b>4,196,198</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>									
Unavailable revenue - court fines	156,743	-	-	-	-	-	-	-	156,743
Unavailable revenue - bancroft loans	1,064	-	-	-	20,203	124,940	-	-	146,207
Unavailable revenue - misc.	-	-	102,125	-	1,070	-	-	-	103,195
Unavailable revenue - property taxes	-	150,936	42,368	29,128	-	-	-	43,086	265,518
<b>TOTAL DEFERRED INFLOWS</b>	<b>157,807</b>	<b>150,936</b>	<b>144,493</b>	<b>29,128</b>	<b>21,273</b>	<b>124,940</b>	<b>-</b>	<b>43,086</b>	<b>671,663</b>
<b>FUND BALANCES:</b>									
Non-spendable	382,463	-	-	157,300	-	-	-	-	539,763
Restricted	-	-	55,493	-	-	7,198,536	7,741,180	2,029,173	17,024,382
Committed	-	2,979,627	2,034,522	612,075	8,913,924	-	-	926,751	15,466,899
Unassigned	9,033,151	-	-	-	-	-	-	-	9,033,151
<b>TOTAL FUND BALANCES</b>	<b>9,415,614</b>	<b>2,979,627</b>	<b>2,090,015</b>	<b>769,375</b>	<b>8,913,924</b>	<b>7,198,536</b>	<b>7,741,180</b>	<b>2,955,924</b>	<b>42,064,195</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 10,843,713</b>	<b>\$ 3,326,991</b>	<b>\$ 2,518,653</b>	<b>\$ 864,736</b>	<b>\$ 10,309,884</b>	<b>\$ 7,417,030</b>	<b>\$ 8,545,034</b>	<b>\$ 3,106,015</b>	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources  
and, therefore, are not reported in funds. 246,772,147

Other assets are not available to pay for current-period expenditures and,  
therefore, are deferred in the funds:

Deferred charge on refunding	\$ 21,583	
Deferred outflows of resources - pension	4,680,794	
Net OPEB benefit resource	217,988	
Deferred outflows of resources - OPEB	137,389	5,057,754

Liabilities and deferred inflows of resources, including accrued liabilities  
and bonds payable are not due and payable in the current period and,  
therefore, are not reported in funds:

Unavailable revenue - court fines	156,743	
Unavailable revenue - bancroft loans	146,207	
Unavailable revenue - misc.	103,195	
Unavailable revenue - property taxes	265,518	
Accrued compensated absences	(1,197,055)	
Accrued interest	(66,533)	
Net pension liability	(12,082,037)	
Long-term bonded debt obligations	(25,640,000)	
Bond premium	(358,665)	
Lease Obligations	(226,289)	
SBITA Obligations	(61,011)	
Deferred inflows of resources - pension	(4,462,729)	
Deferred inflows of resources - OPEB	(221,587)	
Net other postemployment benefit liability	(750,571)	(44,394,814)

Net position of governmental activities \$ 249,499,282

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

## CITY OF WEST LINN, OREGON

## GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	Public Safety Fund	Parks and Recreation Fund	Library Fund	Street Fund	Systems Development Charges Fund	City Facilities, Parks, and Transportation Bond Fund	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES:</b>									
Property taxes	\$ -	\$ 6,072,587	\$ 1,704,586	\$ 1,171,903	\$ -	\$ -	\$ -	\$ 1,704,789	\$ 10,653,865
Intergovernmental	2,988,357	678,491	835,777	1,836,290	3,694,014	-	-	375,486	10,408,415
Franchise taxes	-	1,922,948	-	-	189,772	-	-	161,329	2,274,049
Fines and forfeitures	316,720	10,308	-	17,642	-	-	-	-	344,670
Licenses and permits	239,583	31,413	-	-	-	-	-	915,447	1,186,443
Charges for services	8,271,000	-	3,269,959	-	2,322,302	-	-	526,542	14,389,803
Systems development charges	-	-	-	-	-	160,520	-	-	160,520
Investment earnings	211,820	59,690	37,258	19,083	149,028	593,330	258,968	25,757	1,354,934
Miscellaneous	78,570	13,025	13,528	1,180	14,996	-	-	6,960	128,259
<b>TOTAL REVENUES</b>	<b>12,106,050</b>	<b>8,788,462</b>	<b>5,861,108</b>	<b>3,046,098</b>	<b>6,370,112</b>	<b>753,850</b>	<b>258,968</b>	<b>3,716,310</b>	<b>40,900,958</b>
<b>EXPENDITURES:</b>									
Current:									
General government	9,115,813	-	-	-	-	34,270	-	968,277	10,118,360
Cultural and recreation	-	-	4,536,018	3,054,893	-	-	-	-	7,590,911
Public safety	-	8,535,516	-	-	-	-	-	900,488	9,436,004
Highways and streets	-	-	-	-	2,431,677	-	-	-	2,431,677
Debt service:									
Principal	202,161	-	60,863	-	112,500	-	-	853,329	1,228,853
Interest	25,393	-	11,187	-	28,762	-	-	777,071	842,413
Capital outlay	140,751	206,022	1,004,368	-	1,586,983	270,947	2,349,258	-	5,558,329
<b>TOTAL EXPENDITURES</b>	<b>9,484,118</b>	<b>8,741,538</b>	<b>5,612,436</b>	<b>3,054,893</b>	<b>4,159,922</b>	<b>305,217</b>	<b>2,349,258</b>	<b>3,499,165</b>	<b>37,206,547</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,621,932</b>	<b>46,924</b>	<b>248,672</b>	<b>(8,795)</b>	<b>2,210,190</b>	<b>448,633</b>	<b>(2,090,290)</b>	<b>217,145</b>	<b>3,694,411</b>
<b>OTHER FINANCING SOURCES (USES):</b>									
Proceeds from lease obligations	-	-	97,920	-	-	-	-	-	97,920
Proceeds from SBITA	140,751	-	-	-	-	-	-	-	140,751
Proceeds from sale of capital assets	-	40,067	11,314	-	-	-	-	-	51,381
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>140,751</b>	<b>40,067</b>	<b>109,234</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>290,052</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>2,762,683</b>	<b>86,991</b>	<b>357,906</b>	<b>(8,795)</b>	<b>2,210,190</b>	<b>448,633</b>	<b>(2,090,290)</b>	<b>217,145</b>	<b>3,984,463</b>
<b>FUND BALANCES - beginning</b>	<b>6,652,931</b>	<b>2,892,636</b>	<b>1,732,109</b>	<b>778,170</b>	<b>6,703,734</b>	<b>6,749,903</b>	<b>9,831,470</b>	<b>2,738,779</b>	<b>38,079,732</b>
<b>FUND BALANCES - ending</b>	<b>\$ 9,415,614</b>	<b>\$ 2,979,627</b>	<b>\$ 2,090,015</b>	<b>\$ 769,375</b>	<b>\$ 8,913,924</b>	<b>\$ 7,198,536</b>	<b>\$ 7,741,180</b>	<b>\$ 2,955,924</b>	<b>\$ 42,064,195</b>

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



**CITY OF WEST LINN, OREGON**

**RECONCILIATION OF STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds (page 31)		\$ 3,984,463
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay.		
Capital outlay	\$ 5,558,329	
Depreciation expense	<u>(2,760,575)</u>	2,797,754
The net effect of transactions involving capital assets (i.e., sales, trade-ins, donations, and transfers) is to increase net position.		(20,385)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(132,462)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of bond premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Proceeds from bonds issued	-	
Proceeds from lease obligations	(97,920)	
Proceeds from SBITA	(140,751)	
Plus bond premium	-	
Deferred charge on refunding	21,583	
Payments to refunded bond escrow agent	(51,381)	
Adjustments to principal repayments on capital lease	(1,959)	
Adjustments to principal repayments on SBITA	35,327	
Principal repayments on long-term debt	<u>1,228,853</u>	993,752
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Accrued compensated absences payable	(87,799)	
Accrued interest payable	2,940	
Net other postemployment benefit liability	29,334	
Net pension liability	731,898	
Amortization of deferred charge on refunding	(25,181)	
Amortization of bond premium	<u>28,944</u>	680,136
Change in net position of governmental activities (page 29)		<u><u>\$ 8,303,258</u></u>

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

## CITY OF WEST LINN, OREGON

## PROPRIETARY FUNDS

## STATEMENT OF NET POSITION

JUNE 30, 2023

	Business-type Activities - Enterprise Funds		
	Water Fund	Environmental Services Fund	Total
<b>ASSETS:</b>			
Current assets:			
Cash and investments	\$ 18,223,849	\$ 6,443,219	\$ 24,667,068
Accounts receivable, net of allowance for doubtful accounts	852,895	967,412	1,820,307
Lease receivable	346,350	-	346,350
Loans receivable	163	395	558
Total current assets	<u>19,423,257</u>	<u>7,411,026</u>	<u>26,834,283</u>
Noncurrent assets:			
Net OPEB asset	12,689	11,783	24,472
Capital assets not being depreciated	778,268	2,510,763	3,289,031
Capital assets, net of accumulated depreciation	22,065,266	20,706,833	42,772,099
Loans receivable	1,339	3,250	4,589
Investment in joint venture	12,740,474	-	12,740,474
Total noncurrent assets	<u>35,598,036</u>	<u>23,232,629</u>	<u>58,830,665</u>
TOTAL ASSETS	<u>55,021,293</u>	<u>30,643,655</u>	<u>85,664,948</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows of resources - pension	272,479	253,016	525,495
Deferred outflows of resources - OPEB	7,998	7,426	15,424
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>280,477</u>	<u>260,442</u>	<u>540,919</u>
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable	504,456	766,822	1,271,278
Accrued salaries and payroll taxes payable	25,426	16,184	41,610
Accrued compensated absences payable	33,352	30,988	64,340
Accrued interest payable	70,089	-	70,089
Lease Payable - due within one year	11,411	10,222	21,633
Bonds payable - due within one year	320,000	-	320,000
Total current liabilities	<u>964,734</u>	<u>824,216</u>	<u>1,788,950</u>
Noncurrent liabilities:			
Leases payable	19,041	15,635	34,676
Bonds payable	13,711,920	-	13,711,920
Net pension liability	703,320	653,083	1,356,403
Accrued compensated absences payable	36,131	33,570	69,701
Net other postemployment benefit liability	43,692	40,571	84,263
Total noncurrent liabilities	<u>14,514,104</u>	<u>742,859</u>	<u>15,256,963</u>
TOTAL LIABILITIES	<u>15,478,838</u>	<u>1,567,075</u>	<u>17,045,913</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflows of resources - pension	259,785	241,229	501,014
Deferred inflows of resources - OPEB	12,899	11,978	24,877
Deferred inflows of resources - leases	346,350	-	346,350
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>619,034</u>	<u>253,207</u>	<u>872,241</u>
<b>NET POSITION:</b>			
Net investment in capital assets	20,251,162	23,191,739	43,442,901
Restricted for OPEB Asset	12,689	11,783	24,472
Unrestricted	18,940,047	5,880,293	24,820,340
TOTAL NET POSITION	<u>\$ 39,203,898</u>	<u>\$ 29,083,815</u>	<u>\$ 68,287,713</u>

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

## CITY OF WEST LINN, OREGON

## PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Funds		
	Water Fund	Environmental Services Fund	Total
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 5,543,276	\$ 4,425,076	\$ 9,968,352
Systems development charges	17,533	19,969	37,502
Other operating revenues	136,647	59,188	195,835
TOTAL OPERATING REVENUES	5,697,456	4,504,233	10,201,689
<b>OPERATING EXPENSES:</b>			
Salaries and wages	708,643	671,543	1,380,186
Materials and supplies	3,634,422	2,113,989	5,748,411
Depreciation	848,907	1,164,884	2,013,791
TOTAL OPERATING EXPENSES	5,191,972	3,950,416	9,142,388
OPERATING INCOME	505,484	553,817	1,059,301
<b>NONOPERATING INCOME (EXPENSE):</b>			
Intergovernmental	70,098	61,276	131,374
Net gain on investment in joint venture	1,016,065	-	1,016,065
Gain on disposal of capital assets	-	-	-
Interest income	214,894	113,819	328,713
Interest expense	(48,210)	(1,157)	(49,367)
TOTAL NONOPERATING INCOME (EXPENSE)	1,252,847	173,938	1,426,785
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	1,758,331	727,755	2,486,086
CAPITAL CONTRIBUTIONS	102,405	403,168	505,573
CHANGE IN NET POSITION	1,860,736	1,130,923	2,991,659
NET POSITION - beginning	37,343,162	27,952,892	65,296,054
NET POSITION - ending	\$ 39,203,898	\$ 29,083,815	\$ 68,287,713

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

## CITY OF WEST LINN, OREGON

## PROPRIETARY FUNDS

## STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Funds		
	Water Fund	Environmental Services Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers and users of services	\$ 6,024,595	\$ 4,515,425	\$ 10,540,020
Payments to suppliers for goods and services	(3,350,253)	(2,237,933)	(5,588,186)
Payments to employees for services	(734,731)	(701,955)	(1,436,686)
NET CASH FROM OPERATING ACTIVITIES	1,939,611	1,575,537	3,515,148
<b>CASH FLOWS FROM (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Intergovernmental	70,099	61,276	131,375
Principal paid on capital debt	(222,082)	-	(222,082)
Interest paid on capital debt	17,996	(1,157)	16,839
Proceeds from bonds issued	12,663,495	-	12,663,495
Acquisition and construction of capital assets	(594,949)	(1,781,437)	(2,376,386)
NET CASH FROM (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	11,934,559	(1,721,318)	10,213,241
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest earnings received on investments	214,894	113,819	328,713
NET INCREASE IN CASH AND INVESTMENTS	14,089,064	(31,962)	14,057,102
CASH AND INVESTMENTS - beginning	4,134,785	6,475,181	10,609,966
CASH AND INVESTMENTS - ending	\$ 18,223,849	\$ 6,443,219	\$ 24,667,068
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES:</b>			
Operating income	\$ 505,484	\$ 553,817	\$ 1,059,301
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation expense	848,907	1,164,884	2,013,791
Pension expense (income)	(40,721)	(37,810)	(78,531)
Decrease (increase) in accounts receivable	(149,129)	13,491	(135,638)
Decrease (increase) in lease receivable	136,866	-	136,866
Decrease (increase) in deferred inflow - leases	346,350	-	346,350
Decrease (increase) in loans receivable	4,412	7,874	12,286
Increase (decrease) in accounts payable	284,169	(123,944)	160,225
Increase (decrease) in lease payable	(11,360)	(10,173)	(21,533)
Increase (decrease) in accrued salaries and payroll taxes payable	3,411	5,713	9,124
Increase (decrease) in accrued compensated absences payable	12,832	3,181	16,013
Increase (decrease) in net other postemployment benefit liability	(1,610)	(1,496)	(3,106)
NET CASH FROM OPERATING ACTIVITIES	\$ 1,939,611	\$ 1,575,537	\$ 3,515,148
<b>NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>			
Contributions of capital assets	\$ 102,405	\$ 403,168	\$ 505,573
Gain on investment in joint venture	1,016,065	-	1,016,065

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

## CITY OF WEST LINN, OREGON

### Notes to Basic Financial Statements

June 30, 2023

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#### 1. Summary of Significant Accounting Policies

The financial statements of the City of West Linn, Oregon (the City) have been prepared in accordance 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.

#### Reporting Entity

The City is a municipal corporation, incorporated in 1913. It operates under its own charter with a Council/City Manager form of government. The Councilors, composed of the Mayor and four council members, comprise the legislative branch of the government. Individual departments are under the direction of the City Manager who is appointed by the Council.

The City provides a full range of municipal services to the community, which includes police protection and municipal court services, traffic control and improvement, street maintenance and improvement, water, sewer and surface water management services, planning and zoning regulation, building inspection and regulation, parks and recreation services, and community library services.

#### Basis of Presentation – Government-wide 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* display information about the City as a whole. 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. These aggregated statements consist of the *Statement of Net Position* and the *Statement of Activities*.

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the net difference reported as net position.

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 attributable to a specific program are reported as general revenues.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include charges between the City's business-type activities/enterprise funds, as well as some special revenue funds, and the general fund. The City

allocates charges as reimbursement for services provided by the general fund in support of those functions based on levels of service provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. These charges are included in direct program expenses.

## **Basis of Presentation – Fund Financial Statements**

*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. Currently, the City has only governmental and proprietary type funds. Major individual governmental funds and major individual enterprise funds are reported in the fund financial statements and in separate columns in the financial section of the basic 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 combining and individual fund statements and schedules, located in the other supplementary information section.

The City reports the following major governmental funds:

- *General Fund*  
Accounts for the City's legislative activities and administration, human resources, finance, information technology, municipal court, facilities, public works support services, vehicle and equipment maintenance, and related debt service. The primary revenue sources are reimbursement charges for services to other funds, fines and forfeitures, licenses and permits, and intergovernmental revenues.
- *Public Safety Fund*  
Accounts for the activities of the City's police department. The primary revenues are an allocation of the City's property tax levy, franchise taxes, and intergovernmental revenue committed to that purpose.
- *Parks and Recreation Fund*  
Accounts for the operation and maintenance of the City's park and recreation programs. The primary sources of revenue include an allocation of the City's property tax levy and charges for services.
- *Library Fund*  
Accounts for the operation of the City's library facility. The primary revenue sources include the County's library district levy, an allocation of the City's property tax levy, intergovernmental revenues, and fines and forfeitures.
- *Street Fund*  
Accounts for the operation and maintenance of the City's street and sidewalk systems including medians. The primary sources of revenue are intergovernmental revenues and charges for services committed to construction and maintenance of these systems.
- *Systems Development Charges Fund*  
Accounts for the receipt and expenditures of systems development charges (SDCs) restricted to streets, surface water, water, sewer, parks, and bike/pedestrian.
- *City Facilities, Parks, and Transportation Bond Fund*  
This fund accounts for bond proceeds used for the acquisition of land and improvements.

Additionally, the City reports non-major funds within the governmental fund types:

- *Special Revenue Funds*  
These funds account for the receipt and expenditure of restricted and committed revenue sources.
- *Debt Service Fund*  
This fund accounts for the accumulation of resources for the payment of general obligation bond principal and interest.

The City reports each of its two proprietary funds as major funds:

- *Water Fund*  
This fund accounts for the operation and maintenance of water service and distribution facilities.
- *Environmental Services Fund*  
This fund accounts for the operation and maintenance of the sewer and surface water collection and treatment systems.

### **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. The government-wide financial statements are presented on a full accrual basis of accounting with an economic resource measurement focus, as are the proprietary fund financial statements. An economic resource focus concentrates on an entity or fund's net position. All transactions and events that affect the total economic resources (net position) during the period are reported. An economic resources measurement focus is inextricably connected with full accrual accounting. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash inflows and outflows.

Governmental fund financial statements are presented on a modified accrual basis of accounting with a current financial resource measurement focus. The measurement focus concentrates on the fund's resources available for spending currently or in the near future. Only transactions and events affecting the fund's current financial resources during the period are reported. Similar to the connection between an economic resource measurement focus and full accrual basis of accounting, a current financial resource measurement focus is inseparable from a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become *measurable* and *available*). *Measurable* means the amount of the transaction can be determined and revenues are considered *available* when they are collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues considered susceptible to accrual are property taxes, state, county and local shared revenues, franchise taxes, intergovernmental revenues, and investment income.

An unavailable revenue deferred inflow arises on the balance sheets of the governmental funds when potential revenue does not meet both the *measurable* and *available* criteria for recognition in the current period. This unavailable revenue consists primarily of uncollected property taxes not deemed available to finance operations of the current period. In the government-wide statement of activities, with a full accrual basis of accounting, revenue must be recognized as soon as it is earned regardless of its availability. Thus, the deferred inflow created on the balance sheets of the governmental funds for unavailable revenue, is eliminated.

Similar to the way its revenues are recorded, governmental funds only record those expenditures that affect current financial resources. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. In the government-wide financial statements, however, with a full accrual basis of accounting, all expenses affecting the economic resource status of the government are recognized.

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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of sales and services, administrative overhead, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues, expenses and capital contributions.

## **Assets, Liabilities, Deferred Outflows and Deferred Inflows of Resources, and Net Position**

### **Cash and Investments**

Cash is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments consist of funds held in the Oregon State Treasurer's Local Government Investment Pool (LGIP). The individual funds' portion of the LGIP's fair value is presented as "Cash and Investments" in the basic financial statements. Investments in the LGIP are stated at share value, which approximates fair value, and is the value at which the shares can be withdrawn.

The LGIP is administered by the Oregon State Treasury. The LGIP is an 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 public funds. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP.

The City's investment policy, adopted by the City Council, essentially mirrors the requirements of the Oregon Revised Statutes. Currently, the City's investment portfolio includes primarily investments in the LGIP.



## Receivables and Revenues

Property taxes are levied on and become a lien against property on July 1 of the year in which they are due. Collection dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is paid by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

In the fund financial statements, property tax receivables that are collected within 60 days after the end of fiscal year are considered *measurable* and *available*, and therefore, are recognized as revenue. The property taxes receivable portion beyond 60 days is recorded as deferred inflows of resources. Assessments are recognized as receivables at the time property owners are assessed on property improvements. These receivables are entirely offset by deferred inflows of resources, as assessment revenue is recognized upon collection.

In the government-wide financial statements, property tax receivables and billings for parks and street fees are recognized as revenue when earned net of an allowance for uncollectible amounts.

In the proprietary funds, receivables include services provided but not billed. The enterprise funds' receivables include billings for residential and commercial customers utilizing the City's water, sewer, and storm water services and are reported net of an allowance for uncollectible amounts, which is determined based upon an estimated percentage of the receivable balance.

## Prepaid Expenses

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 prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

## Capital Assets

Purchased or constructed capital assets acquired prior to June 30, 2008 are recorded at estimated historical cost with subsequent additions at cost. Donated capital assets are recorded at their acquisition value at the time of donation. Infrastructure (bridges, roads, and drainage systems) acquired during the year have been recorded at cost or fair value if donated by developers. The City defines capital assets as assets with an initial cost of more than \$10,000 and an estimated useful life of more than one year. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' useful lives are not capitalized.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

	Useful Lives <u>(in years)</u>
Buildings and structures	25 – 50
Improvements other than buildings	10 – 20
Machinery and equipment	5 – 30
Vehicles	5 – 10
Infrastructure	20 – 50

## **Investment in Joint Venture**

Investment in joint venture with other governments is reported at cost plus or minus the City's share of operating income or loss utilizing the equity method of accounting for investments.

## **Accrued Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability reported for unpaid accumulated sick leave since the City, by policy, does not pay out sick leave banks when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental and proprietary funds only if they have matured, for example, as a result of termination or retirement.

## **Pension Liability**

In accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27*, the City's net pension liability, deferred inflows and outflows related to pensions, and pension expense have been determined on the basis reported by Oregon Public Employees Retirement System (OPERS).

## **Other Postemployment Benefit (Asset)/Liability**

In accordance with GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB), the City's net OPEB (asset)/liability, deferred inflows and outflows related to OPEB, and OPEB expense have been determined on the basis reported by Oregon Public Employees Retirement System (OPERS). These amounts are recognized in the government-wide financial statements in the General Fund.

## **Long-term Debt Obligations**

In the government-wide financial statements, and in the proprietary fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, and proprietary fund type statement of net position. When 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, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## **Deferred Outflows and Deferred Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents 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 has three types of deferred outflows that qualifies for reporting in this category. They relate to deferred charge on refundings, the City's pension plan consisting of employer contributions to OPERS after the measurement date, and the City's OPEB plans consisting of employer contribution to OPERS after the measurement date.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents 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 City has three type of deferred inflows, one of which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the deferred inflow, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and court fines. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the statement of net position, deferred inflows of resources related to the City's pension plan, leases, and OPEB plans are recognized. This consists of 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.

## **Fund Balance**

The City reports fund balance in the governmental funds within categories according to the relative constraints placed on these balances. These fund balance categories are:

- *Non-spendable* – Includes items that are not in a spendable form because they are either legally or contractually required to be maintained intact.
- *Restricted* – Includes items that are restricted by external creditors, grantors or contributors, or restricted by legal constitutional provisions.
- *Committed* – Includes items committed by resolution of the City Council. Commitments may be modified or rescinded by similar resolution.
- *Assigned* – Includes items assigned by specific uses, authorized by the City Manager and/or Finance Director/Chief Financial Officer.
- *Unassigned* – This is the residual classification used for those balances not assigned to another category in the General Fund. Deficit fund balance in other governmental funds are also presented as unassigned.

GAAP requires the highest legal authority to approve authorized commitments of fund balance and to approve who can authorize making assignments of fund balance. These requirements, to include designating the City Manager and/or Finance Director/Chief Financial Officer to make assignments of fund balance, were approved by the City Council on June 14, 2010, utilizing the highest relevant means appropriate for such action with Resolution No. 2010-23.

## **Net Position 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 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 resources are considered to have been applied. It is the City's policy to deplete restricted net position first before unrestricted net position is depleted.

## **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.

## **Library Endowment**

In 1981 the Wallace B. Caufield Trust endowed funds to the City where the principal is to be legally preserved and the interest can be used only to purchase books for the library. Interest is spent immediately and therefore, there are no available amounts at year end. This Trust called for an initial distribution followed by the splitting of the proceeds from the sale of a building with the City of Oregon City. The final distribution of this Trust occurred in 1982 after the Trust completed the sale of the building. As the amount of this endowment is immaterial to the financial statements as a whole, a separate permanent fund is not utilized. The City properly accounts for the legally restricted principal in the net position section of the *Statement of Net Position* as restricted cash and non-spendable fund balance on the library fund's *Balance Sheet*.

## **Use of Estimates**

The preparation of the financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows, the disclosure of contingent assets, liabilities and deferred inflows at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

## **2. Detailed Notes on All Funds**

### **Deposits and Investments**

The City maintains a common cash and investment pool for all City funds. The types of investments in which the City may invest are restricted by State of Oregon statutes and a Council adopted investment policy. Authorized investments consist of U.S. Treasury obligations including treasury notes, bonds and strips; Federal instrumentality securities from specific Federal Agencies; commercial paper rated at least A-1 or an equivalent rating; corporate bonds rated at least Aa or an equivalent rating; bankers acceptances rated at least Aa or an equivalent rating; Oregon State Treasurer's Local Government Investment Pool limited by state statute; certificates of deposits; repurchase agreements and obligations of the states of Oregon, California, Idaho and Washington rated AA or better.

As of June 30, 2023, the City's cash and investments were comprised of the following:

Cash on hand	\$ 1,375
Deposits with financial institutions	13,388,609
Oregon State Treasurer's Local Government Investment Pool	<u>55,176,442</u>
Total cash and investments	<u>\$ 68,566,426</u>

	Governmental Activities	Business-type Activities	Total
Cash and investments	\$ 25,827,022	\$ 24,667,068	\$ 50,494,090
Restricted cash and investments	<u>18,072,336</u>	<u>-</u>	<u>18,072,336</u>
Total cash and investments	<u>\$ 43,899,358</u>	<u>\$ 24,667,068</u>	<u>\$ 68,566,426</u>

*Deposits.* Deposits with financial institutions are comprised of bank demand deposits. To provide additional security required and authorized by Oregon Revised Statutes, Chapter 295, deposits above insurance limits are covered by collateral held in a multiple financial institution collateral pool administered by the State of Oregon. At the fiscal year end, bank balances of \$13,388,609 were covered by federal depository insurance (FDIC) or by collateral held by one or more of the State's authorized collateral pool managers. Cash on hand balances representing petty cash accounts are uninsured and uncollateralized.

*Interest rate risk.* In accordance with its investment policy, the City manages its exposure to declines in fair value by limiting the individual maturities in its investment portfolio to eighteen months or less.

*Credit risk.* State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the City's policy to limit its use of these investment types to the top two ratings issued by NRSROs, where applicable. The Oregon State Treasurer's Local Government Investment Pool (LGIP) is not rated by NRSROs.

*Concentration of credit risk.* The City's investment policy, as it relates to investing outside of the LGIP, does not allow for an investment in any one issuer that is in excess of five percent of the City's total investments (ORS 294.035).

*Custodial credit risk.* Custodial risk is the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. As of June 30, 2023, all City deposits are insured and are therefore not subject to custodial credit risk, below the 25% collateral of the program.

The City participates in an external investment pool, the LGIP. The LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. The State's investment policies are governed by the Oregon Revised Statutes (ORS) and the Oregon Investment Council (Council). The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury.

These investments are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which establishes diversification percentages and specifies investment types and maturities. The portion of the external investment pool belonging to local government participants is reported in an Investment Trust Fund in the State's Annual Comprehensive Financial Report. A copy of the State's Annual Comprehensive Financial Report may be obtained online at <https://www.oregon.gov/treasury/Pages/index.aspx> or by mail at the Oregon State Treasury, 350 Winter St. NE, Salem, Oregon 97301-3896.

## Receivables

As of June 30, 2023, accounts receivable are reflected in the basic financial statements net of an allowance for uncollectible accounts. The allowance for uncollectible accounts pertains to utility billing collections for parks, streets, water, sewer and surface water management fees.

Accounts, contracts and grants	\$ 8,482,787
Allowance for uncollectible accounts	<u>(4,465,715)</u>
Total accounts receivable	<u>\$ 4,017,072</u>
Accounts receivable - governmental activities	\$ 2,196,765
Accounts receivable - business-type activities	<u>1,820,307</u>
Total accounts receivable	<u>\$ 4,017,072</u>

## Leases and Loans Receivable

The City of West Linn has lease agreements with cellular phone companies to lease a water tower as a site for cellular antennas. The initial term of the leases were five years with options to extend the leases for four to five additional five year terms. Rental income of approximately \$136,000 for the fiscal year ended June 30, 2023, is reported in other operating revenues in the Water Fund.

Future minimum rentals related to the leases are as follows:

2024	142,228
2025	98,065
2026	101,866
2027	<u>4,191</u>
Total	<u>\$ 346,350</u>

The City of West Linn entered into a master agreement with a real estate developers to defer System Development Charges (SDCs) on newly developed properties within City limits. At the time the SDCs are due, the developer enters into a loan agreement with the City to defer the total SDCs over a period of a period of ten years in accordance with West Linn Municipal Code 4.445 and ORS 223.205 – 223.295 (the “Bancroft Bonding Act”). Liens are placed on each property for the total amount due. Payments are due to the City semi-annually, and the interest rate on each loan is the prime rate plus 1.0 percent at the time the loan is established. As of June 30, 2023, the City had one outstanding loan agreements with the developer.

## Investment in Joint Venture

South Fork Water Board (SFWB) operates a water distribution system jointly with the City of West Linn and the City of Oregon City, each party owning 50 percent. Revenues earned by SFWB are expended for the continued operation and maintenance of facilities within the municipal boundaries of these two cities. Upon dissolution of the SFWB, the net position will be shared 50 percent to each city. The SFWB is governed by a six-member board composed of three appointees from the City of West Linn and three from the City of Oregon City. The City’s net investment and its share of the operating results of the SFWB are reported in the City’s water fund. Net position of the City’s water fund increased \$1,016,065 from a net gain in fiscal year 2022-23. Complete financial statements for the SFWB can be obtained from the City of Oregon City Finance Department, 625 Center Street, Oregon City, Oregon 97045. The City’s \$12.7 million investment in South Fork Water Board is accounted for using the equity method.

## Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Beginning balance as of June 30, 2022	Additions	Reductions and adjustments	Ending balance as of June 30, 2023
Governmental activities:				
Capital assets not being depreciated				
Land and easements	\$ 192,929,093	\$ -	\$ -	\$ 192,929,093
Construction in Progress	5,947,407	3,952,831	(51,096)	9,849,141
<b>Total capital assets not being depreciated</b>	<b>198,876,500</b>	<b>3,952,831</b>	<b>(51,096)</b>	<b>202,778,234</b>
Capital assets being depreciated:				
Buildings and improvements	51,776,927	63,777	51,096	51,891,800
Vehicles and equipment	4,186,924	309,009	(285,067)	4,210,866
Infrastructure	71,436,311	1,008,330	-	72,444,641
<b>Total capital assets being depreciated</b>	<b>127,400,162</b>	<b>1,381,116</b>	<b>(233,971)</b>	<b>128,547,307</b>
Less accumulated depreciation for:				
Buildings and improvements	(22,514,203)	(1,620,276)	-	(24,134,479)
Vehicles and equipment	(2,417,763)	(340,589)	199,058	(2,559,294)
Infrastructure	(57,655,336)	(649,438)	-	(58,304,774)
<b>Total accumulated depreciation</b>	<b>(82,587,302)</b>	<b>(2,610,302)</b>	<b>199,058</b>	<b>(84,998,546)</b>
<b>Total capital assets being depreciated, net</b>	<b>44,812,860</b>	<b>(1,229,187)</b>	<b>(34,913)</b>	<b>43,548,761</b>
Leased assets				
Vehicle and equipment	374,767	97,919	-	472,686
<b>Total leased assets being amortized</b>	<b>374,767</b>	<b>97,919</b>	<b>-</b>	<b>472,686</b>
Less accumulated amortization				
Vehicle and equipment	(64,042)	(42,373)	-	(106,415)
<b>Total accumulated amortization</b>	<b>(64,042)</b>	<b>(42,373)</b>	<b>-</b>	<b>(106,415)</b>
<b>Total leased assets being amortized, net</b>	<b>310,725</b>	<b>55,546</b>	<b>-</b>	<b>366,271</b>
Subscription-based information technology arrangement (SBITA) assets				
SBITA	46,073	140,751	-	186,824
<b>Total SBITA assets</b>	<b>46,073</b>	<b>140,751</b>	<b>-</b>	<b>186,824</b>
Less accumulated amortization				
SBITA	-	(107,943)	-	(107,943)
<b>Total accumulated amortization</b>	<b>-</b>	<b>(107,943)</b>	<b>-</b>	<b>(107,943)</b>
<b>Total SBITA assets being amortized, net</b>	<b>46,073</b>	<b>32,808</b>	<b>-</b>	<b>78,881</b>
<b>Total capital assets, net</b>	<b>\$ 244,046,158</b>	<b>\$ 2,811,998</b>	<b>\$ (86,009)</b>	<b>\$ 246,772,147</b>

	Beginning balance as of June 30, 2022	Additions	Reductions and adjustments	Ending balance as of June 30, 2023
Business-type activities:				
Capital assets not being depreciated				
Land	\$ 482,625	\$ -	\$ -	\$ 482,625
Construction in progress	1,648,533	1,585,512	(427,639)	2,806,406
<b>Total capital assets not being depreciated</b>	<b>2,131,158</b>	<b>1,585,512</b>	<b>(427,639)</b>	<b>3,289,031</b>
Capital assets being depreciated				
Buildings and improvements	1,605,673	-	-	1,605,673
Vehicles and equipment	2,507,303	297,290	(34,482)	2,770,111
Infrastructure	87,291,550	999,158	427,639	88,718,347
Total capital assets being depreciated	91,404,525	1,296,448	393,157	93,094,131
Less accumulated depreciation for:				
Buildings and improvements	(1,262,584)	(32,113)	-	(1,294,697)
Vehicles and equipment	(1,426,562)	(208,770)	33,527	(1,601,805)
Infrastructure	(45,754,330)	(1,760,100)	-	(47,514,430)
Total accumulated depreciation	(48,443,476)	(2,000,984)	33,527	(50,410,933)
<b>Total capital assets being depreciated, net</b>	<b>42,961,049</b>	<b>(704,535)</b>	<b>426,684</b>	<b>42,683,199</b>
Leased assets				
Vehicles and equipment	118,534	-	-	118,534
Total leased asset being amortized	118,534	-	-	118,534
Less accumulated amortization				
Vehicles and equipment	(17,780)	(11,854)	-	(29,635)
Total accumulated amortization	(17,780)	(11,854)	-	(29,635)
<b>Total leased asset, net</b>	<b>100,754</b>	<b>(11,854)</b>	<b>-</b>	<b>88,900</b>
Total capital assets, net	<u>\$ 45,192,961</u>	<u>\$ 869,123</u>	<u>\$ (955)</u>	<u>\$ 46,061,130</u>

Depreciation expense for governmental activities in the amount of \$2,610,302 and for business-type activities the amount of \$2,000,983 was charged to functions/programs as follows:

	Governmental Activities	Business Type Activities	Total
General government	\$ 119,800	\$ -	\$ 119,800
Culture and recreation	1,172,816	-	1,172,816
Public safety	332,262	-	332,262
Highways and streets	985,424	-	985,424
Water	-	842,571	842,571
Environmental services	-	1,158,412	1,158,412
Depreciation expense	\$ 2,610,302	\$ 2,000,983	\$ 4,611,285



## Vehicle Lease Agreement/Leases Payable

The City entered into a master leasing agreement with a fleet management company to lease vehicles for the City's operations. Each vehicle lease term is 60 months and transfers ownership to the lessee at the end of the lease. Under this agreement, the City leased twenty-one vehicles totaling \$591,220, with an accumulated amortization of \$136,049. The City has recorded these transactions as debt obligations resulting from a financed purchase.

	Original Amount	Outstanding June 30, 2022	Additions	Decreases	Outstanding June 30, 2023
<b>Governmental Activities</b>					
Fleet vehicles, due 2028, interest rates 2.31 - 7.69%	\$ 229,693	\$ 197,075	\$ 99,879	\$ (70,665)	\$ 226,289
<b>Business-type Activities</b>					
Fleet vehicles, due 2026, interest rates 3.69 - 3.85%	172,701	77,842	-	(21,533)	56,309
	<u>\$ 402,394</u>	<u>\$ 274,917</u>	<u>\$ 99,879</u>	<u>\$ (92,198)</u>	<u>\$ 282,598</u>

Future maturities are as follows:

Fiscal Year	Governmental Activities	Business-type Activities
2024	\$ 78,329	\$ 20,783
2025	61,079	20,604
2026	46,183	15,866
2027	23,728	-
2028	16,970	-
	<u>\$ 226,289</u>	<u>\$ 57,253</u>

## Subscription Based Information Technology Agreements (SBITA)

For the year ended 6/30/2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

The commitments, stated below, are for a subscription that has a commencement date subsequent to the reporting date. On 07/27/2022, City of West Linn, OR entered into a 18 month subscription for the use of Granicus Open Platform. An initial subscription liability was recorded in the amount of \$16,093. As of 06/30/2023, the value of the subscription liability is \$5,736. City of West Linn, OR is required to make quarterly fixed payments of \$2,662. The subscription has an interest rate of 3.1023%. The value of the right to use asset as of 06/30/2023 of \$16,093 with accumulated amortization of \$9,954 is included with Software on the Subscription Class activities table found below.

On 07/01/2022, City of West Linn, OR entered into a 32 month subscription for the use of Insight Enterprise License/Neogov. An initial subscription liability was recorded in the amount of \$16,609. As of 06/30/2023, the value of the subscription liability is \$6,313. City of West Linn, OR is required to make monthly fixed payments of \$4,031. The subscription has an interest rate of 2.0237%. The value of the right to use asset as of 06/30/2023 of \$16,609 with accumulated amortization of \$6,177 is included with Software on the Subscription Class activities table found below. City of West Linn, OR had a termination period of 1 month as of the subscription commencement.

On 01/01/2023, City of West Linn, OR entered into a 13 month subscription for the use of Mark 43 - RMP/Insight. An initial subscription liability was recorded in the amount of \$50,180. As of 06/30/2023, the value of the subscription liability is \$26,124. City of West Linn, OR is required to make annual fixed payments of \$24,056. The subscription has an interest rate of 2.8943%. The value of the right to use asset as of 06/30/2023 of \$50,180 with accumulated amortization of \$23,161 is included with Software on the Subscription Class activities table found below. City of West Linn, OR has 1 extension option(s), each for 1 month.

On 07/01/2022, City of West Linn, OR entered into a 31 month subscription for the use of ScheduleExpress Software/Safe Cities. An initial subscription liability was recorded in the amount of \$12,841. As of 06/30/2023, the value of the subscription liability is \$4,946. City of West Linn, OR is required to make annual fixed payments of \$2,948. The subscription has an interest rate of 2.1843%. The value of the right to use asset as of 06/30/2023 of \$12,841 with accumulated amortization of \$4,971 is included with Software on the Subscription Class activities table found below.

On 07/01/2022, City of West Linn, OR entered into a 12 month subscription for the use of Onstream's Trapeze Capture Software. An initial subscription liability was recorded in the amount of \$21,291. As of 06/30/2023, the value of the subscription liability is zero. City of West Linn, OR is required to make monthly fixed payments of \$1,798. The subscription has an interest rate of 1.7100%. The value of the right to use asset as of 06/30/2023 of \$23,589 with accumulated amortization of \$22,172 is included with Software on the Subscription Class activities table found below. City of West Linn, OR has 1 extension option(s), each for 24 months.

On 07/01/2022, City of West Linn, OR entered into a 12 month subscription for the use of Ednetics One™. An initial subscription liability was recorded in the amount of \$23,634. As of 06/30/2023, the value of the subscription liability is zero. City of West Linn, OR is required to make annual fixed payments of \$11,413. The subscription has an interest rate of 2.0237%. The value of the right to use asset as of 06/30/2023 of \$0 with accumulated amortization of \$0 is included with Software on the Subscription Class activities table found below. City of West Linn, OR has 4 extension option(s), each for 12 months. City of West Linn, OR had a termination period of 1 month as of the subscription commencement.

On 07/01/2022, City of West Linn, OR entered into a 35 month subscription for the use of eLynk - EVC Cloud Services/Lumen. An initial subscription liability was recorded in the amount of \$26,945. As of 06/30/2023, the value of the subscription liability is \$17,892. City of West Linn, OR is required to make monthly fixed payments of \$795. The subscription has an interest rate of 2.1843%. The value of the right to use asset as of 06/30/2023 of \$26,945 with accumulated amortization of \$9,040 is included with Software on the Subscription Class activities table found below.

On 07/01/2022, City of West Linn, OR entered into a 23 month subscription for the use of Access Switching Software . An initial subscription liability was recorded in the amount of \$16,934. As of 06/30/2023, the value of the subscription liability is \$0. City of West Linn, OR is required to make

annual fixed payments of \$16,934. The subscription has an interest rate of 2.0237%. The value of the right to use asset as of 06/30/2023 of \$16,934 with accumulated amortization of \$8,835 is included with Software on the Subscription Class activities table found below.

Software subscription assets total \$186,824 with accumulated amortization of \$107,943. All assets and liabilities are classified under Governmental Activities.

Future maturities are as follows:

Fiscal Year	Principal	Interest	Total
2024	52,361	1,357	53,718
2025	8,650	95	8,745
	<u>\$ 61,011</u>	<u>1,452</u>	<u>62,463</u>

### **Interfund Transfers**

Transfers between funds provide support for various City programs in accordance with budgetary authorizations and are utilized to cover administrative services, provide for additional funding for reserve purposes, contribute towards the cost of capital projects, and to provide for other operational resources. For the fiscal year ended June 30, 2023, all City cash transfers are properly classified as charges for services for financial reporting purposes. Transfers of capital assets are also made between funds to ensure full utilization of useable assets and are classified as transfers for financial statement purposes.

### **Long-term Debt Obligations**

In the following sections, long-term debt information is presented separately with respect to governmental and business-type activities. Any liability for claims, judgments, or compensated absences are generally liquidated by the general fund.

The following table presents current year changes in all long-term debt obligations and the current portions due for each issue.

*Long-term Debt Obligations (continued):*

	Restated Beginning balance as of June 30, 2022	Additions	Reductions	Ending balance as of June 30, 2023	Due within one year
<b>Governmental activities:</b>					
General Obligation bonds					
Series 2012 Police Station, interest at 1.0-2.75%, original issue of \$8,500,000, due 2032	\$ 5,555,000	\$ -	\$ (425,000)	\$ 5,130,000	\$ 450,000
Series 2018 City Facilities, Parks, and Transportation, interest at 3.0-5.0%, original issue of \$20,000,000, due 2038	19,395,000	-	(420,000)	18,975,000	475,000
Full Faith and Credit obligations					
Series 2015 Streets/Parks Refunding, interest at 2.0-4.0%, original issue of \$2,625,000, due 2035	1,760,000	-	(225,000)	1,535,000	235,000
Plus: bond issuance premium	387,609	-	(28,944)	358,665	-
Long-term bonded debt obligations	27,097,609	-	(1,098,944)	25,998,665	1,160,000
Lease Obligations	197,075	97,920	(68,706)	226,289	111,226
SBITA Obligations (restated)	184,526	140,750	(264,265)	61,011	52,361
Compensated absences	1,109,256	901,248	(813,449)	1,197,055	574,586
Net pension liability	9,644,639	2,437,398	-	12,082,037	-
Net OPEB liability	638,108	112,463	-	750,571	-
Total governmental activities	38,871,213	3,689,779	(2,245,364)	40,315,628	1,898,173
<b>Business-type activities:</b>					
Full Faith and Credit obligations					
Series 2015 Water Refunding, interest at 2.0-4.0%, original issue of \$2,640,000, due 2035	1,490,000	-	(95,000)	1,395,000	95,000
Full Faith and Credit obligations					
Series 2023 Water, interest at 3.0-5.0%, original issue of \$11,470,000, due 2043	-	11,470,000	-	11,470,000	225,000
Plus: bond issuance premium	100,507	1,193,495	(127,082)	1,166,920	-
Long-term bonded debt obligations	1,590,507	12,663,495	(222,082)	14,031,920	320,000
Lease Obligations	77,842	-	(21,533)	56,309	20,783
Compensated absences	118,028	100,918	(84,905)	134,041	64,340
Net pension liability	1,079,982	276,421	-	1,356,403	-
Net OPEB liability	71,453	12,810	-	84,263	-
Total business-type activities	2,937,812	13,053,644	(328,520)	15,662,936	405,123
<b>Total long-term debt obligations</b>					
General Obligation bonds	24,950,000	-	(845,000)	24,105,000	925,000
Full Faith and Credit obligations	3,250,000	11,470,000	(320,000)	14,400,000	555,000
Plus: bond issuance premium	488,116	1,193,495	(156,026)	1,525,585	-
Long-term bonded debt obligations	28,688,116	12,663,495	(1,321,026)	40,030,585	1,480,000
Lease Obligations	274,917	97,920	(90,239)	282,598	132,009
SBITA Obligations	184,526	140,750	(264,265)	61,011	52,361
Compensated absences	1,227,284	1,002,166	(898,354)	1,331,096	638,926
Net pension liability	10,724,621	2,713,819	-	13,438,440	-
Net OPEB liability	709,561	125,273	-	834,834	-
Total long-term debt obligations	\$ 41,809,025	\$ 16,743,423	\$ (2,573,884)	\$ 55,978,564	\$ 2,303,296

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

Year	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	1,160,000	797,400	320,000	699,610	1,480,000	1,497,010
2025	1,260,000	755,250	475,000	543,100	1,735,000	1,298,350
2026	1,360,000	708,950	500,000	520,350	1,860,000	1,229,300
2027	1,455,000	670,019	525,000	496,400	1,980,000	1,166,419
2028	1,550,000	631,644	545,000	472,900	2,095,000	1,104,544
2029-2033	8,185,000	2,429,669	3,135,000	1,966,450	11,320,000	4,396,119
2034-2038	10,670,000	1,066,231	3,460,000	1,206,000	14,130,000	2,272,231
2039-2044	-	-	3,905,000	481,000	3,905,000	481,000
	<u>\$ 25,640,000</u>	<u>\$ 7,059,163</u>	<u>\$ 12,865,000</u>	<u>\$ 6,385,810</u>	<u>\$ 38,505,000</u>	<u>\$ 13,444,973</u>

**Credit Rating.** In January 2023, Standard and Poors maintained its long term rating of AA+ on the City's general obligation and full faith and credit obligations. On August 24, 2018, Moody's Investors Services maintained its long-term rating of 'Aa2' on the City's general obligations Series 2018 outstanding due to an overall review undertaken by Moody's in conjunction with the publication on December 16, 2016 of the US Local Government General Obligation Debt Methodology.

#### **Terms Specified in Debt Agreements.**

Full Faith and Credit Water Project, Series 2023 (\$11.5 million) were sold at a premium in February 2023. The bonds have interest rates ranging from 3.0 percent to 5.0 percent and maturity dates from June 1, 2024 to June 1, 2043. The net proceeds of \$12.7 million will be used to finance the capital costs associated with water line replacements required by Oregon Department of Transportation highway construction and other water system capital projects, and pay for costs of issuance. The City has pledged its full faith and credit and taxing powers for repayment of the bonds. If the bonds are defaulted, by failure to make required principal or interest payments or other covenants, actions to enforce the financing agreement may take place for the amount of the obligation then outstanding to its satisfaction. The portion of the bonds maturing in years 2024 through 2032 inclusive, are not subject to optional prepayment prior to maturity. The portion of the bonds maturing on June 1, 2033, and on any date thereafter are subject to redemption prior to maturity in whole or in part at the option of the City on any day on or after June 1, 2032, at principal (100%) plus accrued interest thereon to the date of redemption. The Obligations stated to mature on June 1, 2041 and June 1, 2043 are term obligations subject to mandatory sinking fund prepayment, in part, at a prepayment price equal to 100% of the principal amount to be prepaid, plus accrued interest, if any, to the date fixed for prepayment.

General Obligation Bonds, Series 2018 (\$20.0 million) were sold at a premium in August 2018. The bonds have interest rates ranging from 3.0 percent to 5.0 percent and maturity dates from June 1, 2021 to June 1, 2038. The net proceeds of \$20.2 million were used to fund capital costs related to improvements to roads, parks, and city facilities, fund a capitalized interest fund, and pay the costs of issuing the bonds. The City has pledged its full faith and credit and taxing powers for repayment of the bonds. If the bonds are defaulted, by failure to make required principal or interest payments or other covenants, actions to enforce the financing agreement may take place for the amount of the obligation then outstanding to its satisfaction. The bonds are subject to redemption prior to maturity in whole or in part at the option of the City on any day on or after June 1, 2028, at par (100%) plus accrued interest thereon to the date of redemption.

Full Faith and Credit Project and Refunding Obligations, Series 2015 (\$5.2 million) were sold at a premium in December 2015. The bonds have interest rates ranging from 2.5 percent to 4.0 percent and maturity dates from June 1, 2017 to June 1, 2028. The net proceeds of \$5.6 million were used to finance a portion of the capital costs associated with improvements to the Bolton Reservoir, refund on a current basis all of the outstanding Water Revenue Bonds, Series 2000, advance refund all of the outstanding Full Faith and Credit Obligations, Series 2009B, together with the Refunded 2000 Water

Bonds, and pay for costs of issuance, sale, and delivery of the obligations. The City has pledged its full faith and credit and taxing powers for repayment of the bonds. If the bonds are defaulted, by failure to make required principal or interest payments or other covenants, actions to enforce the financing agreement may take place for the amount of the obligation then outstanding to its satisfaction. The portion of the bonds maturing in years 2017 through 2025 inclusive, are not subject to optional prepayment prior to maturity. The portion of the bonds maturing on June 1, 2026, and on any date thereafter are subject to redemption prior to maturity in whole or in part at the option of the City on any day on or after December 1, 2025, at par (100%) plus accrued interest thereon to the date of redemption.

General Obligation Bonds, Series 2012 (\$8.5 million) were sold at a premium in January 2012. The bonds have interest rates ranging from 1.0 percent to 2.75 percent and maturity dates from June 1, 2013 to December 1, 2031. The net proceeds of \$8.6 million were used to fund property acquisition and capital construction including, but not limited to design, construct, equip and furnish a new police station, acquire four parcels of land to locate the police station, and pay costs of issuing the bonds. The City has pledged its full faith and credit and taxing powers for repayment of the bonds. If the bonds are defaulted, by failure to make required principal or interest payments, actions to enforce the financing agreement may take place for the amount of the obligation then outstanding to its satisfaction. The portion of the bonds maturing in years 2013 through 2022 are not subject to optional prepayment prior to maturity. The portion of the bonds maturing on June 1, 2023, and on any date thereafter are subject to redemption prior to maturity in whole or in part at the option of the City on any day on or after June 1, 2022, at par (100%) plus accrued interest thereon to the date of redemption.

General Obligation Refunding Bonds, Series 2010 (\$3.1 million), and Full Faith and Credit Refunding Obligations, Series 2010 (\$2.6 million) were sold at a premium in September 2010. The General Obligation Refunding Bonds have interest rates ranging from 2.0% to 3.0% and maturity dates from June 1, 2011 to June 1, 2021. The Full Faith and Credit Refunding Obligations have interest rates ranging from 2.0 percent to 4.0 percent and maturity dates from December 1, 2010 to December 1, 2020. The General Obligation Refunding Bonds net proceeds of \$3.1 million were used refund all or a portion of the City's General Obligation Bonds, Series 2000 and to pay costs of issuing the bonds. The Full Faith and Credit Refunding Obligations net proceeds of \$2.8 million were used to currently refund the callable portion of the City's Full Faith and Credit Obligations, Series 2000 on December 1, 2010 at a price of par plus accrued interest to the Obligation Redemption Date. The City has pledged its full faith and credit and taxing powers for repayment of the bonds and obligations. If the bonds and/or obligations are defaulted, by failure to make required principal or interest payments or other covenants, actions to enforce the financing agreement may take place for the amount of the obligation then outstanding to its satisfaction. The bonds and the obligations are not subject to optional prepayment prior to maturity.

## **Employee Retirement Pension Plan**

**Plan Description.** The City is a participating employer in the Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer public employee retirement system established under Oregon Revised Statutes 238.600 that acts as a common investment and administrative agent for public employers in the State of Oregon.

**ORS 238 Defined Benefit Plan Benefits.** OPERS is a defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Benefits are established by state statute. This defined benefit pension plan portion of OPERS is closed to new members hired on or after August 29, 2003.

Benefits under the defined benefit pension plan program include a retirement allowance payable

monthly for life. It may be selected from thirteen retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of Final Average Salary will be limited for all members beginning in 2021. The limit will be equal to \$197,730 in 2021 and will be indexed with inflation in later years.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier one general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of eligible service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier two general service members are eligible for full benefits at age 60.

**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: (1) member was employed by a OPERS employer at the time of death; (2) member died within 120 days after termination of OPERS-covered employment; (3) member died as a result of injury sustained while employed in a OPERS-covered job; or (4) member was on an official leave of absence from a OPERS-covered job at the time of death.

**Disability Benefits.** A member with ten 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 (including OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

**Benefit Changes after Retirement.** Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the fair value of equity investments.

Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent. Under current law the cap on the cost-of-living changes in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and \$750 plus 0.15 percent on annual benefits above \$60,000.

**ORS 238A OPSRP Defined Benefit Plan Benefits.** This portion of the defined benefit pension plan of OPERS provides benefits to members hired on or after August 29, 2003. Benefits under this portion of OPSRP provide a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age.

For police and fire members, 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

For general service members, 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65 or age 58 with 30 years of retirement credit.

Members become vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, 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 percent of the pension that would otherwise have been paid to the deceased member.

**Disability Benefits.** A member who has accrued ten 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 percent 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 percent on the first \$60,000 of annual benefit and \$750 plus 0.15 percent on annual benefits above \$60,000.

**Contributions.** OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered-employee payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the OPERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2020 actuarial valuation. The state of Oregon and certain schools, community colleges, and political subdivisions have made unfunded actuarial liability payments, and their rates have been reduced. The City's rates for the year ended June 30, 2023 were 22.65 percent for OPERS and 17.77 percent for OPSRP – general employees, and 22.13 percent for OPSRP – police employees, of salary covered under the plan. These rates are reported inclusive of the retiree healthcare rates disclosed in a separate note disclosure. The contribution requirements for plan members and the City are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

Employer contributions for the year ended June 30, 2023, were approximately \$2,102,000. The City does not have a specific employer liability related to pensions.

A ten-year schedule of the City's pension plan contributions can be found on page 81 this report.

**Plan Audited Financial Report.** Both OPERS and OPSRP are administered by the Oregon Public Employees Retirement Board (OPERB). The annual comprehensive financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (888) 320-7377, or by accessing the OPERS web site at <https://www.oregon.gov/pers>.

### **Pension Liabilities, Pension Expense, and Deferred Inflows and Deferred Outflows of Resources related to Pensions**

At June 30, 2023 and 2022, the City reported a pension liability of \$13,438,440 and \$10,724,621, respectively for its proportionate share of the plan 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 and rolled forward to June 30, 2022. The City's proportionate share 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 members of the cost sharing pool, actuarially determined. At June 30, 2023 and 2022, the City's proportion was 0.08776408 and 0.08962219 percent respectively.

For the year ended June 30, 2023 and 2022, the City recognized pension expense of \$810,431 and pension expense of \$848,583, respectively. At June 30, 2023 and 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Balance as of June 30, 2023		Balance as of June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 652,328	\$ 83,805	\$ 1,003,895	\$ -
Change of assumptions	2,108,564	19,266	2,684,696	28,225
Net difference between projected and actual earnings on pension plan investments	-	2,402,533	-	7,939,354
Changes in proportion and differences between City contributions and proportionate share of contributions	343,138	2,458,139	463,385	1,452,293
City contributions subsequent to the measurement date	2,102,259	-	1,986,193	-
Net Deferred Outflows/Inflows of Resources	<u>\$ 5,206,289</u>	<u>\$ 4,963,743</u>	<u>\$ 6,138,169</u>	<u>\$ 9,419,872</u>

\$2,102,259 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date 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:

Year ended June 30:	
2024	(537,429)
2025	(749,761)
2026	(1,294,334)
2027	862,273
2028	(140,462)
	<u>\$ (1,859,713)</u>

**Actuarial Valuations.** The employer contribution rates effective July 1, 2021, through June 30, 2023, were set using the entry age normal cost method.

For the ORS 238 Tier One/Tier Two component of the OPERS defined benefit plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), and (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over twenty years.

For the ORS 238A OPSRP Pension Program component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an actuarially determined amount for funding a disability benefit component, and (3) an

amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over sixteen years.

### Actuarial Methods and Assumptions.

• Valuation Date	December 31, 2020 rolled forward to June 30, 2022
• Experience Study Report	2020, published July 20, 2021
• Actuarial cost method	Entry Age Normal
• Amortization method	Amortized as a level percentage of payroll; Tier One/Tier Two UAL (20 year) and OPSRP pension UAL (16 year); Amortization periods are closed
• Asset valuation method	Fair value of assets
• Actuarial assumptions	
○ Inflation rate	2.40 percent
○ Investment rate of return	6.90 percent
○ Projected salary increases	3.40 percent
○ Cost of Living Adjustments	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service
• Mortality	Healthy 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 Healthy Retiree, 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 Disabled 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 reported amounts 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.

**Discount Rate.** The discount rate used to measure the total pension liability was 6.90 percent 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.

**Depletion Date Projection.** GASB Statement 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 (fair value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB Statement 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB Statement 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 Oregon PERS:

- Oregon 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 Statement 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of 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 OPERS Board's independent actuary's opinion that the detailed depletion date projections outlined in GASB Statement 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.** The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the City's share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of net pension liability	\$ 23,831,914	\$ 13,438,440	\$ 4,739,585

**Long-Term Expected Rate of Return.** The long term expected rate of return is based on a consistent set of underlying assumptions for each asset class and includes adjustment for the inflation assumption. These assumptions are not based on historical return, but instead are based on a forward-looking capital market economic model. 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 investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following tables:

Asset Class	Target Allocation		
	Low Range	High Range	Target
Debt Securities	15.0 %	25.0 %	20.0 %
Public Equity	25.0	35.0	30.0
Real Estate	7.5	17.5	12.5
Private Equity	15.0	27.5	20.0
Risk Parity	0.0	3.5	2.5
Real Assets	2.5	10.0	7.5
Diversifying Strategies	2.5	10.0	7.5
Opportunity Portfolio	0.0	5.0	0.0
			<u>100.0 %</u>

Asset Class	Target Allocation	Compound 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 Partnership	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	<u>-2.50</u>	1.76
Total	<u>100.00 %</u>	
Assumed Inflation - Mean		2.40

**Payable to OPERS.** At June 30, 2023, the City had no payable due to OPERS for defined benefit contributions. This amount represents legally required contributions to the plan for services incurred in the current fiscal year.

**Changes in Plan Provisions During the Measurement Period.** 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. The increase in the Total Pension Liability resulting from Senate Bill 111, measured as of June 30, 2021, is shown in Exhibit A as the “Effect of plan changes” during the measurement period. While Senate Bill 111 also made changes to certain aspects of the System’s 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.

**Changes in Plan Provisions Subsequent to the Measurement Date.** There were no changes subsequent to the June 30, 2021 measurement period that require disclosure.

### **Individual Account Program.**

In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for OPERS. The Oregon Public Service Retirement Plan (OPSRP) is effective for all new employees hired on or after August 29, 2003, and applies to any inactive OPERS members who return to employment following a six month or greater break in service. The new plan consists of the defined benefit pension plans and a defined contribution pension plan (the Individual Account Program or IAP). Beginning January 1, 2004, all OPERS member contributions go into the IAP portion of OPSRP. OPERS’ members retain their existing OPERS accounts, but any future member contributions are deposited into the member’s IAP, not the member’s OPERS account. Those employees who had established an OPERS membership prior to creation of OPSRP will be members of both the OPERS and OPSRP system as long as they remain in covered employment.

Members of OPERS and OPSRP are required to contribute six percent of their salary covered under the plan which is invested in the IAP. The City makes this contribution on behalf of its employees. The City contributed approximately \$598,000 for the year ended June 30, 2023.

### **Postemployment Healthcare Plans**

The City does not have a formal postemployment benefits plan for employees; however the City is required by Oregon Revised Statutes 243.303 to provide retirees with group health and dental insurance from the date of retirement to age 65 at the same rate provided to current employees. The District provides an implicit rate subsidy for retiree health insurance premiums, and a contribution to Oregon PERS cost-sharing multiple-employer defined benefit health insurance plan.

## Financial Statement Presentation

The plans are aggregated on the District's Statement of Net position as follows:

	<b>Implicit Rate Subsidy Plan</b>	<b>PERS RHIA Plan</b>	<b>Total</b>
Net OPEB Asset	\$ -	\$ 242,460	\$ 242,460
Deferred Outflows of Resources			
Difference in earnings	-	-	-
Change in assumptions	100,215	1,898	102,113
Change in proportionate share	-	-	-
Contributions after the measurement date	<u>49,670</u>	<u>1,030</u>	<u>50,700</u>
Total Deferred outflows of Resources	<u>149,885</u>	<u>2,928</u>	<u>152,813</u>
Total OPEB Liability	(834,834)	-	(834,834)
Deferred Inflows of Resources			
Difference in expected and actual experience	(50,893)	(6,570)	(57,463)
Change in proportionate share	-	(14,103)	(14,103)
Change in assumptions	(148,324)	(8,083)	(156,407)
Difference in earnings	<u>-</u>	<u>(18,491)</u>	<u>(18,491)</u>
Total Deferred inflows of Resources	<u>(199,217)</u>	<u>(47,247)</u>	<u>(246,464)</u>
OPEB (Income)Expense	(56,049)	36,109	(19,940)
(included in program expenses on Statement of Activities)			

**Plan Description (implicit subsidy).** The City's single-employer defined benefit postemployment health care plan is administered by Allegiance Benefit Plan Management, Inc. Benefit provisions are established through negotiations between the City and representatives of collective bargaining units or through resolutions passed by City Council. The plan does not issue its own financial statements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

The plan provides eligible retirees and their dependents under age 65 the same group health and dental insurance offered to active employees, at the same premium rates. Retirees pay 100% of the premium and coverage may lapse if their premium is unpaid. As of the valuation date of July 1, 2022, the following employees were covered under the plan:

Eligible retirees	4
Spouses of ineligible retirees	1
Active employees	<u>100</u>
Total participants	<u>105</u>

## Total OPEB Liability, OPEB Expense, and Deferred Inflows and Outflows of resources related to OPEB

The City's total OPEB liability of \$834,834 was measured as of June 30, 2022, and was determined by an actuarial valuation as of December 31, 2020.

For the fiscal year ended June 30, 2023, the City recognized OPEB expense from this plan of \$32,440. 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:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ -	\$ 50,893
Changes of assumptions	100,215	148,324
Contributions subsequent to the measurement date	<u>49,670</u>	<u>-</u>
Total	<u><u>\$ 149,885</u></u>	<u><u>\$ 199,217</u></u>

Deferred outflows of resources related to OPEB of \$49,670 resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the total 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:

<b>Year ended June 30:</b>	
2024	(22,471)
2025	(22,471)
2026	(22,471)
2027	(18,029)
2028	(12,279)
Therafter	<u>(1,281)</u>
Total	<u><u>\$ (99,002)</u></u>

## Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2022 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
Inflation	2.4 percent
Salary increases	3.4 percent
Healthy mortality	Pub-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependants, with a one-year set back for male general service employees and female safety employees
Discount rate	3.54 percent (change from 2.16 percent in previous measurement period)
Healthcare cost trend rate	Medical and vision: Starting from 3.75 percent in 2020 fluctuating between 4.00 percent to 6.75 percent per year, ending at 4.00 percent in 2072. Dental: -1.25% in 2020, 4.00 percent until 2027, then 3.75 percent after

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

## Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
Balance as of June 30, 2022	\$ 709,560
Changes for the year:	
Service Cost	62,165
Interest on Total OPEB Liability	16,355
Effect of economic demographic gains or loss	(18,725)
Effect of assumptions changes or inputs	94,695
Benefit Payments	(29,216)
Balance as of June 30, 2023	<u>834,834</u>

Changes in assumptions is the result of the change in the discount rate from 2.16 to 3.54.



## Sensitivity of the Total OPEB Liability

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

### Discount Rate:

	<b>1% Decrease (2.54%)</b>	<b>Current Discount Rate (3.54%)</b>	<b>1% Increase (4.54%)</b>
Total OPEB Liability	\$ 896,474	\$ 834,834	\$ 777,590

### Healthcare Cost Trend:

	<b>1% Decrease</b>	<b>Current Healthcare Trend Rate</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 754,519	\$ 834,834	\$ 928,848

### Plan Description (PERS Retirement Health Insurance Account).

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 administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums for eligible retirees. ORS 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants hired after August 29, 2003. PERS issues publicly available financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700, by calling ((888) 320-7377, or by accessing the OPERS web site at <https://www.oregon.gov/pers>.

### Benefits Provided

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost, the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. 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-employee payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2022 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2021. The City's contribution rates for the period were 0.05% for Tier One/Tier Two members, and 0.00% for OPSRP members. The City's total contributions for the year ended June 30, 2023 was zero.

## Total OPEB Asset, OPEB Expense, and Deferred Inflows and Outflows of resources related to OPEB

At June 30, 2023, the City reported an asset of \$242,460 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2022, and the total OPEB liability 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, 2022, the City's proportionate share was 0.06823360%, which is an increase from its proportionate share of 0.06324214% as of June 30, 2021.

For the fiscal year ended June 30, 2023, the City recognized OPEB income from this plan of \$36,301. 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between expected and actual experience	\$ -	\$ 6,570
Net difference between projected and actual earnings	-	18,491
Change in assumptions	1,898	8,083
Changes in proportionate share	-	14,103
Contributions subsequent to the measurement date	<u>1,030</u>	<u>-</u>
Total	<u>\$ 2,928</u>	<u>\$ 47,247</u>

Deferred outflows of resources related to OPEB of \$1,030 resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase in the net OPEB asset in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2024	(25,809)
2025	(13,792)
2026	(11,668)
2027	<u>5,920</u>
Total	<u>\$ (45,349)</u>

## Actuarial Methods and Assumptions

The actuarial methods and assumptions used to determine the total OPEB liability in the December 31, 2022 valuation are consistent with those disclosed for the OPERS Pension Plan. See **Employee Retirement Pension Plan – Actuarial Methods and Assumptions** footnote for additional information on Actuarial Methods and Assumptions, the Long-term Expected Rate of Return, and the Discount Rate.

### Sensitivity of the City's proportionate share of the net OPEB liability (asset) to changes in the discount rate

The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 6.90%, as well as the what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

#### Discount Rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Net OPEB Liability (Asset)	\$ (218,523)	\$ (242,458)	\$ (238,628)

### OPEB Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

### Changes in Plan Provisions Subsequent to Measurement Date

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

### Deferred Compensation Plan

The City has a Deferred Compensation Plan (Plan) created in accordance with the Internal Revenue Code Section 457(b). The Plan is managed by independent plan administrators. The Plan is available to all employees of the City. Employees may defer a portion of their salary until future years. Pursuant to collective bargaining agreements, the City contributes 3.0 percent of salaries to the plan for its eligible employees under the American Federation of State, County, and Municipal Employees (AFSCME) collective bargaining unit and 4.5 percent of salaries to the plan for its eligible employees under the Clackamas County Peace Officers Association (CCPOA) collective bargaining unit. Deferred compensation is not available to employees until termination, retirement, death, or financial hardship. The Plan's assets are held in a custodial account for the exclusive benefit of participants and beneficiaries, and are not subject to the claims of the City's creditors, nor can they be used by the City for any purpose other than the payment of benefits to the Plan participants. Accordingly, these Plan assets and related liability are not recorded in the City's basic financial statements. Employees are immediately vested in all contributions to the plan.

For the year ended June 30, 2023, employees contributed approximately \$680,000 and the City contributed approximately \$295,000.

### 3. Other Information

#### Commitments

***Sewage Treatment Arrangement*** – The City has an intergovernmental agreement with the Tri-City Service District to treat sewage wastewater. Pertinent terms of this agreement are as follows:

- The City will process and review all permit applications for hookup and inspection thereof; operate and maintain local collections facilities; bill and collect user charges, and bill and collect connection charges.
- Should the District fail to perform services outlined in the agreement, the City can terminate the agreement upon thirty-day written notice.

***Public Safety 911/Communication Services*** – The City has an intergovernmental agreement with the City of Lake Oswego to provide public safety dispatch services for West Linn’s Police Department. Pertinent terms of this agreement are as follows:

- An intergovernmental agreement was entered into in May 2016 for dispatch of public safety services and has been renewed through fiscal year 2024-25.
- Dispatch services include, but are not limited to 24-hour-per-day answering of emergency telephone lines (including 911 calls) for fire, police, and emergency medical service requests; radio communications with police personnel regarding emergency and routine police matters; and other dispatching services for law enforcement purposes.
- As part of this agreement, the State redirects the City’s state-allocated 911 monies directly to the City of Lake Oswego to help offset the annual contract costs summarized below. These annual monies from the State average approximately \$257,000 per fiscal year.
- Following is a summary of the annual contract costs going forward:

<u>Year</u>	<u>Contract Amt</u>
2023-24	622,000
2024-25	640,500

#### Contingencies

The City is a defendant in various litigation proceedings. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City’s legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

#### 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. Except for unemployment compensation, 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. Workers compensation claims are insured through incurred loss retrospective policies and the City is self-insured for unemployment compensation claims.

Settled claims have not exceeded coverage for any of the past three fiscal years. Claim liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been Incurred But Not Reported (IBNR). The result of the process to estimate the claims liability is not exact as it depends on many complex

factors, such as, inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

Changes in the balance of claims liabilities during the past two years are as follows:

	General and <u>Property Damage</u>
Liability - June 30, 2021	\$ 115,000
Claims incurred	37,504
Claims payments	(17,504)
Changes to prior year estimates	<u>(42,000)</u>
Liability - June 30, 2022	93,000
Claims incurred	53,609
Claims payments	(33,609)
Changes to prior year estimates	<u>64,000</u>
Liability - June 30, 2023	<u><u>\$ 177,000</u></u>

### **Property Tax Limitation**

The citizens of the State of Oregon approved the first property tax limitation in 1990 – Measure 5. This limitation divides property taxes into an education category and a non-education category. The tax rate in the education category was limited to \$5 per thousand of real market value for fiscal year 1995-96 and thereafter. The non-education category was limited to \$10 per thousand of real market value. Although all non-education taxes to the City currently do not exceed the \$10 per thousand of property real market value limitation; this limitation may affect the availability of future tax revenues for the City.

A second property tax limitation was approved in November 1996 and later modified in May 1997 – Measures 47 and 50, respectively. This limitation set a maximum permanent tax rate for the City exclusive of bonded debt at \$2.12 per thousand of assessed value. Assessed values can only grow by a maximum of 3 percent per year, exclusive of new construction and annexations.

## Fund Balance Classification

In accordance with the requirements of GASB Statement 54, below are schedules of ending fund balances as of June 30, 2023:

	General Fund	Public Safety Fund	Parks and Recreation Fund	Library Fund	Street Fund	Systems Development Charges Fund	City Facilities Parks, and Transportation Bond Fund	Total Nonmajor Funds	Total Governmental Funds
<b>Non-spendable</b>									
Prepaid expenditures	\$ 382,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 382,463
Library endowment	-	-	-	157,300	-	-	-	-	157,300
	<u>382,463</u>	<u>-</u>	<u>-</u>	<u>157,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>539,763</u>
<b>Restricted</b>									
Systems development	-	-	-	-	-	7,198,536	-	-	7,198,536
City improvements	-	-	-	-	-	-	7,741,180	-	7,741,180
McLean House	-	-	55,493	-	-	-	-	-	55,493
Building operations	-	-	-	-	-	-	-	1,530,290	1,530,290
Debt service	-	-	-	-	-	-	-	498,883	498,883
	<u>-</u>	<u>-</u>	<u>55,493</u>	<u>-</u>	<u>-</u>	<u>7,198,536</u>	<u>7,741,180</u>	<u>2,029,173</u>	<u>17,024,382</u>
<b>Committed</b>									
Police services	-	2,979,627	-	-	-	-	-	-	2,979,627
Recreation services	-	-	2,034,522	-	-	-	-	-	2,034,522
Library services	-	-	-	612,075	-	-	-	-	612,075
Street services	-	-	-	-	8,913,924	-	-	-	8,913,924
Planning services	-	-	-	-	-	-	-	926,751	926,751
	<u>-</u>	<u>2,979,627</u>	<u>2,034,522</u>	<u>612,075</u>	<u>8,913,924</u>	<u>-</u>	<u>-</u>	<u>926,751</u>	<u>15,466,899</u>
<b>Assigned</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Unassigned</b>	<u>9,033,151</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,033,151</u>
	<u>\$9,415,614</u>	<u>\$ 2,979,627</u>	<u>\$ 2,090,015</u>	<u>\$ 769,375</u>	<u>\$8,913,924</u>	<u>\$ 7,198,536</u>	<u>\$ 7,741,180</u>	<u>\$ 2,955,924</u>	<u>\$ 42,064,195</u>

## Restatement – Adoption of New Accounting Pronouncement

In accordance with GASB Statement 96, *Subscription-Based Information Technology Arrangements (SBITA)*, the City is now required to recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription based liability.

GASB Statement 96 is required to be applied retroactively; preexisting SBITAs are required to be recognized and measured based on the facts and circumstances of SBITAs on the first day of the first fiscal year restated or reporting in accordance with GASB 96.

This new guidance requires the restatement of the prior year net position. The prior period assets were increased by \$46,074 and the prior period liabilities were increased by \$43,776. The net prior period adjustment was a \$2,298 increase to net position.

## Subsequent Events

There are no subsequent events worth noting.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

*Schedules of Revenues, Expenditures and  
Changes in Fund Balances – Budget and Actual*

*Schedule of the Changes in the City's Total  
OPEB Liability and Related Ratios*

*Schedule of the City's Proportionate Share  
of the Net OPEB (Asset)/Liability*

*Schedule of Funding Progress*

*Schedule of the City's Proportionate Share  
of the Net Pension (Asset)/Liability*

*Schedule of City Pension Plan Contributions*

*Notes to Required Supplementary Information*



**SCHEDULES OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**  
(required supplementary information)

**General Fund**

**Special Revenue Funds**

Public Safety Fund  
Parks and Recreation Fund  
Library Fund  
Street Fund

## CITY OF WEST LINN, OREGON

## GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget for the 2022-2023 Biennium		Actual			Variance with Final Budget
	Original	Final	1st Year FY 2021-22	2nd Year FY 2022-23	Total	
<b>REVENUES:</b>						
Intergovernmental	\$ 2,700,000	\$ 2,700,000	\$ 2,981,776	\$ 2,988,357	\$ 5,970,133	\$ 3,270,133
Fines and forfeitures	610,000	610,000	212,924	316,720	529,644	(80,356)
Licenses and permits	365,000	365,000	331,455	239,583	571,038	206,038
Proceeds from lease obligations	100,000	100,000	139,469	-	139,469	39,469
Proceeds from SBITA	-	-	-	140,751	140,751	140,751
Investment earnings	35,000	35,000	21,632	211,820	233,452	198,452
Miscellaneous	20,000	20,000	59,857	78,570	138,427	118,427
<b>TOTAL REVENUES</b>	<b>3,830,000</b>	<b>3,830,000</b>	<b>3,747,113</b>	<b>3,975,801</b>	<b>7,722,914</b>	<b>3,892,914</b>
<b>EXPENDITURES:</b>						
City council	1,148,000	1,370,000	576,012	784,459	1,360,471	9,529
City management	2,716,000	2,716,000	1,161,859	1,254,760	2,416,619	299,381
Economic development	354,000	354,000	76,753	125,743	202,496	151,504
Human resources	1,192,000	1,192,000	610,328	446,766	1,057,094	134,906
Finance	1,643,000	1,773,000	819,797	911,485	1,731,282	41,718
Information technology	2,798,000	3,098,000	1,305,628	1,561,881	2,867,509	230,491
Facility services	1,344,000	1,380,000	653,194	725,862	1,379,056	944
Municipal court	1,107,000	1,107,000	484,544	466,002	950,546	156,454
Public works support services	3,626,000	3,626,000	1,457,078	1,607,647	3,064,725	561,275
Vehicle and equipment maintenance	847,000	847,000	299,013	250,624	549,637	297,363
Nondepartmental	6,190,000	5,450,000	339,198	822,347	1,161,545	4,288,455
Contingency	1,007,000	1,007,000	-	-	-	1,007,000
<b>TOTAL EXPENDITURES</b>	<b>23,972,000</b>	<b>23,920,000</b>	<b>7,783,404</b>	<b>8,957,576</b>	<b>16,740,980</b>	<b>7,179,020</b>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<b>(20,142,000)</b>	<b>(20,090,000)</b>	<b>(4,036,291)</b>	<b>(4,981,775)</b>	<b>(9,018,066)</b>	<b>11,071,934</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers from other funds	16,608,000	16,608,000	8,337,000	8,271,000	16,608,000	-
Transfers to other funds	(945,000)	(997,000)	(470,000)	(526,542)	(996,542)	458
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>15,663,000</b>	<b>15,611,000</b>	<b>7,867,000</b>	<b>7,744,458</b>	<b>15,611,458</b>	<b>458</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(4,479,000)</b>	<b>(4,479,000)</b>	<b>3,830,709</b>	<b>2,762,683</b>	<b>6,593,392</b>	<b>11,072,392</b>
<b>FUND BALANCES - beginning</b>	<b>4,980,000</b>	<b>4,980,000</b>	<b>2,822,222</b>	<b>6,652,931</b>	<b>2,822,222</b>	<b>(2,157,778)</b>
<b>FUND BALANCES - ending</b>	<b>\$ 501,000</b>	<b>\$ 501,000</b>	<b>\$ 6,652,931</b>	<b>\$ 9,415,614</b>	<b>\$ 9,415,614</b>	<b>\$ 8,914,614</b>

## CITY OF WEST LINN, OREGON

## PUBLIC SAFETY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget for the 2022-2023 Biennium		Actual			Variance with Final Budget
	Original	Final	1st Year FY 2021-22	2nd Year FY 2022-23	Total	
<b>REVENUES:</b>						
Property taxes	\$ 11,888,000	\$ 11,888,000	\$ 5,802,176	\$ 6,072,587	\$ 11,874,763	\$ (13,237)
Intergovernmental	1,270,000	1,270,000	629,632	678,491	1,308,123	38,123
Franchise taxes	2,900,000	2,900,000	1,646,950	1,922,948	3,569,898	669,898
Fines and forfeitures	14,000	14,000	19,386	10,308	29,694	15,694
Licenses and permits	45,000	45,000	19,400	31,413	50,813	5,813
Investment earnings	-	-	-	59,690	59,690	59,690
Miscellaneous	10,000	10,000	174	13,025	13,199	3,199
<b>TOTAL REVENUES</b>	<b>16,127,000</b>	<b>16,127,000</b>	<b>8,117,718</b>	<b>8,788,462</b>	<b>16,906,180</b>	<b>779,180</b>
<b>EXPENDITURES:</b>						
Personnel services	10,843,000	10,843,000	4,924,284	5,512,748	10,437,032	405,968
Materials and services	2,005,000	2,005,000	824,722	979,768	1,804,490	200,510
Capital outlay	370,000	370,000	216,201	206,022	422,223	(52,223)
Contingency	803,000	803,000	-	-	-	803,000
<b>TOTAL EXPENDITURES</b>	<b>14,021,000</b>	<b>14,021,000</b>	<b>5,965,207</b>	<b>6,698,538</b>	<b>12,663,745</b>	<b>1,357,255</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>2,106,000</b>	<b>2,106,000</b>	<b>2,152,511</b>	<b>2,089,924</b>	<b>4,242,435</b>	<b>2,136,435</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers to other funds	(4,058,000)	(4,058,000)	(2,015,000)	(2,043,000)	(4,058,000)	-
Proceeds from sale of capital asset	-	-	24,083	40,067	64,150	64,150
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(4,058,000)</b>	<b>(4,058,000)</b>	<b>(1,990,917)</b>	<b>(2,002,933)</b>	<b>(3,993,850)</b>	<b>64,150</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,952,000)</b>	<b>(1,952,000)</b>	<b>161,594</b>	<b>86,991</b>	<b>248,585</b>	<b>2,200,585</b>
<b>FUND BALANCES - beginning</b>	<b>2,277,000</b>	<b>2,277,000</b>	<b>2,731,042</b>	<b>2,892,636</b>	<b>2,731,042</b>	<b>454,042</b>
<b>FUND BALANCES - ending</b>	<b>\$ 325,000</b>	<b>\$ 325,000</b>	<b>\$ 2,892,636</b>	<b>\$ 2,979,627</b>	<b>\$ 2,979,627</b>	<b>\$ 2,654,627</b>

## CITY OF WEST LINN, OREGON

## PARKS AND RECREATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget for the 2022-2023 Biennium		Actual			Variance with Final Budget
	Original	Final	1st Year FY 2021-22	2nd Year FY 2022-23	Total	
<b>REVENUES:</b>						
Property taxes	\$ 3,092,000	\$ 3,092,000	\$ 1,628,680	\$ 1,704,586	\$ 3,333,266	\$ 241,266
Intergovernmental	-	575,000	13,300	835,777	849,077	274,077
Charges for services	5,740,000	5,740,000	2,964,217	3,269,959	6,234,176	494,176
Investment earnings	-	-	-	37,258	37,258	37,258
Miscellaneous	-	-	10,838	13,528	24,366	24,366
<b>TOTAL REVENUES</b>	<b>8,832,000</b>	<b>9,407,000</b>	<b>4,617,035</b>	<b>5,861,108</b>	<b>10,478,143</b>	<b>1,071,143</b>
<b>EXPENDITURES:</b>						
Personnel services	4,253,000	4,253,000	1,899,083	2,232,958	4,132,041	120,959
Materials and services	2,284,000	2,284,000	1,005,117	1,250,060	2,255,177	28,823
Debt service	180,000	180,000	64,640	72,050	136,690	43,310
Capital outlay	270,000	845,000	24,838	1,004,368	1,029,206	(184,206)
Contingency	805,000	805,000	-	-	-	805,000
<b>TOTAL EXPENDITURES</b>	<b>7,792,000</b>	<b>8,367,000</b>	<b>2,993,678</b>	<b>4,559,436</b>	<b>7,553,114</b>	<b>813,886</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>1,040,000</b>	<b>1,040,000</b>	<b>1,623,357</b>	<b>1,301,672</b>	<b>2,925,029</b>	<b>1,885,029</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	(2,135,000)	(2,135,000)	(1,082,000)	(1,053,000)	(2,135,000)	-
Proceeds from lease obligations	60,000	60,000	-	97,920	97,920	37,920
Proceeds from sale of capital assets	-	-	-	11,314	11,314	11,314
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(2,075,000)</b>	<b>(2,075,000)</b>	<b>(1,082,000)</b>	<b>(943,766)</b>	<b>(2,025,766)</b>	<b>49,234</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,035,000)</b>	<b>(1,035,000)</b>	<b>541,357</b>	<b>357,906</b>	<b>899,263</b>	<b>1,934,263</b>
<b>FUND BALANCES - beginning</b>	<b>1,201,000</b>	<b>1,201,000</b>	<b>1,190,752</b>	<b>1,732,109</b>	<b>1,190,752</b>	<b>(10,248)</b>
<b>FUND BALANCES - ending</b>	<b>\$ 166,000</b>	<b>\$ 166,000</b>	<b>\$ 1,732,109</b>	<b>\$ 2,090,015</b>	<b>\$ 2,090,015</b>	<b>\$ 1,924,015</b>

## CITY OF WEST LINN, OREGON

## LIBRARY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget for the 2022-2023 Biennium		Actual			Variance with Final Budget
	Original	Final	1st Year FY 2021-22	2nd Year FY 2022-23	Total	
<b>REVENUES:</b>						
Property taxes	\$ 2,270,000	\$ 2,270,000	\$ 1,119,719	\$ 1,171,903	\$ 2,291,622	\$ 21,622
Intergovernmental	3,556,000	3,556,000	1,805,788	1,836,290	3,642,078	86,078
Fines and forfeitures	40,000	40,000	25,702	17,642	43,344	3,344
Investment earnings	-	-	-	19,083	19,083	19,083
Miscellaneous	12,000	12,000	2,608	1,180	3,788	(8,212)
<b>TOTAL REVENUES</b>	<b>5,878,000</b>	<b>5,878,000</b>	<b>2,953,817</b>	<b>3,046,098</b>	<b>5,999,915</b>	<b>121,915</b>
<b>EXPENDITURES:</b>						
Personnel services	3,488,000	3,548,000	1,742,786	1,810,427	3,553,213	(5,213)
Materials and services	486,000	486,000	231,128	235,466	466,594	19,406
Other requirements	157,000	157,000	-	-	-	157,000
Contingency	414,000	354,000	-	-	-	354,000
<b>TOTAL EXPENDITURES</b>	<b>4,545,000</b>	<b>4,545,000</b>	<b>1,973,914</b>	<b>2,045,893</b>	<b>4,019,807</b>	<b>525,193</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>1,333,000</b>	<b>1,333,000</b>	<b>979,903</b>	<b>1,000,205</b>	<b>1,980,108</b>	<b>647,108</b>
<b>OTHER FINANCING USES:</b>						
Transfers to other funds	(2,012,000)	(2,012,000)	(1,003,000)	(1,009,000)	(2,012,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(2,012,000)</b>	<b>(2,012,000)</b>	<b>(1,003,000)</b>	<b>(8,795)</b>	<b>(31,892)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(679,000)</b>	<b>(679,000)</b>	<b>(23,097)</b>	<b>(8,795)</b>	<b>(31,892)</b>	<b>647,108</b>
<b>FUND BALANCES - beginning</b>	<b>781,000</b>	<b>781,000</b>	<b>801,267</b>	<b>778,170</b>	<b>801,267</b>	<b>20,267</b>
<b>FUND BALANCES - ending</b>	<b>\$ 102,000</b>	<b>\$ 102,000</b>	<b>\$ 778,170</b>	<b>\$ 769,375</b>	<b>\$ 769,375</b>	<b>\$ 667,375</b>

## CITY OF WEST LINN, OREGON

## STREET FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget for the 2022-2023 Biennium		Actual			Variance with Final Budget
	Original	Final	1st Year FY 2021-22	2nd Year FY 2022-23	Total	
<b>REVENUES:</b>						
Intergovernmental	\$ 8,751,000	\$ 8,751,000	\$ 2,695,939	\$ 3,694,014	\$ 6,389,953	\$ (2,361,047)
Franchise taxes	260,000	260,000	164,850	189,772	354,622	94,622
Charges for services	4,452,000	4,452,000	2,204,993	2,322,302	4,527,295	75,295
Investment earnings	-	-	1,597	149,028	150,625	150,625
Miscellaneous	20,000	20,000	28,577	14,996	43,573	23,573
<b>TOTAL REVENUES</b>	<b>13,483,000</b>	<b>13,483,000</b>	<b>5,095,956</b>	<b>6,370,112</b>	<b>11,466,068</b>	<b>(2,016,932)</b>
<b>EXPENDITURES:</b>						
Personnel services	1,782,000	1,782,000	638,194	650,316	1,288,510	493,490
Materials and services	1,311,000	1,311,000	848,337	798,361	1,646,698	(335,698)
Debt service	283,000	283,000	140,962	141,262	282,224	776
Capital outlay	8,276,000	8,276,000	1,280,351	1,586,983	2,867,334	5,408,666
Contingency	3,407,000	3,407,000	-	-	-	3,407,000
<b>TOTAL EXPENDITURES</b>	<b>15,059,000</b>	<b>15,059,000</b>	<b>2,907,844</b>	<b>3,176,922</b>	<b>6,084,766</b>	<b>8,974,234</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,576,000)</b>	<b>(1,576,000)</b>	<b>2,188,112</b>	<b>3,193,190</b>	<b>5,381,302</b>	<b>6,957,302</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers to other funds	(1,923,000)	(1,923,000)	(940,000)	(983,000)	(1,923,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,923,000)</b>	<b>(1,923,000)</b>	<b>(940,000)</b>	<b>(983,000)</b>	<b>(1,923,000)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(3,499,000)</b>	<b>(3,499,000)</b>	<b>1,248,112</b>	<b>2,210,190</b>	<b>3,458,302</b>	<b>6,957,302</b>
<b>FUND BALANCES - beginning</b>	<b>3,579,000</b>	<b>3,579,000</b>	<b>5,455,622</b>	<b>6,703,734</b>	<b>5,455,622</b>	<b>1,876,622</b>
<b>FUND BALANCES - ending</b>	<b>\$ 80,000</b>	<b>\$ 80,000</b>	<b>\$ 6,703,734</b>	<b>\$ 8,913,924</b>	<b>\$ 8,913,924</b>	<b>\$ 8,833,924</b>

**CITY OF WEST LINN, OREGON**  
**Schedule of the Changes in the City's Total OPEB Liability and Related Ratios**  
**Implicit Rate Subsidy Plan**  
*for the last six fiscal years <sup>1, 2, 3</sup>*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>						
Service Cost	\$ 62,165	\$ 60,387	\$ 50,014	\$ 44,485	\$ 83,282	\$ 87,521
Interest	16,355	15,932	32,029	34,746	34,181	27,704
Changes in benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	-	-	(28,681)	-	-	-
Effect of changes to benefit terms	(18,725)	-	-	-	-	-
Changes of assumptions or other inputs	94,695	2,890	(184,917)	25,053	(44,269)	(53,879)
Benefit payments	<u>(29,217)</u>	<u>(59,967)</u>	<u>(85,712)</u>	<u>(99,139)</u>	<u>(83,752)</u>	<u>(65,359)</u>
<b>Net Change in OPEB Liability</b>	125,273	19,242	(217,267)	5,145	(10,558)	(4,013)
<b>Total OPEB Liability - beginning</b>	<u>709,561</u>	<u>690,319</u>	<u>907,586</u>	<u>902,441</u>	<u>912,999</u>	<u>917,012</u>
<b>Total OPEB Liability - ending</b>	<u><u>\$ 834,834</u></u>	<u><u>\$ 709,561</u></u>	<u><u>\$ 690,319</u></u>	<u><u>\$ 907,586</u></u>	<u><u>\$ 902,441</u></u>	<u><u>\$ 912,999</u></u>
City's Covered-Employee Payroll	\$ 10,217,000	\$ 9,830,000	\$ 9,548,000	\$ 9,242,000	\$ 8,668,000	\$ 8,993,000
Total OPEB Liability as a percentage of its covered payroll	8.17%	7.22%	7.23%	9.82%	10.41%	10.15%

<sup>1</sup> 10-year trend information required by GASB Statement 75 will be presented prospectively.

<sup>2</sup> Amounts presented are for the measurement period reported during the fiscal year, which for FY 2023 is July 1, 2022 - June 30, 2023.

<sup>3</sup> There are no assets accumulated in a trust that meet the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the plan.

**CITY OF WEST LINN, OREGON**  
**Schedule of the City's Proportionate Share of the Net OPEB (Asset)/Liability**  
**Oregon Public Employees Retirement System, Retirement Health Insurance Account**  
*for the last seven fiscal years <sup>1, 2, 3</sup>*

Measurement Date June 30,	City's proportion of the net OPEB liability (asset)	City's proportionate share of the net OPEB liability (asset)	Covered-Employee payroll	City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
2017	0.09219008%	\$ 25,035	\$ 9,189,000	0.272%	108.88%
2018	0.08995006%	(37,540)	9,390,000	-0.400%	123.99%
2019	0.08483126%	(94,695)	8,993,000	-1.053%	144.36%
2020	0.08024130%	(155,055)	8,668,000	-1.789%	150.07%
2021	0.05037134%	(102,636)	9,242,000	-1.111%	183.86%
2022	0.06324214%	(217,174)	9,548,000	-2.275%	194.66%
2023	0.06823360%	(242,460)	9,830,000	-2.467%	n/a

<sup>1</sup> 10-year trend information required by GASB Statement 75 will be presented prospectively.

<sup>2</sup> Amounts presented are for the measurement period reported during the fiscal year, which for FY 2023 is July 1, 2021 - June 30, 2022.

<sup>3</sup> There are no assets accumulated in a trust that meet the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the plan.



# CITY OF WEST LINN, OREGON

## Schedule of Funding Progress

### Oregon Public Employees Retirement System, Retirement Health Insurance Account for the last ten fiscal years<sup>1</sup>

Fiscal year ended	Contractually required contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered-Employee payroll	Contributions as a percentage of covered payroll
2014	\$ 47,700	\$ (47,700)	\$ -	\$ 8,085,000	0.59 %
2015	48,800	(48,800)	-	8,275,000	0.59
2016	54,200	(54,200)	-	9,189,000	0.59
2017	55,400	(55,400)	-	9,390,000	0.59
2018	41,100	(41,100)	-	8,993,000	0.46
2019	44,800	(44,800)	-	8,668,000	0.52
2020	41,000	(41,000)	-	9,242,000	0.44
2021	39,800	(39,800)	-	9,548,000	0.42
2022	3,203	(3,203)	-	9,830,388	0.03
2023	1,874	(1,874)	-	10,217,000	0.02

<sup>1</sup> There are no assets accumulated in a trust that meet the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the plan.

# CITY OF WEST LINN, OREGON

## Schedule of the City's Proportionate Share of the Net Pension (Asset)/Liability for the last ten fiscal years <sup>1,4</sup>

### Oregon Public Employee Retirement Pension Plan (OPERS)

Fiscal year ended <sup>2</sup>	City's proportion of the net pension (asset)/liability	City's proportionate share of the net pension (asset)/liability	City's covered-employee payroll	City's proportionate share of the net pension (asset)/liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension (asset)/liability
2014 <sup>4</sup>	0.12328639 %	6,291,000	\$ 8,652,000	73 %	n/a %
2015 <sup>4</sup>	0.12328639	(2,794,000)	8,085,000	(34.56)	#REF!
2016 <sup>4</sup>	0.10656086	6,118,000	8,275,000	73.93	#REF!
2017 <sup>4</sup>	0.09952936	14,942,000	9,189,000	162.61	#REF!
2018 <sup>4</sup>	0.10294248	13,877,000	9,390,000	147.78	#REF!
2019 <sup>4</sup>	0.09921771	15,030,000	8,993,000	167.13	#REF!
2020 <sup>4</sup>	0.09528934	16,483,000	8,668,000	190.16	#REF!
2021 <sup>4</sup>	0.08644967	18,866,000	9,242,000	204.13	#REF!
2022 <sup>4</sup>	0.08962219	10,725,000	9,548,000	112.33	#REF!
2023 <sup>4</sup>	0.08776408	13,438,000	9,830,000	136.70	#REF!

<sup>1</sup> Amounts presented are for the measurement period reported during the fiscal year, which for FY 2023 is July 1, 2021 - June 30, 2022.

<sup>2</sup> Amounts presented for each fiscal year were determined as of December 31.

<sup>3</sup> Actuarial information for these fiscal years was provided by the actuary for OPERS.

<sup>4</sup> There are no assets accumulated in a trust that meet the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the plan.

**CITY OF WEST LINN, OREGON**  
**Schedule of City Pension Plan Contributions**  
*for the last ten fiscal years*<sup>1,4</sup>

**Oregon Public Employee Retirement Pension Plan (OPERS)**

Fiscal year ended	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency/ (excess)	City's covered-employee payroll	Contributions as a percentage of of covered employee payroll
2014 <sup>2</sup>	\$ 838,224	\$ (838,224)	\$ -	\$ 8,652,000	9.69 %
2015 <sup>3</sup>	892,780	(892,780)	-	8,085,000	11.04
2016 <sup>3</sup>	1,124,255	(1,124,255)	-	8,275,000	13.59
2017 <sup>3</sup>	1,069,881	(1,069,881)	-	9,189,000	11.64
2018 <sup>3</sup>	1,391,540	(1,391,540)	-	9,390,000	14.82
2019 <sup>3</sup>	1,353,596	(1,353,596)	-	8,993,000	15.05
2020 <sup>3</sup>	1,774,832	(1,774,832)	-	8,668,000	20.48
2021 <sup>3</sup>	1,782,752	(1,782,752)	-	9,242,000	19.29
2022 <sup>3</sup>	1,986,193	(1,986,193)	-	9,548,000	20.80
2023 <sup>3</sup>	2,102,259	(2,102,259)	-	9,830,000	21.39

<sup>1</sup> Amounts presented are for the measurement period reported during the fiscal year, which for FY 2023 is July 1, 2021 - June 30, 2022.

<sup>2</sup> Actuarial information for these fiscal years was determined by the City.

<sup>3</sup> Actuarial information for these fiscal years was provided by the actuary for OPERS.

<sup>4</sup> There are no assets accumulated in a trust that meet the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the plan.

## **CITY OF WEST LINN, OREGON**

### **Notes to Required Supplementary Information**

**June 30, 2023**

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Required Supplementary Information includes budgetary comparisons for the general fund, public safety fund, parks and recreation fund, library fund, and street fund. The budgetary comparison information for all other funds can be found in Supplementary Information which follows this section.

#### **1. Budgetary Information**

Municipal budgets are adopted on a basis consistent with Oregon Revised Statutes (ORS 294 – Local Budget Law). The City Manager is responsible for submitting a proposed budget to the Citizens' Budget Committee comprised of the City Council and an equal number of citizens of the City. The City is required to prepare a budget for each fund that is balanced in accordance with Oregon Revised Statutes. Each fund is budgeted on the modified accrual basis of accounting. The basis of budgeting is the same as GAAP.

The Citizens' Budget Committee conducts public hearings for the purpose of obtaining citizens' comments, and then approves a budget and submits it to the City Council for final adoption. The approved expenditures for each fund may not be increased by more than 10 percent by Council without returning to the Citizens' Budget Committee for a second approval. After the Council adopts the budget and certifies the total ad valorem taxes to be levied, no additional tax levy may be made for that budget period.

The City Council legally adopts the budget by resolution before July 1. The resolution establishes appropriations for each fund and sets the level by which expenditures cannot legally exceed appropriations. In the general fund, the levels of budgetary control established by resolution are set at the department level. For all other funds, the levels of budgetary control are personnel services, materials and services, debt service, transfers, capital outlay and contingency. Appropriations lapse at the end of the biennium for goods or services not yet received.

The City Council may modify the budget by transferring appropriations between levels of control and by adopting supplemental budgets. Unexpected additional resources may be added to the budget through the use of a supplemental budget. Some supplemental budgets require hearings before the public, publications in newspapers and approval by the City Council. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the City Council.

### **Changes in Benefit Terms – PERS Pension**

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.

### **Changes of Assumption – PERS Pension**

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 7.50 percent and lowering 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, 2023, the long-term expected rate of return was kept at 6.90 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.

### **Changes in Actuarial Methods and Allocation Procedures – PERS Pension**

Senate Bill 1049 was signed into law in June 2019 and requires a one-time re-amortization of Tier 1/Tier 2 UAL over a closed 22-year period at the December 31, 2019 rate-setting actuarial valuation, which will set actuarially determined contribution rates for the 2021-2023 biennium.

### **Changes of Assumptions – OPEB (Oregon Public Employees Retirement System, Retirement Health Insurance Account)**

The PERS Board adopted assumption changes that were used to measure the June 30, 2021 total OPEB liability. The changes include lowering of the long-term expected rate of return to 6.90 percent. In addition, healthy retiree participation and healthy mortality assumptions were changed to reflect updated trends and mortality improvement scale for all groups.

In the July 1, 2022 actuarial valuation for the City's implicit subsidy single-employer defined benefit postemployment health care plan, the valuation includes a change in the discount rate increasing from 2.16 percent to 3.54 percent. This change was reflected in the valuation for the measurement date of June 30, 2022, used to calculate the total OPEB liability as of June 30, 2023.

## **SUPPLEMENTARY INFORMATION**

### *Combining and Individual Fund Financial Statements and Schedules*

**COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES**  
For Major and Nonmajor Governmental Funds

MAJOR

**Capital Projects Fund**

City Facilities, Parks & Transportation Bond Fund – accounts for the voter-approved general obligation bond funds for the acquisition of land and construction of park facilities.

Systems Development Charges Fund – accounts for the receipt and expenditure of systems development charges (SDCs) dedicated to streets, surface water, water, sewer, parks, and bike/pedestrian.

NONMAJOR

**Special Revenue Funds**

These nonmajor funds are used to account for specific revenues that are legally restricted or committed to expenditure of a particular purpose.

Building Inspections Fund – accounts for the City's building inspection activities. The primary revenue source is license and permit fees.

Planning Fund – accounts for the City's planning activities. Primary revenue sources are license and permit fees, intergovernmental revenues, franchise taxes, and charges for services.

**Debt Service Fund**

Debt Service Fund – accounts for the payment of general obligation bond principal and interest. The principal source of revenue is property taxes, which for general obligation debt is exempt from tax limitation.

## CITY OF WEST LINN, OREGON

MAJOR GOVERNMENTAL FUND - CAPITAL PROJECTS  
CITY FACILITIES, PARKS, AND TRANSPORTATION BOND FUNDSCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget for the 2022-2023 Biennium		Actual			Variance with Final Budget
	Original	Final	1st Year FY 2021-22	2nd Year FY 2022-23	Total	
<b>REVENUES:</b>						
Investment earnings	130,000	130,000	61,277	258,968	320,245	190,245
TOTAL REVENUES	130,000	130,000	61,277	258,968	320,245	190,245
<b>EXPENDITURES:</b>						
Capital outlay	11,154,000	11,154,000	1,817,636	2,349,258	4,166,894	6,987,106
TOTAL EXPENDITURES	11,154,000	11,154,000	1,817,636	2,349,258	4,166,894	6,987,106
NET CHANGE IN FUND BALANCES	(11,024,000)	(11,024,000)	(1,756,359)	(2,090,290)	(3,846,649)	7,177,351
FUND BALANCES - beginning	11,224,000	11,224,000	11,587,829	9,831,470	11,587,829	363,829
FUND BALANCES - ending	\$ 200,000	\$ 200,000	\$ 9,831,470	\$ 7,741,180	\$ 7,741,180	\$ 7,541,180



**CITY OF WEST LINN, OREGON**

**MAJOR GOVERNMENTAL FUND - CAPITAL PROJECTS  
SYSTEMS DEVELOPMENT CHARGES FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget for the 2022-2023 Biennium		1st Year Actual
	Original	Final	FY 2021-22
<b>REVENUES:</b>			
Systems development charges:			
Street - systems development charges	\$ 84,000	\$ 84,000	\$ 160,761
Surface water - systems development charges	8,000	8,000	48,780
Water - systems development charges	400,000	400,000	846,914
Sewer - systems development charges	70,000	70,000	213,371
Parks - systems development charges	270,000	270,000	491,885
Bike/Pedestrian - systems development charges	60,000	60,000	135,919
Investment earnings	-	-	23,100
<b>TOTAL REVENUES</b>	<b>892,000</b>	<b>892,000</b>	<b>1,920,730</b>
<b>EXPENDITURES:</b>			
Materials and services	20,000	20,000	27,134
Capital outlay	3,535,000	3,535,000	612,427
Contingency	1,820,000	1,820,000	-
<b>TOTAL EXPENDITURES</b>	<b>5,375,000</b>	<b>5,375,000</b>	<b>639,561</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(4,483,000)</b>	<b>(4,483,000)</b>	<b>1,281,169</b>
<b>FUND BALANCES - beginning</b>	<b>4,968,000</b>	<b>4,968,000</b>	<b>5,468,734</b>
<b>FUND BALANCES - ending</b>	<b>\$ 485,000</b>	<b>\$ 485,000</b>	<b>\$ 6,749,903</b>

Continued on next page

2nd Year Actual FY 2022-23							Actual	Variance with
Street	Surface Water	Water	Sewer	Parks	Bike/ Pedestrian	Total	Total Biennium	Final Budget
\$ 49,502	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,502	\$ 210,263	\$ 126,263
-	11,174	-	-	-	-	11,174	59,954	51,954
-	-	38,677	-	-	-	38,677	885,591	485,591
-	-	-	32,491	-	-	32,491	245,862	175,862
-	-	-	-	19,223	-	19,223	511,108	241,108
-	-	-	-	-	9,453	9,453	145,372	85,372
23,412	4,568	281,952	47,728	195,685	39,985	593,330	616,430	616,430
72,914	15,742	320,629	80,219	214,908	49,438	753,850	2,674,580	1,782,580
3,158	1,702	24,793	3,158	1,459	-	34,270	61,404	(41,404)
89,933	-	-	171,507	8,803	704	270,947	883,374	2,651,626
-	-	-	-	-	-	-	-	1,820,000
93,091	1,702	24,793	174,665	10,262	704	305,217	944,778	4,430,222
(20,177)	14,040	295,836	(94,446)	204,646	48,734	448,633	1,729,802	6,212,802
828,618	657,883	1,943,167	1,970,600	952,338	397,297	6,749,903	5,468,734	500,734
\$ 808,441	\$ 671,923	\$ 2,239,003	\$ 1,876,154	\$ 1,156,984	\$ 446,031	\$ 7,198,536	\$ 7,198,536	\$ 6,713,536

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**CITY OF WEST LINN, OREGON**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2023**

	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds
<b>ASSETS:</b>			
Cash and investments	\$ 857,538	\$ -	\$ 857,538
Restricted cash and investments	1,550,108	472,312	2,022,420
Property taxes receivable	-	69,657	69,657
Accounts receivable	156,400	-	156,400
	<u>156,400</u>	<u>-</u>	<u>156,400</u>
 TOTAL ASSETS	 <u>\$ 2,564,046</u>	 <u>\$ 541,969</u>	 <u>\$ 3,106,015</u>
<b>LIABILITIES:</b>			
Accounts payable	\$ 46,569	\$ -	\$ 46,569
Accrued salaries and payroll taxes	33,541	-	33,541
Deposits payable	26,895	-	26,895
	<u>26,895</u>	<u>-</u>	<u>26,895</u>
 TOTAL LIABILITIES	 <u>107,005</u>	 <u>-</u>	 <u>107,005</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue - property taxes	-	43,086	43,086
	<u>-</u>	<u>43,086</u>	<u>43,086</u>
<b>FUND BALANCES:</b>			
Restricted	1,530,290	498,883	2,029,173
Committed	926,751	-	926,751
	<u>926,751</u>	<u>-</u>	<u>926,751</u>
 TOTAL FUND BALANCES	 <u>2,457,041</u>	 <u>498,883</u>	 <u>2,955,924</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 2,564,046</u>	 <u>\$ 541,969</u>	 <u>\$ 3,106,015</u>

**CITY OF WEST LINN, OREGON**

**NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds
<b>REVENUES:</b>			
Property taxes	\$ -	\$ 1,704,789	\$ 1,704,789
Intergovernmental	375,486	-	375,486
Franchise taxes	161,329	-	161,329
Licenses and permits	915,447	-	915,447
Charges for services	475,000	-	475,000
Investment earnings	3,522	22,235	25,757
Miscellaneous	6,960	-	6,960
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	1,937,744	1,727,024	3,664,768
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES:</b>			
Current:			
General government	968,277	-	968,277
Public safety	900,488	-	900,488
Debt service:			
Principal	8,329	845,000	853,329
Interest	947	776,124	777,071
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	1,878,041	1,621,124	3,499,165
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND NET CHANGE IN FUND BALANCES	59,703	105,900	165,603
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES):			
Transfers from other funds	-	51,542	51,542
	<hr/>	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	-	51,542	51,542
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES	59,703	157,442	217,145
	<hr/>	<hr/>	<hr/>
FUND BALANCES - beginning	2,397,338	341,441	2,738,779
	<hr/>	<hr/>	<hr/>
FUND BALANCES - ending	\$ 2,457,041	\$ 498,883	\$ 2,955,924
	<hr/>	<hr/>	<hr/>

**CITY OF WEST LINN, OREGON**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2023**

	Building Inspections Fund	Planning Fund	Total
<b>ASSETS:</b>			
Cash and investments	\$ -	\$ 857,538	\$ 857,538
Restricted cash and investments	1,550,108	-	1,550,108
Accounts receivable	21,059	135,341	156,400
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL ASSETS	<u>\$ 1,571,167</u>	<u>\$ 992,879</u>	<u>\$ 2,564,046</u>
<b>LIABILITIES:</b>			
Accounts payable	\$ 24,249	\$ 22,320	\$ 46,569
Accrued salaries and payroll taxes	16,628	16,913	33,541
Deposits payable	-	26,895	26,895
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL LIABILITIES	<u>40,877</u>	<u>66,128</u>	<u>107,005</u>
<b>FUND BALANCES:</b>			
Restricted	1,530,290	-	1,530,290
Committed	-	926,751	926,751
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL FUND BALANCES	<u>1,530,290</u>	<u>926,751</u>	<u>2,457,041</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,571,167</u>	<u>\$ 992,879</u>	<u>\$ 2,564,046</u>

**CITY OF WEST LINN, OREGON**

**NONMAJOR SPECIAL REVENUE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Building Inspections Fund	Planning Fund	Total
<b>REVENUES:</b>			
Intergovernmental	\$ -	\$ 375,486	\$ 375,486
Franchise taxes	-	161,329	161,329
Licenses and permits	818,648	96,799	915,447
Charges for services	-	475,000	475,000
Investment earnings	3,522	-	3,522
Miscellaneous	-	6,960	6,960
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	822,170	1,115,574	1,937,744
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES:</b>			
Current:			
General government	-	968,277	968,277
Public safety	900,488	-	900,488
Debt service:			
Principal	8,329	-	8,329
Interest	947	-	947
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	909,764	968,277	1,878,041
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND NET CHANGE IN FUND BALANCES	(87,594)	147,297	59,703
	<hr/>	<hr/>	<hr/>
FUND BALANCES - beginning	1,617,884	779,454	2,397,338
	<hr/>	<hr/>	<hr/>
FUND BALANCES - ending	\$ 1,530,290	\$ 926,751	\$ 2,457,041
	<hr/>	<hr/>	<hr/>

## CITY OF WEST LINN, OREGON

## BUILDING INSPECTIONS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget for the 2022-2023 Biennium		Actual			Variance with Final Budget
	Original	Final	1st Year FY 2021-22	2nd Year FY 2022-23	Total	
<b>REVENUES:</b>						
Licenses and permits	1,610,000	1,610,000	1,893,712	818,648	2,712,360	1,102,360
Investment earnings	-	-	-	3,522	3,522	3,522
<b>TOTAL REVENUES</b>	<b>1,610,000</b>	<b>1,610,000</b>	<b>1,893,712</b>	<b>822,170</b>	<b>2,715,882</b>	<b>1,105,882</b>
<b>EXPENDITURES:</b>						
Personnel services	1,111,000	1,111,000	449,860	571,400	1,021,260	89,740
Materials and services	357,000	357,000	384,463	45,088	429,551	(72,551)
Debt service:						
Principal	22,000	22,000	8,897	8,329	17,226	4,774
Interest	6,000	6,000	1,382	947	2,329	3,671
Contingency	67,000	67,000	-	-	-	67,000
<b>TOTAL EXPENDITURES</b>	<b>1,563,000</b>	<b>1,563,000</b>	<b>844,602</b>	<b>625,764</b>	<b>1,470,366</b>	<b>92,634</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>47,000</b>	<b>47,000</b>	<b>1,049,110</b>	<b>196,406</b>	<b>1,245,516</b>	<b>1,198,516</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers to other funds	(563,000)	(563,000)	(279,000)	(284,000)	(563,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(563,000)</b>	<b>(563,000)</b>	<b>(279,000)</b>	<b>(284,000)</b>	<b>(563,000)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(516,000)</b>	<b>(516,000)</b>	<b>770,110</b>	<b>(87,594)</b>	<b>682,516</b>	<b>1,198,516</b>
<b>FUND BALANCES (DEFICIT) - beginning</b>	<b>543,000</b>	<b>543,000</b>	<b>847,774</b>	<b>1,617,884</b>	<b>847,774</b>	<b>304,774</b>
<b>FUND BALANCES - ending</b>	<b>\$ 27,000</b>	<b>\$ 27,000</b>	<b>\$ 1,617,884</b>	<b>\$ 1,530,290</b>	<b>\$ 1,530,290</b>	<b>\$ 1,503,290</b>

## CITY OF WEST LINN, OREGON

## PLANNING FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget for the 2022-2023 Biennium		Actual			Variance with Final Budget
	Original	Final	1st Year FY 2021-22	2nd Year FY 2022-23	Total	
<b>REVENUES:</b>						
Intergovernmental	\$ 650,000	\$ 650,000	\$ 356,482	\$ 375,486	\$ 731,968	\$ 81,968
Franchise taxes	345,000	345,000	169,208	161,329	330,537	(14,463)
Licenses and permits	180,000	180,000	116,645	96,799	213,444	33,444
Miscellaneous	6,000	6,000	4,092	6,960	11,052	5,052
<b>TOTAL REVENUES</b>	<b>1,181,000</b>	<b>1,181,000</b>	<b>646,427</b>	<b>640,574</b>	<b>1,287,001</b>	<b>106,001</b>
<b>EXPENDITURES:</b>						
Personnel services	1,451,000	1,451,000	582,197	610,140	1,192,337	258,663
Material and services	239,000	239,000	34,571	69,137	103,708	135,292
Contingency	86,000	86,000	-	-	-	86,000
<b>TOTAL EXPENDITURES</b>	<b>1,776,000</b>	<b>1,776,000</b>	<b>616,768</b>	<b>679,277</b>	<b>1,296,045</b>	<b>479,955</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>(595,000)</b>	<b>(595,000)</b>	<b>29,659</b>	<b>(38,703)</b>	<b>(9,044)</b>	<b>585,956</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers from other funds	945,000	945,000	470,000	475,000	945,000	-
Transfers to other funds	(616,000)	(616,000)	(327,000)	(289,000)	(616,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>329,000</b>	<b>329,000</b>	<b>143,000</b>	<b>186,000</b>	<b>329,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(266,000)</b>	<b>(266,000)</b>	<b>172,659</b>	<b>147,297</b>	<b>319,956</b>	<b>585,956</b>
<b>FUND BALANCES - beginning</b>	<b>308,000</b>	<b>308,000</b>	<b>606,795</b>	<b>779,454</b>	<b>606,795</b>	<b>298,795</b>
<b>FUND BALANCES - ending</b>	<b>\$ 42,000</b>	<b>\$ 42,000</b>	<b>\$ 779,454</b>	<b>\$ 926,751</b>	<b>\$ 926,751</b>	<b>\$ 884,751</b>



## CITY OF WEST LINN, OREGON

## DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget for the 2022-2023 Biennium		Actual			Variance with Final Budget
	Original	Final	1st Year FY 2021-22	2nd Year FY 2022-23	Total	
<b>REVENUES:</b>						
Property taxes	\$ 3,270,000	\$ 3,270,000	\$ 1,628,529	\$ 1,704,789	\$ 3,333,318	\$ 63,318
Investment earnings	-	-	-	22,235	22,235	
<b>TOTAL REVENUES</b>	<u>3,270,000</u>	<u>3,270,000</u>	<u>1,628,529</u>	<u>1,727,024</u>	<u>3,355,553</u>	<u>63,318</u>
<b>EXPENDITURES:</b>						
Debt service:						
Principal	1,610,000	1,610,000	765,000	845,000	1,610,000	-
Interest	<u>1,580,000</u>	<u>1,580,000</u>	<u>802,374</u>	<u>776,124</u>	<u>1,578,498</u>	<u>1,502</u>
<b>TOTAL EXPENDITURES</b>	<u>3,190,000</u>	<u>3,190,000</u>	<u>1,567,374</u>	<u>1,621,124</u>	<u>3,188,498</u>	<u>1,502</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND NET CHANGE IN FUND BALANCES</b>	80,000	80,000	61,155	105,900	167,055	87,055
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers from other funds	-	-	-	51,542	51,542	51,542
<b>NET CHANGE IN FUND BALANCES</b>	<u>80,000</u>	<u>80,000</u>	<u>61,155</u>	<u>157,442</u>	<u>218,597</u>	<u>138,597</u>
<b>FUND BALANCES - beginning</b>	<u>246,000</u>	<u>246,000</u>	<u>280,286</u>	<u>341,441</u>	<u>280,286</u>	<u>34,286</u>
<b>FUND BALANCES - ending</b>	<u><u>\$ 326,000</u></u>	<u><u>\$ 326,000</u></u>	<u><u>\$ 341,441</u></u>	<u><u>\$ 498,883</u></u>	<u><u>\$ 498,883</u></u>	<u><u>\$ 172,883</u></u>

**INDIVIDUAL FUND FINANCIAL  
SCHEDULES**  
Proprietary Funds

**Proprietary Funds**

These funds account for operations of the City's enterprise activities. All proprietary funds are major funds of the City.

Water Fund – accounts for the City's water utility operations including maintenance and operations. All water related revenues and expenditures, including capital replacement, are included in this fund.

Environmental Services Fund – accounts for the City's sewer and surface water operations. It includes the maintenance and operations of sewer and surface water infrastructure.

## CITY OF WEST LINN, OREGON

## WATER FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget for the 2022-2023 Biennium		Actual			Variance with Final Budget
	Original	Final	1st Year FY 2021-22	2nd Year FY 2022-23	Total	
<b>REVENUES:</b>						
Water charges	\$ 10,522,000	\$ 10,522,000	\$ 5,332,262	\$ 6,031,491	\$ 11,363,753	\$ 841,753
Intergovernmental	-	-	5,004	70,098	75,102	75,102
Systems development charges	-	-	69,509	21,945	91,454	91,454
Miscellaneous	436,000	436,000	190,962	136,647	327,609	(108,391)
<b>TOTAL REVENUES</b>	<b>10,958,000</b>	<b>10,958,000</b>	<b>5,597,737</b>	<b>6,260,181</b>	<b>11,857,918</b>	<b>899,918</b>
<b>EXPENDITURES:</b>						
Personnel services	1,877,000	1,877,000	822,613	738,614	1,561,227	315,773
Materials and services	4,741,000	4,741,000	2,203,828	2,640,401	4,844,229	(103,229)
Debt service	913,000	913,000	151,473	153,993	305,466	607,534
Capital outlay	8,492,000	8,492,000	303,917	594,949	898,866	7,593,134
Contingency	1,678,000	1,678,000	-	-	-	1,678,000
<b>TOTAL EXPENDITURES</b>	<b>17,701,000</b>	<b>17,701,000</b>	<b>3,481,831</b>	<b>4,127,957</b>	<b>7,609,788</b>	<b>10,091,212</b>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<b>(6,743,000)</b>	<b>(6,743,000)</b>	<b>2,115,906</b>	<b>2,132,224</b>	<b>4,248,130</b>	<b>10,991,130</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from lease obligations	42,000	42,000	-	-	-	(42,000)
Proceeds from sale of bonds	6,000,000	6,000,000	-	12,663,495	12,663,495	6,663,495
Proceeds from sale of capital assets	-	-	35,600	-	35,600	35,600
Investment earnings	20,000	20,000	594	214,894	215,488	195,488
Transfers to other funds	(2,250,000)	(2,250,000)	(1,195,000)	(1,055,000)	(2,250,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>3,812,000</b>	<b>3,812,000</b>	<b>(1,158,806)</b>	<b>11,823,389</b>	<b>10,664,583</b>	<b>6,852,583</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(2,931,000)</b>	<b>(2,931,000)</b>	<b>957,100</b>	<b>13,955,613</b>	<b>14,912,713</b>	<b>17,843,713</b>
<b>FUND BALANCES - beginning</b>	<b>3,099,000</b>	<b>3,099,000</b>	<b>3,631,649</b>	<b>4,588,749</b>	<b>3,631,649</b>	<b>532,649</b>
<b>FUND BALANCES - ending</b>	<b>\$ 168,000</b>	<b>\$ 168,000</b>	<b>\$ 4,588,749</b>	<b>18,544,362</b>	<b>\$ 18,544,362</b>	<b>\$ 18,376,362</b>

## RECONCILIATION TO NET POSITION - GAAP BASIS:

Adjustment for OPEB asset being accrued	12,689
Adjustment for deferred outflows of resources being accrued	280,477
Adjustment for loans receivable being accrued	1,502
Adjustment for misc. receivables being accrued	2,500
Adjustment for net pension liability being accrued	(703,320)
Adjustment for compensated absences being accrued	(69,483)
Adjustment for OPEB liability being accrued	(43,692)
Adjustment for deferred inflows of resources being accrued	(272,684)
Adjustment for interest payable being accrued	(70,089)
Adjustment for capital assets not being depreciated	778,268
Adjustment for capital assets, net of accumulated depreciation	22,065,266
Adjustment for investment in joint venture	12,740,474
Adjustment for bonds payable - due within one year	(320,000)
Adjustment for long term bonds payable	(12,545,000)
Adjustment for leases payable - due within one year	(11,411)
Adjustment for long term leases payable	(19,041)
Adjustment for unamortized bond premium	(1,166,920)

NET POSITION - GAAP BASIS

\$ 39,203,898

## CITY OF WEST LINN, OREGON

## ENVIRONMENTAL SERVICES FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget for the 2022-2023 Biennium		Actual			Variance with Final Budget
	Original	Final	1st Year FY 2021-22	2nd Year FY 2022-23	Total	
<b>REVENUES:</b>						
Sewer charges	\$ 5,975,000	\$ 5,975,000	\$ 3,047,241	\$ 3,237,080	\$ 6,284,321	\$ 309,321
Surface water charges	2,257,000	2,257,000	1,126,559	1,187,996	2,314,555	57,555
Intergovernmental	-	-	-	61,276	61,276	61,276
Systems development charges	44,000	44,000	218,386	27,843	246,229	202,229
Miscellaneous	125,000	125,000	71,899	59,188	131,087	6,087
<b>TOTAL REVENUES</b>	<b>8,401,000</b>	<b>8,401,000</b>	<b>4,464,085</b>	<b>4,573,383</b>	<b>9,037,468</b>	<b>636,468</b>
<b>EXPENDITURES:</b>						
Personnel services	1,655,000	1,655,000	606,796	707,667	1,314,463	340,537
Materials and services	961,000	961,000	391,595	559,207	950,802	10,198
Debt service	86,000	86,000	11,561	11,112	22,673	63,327
Capital outlay	6,411,000	6,411,000	977,465	1,781,438	2,758,903	3,652,097
Contingency	1,981,000	1,981,000	-	-	-	1,981,000
<b>TOTAL EXPENDITURES</b>	<b>11,094,000</b>	<b>11,094,000</b>	<b>1,987,417</b>	<b>3,059,424</b>	<b>5,046,841</b>	<b>6,047,159</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>(2,693,000)</b>	<b>(2,693,000)</b>	<b>2,476,668</b>	<b>1,513,959</b>	<b>3,990,627</b>	<b>6,683,627</b>
<b>OTHER FINANCING USES:</b>						
Proceeds from lease obligations	126,000	126,000	-	-	-	(126,000)
Investment earnings	-	-	1,074	113,819	114,893	114,893
Transfers to other funds	(3,051,000)	(3,051,000)	(1,496,000)	(1,555,000)	(3,051,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(2,925,000)</b>	<b>(2,925,000)</b>	<b>(1,494,926)</b>	<b>(1,441,181)</b>	<b>(2,936,107)</b>	<b>(11,107)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(5,618,000)</b>	<b>(5,618,000)</b>	<b>981,742</b>	<b>72,778</b>	<b>1,054,520</b>	<b>6,672,520</b>
<b>FUND BALANCES - beginning</b>	<b>5,685,000</b>	<b>5,685,000</b>	<b>5,573,105</b>	<b>6,554,847</b>	<b>5,573,105</b>	<b>(111,895)</b>
<b>FUND BALANCES - ending</b>	<b>\$ 67,000</b>	<b>\$ 67,000</b>	<b>\$ 6,554,847</b>	<b>6,627,625</b>	<b>\$ 6,627,625</b>	<b>\$ 6,560,625</b>

## RECONCILIATION TO NET POSITION - GAAP BASIS:

Adjustment for OPEB asset being accrued	11,783
Adjustment for deferred outflows of resources being accrued	260,442
Adjustment for loans receivable being accrued	3,645
Adjustment for net pension liability being accrued	(653,083)
Adjustment for compensated absences being accrued	(64,558)
Adjustment for OPEB liability being accrued	(40,571)
Adjustment for deferred inflows of resources being accrued	(253,207)
Adjustment for leases payable - due within one year	(10,222)
Adjustment for long term leases payable	(15,635)
Adjustment for capital assets not being depreciated	2,510,763
Adjustment for capital assets, net of accumulated depreciation	20,706,833

## NET POSITION - GAAP BASIS

\$29,083,815

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## **OTHER FINANCIAL SCHEDULES**

Schedule of Future Debt Service Requirements

Schedule of Property Tax Transactions and Outstanding Balances

Schedule of Accountability of Independently Elected Officials

## CITY OF WEST LINN, OREGON

## SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS

JUNE 30, 2023

## FUTURE BOND PRINCIPAL

Fiscal year	General Obligation Bonds		Full Faith and Credit Obligations		Total
	Series 2012	Series 2018	Series 2015	Series 2023	
		City Fac, Parks, & Trans.			
	Police Station Jan. 25, 2012	Aug. 30, 2018	Str/Pks/Wtr Dec. 16, 2015	Water Feb. 8, 2023	
2024	450,000	475,000	330,000	225,000	1,480,000
2025	475,000	540,000	345,000	375,000	1,735,000
2026	505,000	600,000	360,000	395,000	1,860,000
2027	530,000	665,000	370,000	415,000	1,980,000
2028	565,000	720,000	375,000	435,000	2,095,000
2029	595,000	780,000	390,000	455,000	2,220,000
2030	630,000	850,000	120,000	480,000	2,080,000
2031	665,000	925,000	120,000	505,000	2,215,000
2032	715,000	995,000	125,000	530,000	2,365,000
2033	-	1,755,000	130,000	555,000	2,440,000
2034	-	1,875,000	130,000	580,000	2,585,000
2035	-	1,995,000	135,000	610,000	2,740,000
2036	-	2,125,000	-	640,000	2,765,000
2037	-	2,265,000	-	670,000	2,935,000
2038	-	2,410,000	-	695,000	3,105,000
2039	-	-	-	720,000	720,000
2040	-	-	-	750,000	750,000
2041	-	-	-	780,000	780,000
2042	-	-	-	810,000	810,000
2043	-	-	-	845,000	845,000
	<u>\$ 5,130,000</u>	<u>\$ 18,975,000</u>	<u>\$ 2,930,000</u>	<u>\$ 11,470,000</u>	<u>\$ 38,505,000</u>

## FUTURE BOND INTEREST

Fiscal year	General Obligation Bonds		Full Faith and Credit Obligations		Total
	Series 2012	Series 2018	Series 2015	Series 2015	
		City Fac, Parks, & Trans			
	Police Station Jan. 25, 2012	Aug. 30, 2018	Str/Pks/Wtr Dec. 16, 2015	Water Feb. 8, 2023	
2024	123,938	622,688	94,524	655,860	1,497,010
2025	114,937	598,937	81,326	503,150	1,298,350
2026	105,438	571,938	67,524	484,400	1,229,300
2027	94,706	553,937	53,126	464,650	1,166,419
2028	82,781	533,988	43,875	443,900	1,104,544
2029	69,363	512,387	34,500	422,150	1,038,400
2030	54,487	481,188	22,800	399,400	957,875
2031	37,950	447,187	19,200	375,400	879,737
2032	9,831	419,438	15,600	350,150	795,019
2033	-	389,587	11,851	323,650	725,088
2034	-	336,938	7,950	295,900	640,788
2035	-	280,687	4,050	266,900	551,637
2036	-	218,344	-	236,400	454,744
2037	-	151,937	-	210,800	362,737
2038	-	78,323	-	184,000	262,323
2039	-	-	-	156,200	156,200
2040	-	-	-	127,400	127,400
2041	-	-	-	97,400	97,400
2042	-	-	-	66,200	66,200
2043	-	-	-	33,800	33,800
	<u>\$ 693,431</u>	<u>\$ 6,197,504</u>	<u>\$ 456,326</u>	<u>\$ 6,097,710</u>	<u>\$ 13,444,971</u>

## CITY OF WEST LINN, OREGON

## SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES

## FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>Tax Year</u>	<u>Uncollected Property Taxes as of June 30, 2022</u>	<u>Add Tax Levy Extended by Assessor</u>	<u>Deduct Adjustments and Discounts</u>	<u>Deduct Cash Collections</u>	<u>Uncollected Property Taxes as of June 30, 2023</u>
Current fiscal year 2022-23	<u>\$ -</u>	<u>\$ 10,881,966</u>	<u>\$ (273,861)</u>	<u>\$ (10,366,253)</u>	<u>\$ 241,852</u>
Prior fiscal years					
2021-22	233,204	-	(16,997)	(97,515)	118,692
2020-21	76,771	-	(6,464)	(36,895)	33,412
2019-20	41,393	-	(1,742)	(24,104)	15,547
2018-19	11,852	-	(1,082)	(6,558)	4,212
2017-18 & prior	18,033	-	(2,197)	(289)	15,547
Sub-total prior	<u>381,253</u>	<u>-</u>	<u>(28,482)</u>	<u>(165,361)</u>	<u>187,410</u>
Total	<u>\$ 381,253</u>	<u>\$ 10,881,966</u>	<u>\$ (302,343)</u>	<u>\$ (10,531,614)</u>	<u>\$ 429,262</u>

Public Safety Fund	\$ 244,018
Parks and Recreation Fund	68,496
Library Fund	47,091
Debt Service Fund	<u>69,657</u>
	<u>\$ 429,262</u>



**CITY OF WEST LINN, OREGON**  
**SCHEDULE OF ACCOUNTABILITY OF INDEPENDENTLY ELECTED OFFICIALS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Oregon Revised Statutes (ORS) Section 297 requires a statement of accountability for each independently elected official collecting or receiving money in the municipal corporation. In compliance with ORS 297, there are no independently elected officials that collect or receive money on behalf of the City of West Linn.

CITY OF WEST LINN, OREGON  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

SECTION III

**STATISTICAL SECTION**

# STATISTICAL SECTION

This section provides further details as a context for a better understanding of the financial statements.

<b>Contents</b>	<b>Page</b>
Financial Trends These schedules contain trend information to help the reader understand how financial performance has changed over time.	105
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.	108
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.	115
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.	120
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 services the City provides and the activities it performs.	123

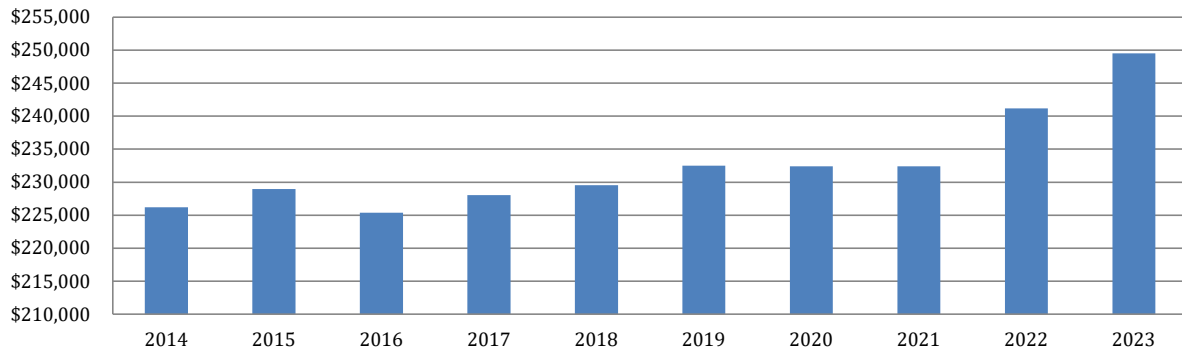
Sources: The information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year, unless otherwise noted.

# CITY OF WEST LINN, OREGON

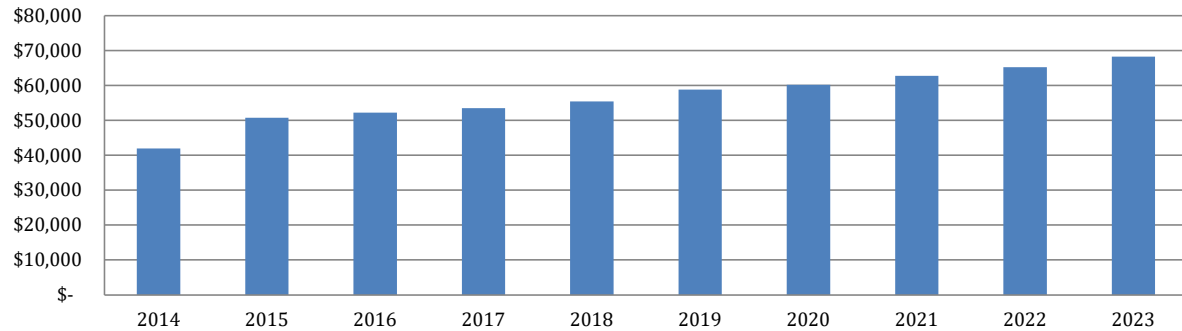
## Net Position by Component for the last ten fiscal years (accrual basis of accounting) (in thousands)

	Fiscal Year Ended									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	(restated)									
Governmental activities										
Net investment in capital assets	\$ 218,327	\$ 220,683	\$ 222,408	\$ 225,588	\$ 227,088	\$ 209,419	\$ 226,983	\$ 225,470	\$ 225,639	\$ 226,683
Restricted	7,236	5,268	4,774	5,276	5,191	24,023	20,766	7,454	9,841	10,585
Unrestricted (deficit)	638	3,028	(1,787)	(2,826)	(2,757)	(962)	(15,327)	(516)	5,714	12,231
Total governmental activities net position	226,201	228,979	225,395	228,038	229,522	232,480	232,422	232,408	241,194	249,499
Business-type activities										
Net investment in capital assets	29,136	33,418	35,361	40,846	42,680	43,285	43,241	43,931	43,625	43,443
Restricted	155	4,154	2,823	-	-	-	15	10	22	24
Unrestricted	12,587	13,154	13,966	12,600	12,694	15,563	16,996	18,852	21,649	24,821
Total business-type activities net position	41,878	50,726	52,150	53,446	55,374	58,848	60,252	62,793	65,296	68,288
Primary government										
Net investment in capital assets	247,463	247,463	257,769	266,434	269,768	252,704	270,224	269,401	269,264	270,126
Restricted	7,391	9,422	7,597	5,276	5,191	24,023	20,781	7,464	9,863	10,609
Unrestricted	13,225	16,182	12,179	9,774	9,937	14,601	1,669	18,336	27,363	37,052
Total primary government net position	\$ 268,079	\$ 273,067	\$ 277,545	\$ 281,484	\$ 284,896	\$ 291,328	\$ 292,674	\$ 295,201	\$ 306,490	\$ 317,787

Net Position - Governmental Activities ('000s)



Net Position - Business-type Activities ('000s)



# CITY OF WEST LINN, OREGON

## Changes in Net Position for the last ten fiscal years (accrual basis of accounting) (in thousands)

	Fiscal Year Ended									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities:										
General government	\$ 7,169	\$ 6,775	\$ 10,291	\$ 8,213	\$ 9,792	\$ 8,432	\$ 9,541	\$ 10,351	\$ 8,953	\$ 10,193
Culture and recreation	6,060	5,804	7,138	6,988	7,477	7,933	7,834	8,320	8,080	8,644
Public safety	7,095	6,251	10,288	8,830	8,717	8,752	9,053	9,158	8,933	9,561
Highways and streets	3,664	3,681	4,303	4,517	4,429	4,249	4,439	5,496	3,410	3,421
Interest on long-term debt	549	508	625	403	353	860	940	911	872	839
Unallocated depreciation	-	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	24,537	23,019	32,645	28,951	30,768	30,226	31,807	34,236	30,248	32,658
Business-type activities:										
Water	3,243	3,231	4,233	3,899	4,173	4,732	4,445	4,869	5,153	5,240
Environmental services	2,906	2,822	3,232	3,249	3,379	3,518	3,453	3,515	3,583	3,952
Total business-type activities expenses	6,149	6,053	7,465	7,148	7,552	8,250	7,898	8,384	8,736	9,192
Total primary government expenses	\$ 30,686	\$ 29,072	\$ 40,110	\$ 36,099	\$ 38,320	\$ 38,476	\$ 39,705	\$ 42,620	\$ 38,984	\$ 41,850
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 8,483	\$ 8,217	\$ 9,517	\$ 9,596	\$ 8,901	\$ 9,692	\$ 8,547	\$ 10,077	\$ 10,896	\$ 9,553
Culture and recreation	2,005	2,056	2,214	2,432	2,495	2,546	2,581	2,316	2,990	3,288
Public safety	664	897	850	948	2,008	781	1,348	1,289	1,932	860
Highways and streets	1,351	1,522	1,659	1,735	1,791	1,898	1,992	2,102	2,205	2,322
Operating grants and contributions	3,776	4,019	4,192	6,249	4,954	4,645	4,929	5,949	8,490	10,415
Capital grants and contributions	354	467	101	-	572	1,925	234	255	68	186
Total governmental activities program revenues	16,633	17,178	18,533	20,960	20,721	21,487	19,631	21,988	26,581	26,624
Business-type activities:										
Charges for services:										
Water	3,968	4,705	4,427	4,656	5,313	6,262	4,959	6,144	6,466	6,714
Environmental services	2,996	2,953	3,243	3,428	3,563	3,750	3,866	4,158	4,445	4,504
Capital grants and contributions	581	469	1,218	370	559	1,671	423	620	327	637
Total business-type activities program revenues	7,545	8,127	8,888	8,454	9,435	11,683	9,248	10,922	11,238	11,855
Total primary government program revenues	\$ 24,178	\$ 25,305	\$ 27,421	\$ 29,414	\$ 30,156	\$ 33,170	\$ 28,879	\$ 32,910	\$ 37,819	\$ 38,479

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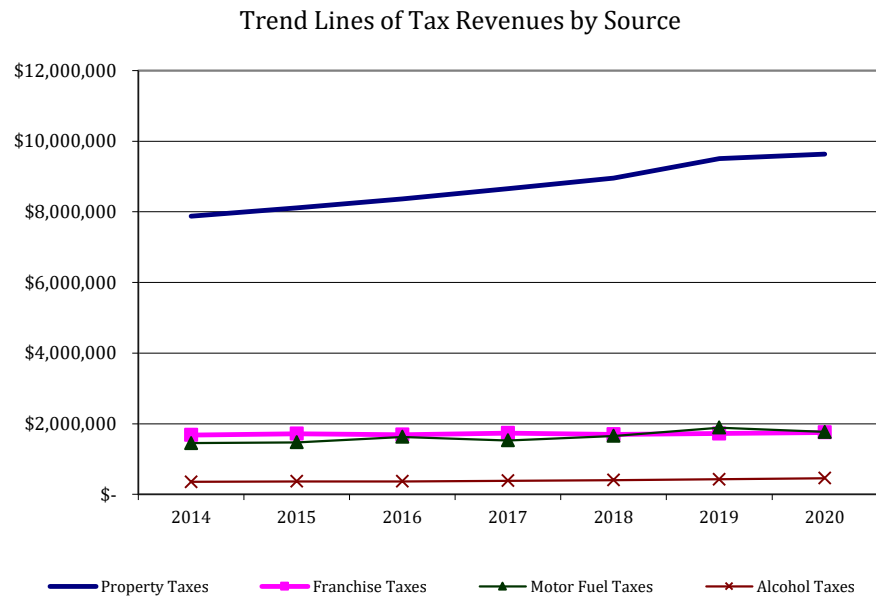
	Fiscal Year Ended									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Net (Expense) Revenue</b>										
Governmental activities	\$ (7,904)	\$ (5,841)	\$ (14,112)	\$ (7,991)	\$ (10,047)	\$ (8,739)	\$ (12,176)	\$ (12,248)	\$ (3,667)	\$ (6,034)
Business-type activities	1,396	2,074	1,423	1,306	1,883	3,433	1,350	2,538	2,502	2,663
Total primary government expenses	<u>\$ (6,508)</u>	<u>\$ (3,767)</u>	<u>\$ (12,689)</u>	<u>\$ (6,685)</u>	<u>\$ (8,164)</u>	<u>\$ (5,306)</u>	<u>\$ (10,826)</u>	<u>\$ (9,710)</u>	<u>\$ (1,165)</u>	<u>\$ (3,371)</u>
<b>General Revenues</b>										
Governmental activities:										
Property taxes, levied for general purposes	\$ 6,440	\$ 6,725	\$ 7,020	\$ 7,205	\$ 7,538	\$ 7,691	\$ 8,098	\$ 8,375	\$ 8,616	\$ 8,888
Property taxes, levied for debt service	1,406	1,398	1,372	1,476	1,461	1,524	1,542	1,595	1,641	1,692
Franchise taxes	1,683	1,722	1,693	1,738	1,705	1,724	1,754	1,938	1,981	2,274
Unrestricted grants and contributions	337	297	428	203	164	187	162	165	106	128
Interest and investment earnings	8	15	16	15	32	570	562	161	108	1,355
Gain (loss) on disposition of capital assets	63	-	-	-	-	-	-	-	-	-
Transfers	(167)	(1,538)	-	-	-	-	-	-	-	-
Total governmental activities	<u>9,770</u>	<u>8,619</u>	<u>10,529</u>	<u>10,637</u>	<u>10,900</u>	<u>11,696</u>	<u>12,118</u>	<u>12,234</u>	<u>12,452</u>	<u>14,337</u>
Business-type activities:										
Intergovernmental	-	5,000	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	41	54	2	2	329
Gain (loss) on disposition of capital assets	-	236	-	(8)	(1)	-	-	-	-	-
Transfers	167	1,538	-	-	-	-	-	-	-	-
Total business-type activities	<u>167</u>	<u>6,774</u>	<u>-</u>	<u>(8)</u>	<u>(1)</u>	<u>41</u>	<u>54</u>	<u>2</u>	<u>2</u>	<u>329</u>
Total primary government	<u>\$ 9,937</u>	<u>\$ 15,393</u>	<u>\$ 10,529</u>	<u>\$ 10,629</u>	<u>\$ 10,899</u>	<u>\$ 11,737</u>	<u>\$ 12,172</u>	<u>\$ 12,236</u>	<u>\$ 12,454</u>	<u>\$ 14,666</u>
<b>Changes in Net Position</b>										
Governmental activities	\$ 1,866	\$ 2,778	\$ (3,583)	\$ 2,646	\$ 853	\$ 2,957	\$ (58)	\$ (14)	\$ 8,785	\$ 8,303
Business-type activities	1,563	8,848	1,423	1,298	1,882	3,474	1,404	2,540	2,504	2,992
Total primary government	<u>\$ 3,429</u>	<u>\$ 11,626</u>	<u>\$ (2,160)</u>	<u>\$ 3,944</u>	<u>\$ 2,735</u>	<u>\$ 6,431</u>	<u>\$ 1,346</u>	<u>\$ 2,526</u>	<u>\$ 11,289</u>	<u>\$ 11,295</u>

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**CITY OF WEST LINN, OREGON**  
**Governmental Activities Tax Revenues by Source**  
*for the last ten fiscal years*  
**(modified accrual basis of accounting)**

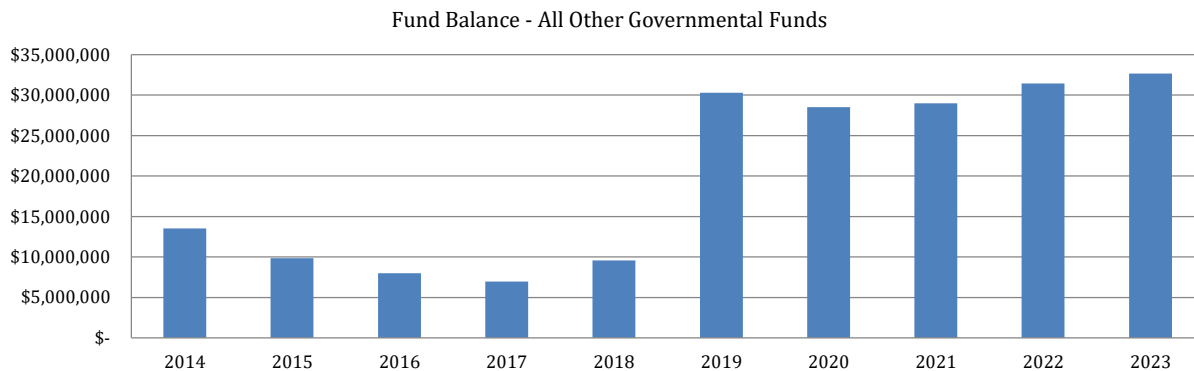
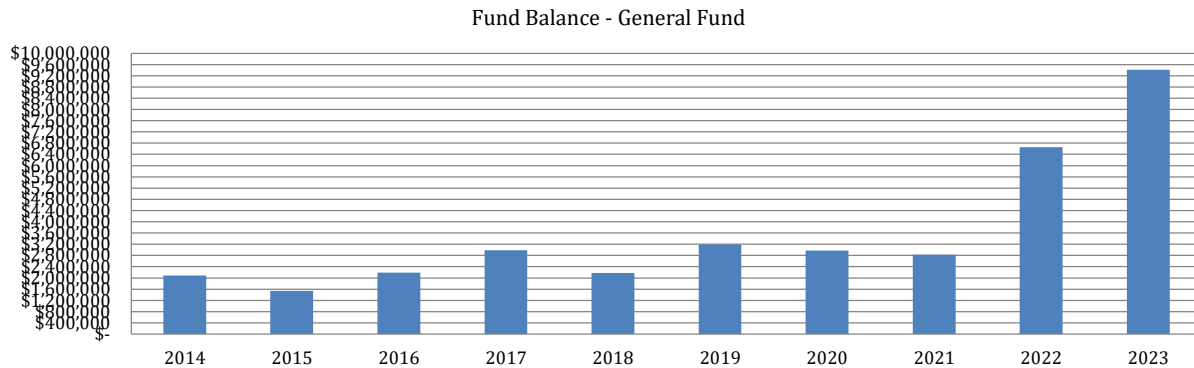
<b>Fiscal year</b>	<b>Property tax</b>	<b>Franchise tax</b>	<b>Motor fuel tax<sup>1</sup></b>	<b>Alcoholic beverage tax<sup>1</sup></b>	<b>Total</b>
2014	\$ 7,875,104	\$ 1,682,559	\$ 1,451,422	\$ 355,788	\$ 11,364,873
2015	8,115,994	1,721,760	1,472,249	367,367	11,677,370
2016	8,364,263	1,692,432	1,629,684	367,528	12,053,907
2017	8,652,842	1,738,158	1,532,122	385,113	12,308,235
2018	8,954,917	1,704,799	1,655,177	409,178	12,724,071
2019	9,506,390	1,723,542	1,889,497	429,479	13,548,908
2020	9,628,761	1,753,650	1,769,336	459,333	13,611,080
2021	9,963,398	1,937,469	1,929,184	506,243	14,336,294
2022	10,179,104	1,981,008	2,150,806	503,241	14,814,159
2023	10,653,865	2,274,049	2,157,730	538,855	15,624,499

<sup>1</sup> Motor fuel and alcoholic beverage taxes are not directly assessed by the City of West Linn, but rather by the State of Oregon, then a portion is allocated to the City based upon population.



**CITY OF WEST LINN, OREGON**  
**Fund Balances of Governmental Funds**  
*for the last ten fiscal years*  
(modified accrual basis of accounting)

	Fiscal Year Ended									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund										
Nonspendable	\$ 150,427	\$ 188,685	\$ 134,755	\$ 136,064	\$ 172,885	\$ 197,432	\$ 314,516	\$ 335,714	\$ 389,437	\$ 382,463
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	1,932,734	1,352,882	2,049,157	2,847,475	1,999,681	2,994,171	2,662,304	2,486,508	6,263,494	9,033,151
Total general fund	<u>\$ 2,083,161</u>	<u>\$ 1,541,567</u>	<u>\$ 2,183,912</u>	<u>\$ 2,983,539</u>	<u>\$ 2,172,566</u>	<u>\$ 3,191,603</u>	<u>\$ 2,976,820</u>	<u>\$ 2,822,222</u>	<u>\$ 6,652,931</u>	<u>\$ 9,415,614</u>
All other governmental funds:										
Nonspendable	\$ 157,300	\$ 157,300	\$ 157,300	\$ 157,300	\$ 157,300	\$ 157,300	\$ 157,300	\$ 157,300	\$ 157,300	\$ 157,300
Restricted	8,651,824	5,110,428	4,616,228	5,118,429	5,033,604	23,865,890	19,777,780	18,184,623	18,540,698	17,024,382
Committed	4,705,382	4,745,564	3,271,183	1,683,122	4,370,525	6,276,879	8,587,235	10,628,178	12,728,803	15,466,899
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	(174,525)	(76,404)	(1,800)	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 13,514,506</u>	<u>\$ 9,838,767</u>	<u>\$ 7,968,307</u>	<u>\$ 6,957,051</u>	<u>\$ 9,561,429</u>	<u>\$30,300,069</u>	<u>\$28,522,315</u>	<u>\$ 28,970,101</u>	<u>\$ 31,426,801</u>	<u>\$ 32,648,581</u>





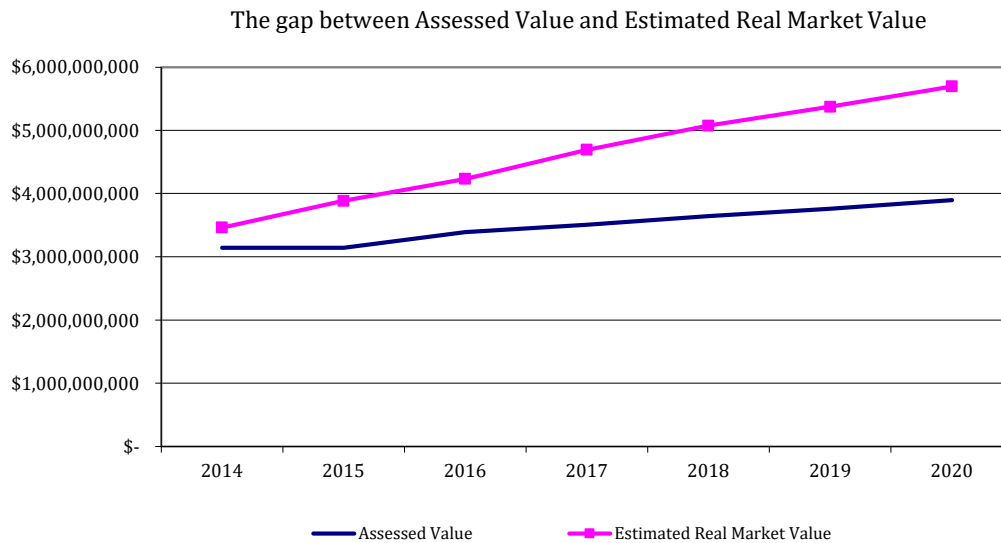
**CITY OF WEST LINN, OREGON**  
**Changes in Fund Balances of Governmental Funds**  
*for the last ten fiscal years*  
**(modified accrual basis of accounting)**

	Fiscal Year Ended									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues:</b>										
Property taxes	\$ 7,875,104	\$ 8,115,994	\$ 8,364,263	\$ 8,652,843	\$ 8,954,917	\$ 9,506,390	\$ 9,628,761	\$ 9,963,398	\$ 10,179,104	\$ 10,653,865
Intergovernmental	3,716,218	3,958,604	4,131,820	5,288,670	5,793,979	4,585,428	4,899,193	5,986,580	8,482,917	10,408,415
Franchise taxes	1,682,559	1,721,760	1,692,432	1,738,158	1,704,799	1,723,542	1,753,650	1,937,469	1,981,008	2,274,049
Fines and forfeitures	478,194	482,800	627,576	574,991	483,750	429,147	350,515	289,078	258,012	344,670
Licenses and fees	1,106,437	826,093	1,193,511	1,159,526	979,915	926,064	819,626	1,290,664	2,361,212	1,186,443
Charges for services	9,640,378	10,541,120	10,953,927	11,607,602	13,020,322	12,269,293	12,766,228	12,778,429	13,976,210	14,389,803
Systems development charges	1,278,072	647,616	1,415,956	1,384,954	699,805	889,965	492,712	1,111,093	1,897,630	160,520
Investment earnings	7,512	15,270	16,322	14,775	32,314	570,027	563,101	161,107	107,606	1,354,934
Miscellaneous	337,149	296,534	428,137	202,446	164,203	186,729	161,736	165,220	106,146	128,259
Total revenues	26,121,623	26,605,791	28,823,944	30,623,965	31,834,004	31,086,585	31,435,522	33,683,038	39,349,845	40,900,958
<b>Expenditures:</b>										
Current:										
General government	6,758,119	7,785,446	7,645,271	7,344,181	9,235,355	7,889,174	8,780,967	9,464,312	8,885,173	10,118,360
Culture and recreation	5,149,677	5,438,749	5,652,323	5,891,783	6,055,190	6,311,872	6,105,307	6,605,729	6,963,114	7,590,911
Public safety	6,851,540	7,184,749	8,092,329	8,002,902	7,963,228	8,023,965	8,100,143	8,220,464	8,877,329	9,436,004
Highways and streets	1,617,973	1,695,348	1,819,750	1,962,717	1,987,636	1,956,229	1,869,047	2,946,189	2,426,531	2,431,677
Debt service:										
Principal	1,370,000	1,440,000	1,325,780	1,600,000	1,669,986	1,420,000	1,241,927	1,557,008	1,047,844	1,228,853
Interest	552,802	513,211	660,136	407,274	357,898	807,868	943,329	914,884	874,165	842,413
Capital outlay	6,752,923	6,780,121	4,906,835	5,626,737	3,025,531	3,166,422	6,626,222	3,806,880	4,151,832	5,558,329
Total expenditures	29,053,034	30,837,624	30,102,424	30,835,594	30,294,824	29,575,530	33,666,942	33,515,466	33,225,988	37,206,547
Excess (deficiency) of revenues over (under) expenditures	(2,931,411)	(2,932,411)	(1,278,480)	(211,629)	1,539,180	1,511,055	(2,231,420)	167,572	6,123,857	3,694,411
<b>Other financing sources (uses):</b>										
Proceeds from lease obligations	-	-	-	-	-	-	-	51,297	139,469	97,920
Proceeds from SBITA	-	-	-	-	-	-	-	-	-	140,751
Proceeds from sale of capital assets	191,947	14,500	-	-	900	-	-	74,319	24,083	51,381
Refunding bonds issued	-	-	2,625,000	-	-	-	-	-	-	-
General obligation bonds issued	-	-	-	-	-	20,000,000	233,989	-	-	-
Bond premium on issuance of debt	-	-	229,585	-	-	246,622	4,894	-	-	-
Payment to refunded bond escrow	-	-	(2,804,220)	-	-	-	-	-	-	-
Capital lease	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	191,947	14,500	50,365	-	900	20,246,622	238,883	125,616	163,552	290,052
Net change in fund balances	\$ (2,739,464)	\$ (2,917,911)	\$ (1,228,115)	\$ (211,629)	\$ 1,540,080	\$ 21,757,677	\$ (1,992,537)	\$ 293,188	\$ 6,287,409	\$ 3,984,463
Debt service as a percentage of noncapital expenditures	8.6%	8.1%	7.9%	8.0%	7.4%	8.4%	8.1%	8.3%	6.6%	6.5%

**CITY OF WEST LINN, OREGON**  
**Assessed Value and Estimated Real Market Value of Taxable Property**  
*for the last ten fiscal years*

Fiscal year	Assessed Value					Total direct tax rate	RMV	Assessed value as a percentage of RMV
	Real property	Personal property	Manuf'd structure	Public utility	Total assessed value		Estimated real market value (RMV)	
2014	\$ 3,026,911,233	\$ 23,699,155	\$ 11,320	\$ 92,241,830	\$ 3,142,863,538	\$ 2.5590	\$ 3,460,978,688	91 %
2015	3,147,688,253	23,101,337	11,820	94,985,546	3,142,863,538	2.5489	3,885,035,988	81
2016	3,266,125,238	23,238,532	12,540	100,053,400	3,389,429,710	2.5386	4,232,095,255	80
2017	3,388,738,011	23,040,210	13,650	96,824,000	3,508,615,871	2.5386	4,691,525,851	75
2018	3,507,304,886	23,156,295	14,860	112,552,000	3,643,028,041	2.5375	5,073,357,248	72
2019	3,628,957,851	16,697,701	69,806	115,578,000	3,761,303,358	2.5410	5,371,814,731	70
2020	3,760,490,328	16,363,479	15,907	122,187,200	3,899,056,914	2.5401	5,695,501,523	68
2021	3,891,189,202	18,367,271	17,100	114,899,700	4,024,473,273	2.5403	5,856,229,897	69
2022	4,032,036,911	16,616,517	10,032	110,895,200	4,159,558,660	2.5368	6,266,755,606	66
2023	4,180,252,541	16,538,785	10,332	111,523,900	4,308,325,558	2.5250	7,400,274,823	58

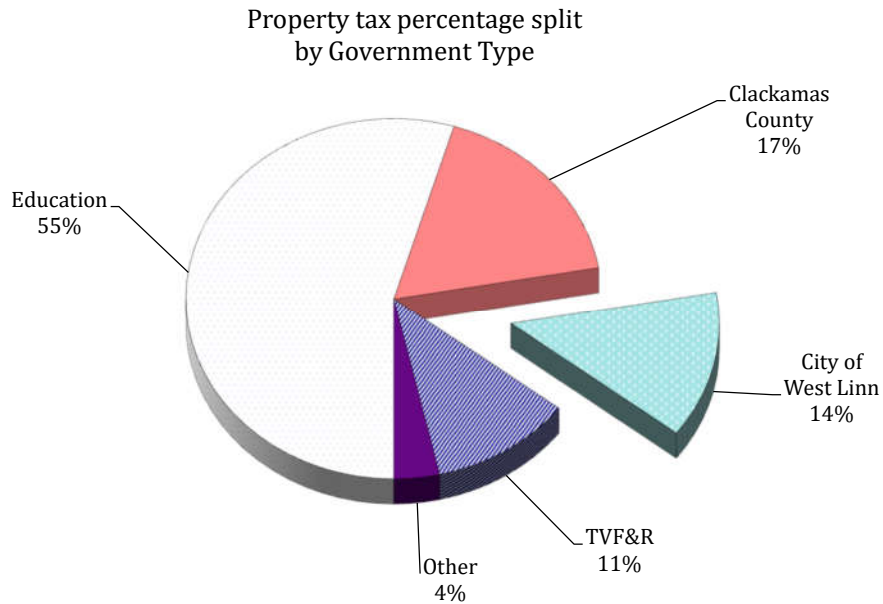
Source: Clackamas County Assessor's Office



**CITY OF WEST LINN, OREGON**  
**Property Tax Rates - Direct and Overlapping Governments**  
*for the last ten fiscal years*  
*(rate per \$1,000 of assessed value)*

Fiscal year	City direct rates				Overlapping rates						Total direct and overlapping
	Permanent tax rate	Local option levy rate	Bonded debt tax rate	Total direct	West Linn Wilsonville School District	Clackamas County	Clackamas Community College	Education Service District	Tualain Valley Fire and Rescue	Other	
2014	\$ 2.1200	\$ -	\$ 0.4390	\$ 2.5590	\$ 9.32	\$ 3.18	\$ 0.71	\$ 0.37	\$ 1.91	\$ 0.54	\$ 18.58
2015	2.1200	-	0.4289	2.5489	9.25	3.19	0.71	0.37	1.89	0.53	18.48
2016	2.1200	-	0.4186	2.5386	9.24	3.19	0.74	0.37	2.11	0.46	18.64
2017	2.1200	-	0.4186	2.5386	9.23	3.19	0.74	0.37	2.10	0.47	18.63
2018	2.1200	-	0.4175	2.5375	9.07	3.29	0.74	0.37	2.08	0.48	18.56
2019	2.1200	-	0.4210	2.5410	9.19	3.90	0.74	0.37	2.08	0.76	19.59
2020	2.1200	-	0.4201	2.5401	9.33	3.27	0.73	0.37	2.07	0.74	19.05
2021	2.1200	-	0.4203	2.5403	9.70	3.27	0.73	0.37	2.12	0.67	19.40
2022	2.1200	-	0.4168	2.5368	9.05	3.27	0.72	0.37	2.12	0.65	18.71
2023	2.1200	-	0.4050	2.5250	9.30	3.35	0.80	0.37	2.11	0.68	19.1327

Source: Clackamas County Assessor's Office



# CITY OF WEST LINN, OREGON

## Principal Property Taxpayers current year and nine years ago

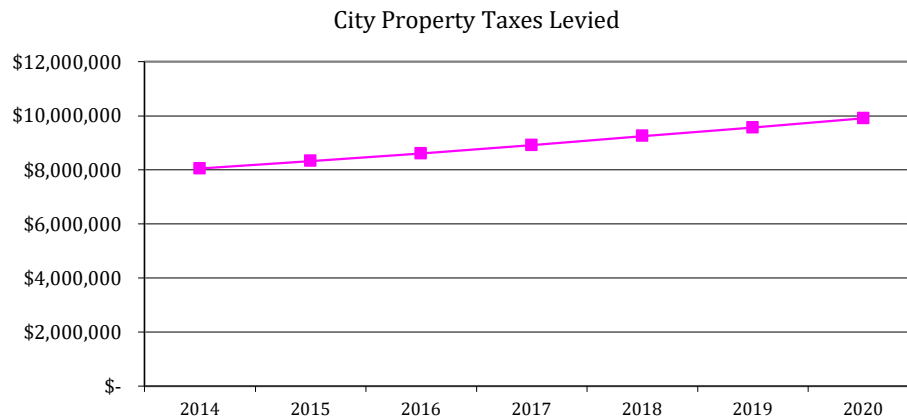
Name	2023			2014		
	Assessed value	Rank	% of total value	Assessed value	Rank	% of total value
Portland General Electric Co	\$ 68,347,901	1	1.6 %	\$ 57,380,000	1	1.8 %
Simpson Realty Group LP	34,591,995	2	0.8	26,511,889	2	0.8
West Linn Shopping Ctr. Assoc. LLC	25,951,574	3	0.6	19,909,237	4	0.6
Northwest Natural Gas Co	21,755,000	4	0.5	9,742,000	10	0.3
Blackhawk Nevada LLC	19,627,930	5	0.5	15,780,107	6	0.5
Willamette Marketplace LLC	16,457,103	6	0.4			
ROIC Cascade Summit LLC	13,826,034	7	0.3	10,580,248	8	0.3
ROIC Robinwood LLC	12,404,693	8	0.3			
S & G Summerlinn LLC	12,252,102	9	0.3			
Cap VII - West Linn LLC	12,068,289	10	0.3			
West Linn Paper Company				24,232,736	3	0.8
Comcast Corporation				18,181,500	5	0.6
Elliott Associates Inc				11,020,085	7	0.4
BHSUM LLC				9,835,363	9	0.3
Sub-total, top ten	237,282,621		5.5	203,173,165		6.5
All other City taxpayers	4,071,042,937		94.5	2,939,690,373		93.5 %
Total City taxpayers	\$ 4,308,325,558		100.0 %	\$ 3,142,863,538		100.0 %

Source: Clackamas County Assessor's Office

**CITY OF WEST LINN, OREGON**  
**Property Tax Levies and Collections**  
*for the last ten fiscal years*

Fiscal year	Taxes levied for the fiscal year	Collected within the fiscal year of the levy		Collections in subsequent years	Total collections to date	
		Amount	Percentage of levy		Amount	Percentage of levy
2014	\$ 8,044,298	\$ 7,628,822	95	183,792	\$ 7,812,614	97 %
2015	8,327,514	7,911,683	95	156,714	8,068,397	97
2016	8,606,218	8,187,209	95	238,434	8,425,643	98
2017	8,913,604	8,493,826	95	88,359	8,582,185	96
2018	9,251,827	8,808,675	95	117,207	8,925,882	96
2019	9,564,108	9,140,407	96	92,949	9,233,356	97
2020	9,909,274	9,456,222	95	113,699	9,569,921	97
2021	10,246,160	9,798,669	96	98,193	9,896,862	97
2022	10,559,371	10,016,570	95	97,515	10,114,085	96
2023	10,881,966	10,366,253	95	-	10,366,253	95

Source: Annual financial statements of the City of West Linn

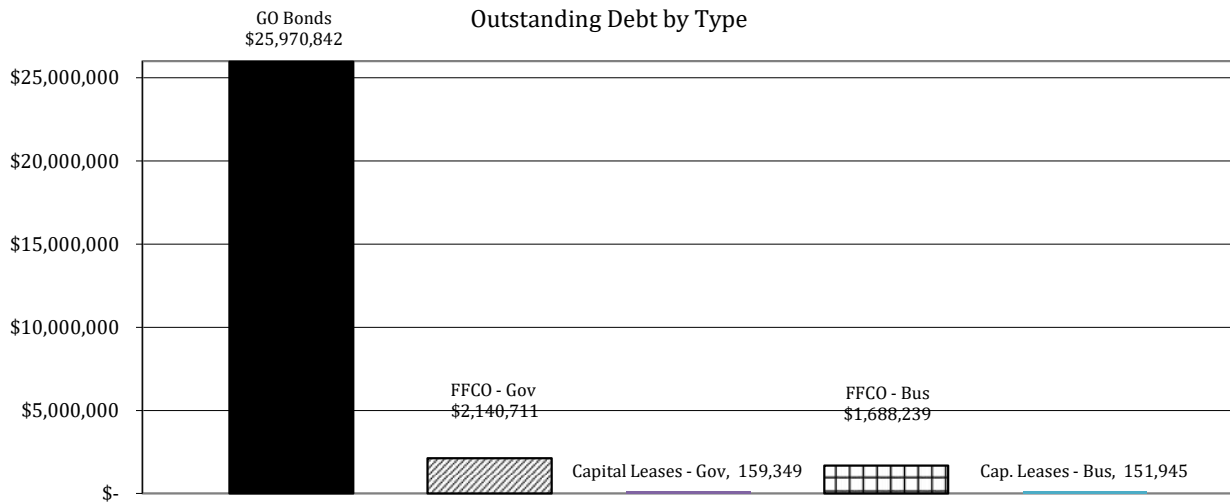


**CITY OF WEST LINN, OREGON**  
**Ratios of Outstanding Debt by Type**  
*for the last ten fiscal years*

Fiscal year	Governmental Activities				Business-type Activities			Percentage of personal income	Per capita
	General Obligation Bonds	Capital Leases	SBITA obligations	Full Faith and Credit obligations	Full Faith and Credit obligations	Capital Leases	Total primary government		
2014	\$ 13,039,727	\$ -	\$ -	\$ 5,381,558	\$ 875,000	\$ -	\$ 19,296,285	17.94 %	\$ 759
2015	11,979,525	-	-	4,937,091	770,000	-	17,686,616	14.82	693
2016	10,848,048	-	-	4,705,393	2,786,899	-	18,340,340	*	716
2017	9,679,681	-	-	4,215,626	2,579,167	-	16,474,474	*	643.16
2018	8,702,936	-	-	3,710,862	2,366,435	-	14,780,233	*	575.22
2019	27,732,238	-	-	3,205,810	2,148,703	-	33,086,751	*	1,280.94
2020	26,996,540	197,062	-	2,680,758	1,925,971	248,092	32,048,423	*	1,237.15
2021	25,970,842	159,349	-	2,140,711	1,688,239	151,945	30,111,086	*	1,159.23
2022	25,188,377	197,075	-	1,909,232	1,590,507	77,842	28,963,033	*	1,055.04
2023	24,325,912	226,289	61,011	1,672,753	14,031,920	56,309	40,374,194	*	1,472.44

\* Information unavailable at this time.

Source: Annual financial statements of the City of West Linn



**CITY OF WEST LINN, OREGON**  
**Ratios of General Bonded Debt Outstanding**  
*for the last ten fiscal years*

<b>Fiscal year</b>	<b>General obligation bonds<sup>1</sup></b>	<b>Less: amounts available in debt service fund</b>	<b>Net</b>	<b>Percentage of net over assessed value of property<sup>2</sup></b>	<b>Per capita<sup>3</sup></b>
2014	\$ 13,039,727	\$ (163,541)	\$ 12,876,186	0.41 %	\$ 506
2015	11,966,415	(204,191)	11,762,224	0.37	461
2016	10,848,048	(167,745)	10,680,303	0.32	417
2017	9,666,571	(214,332)	9,452,239	0.27	369
2018	8,702,936	(219,646)	8,483,290	0.23	330
2019	27,732,238	(302,230)	27,430,008	0.73	1,068
2020	26,996,540	(289,652)	26,706,888	0.68	1,031
2021	25,970,842	(280,286)	25,690,556	0.64	989
2022	25,188,377	(341,441)	24,846,936	0.60	905
2023	24,325,912	(341,441)	23,984,471	0.56	875

<sup>1</sup> Includes both governmental activities and business-type activities.

<sup>2</sup> Assessed value data of property can be found on page 101.

<sup>3</sup> Population data can be found on page 110.

**CITY OF WEST LINN, OREGON**  
**Direct and Overlapping Governmental Activities Debt**  
*as of June 30, 2023*

<b>Governmental unit</b>	<b>Real market values of overlapping districts</b>	<b>Tax-supported debt outstanding</b>	<b>Percentage overlapping<sup>1</sup></b>	<b>Overlapping debt applicable to the City of West Linn</b>
Debt repaid with property taxes:				
West Linn Wilsonville School District	\$ 16,504,378,392	\$ 488,595,822	44.49 %	\$ 217,358,203
Clackamas Community College	81,289,302,524	127,080,045	9.03	11,478,124
Clackamas County	110,615,437,060	105,100,000	6.69	7,031,295
Clackamas County ESD	106,356,798,803	19,855,267	6.96	1,381,529
Clackamas Soil & Water Conservation	110,615,437,060	5,416,000	6.69	362,336
Metro	423,464,419,407	822,713,920	1.75	14,377,748
Tualatin Valley Fire and Rescue	135,354,398,270	55,780,000	5.47	3,049,660
Lake Oswego School District No. 7J	18,567,975,521	382,387,657	0.31	1,196,109
Port of Portland	464,610,214,940	-	-	-
Portland Community College	337,861,075,622	669,475,000	0.02	115,150
Subtotal, overlapping debt	1,805,239,437,599	2,676,403,711		256,350,154
Direct debt outstanding:				
City of West Linn	7,400,274,823	27,294,684	100.00	27,294,684
Total direct and overlapping debt outstanding	<u>\$ 1,812,639,712,422</u>	<u>\$ 2,703,698,395</u>		<u>\$ 283,644,838</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

<sup>1</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the City's taxable assessed value that is within the government's boundaries and dividing it by the City's total taxable assessed value.

Source: Oregon State Treasury Department, Debt Management Division



**CITY OF WEST LINN, OREGON**  
**Legal Debt Margin Information**  
*for the last ten fiscal years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt maximum limitation	\$ 103,829,361	\$ 116,551,080	\$ 126,962,858	\$ 140,745,776	\$ 152,200,717
Debt applicable to maximum limit	<u>12,706,459</u>	<u>11,775,334</u>	<u>10,680,303</u>	<u>9,465,349</u>	<u>8,161,820</u>
Legal debt margin available	<u>\$ 1,532,122</u>	<u>\$ 385,113</u>	<u>\$ 116,282,555</u>	<u>\$ 131,280,427</u>	<u>\$ 144,038,897</u>
Debt applicable to the maximum limit as a percentage of debt limitation	13.88%	12.24%	10.10%	8.41%	6.73%

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt maximum limitation	\$ 161,154,442	\$ 170,865,046	\$ 175,686,897	\$ 188,002,668	\$ 222,008,245
Debt applicable to maximum limit	<u>27,122,770</u>	<u>26,706,888</u>	<u>27,152,042</u>	<u>21,347,197</u>	<u>8,279,798</u>
Legal debt margin available	<u>\$ 134,031,672</u>	<u>\$ 144,158,158</u>	<u>\$ 148,534,855</u>	<u>\$ 166,655,471</u>	<u>\$ 213,728,447</u>
Debt applicable to the maximum limit as a percentage of debt limitation	16.83%	15.63%	15.45%	11.35%	3.73%

**Legal debt margin calculation for the fiscal year ended June 30, 2023:**

Total property real market value	\$ 7,400,274,823
	3%
Debt maximum limitation (3% of total property real market value) <sup>1</sup>	<u>222,008,245</u>
Amount of debt applicable to debt limit:	
Total bonded debt outstanding	24,325,912
Less debt excluded from debt limit:	
Full faith and credit obligations - governmental activities	(1,672,753)
Full faith and credit obligations - business-type activities	(14,031,920)
Less funds applicable to the payment of principal in the debt service fund per ORS 287.004	<u>(341,441)</u>
Net amount of debt applicable to limit	<u>8,279,798</u>
Legal debt margin - amount available for future indebtedness	<u>\$ 213,728,447</u>
Percentage of City's indebtedness to total allowed	3.73%

<sup>1</sup> Pursuant to Oregon Revised Statutes 287.004, outstanding general obligation debt is limited to three percent of real market value.

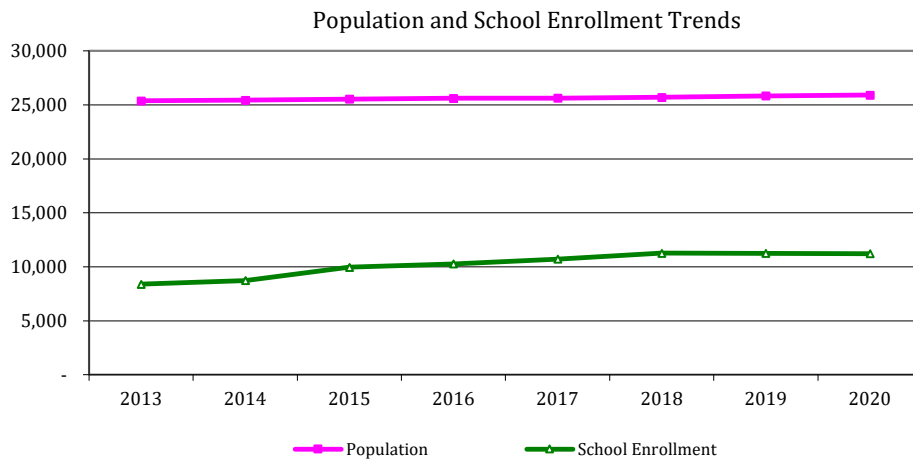
Source: Clackamas County Department of Assessment and Taxation

**CITY OF WEST LINN, OREGON**  
**Demographic and Economic Statistics**  
*for the last ten fiscal years*

<b>Fiscal year</b>	<b>Population</b>	<b>Personal income (in millions)</b>	<b>Per capita personal income</b>	<b>School enrollment</b>	<b>Unemployment rate</b>
2013	25,370	\$ 101,210	\$ 43,728	8,395	7.9 %
2014	25,425	107,537	45,794	8,746	6.8
2015	25,540	119,339	50,097	9,967	5.6
2016	25,605	125,457	51,683	10,280	4.8
2017	25,615	133,393	54,339	10,730	4.1
2018	25,695	143,215	57,903	11,260	4.1
2019	25,830	149,347	59,921	11,248	3.7
2020	25,905	134,243	53,478	11,229	11.2
2021	25,975	171,729	68,374	11,089	5.6
2022	27,452	*	*	10,386	3.5
2023	27,420	*	*	9,089	3.5

\* Information unavailable at this time.

Sources: Center for Population Research and Census, Portland State University  
Bureau of Economic Analysis  
State of Oregon Employment Department  
Oregon Department of Education



# CITY OF WEST LINN, OREGON

## Pledged-Revenue Coverage

*for the last ten fiscal years*

Fiscal year	Water Revenue Bonds					
	Utility service charges <sup>1</sup>	Less: operating expenses <sup>2</sup>	Net available revenue	Debt service requirements		Coverage
				Principal	Interest	
2014	\$ 3,690,929	\$ 2,660,794	\$ 1,030,135	\$ 95,000	\$ 54,694	6.88
2015	4,165,137	2,928,563	1,236,574	105,000	48,944	8.03
2016	-	-	-	-	-	-
2017	-	-	-	-	-	-
2018	-	-	-	-	-	-
2019	-	-	-	-	-	-
2020	-	-	-	-	-	-
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-

<sup>1</sup> Charges include operating revenue plus interest income on operating earnings.

<sup>2</sup> Expenses include operating expenditures except for depreciation, net income from joint venture, and transfers pursuant to bond covenants coverage requirements.

Note: The Water Revenue Bonds were refunded by Full Faith and Credit Obligations in 2016 with no pledged-revenue debt service coverage requirements going forward.

Source: Annual financial statements of the City of West Linn

## CITY OF WEST LINN, OREGON

### Principal Employers *current year and nine years ago*

Employer	2023			2014		
	Employees	Rank	Percentage of total City employment	Employees	Rank	Percentage of total City employment
West Linn Wilsonville SD	875	1	6.53 %	718	1	5.79 %
Willamette Falls Paper Company	190	2	1.42			
ProGrass, Inc.	137	3	1.02			
City of West Linn	134	4	1.00	124	3	1.00
Market of Choice	92	5	0.69			
Safeway Inc.	84	6	0.63	114	4	0.92
DC West Linn Owner, LLC	82	7	0.61			
Walmart Neighborhood Market	71	8	0.53			
JH Kelly Holdings, LLC	51	9	0.38			
C&M Homecare, Inc.	50	10	0.37			
West Linn Paper Company				300	2	2.42
First Transit Inc.				100	5	0.81
Oregon Golf Club				100	6	0.81
Rose Linn Vintage Place				100	7	0.81
Albertsons				90	8	0.73
Pond Maintenance Services				75	9	0.60
Tanner Springs Assisted Living				63	10	0.51
Total	<u>1,766</u>		<u>13.18 %</u>			

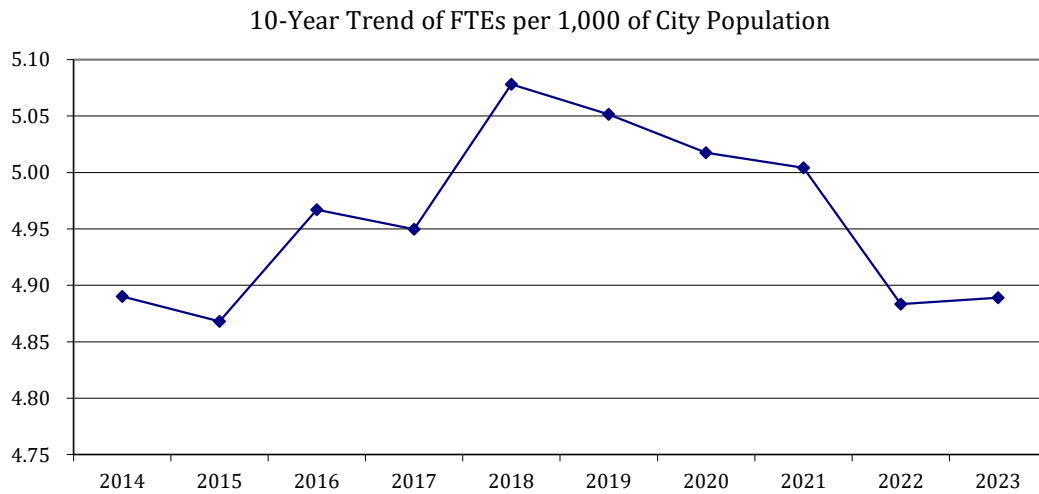
\* Historical number of employees information unavailable for this fiscal year nine years ago.

Sources: City Business License data, Clackamas County, and ReferenceUSA

**CITY OF WEST LINN, OREGON**  
**Full-time Equivalent City Government Employees by Function**  
*for the last ten fiscal years*

Function/Program	Fiscal Year Ended									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	16.30	16.30	17.40	17.40	17.60	17.60	16.60	16.60	17.60	17.60
Public safety	39.00	39.00	40.50	37.00	37.50	37.50	37.50	37.50	36.50	36.50
Culture and recreation	36.78	36.78	37.28	37.28	37.88	37.88	37.88	37.88	39.46	39.46
Community development	5.75	5.75	5.50	9.00	9.50	9.50	10.00	10.00	9.00	9.00
Highways and streets	7.00	7.00	6.50	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Water	5.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00	7.00	7.00
Sewer and surface water	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Public works	8.00	8.00	8.50	10.00	10.50	10.50	10.50	10.50	13.00	13.00
Total full-time equivalent (FTE)	124.33	124.33	127.18	127.18	130.48	130.48	129.98	129.98	134.06	134.06
City population	25,425	25,540	25,605	25,695	25,695	25,830	25,905	25,975	27,452	27,420
FTEs per 1,000 of population	4.89	4.87	4.97	4.95	5.08	5.05	5.02	5.00	4.88	4.89

Source: City of West Linn's Finance department



**CITY OF WEST LINN, OREGON**  
**Operating Indicators by Function**  
*for the last ten fiscal years*

Function/Program	Fiscal Year Ended									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Public safety										
Citations:										
Traffic	2,460	2,451	2,845	2,239	1,143	1,593	1,481	1,035	606	1,271
Criminal	227	313	458	424	382	213	176	107	110	103
Parking	455	635	558	741	565	470	545	543	449	325
City ordinance/non-traffic	46	81	125	38	43	37	12	6	21	60
Impound hearing	-	-	-	-	1	-	-	2	-	-
Culture and recreation										
Library volunteer hours	6,005	4,580	5,107	4,015	2,384	2,995	2,555	75	2,408	2,903
Library - average items circulated per capita	25.78	24.91	25.47	23.51	22.20	21.40	15.80	10.74	16.31	16.97
Community development										
Residential building permits issued	56	33	45	57	122	158	168	169	209	184
Land use applications processed	108	105	101	129	104	72	48	65	71	78
Business-type activities: <sup>1</sup>										
Water										
Service connections	8,773	8,850	8,852	8,920	8,768	8,921	8,935	8,963	8,985	9,011
Average daily consumption (in thousands of gallons)	2,635	3,427	3,450	2,726	4,336	3,484	2,953	3,447	2,490	3,468
Sanitary sewer										
Service connections	5,525	8,672	8,675	8,678	8,733	8,781	8,761	8,848	8,874	8,837
Average daily sewage treatment (in thousands of gallons)	5,085	5,172	5,185	5,170	5,198	5,221	5,214	5,267	5,279	5,261

<sup>1</sup> These are estimated statistics based upon best historic information available.

Source: City of West Linn's Finance department

**CITY OF WEST LINN, OREGON**  
**Capital Asset Statistics by Function**  
*current year and nine years ago*

<b>Function/Program</b>	<b>2023</b>	<b>2014</b>
Governmental activities:		
General government		
City-owned building facilities	8	5
Public safety		
Police stations	1	1
Patrol units	16	13
Culture and recreation		
Park and open space acreage	558	632
Baseball/softball fields	7	7
Community development		
Value of new building construction (in thousands)	\$35,461	\$18,315
Highways and streets		
Miles of streets	216	107
Miles of bikeways	70 *	70 *
Surface water catch basins	2,900	2,815
Miles of sidewalk	120 *	122 *
Business-type activities:		
Water		
Water mains (miles)	121	118
Maximum daily capacity (in thousands of gallons)	7,500	6,500
Sanitary sewer		
Sanitary sewer (miles)	145	193
Maximum daily treatment capacity (in thousands of gallons)	7,500	8,500

\* These are estimated statistics based upon best historic information available.

Source: City of West Linn's Finance department

**CITY OF WEST LINN, OREGON**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**SECTION IV**

**COMPLIANCE SECTION**



## **COMPLIANCE SECTION**

Oregon Administrative Rules 162-10-050 through 162-10-320 incorporated in the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments and disclosures required in audit reports. The required statements and schedules are set forth in the preceding sections of this report.

The following report from Merina & Company, LLP is contained in this section:

- Independent Auditor's Report Required by Oregon State Regulations

**INDEPENDENT AUDITOR'S REPORT  
ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *OREGON STATE REGULATION***

The Honorable Mayor and City Council  
City of West Linn, Oregon

We have audited the basic financial statements of City of West Linn, Oregon, as of and for the year ended June 30, 2023 and have issued our report thereon dated January 2, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Minimum Standards of Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our report includes a reference to other auditors who audited the financial statements of the following joint venture investment, South Fork Water Board, as described in our report on the City of West Linn, Oregon's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Compliance**

As part of obtaining reasonable assurance about whether City of West Linn, Oregon's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes (ORS) as specified in the Oregon Administrative Rules 162-10-0000 through 162-10-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, as set forth below, 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.

We performed procedures to the extent we consider necessary to address the required comments and disclosures which included, but were not limited to, the following:

- Deposits of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions, and repayments.
- 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, and 279C).
- Accountability for collecting or receiving money by elected officials. The City does not have any elected officials collecting or receiving money.

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 grant agreements, including the provisions of Oregon Revised Statutes as specified in the Oregon Administrative Rules 162-10-0000 through 162-10-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

### **Report On Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City of West Linn, Oregon'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 City of West Linn, Oregon's internal control. Accordingly, we do not express an opinion on the effectiveness of City of West Linn, Oregon'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 may exist that have not been identified.

### **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 *Minimum Standards of Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



For Merina+Co  
Tualatin, Oregon  
January 2, 2024





This is the **sixth** publication in a biennial series of financial communications tools:

Biennial Budget

Five Year Financial Forecast

Six Year Capital Improvement Plan

Budget Overview

FY 2022 Annual Comprehensive Financial Report

**FY 2023 Annual Comprehensive Financial Report**

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West Linn Sustainability  
Printed on recycled paper

**INTERGOVERNMENTAL AGREEMENT**  
Regarding Electronic Health Record Database  
EnSoftek Subscription Agreement for  
DrCloudEHR

THIS AGREEMENT ("Agreement") is entered into by and between the Cities of Milwaukie, Lake Oswego, Canby, Oregon City and West Linn (individually "Agency" or by their respective city name, and collectively "Agencies").

**RECITALS**

WHEREAS, by authority granted in Oregon Revised Statutes ("ORS") Chapter 190, local governments may enter into agreements with other units of local government to perform any and all functions and activities that a party to the agreement, its officers or agencies have authority to perform;

WHEREAS, as the lead agency, Lake Oswego solicited proposals for an Electronic Health Record Database, as set forth in that certain Request for Proposals (deadline for receipt of Proposals: August 23, 2023), for use by all Agencies' respective behavioral health specialists;

WHEREAS, the Proposals were evaluated and the EnSoftek, Inc. ("EnSoftek") proposal for its DrCloudEHR (the "Software") was selected as the most advantageous proposal;

WHEREAS, Lake Oswego is entering into a Subscription Agreement with EnSoftek ("DrCloud Agreement"), that sets forth the terms, provisions and representations for the software, including rights for 24 users under the DrCloud Agreement, for use by the Agencies as follows:

- Milwaukie, Canby and Oregon City having 6-users capacity each; and
- Lake Oswego and West Linn having a combined 6-user capacity, to be used and allocated as separately agreed between them;

WHEREAS, the Agencies desire to share in the acquisition and continued use of the software under the DrCloud Agreement;

NOW, THEREFORE, the undersigned Agencies agree as follows:

1. User Rights. Upon execution of the DrCloud Agreement, each signature Agency shall hold, use and enjoy their user rights and privileges of the Software as provided for in the DrCloud Agreement (Exhibit 1).
2. Compliance with DrCloud Agreement. Each Agency, as to each other, agrees to comply with the terms and provisions of the DrCloud Agreement.
3. Lead Contacts with EnSoftek. Lake Oswego and Oregon City shall be the primary contacts for the Agencies with EnSoftek, in that:

- a. Representatives designated by the Police Chiefs of the Cities of Lake Oswego and Oregon City will each be primary contacts for all communication with EnSoftek.
  - b. Upon notification from EnSoftek, including notification of software updates or new versions, Lake Oswego shall notify the other Agencies via email of the nature of the communication received within one (1) business day and shall, upon request of an Agency or at Lake Oswego's discretion, provide the Agencies or requesting Agency with a copy of the communication received. Lake Oswego will notify Oregon City if Lake Oswego will be out for any day and is not able to monitor for communication from EnSoftek; in such event, then Oregon City shall provide the notifications provided above.
  - c. Each Agency shall provide email contact information to Lake Oswego and Oregon City, and shall keep that email contact information up-to-date.
  - d. Lake Oswego will timely make all payments due to EnSoftek under the DrCloud Agreement, and upon request, provide a copy of the EnSoftek invoice to the other Agencies.
4. Agency Contact Direct with EnSoftek. Notwithstanding Lake Oswego and Oregon City being the primary contacts with EnSoftek, any Agency may contact EnSoftek directly regarding the following:
- a. Customer Support
5. Payment of User Fee through Lake Oswego. Each Agency shall be liable for and pay to Lake Oswego its pro rata share based on allocated users of the EnSoftek modules and third-party modules subscription fees and costs set forth in Exhibit 1, internal Exhibit C. Example:

City	Allocated User Capacity	Pro Rata Share
Canby	6	20%
Lake Oswego	3*	20%
Milwaukie	6	20%
Oregon City	6	20%
West Linn	3*	20%

To the extent any charges are later billed by EnSoftek for exceeding the maximum usage, each Agency shall be allocated its pro rata share of the maximum, and then individually responsible for all charges related to its excess usage over the pro rata maximum.

Lake Oswego shall invoice the other Agencies for each Agency's payment obligation approximately 30 days after the date when payment to EnSoftek is due, as elected by Lake Oswego. Each Agency shall make payment to Lake Oswego within 25 days of date of invoice.

If payment is not received within by such time, the delinquent Agency shall additionally pay to Lake Oswego an administrative late payment fee of \$50 for advancing the payment owed by the Agency to EnSoftek, and a similar amount for each month thereafter until the Agency's payment and late payment fees are paid in full.

6. Indemnification and Hold Harmless. As each Agency is one of five Agencies using the Software under the DrCloud Agreement, it is recognized that if an Agency's act or omission gives cause to EnSoftek to suspend or cancel the DrCloud Agreement and with it the ability of the other Agencies to use the Software, the Agency causing suspension or cancellation of the DrCloud Agreement shall, subject to the Oregon Tort Claims Act, indemnify and hold the other Agencies, including their agents and employees, harmless from all costs needed to reinstate or cure the DrCloud Agreement, and the increased cost (due to additional personnel time) needed to temporarily or permanently use another Electronic Health Record Database process or program, and, if needed, for the solicitation and selection of a replacement Electronic Health Record Database software having similar capabilities or better than the Software.

7. Term. The Term of this Agreement shall be for the term of the DrCloud Agreement (see Sections 5.1 and 5.2 therein), except that any notice of termination prior to a renewal term shall be given to Lake Oswego, or by Lake Oswego to all other Agencies, not less than 90 days prior expiration of the then current term. Upon such notice, Lake Oswego shall be responsible for notifying EnSoftek of termination under Section 5.2 of the DrCloud Agreement.

8. Disclaimer of Representations of Software; Agreement to Cooperate. The Agencies, as to each other, disclaim any statement or representations of the performance or suitability of the Software for the other Agency's use or needs, as none has any superior knowledge of the functionality or usability of the Software for another Agency's use.

In the event an Agency is of the good faith belief that EnSoftek has breached its DrCloud Agreement, the Agencies agree to cooperate in seeking compliance or remedies from EnSoftek as permitted under the DrCloud Agreement or under any law.

9. Governing Law. This Agreement shall be governed by the laws of the State of Oregon. Venue for any litigation shall be Clackamas County, Oregon.

10. Modification. No modification of the provisions of this Agreement shall be effective unless reduced to writing and signed by the Agencies.

11. Integration. This Agreement contains the entire agreement between the Agencies and supersedes all prior written and/or oral discussions or agreements between the Agencies.

12. Severability. If any provision of this Agreement is found to be unconstitutional, illegal, or unenforceable, this Agreement nevertheless shall remain in full force and effect and the offending provision shall be stricken. The court or other authorized body finding such provision unconstitutional, illegal, or unenforceable shall construe this Agreement without such provision to give effect to the maximum extent possible the intentions of the parties.

13. No Third-Party Beneficiary. Agencies are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or



shall be construed to give or provide any benefit or right, whether directly, indirectly, or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement.

14. Assignment. An Agency shall not assign or transfer any of its interest in this Agreement by operation of law or otherwise, without obtaining prior written approval from the other Agencies, which shall be granted or denied by the Agencies.

15. Counterparts. This Agreement may be executed in several counterparts (electronic or otherwise), each of which shall be an original, all of which shall constitute the same instrument.

16. Execution. This Agreement shall be effective upon the last Agency to execute. Each representative of the respective Agency has executed this Agreement pursuant to authority. This Agreement may be signed in multiple parts by the Agencies; Lake Oswego shall provide each Agency with a copy of the Agreement containing the signatures of all Agencies once all Agencies have signed.

//

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-- Signatures Next Page --

IN WITNESS THEREOF, the parties have so agreed on the date of the last to sign.

**City of Canby**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_, 2023

Approved as to form:

\_\_\_\_\_  
City Attorney or designate

**City of Lake Oswego**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_, 2023

Approved as to form:

\_\_\_\_\_  
City Attorney or designate

**City of Milwaukie**

By: \_\_\_\_\_  
Name: Ann Ober  
Title: City Manager  
Date: \_\_\_\_\_, 2023

Approved as to form:

\_\_\_\_\_  
Justin D. Gericke, City Attorney

**City of Oregon City**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_, 2023

Approved as to form:

\_\_\_\_\_  
City Attorney or designate

**City of West Linn**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_, 2023

Approved as to form:

\_\_\_\_\_  
City Attorney or designate

# Lake Oswego Police Department



DrCloudEHR™ Subscription Agreement

Submitted By

**EnSoftek, Inc.**

735 SW 158<sup>th</sup> Ave., Suite 140, Beaverton, OR 97006  
[www.drcloudehr.com](http://www.drcloudehr.com) | 503 643 1226

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## Master Hosted Web Services Agreement

This Master Hosted Web Services Agreement ("Agreement") is entered into as of **August 14, 2023** ("Effective Date"), by and between **EnSoftek, Inc.**, an Oregon corporation, and **its affiliated companies** with principal office located at 735 SW 158<sup>th</sup> Avenue, Suite 140 Beaverton, OR 97006 ("EnSoftek"), and **Client** located at **Address** ("Customer"). All references to "we", "us", or "our" shall mean EnSoftek and its affiliated companies. All references to "you" or "your" shall refer to Customer, and to any of your Affiliates (defined below) that agree to be bound by this Agreement.

### 1. Definitions

- 1.1 "Web Services." DrCloudEHR™ online Electronic Health Records (EHR) service as may be more particularly described on the applicable Order, and any updates or upgrades to our Web Services that may be generally released by us to all customers from time to time. We reserve the right to update and modify the Web Services from time to time.
- 1.2 "Order." A written purchase order signed by the parties in the form of Exhibit C, "Investment Overview" or any official Change Request or other binding Order Confirmation to be attached to this Agreement.
- 1.3 "Affiliate." Any parent or Subsidiary Corporation, and any corporation or other business entity controlling, controlled by, or under common control with you.
- 1.4 "Privacy Policy". Our Privacy Policy may be accessed as follows <http://www.drcloudehr.com/privacy-policy/>. We reserve the right to modify our Privacy Policy from time to time in accordance with its terms.
- 1.5 "HIPAA Regulations." The Standards for Privacy of Individually Identifiable Health Information and the Security Standards for the Protection of Electronic Protected Health Information [45 C.F.R. Parts 160 and 164] promulgated by the U.S. Department of Health and Human Services under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, as amended, modified or renumbered.
- 1.6 "HITECH Act." The Health Information Technology for Economic and Clinical Health (HITECH) Act, Pub.L. 111-5, Div. A. Title XIII and Title IV of Div. B.) (generally effective February 17, 2010).
- 1.7 "MHDDCA" Mental Health and Developmental Disabilities Confidentiality Act. In any civil, criminal, administrative, or legislative proceeding, or in any proceeding preliminary thereto, a recipient, and a therapist on behalf and in the interest of a recipient, have the privilege to refuse to disclose and to prevent the disclosure of the recipient's record or communications. 740 ILCS 110/10(a).
- 1.8 "ePHI." The same meaning as the term "electronically protected health information" under HIPAA Regulations.
- 1.9 "Business Associate Agreement." The same meaning as the "business associate" agreement under the HIPAA Regulations, as modified to comply with the Confidentiality of Patient Records Act (as defined below.)
- 1.10 "Changes." All Changes to this Agreement will be contained in Exhibit D.

### 2. Web Services

- 2.1 Subject to the terms and conditions hereof, including without limitation our Privacy Policy and the applicable Business Associate Agreement, we shall provide the nonexclusive, non-transferable right to use and operate the Web Services to you and your Affiliates during the term of this Agreement under the applicable Order. The initial Order is attached.
- 2.2 The parties agree to execute the Business Associate Agreement attached as Exhibit A to understand that the Business Associate Agreement applies to this Agreement.
- 2.3 You will be granted authorized login protocols for the Web Services, and you agree not to use the Web Services in excess of your authorized login protocols. You agree not to access (or attempt to access) the Web Services by any means other than through the login protocols we provide. You agree not to access (or attempt to access) the Web Services through any automated means (including the use of scripts or web crawlers), and you agree to comply with the instructions set out in any robots.txt file present on the Web Services.

- 2.4 You are not authorized to (i) resell, sublicense, transfer, assign, or distribute the Web Services or content; (ii) modify or make derivative works based upon the Web Services or content; (iii) "frame" or "mirror" the Web Services or content on any other server or Internet-enabled device, or (iv) reverse engineer, decompile the Web Services or their enabling software for any purpose.
- 2.5 You are not authorized to use our Web Services or servers for the propagation, distribution, housing, processing, storing, or otherwise handling in any way lewd, obscene, or pornographic material, or any other material which we deem to be objectionable. The designation of any such materials is entirely at our sole discretion.
- 2.6 Nothing in this Agreement will be deemed to convey any title or ownership interest in the DrCloudEHR Web Services or the Third-Party Programs to the Customer. If suggestions made by Customer are incorporated into subsequent versions of the Web Services or if changes are made to the Web Services through the use of provided configuration tools contained in the Web Services are incorporated into subsequent versions of the Web Services, Customer hereby assigns to EnSoftek all rights Customer may have in changes and to any suggestions, concepts, or improvements concerning the Web Services, or other products and services that may result from Customer communication to EnSoftek.
- 2.7 Availability of Web Services is subject to our Service Level Agreement attached as Exhibit B.

### 3. Payment Terms

- 3.1 **Invoicing and Payment.** Annual subscription fees begin on contract execution and are payable annually on the anniversary date for the full 5-year term with Net 15 terms. All third-party fees begin on first availability or upon Go-Live and are payable with Net 15 terms.
- 3.2 **Fees.** You will pay all fees specified herein in this Agreement or an applicable Order. Except as otherwise noted herein or in an applicable Order, (i) fees are based on services and content subscriptions purchased and not actual usage, (ii) payment obligations are non-cancelable and fees paid are non-refundable, and (iii) quantities purchased cannot be decreased during the relevant subscription term.
- 3.3 **Late Charges and Collection Costs.** In the event that any amounts payable hereunder by Customer to EnSoftek are not paid within thirty (30) days of the due date under section 3.1, then the amount otherwise payable shall bear a late charge from and after the date when such amount was due (without regard to any cure period) at a rate which is equal to the lesser of (i) eighteen percent (18%) per annum or (ii) the maximum amount allowed by applicable law, compounded monthly. In addition, if EnSoftek engages the services of a collection agency, organization, or firm and/or the services of legal counsel to collect any amount payable hereunder, then Customer shall be liable to EnSoftek for, in addition to the amount actually due plus applicable late charges, all costs incurred by EnSoftek in collecting such amounts, including (without limitation) the charges of any collection agencies, firms, or organizations; the costs and charges of investigators; and all court costs, attorney's fees, paralegal fees, and like charges incurred by EnSoftek in collecting any amounts due hereunder. Services may be suspended pending payment.
- 3.4 **Suspension of Service and Acceleration.** If any amount owed by Customer under this or any other agreement is thirty (30) or more days overdue (or ten (10) or more days overdue in the case of amounts Customer has authorized EnSoftek to charge Customer's credit card), EnSoftek may without limiting our other rights and remedies, accelerate Customer unpaid obligations under such agreements so that all obligations become immediately due and payable, and suspend services until such amounts are paid in full. Other than for customers paying by credit card or direct debit whose payment has been declined, EnSoftek will give the Customer at least 10 days prior notice that the account is overdue, before suspending services.
- 3.5 **Change in Fees.** EnSoftek will notify Customer of any change in DrCloudEHR subscription fees effective thirty (30) days after providing notice. The annual subscription fee may increase by the percentage change in the Bureau of Labor Statistics Consumer Price Index based on the rate of change from the same month of the preceding year, provided that in no event may the increase be greater than 5%. Any increase in excess of the not-to-exceed amount is contingent upon the appropriation of sufficient funds, as determined by the customer in its sole discretion.

- 3.6 **Fees for third-party add-ons** are subject to change at any time with a thirty (30) day prior notice, effective thirty (30) days from the date notice was sent.

#### 4. Ownership

- 4.1 The software and technology used by us to generate and provide the Web Services are protected by law, including, but not limited to, United States copyright law and international treaties. The copyrights and other intellectual property rights in this material are owned by us and/or others. Except for the limited rights granted herein, all other rights are reserved.
- 4.2 You will be the co-owner of all intellectual property rights in your patient files. We will make available your data in MySQL when requested.

#### 5. Term; Termination

- 5.1 This Agreement shall commence on the Effective Date and will remain in full force and effect for the full 5-year term ("Initial Term") and any subsequent Renewal Terms.
- 5.2 At the expiration of the Initial Term, this Agreement will automatically renew for a successive term (each a "Renewal Term" and collectively with the Initial Term the "Term") unless either party provides the other party written notice of its intent not to renew this Agreement at least sixty (60) days prior to the expiration of the current term.
- 5.3 This Agreement may be terminated prior to the expiration of the Term on written notice: (i) By EnSoftek, if Customer fails to pay any amount due hereunder and such failure continues for 30 days after Customer's receipt of written notice of nonpayment; (ii) By EnSoftek, if Customer commits a material breach of any material provision of this Agreement and either the breach cannot be cured or, if the breach can be cured it is not cured by Customer within fifteen (15) days after Customer's receipt of written notice of such breach; (iii) By Customer, if EnSoftek commits a material breach of any warranty set forth in Section 7 and such breach is not cured by EnSoftek in accordance with Section 7.1; (iv) By either party, effective immediately, if the other party files, or has filed against it, a petition for voluntary or involuntary bankruptcy or pursuant to any other insolvency law, makes or seeks to make a general assignment for the benefit of its creditors or applies for, or consents to, the appointment of a trustee, receiver or custodian for a substantial part of its property.
- 5.4 Termination of your account includes (i) removal of access to all Web Services, and (ii) deletion of your login protocols. Promptly after the effective date of termination, and upon payment of all outstanding balances, we will send Customer an electronic copy of its Customer Data in an electronic format of EnSoftek's choosing. EnSoftek will make every reasonable effort to provide the data to the Customer but will not be held liable if the Customer does not make necessary arrangements for receipt of data within fifteen (15) days of termination. The customer is responsible for the incurred time at the then-current EnSoftek professional services hourly rate and material expenses incurred for the return of data, payable in advance.
- 5.5 The expiration or termination of this Agreement, for any reason, shall not release either party from any liability to the other party, including any payment obligation that has already accrued hereunder.

#### 6. Account-Related Responsibilities

- 6.1 You are responsible for maintaining the confidentiality of your login protocols, and any additional information that we may provide regarding accessing the Web Services. If you knowingly share your login protocols with another person who is not authorized to use the Web Services, this Agreement is subject to termination for cause. You agree to immediately notify us of any unauthorized use of your login protocols or any other breach of security.

#### 7. Limited Warranty; Disclaimers

- 7.1 We warrant that (i) we will undertake commercially reasonable efforts to maximize uptime for the Web Services, except for routine maintenance, and (ii) the Web Services will be free of material defects and will conform to the descriptions provided in the applicable order ("Limited Warranty"). Your sole and exclusive remedy for breach of this Limited Warranty shall be the prompt correction of material defects



and non-conforming Web Services at our expense. Except for the foregoing limited warranty, we disclaim all express and implied warranties, including implied warranties respecting merchantability, title, and fitness for a particular purpose.

- 7.2 We represent and warrant that during this Agreement, we will comply with applicable state and federal laws and regulations, including HIPAA, HITECH ACT, and Identity Theft Protection Act.

## 8. Consequential Damages Waiver

- 8.1 Except (I) as may be provided in any applicable business associate agreement or the HIPAA regulations or the HITECH act or the confidentiality of patient record act, or (II) for obligations regarding confidential information expressly provided herein, in no event shall either party be liable to the other under any theory including contract and tort (including negligence and strict products liability) for any indirect, special or incidental or consequential damages, even if the party causing such damages has been advised of the possibility of such damages.

## 9. Indemnity; Liability Cap

- 9.1 **"Loss" or "Losses"** means (a) all reasonable attorney fees paid or payable by an Indemnitee (as defined in Section 9.2 below) in defense of any claim subject to indemnification under this Section 8, whether prior to, at trial or any other proceeding and in any appeal or other post-judgment proceeding; and (b) all sums paid or payable to any other person, including all direct losses and damages (except as disclaimed in this Agreement), injuries (including personal injury, sickness, and death), interest, costs, fines, taxes, premiums, assessments, penalties, expenses, attorney fees (whether incurred prior to, at trial or any other proceeding and in any appeal or other post-judgment proceedings) and other liabilities of any kind or nature.
- 9.2 **Indemnification Obligations.** Each party (the "Indemnitor") will indemnify, defend, and hold harmless the other party, its Affiliates, and their respective officers, directors, shareholders, employees and agents (jointly and severally, the "Indemnitees") from and against all Losses asserted directly or indirectly by any other person for any actual or alleged: (a) infringement of any trademark, patent, copyright, right of privacy, publicity, name or likeness, or any other intellectual property right of that other person, or misappropriation or unauthorized use or disclosure of any trade secret of another person, by the Indemnitor or any Web Services, goods or services provided by the Indemnitor; (b) defect in the Web Services, goods or services provided by the Indemnitor; (c) negligent act or omission by the Indemnitor; (d) breach of any representation, warranty or covenant in this Agreement, any Order or elsewhere by the Indemnitor; (e) intentional misconduct by the Indemnitor; (f) violation of any applicable law by the Indemnitor; and (g) claim that any of the Indemnitor's employees, principals, contractors or subcontractors are employees of an Indemnitee; in each case, whether arising from or in connection with a demand, action, regulatory action, lawsuit, proceeding (including proceedings under the US Bankruptcy Code), judgment, settlement, appeal or other post judgment proceeding and whether asserted in contract, tort, strict liability or otherwise.
- 9.3 **Exceptions.** The indemnification obligations described above will not apply to a Loss to the extent that Loss was caused by: (a) the Indemnitees' negligent acts or omissions; (b) the Indemnitees' breach of any representation, warranty or covenant in this Agreement or elsewhere; (c) the Indemnitees' intentional misconduct; (d) the Indemnitees' violation of any applicable law; (e) the Indemnitor's compliance with specifications or detailed instructions submitted by an Indemnitee, but only if the Loss would not have arisen but for that compliance; (f) the Indemnitees' modification of the Web Services, goods or services provided by the Indemnitor without the Indemnitor's consent (other than those modifications contemplated by the Parties); (g) the Indemnitees' use of Web Services, goods or services provided by the Indemnitor in combination with software, goods or services that were not provided or recommended by the Indemnitor or contemplated by the parties, except that this exception will apply only if (i) there are other commercially reasonable non-infringing alternative uses for the Web Services, goods or services provided by the Indemnitor; and (ii) the Loss would not have arisen but for that combination; or (h) the Indemnitees' use of any Licensed Web Services, goods or services after the Indemnitor has furnished to the Indemnitees, at no additional cost, a non-infringing version of the Web Services, goods and services that provide the same or greater functionality and performance as the original Web Services, goods and services.



9.4 **Procedure.** The Indemnitor's duty to indemnify the Indemnitees under this Section 9 is subject to the Indemnitees' compliance with each of the following conditions:

- a) Notice. The Indemnitees promptly notify the Indemnitor of the Loss (except that the Indemnitees' failure to promptly notify the Indemnitor of a Loss will not limit, impair or otherwise affect the Indemnitees' rights under this Section 8 unless the Indemnitor is prejudiced by that failure, and then only to the extent of the prejudice); and
- b) Authority. The Indemnitees give the Indemnitor complete authority (including settlement authority) and reasonable assistance (including reasonable access to information in the Indemnitees' possession) for that defense. However, the Indemnitor's rights under this subsection are contingent on its agreement that it will not settle any claim without the Indemnitees' prior written consent unless that settlement includes a full and final release of all claims against the Indemnitees and does not impose any obligations on the Indemnitees.

9.5 **Liability Cap.** Except (i) as may be provided in any applicable business associate agreement or the HIPAA regulations or the HITECH act or the confidentiality of patient record act, or the MHDDCA act of Illinois (ii) for obligations regarding confidential information expressly provided herein, our aggregate liability, if any, including liability arising out of contract, negligence, strict liability in tort or warranty, or otherwise, shall not exceed the total of monthly fees payable by you for the six (6) months immediately preceding the claim for such liability.

## 10. Reciprocal Disclosure of Confidential Information and ePHI

10.1 We anticipate that each of us may disclose confidential information to the other. Accordingly, we desire to establish in this Section terms governing the use and protection of certain information one party ("Owner") may disclose to the other party ("Recipient"). The Owner retains sole and exclusive ownership of its Confidential Information (defined below).

10.2 For purposes hereof, "Confidential Information" means the terms and conditions hereof, and other information of an Owner (i) which relates to Web Services, including non-public and confidential business models and plans, and technical information and data of the Owner or its customers or suppliers, (ii) which includes or relates to patient files or patient records, or (iii) which, although not related to the Web Services, is nevertheless disclosed hereunder, and which, in any case, is disclosed by an Owner to Recipient in a document or other tangible form bearing an appropriate legend indicating its confidential or proprietary nature, or which, if initially disclosed orally or visually is identified as confidential at the time of disclosure and a written summary hereof, also marked with such a legend, is provided to Recipient within fifteen (15) days of the initial disclosure.

10.3 Recipient may use Confidential Information of Owner only for the purposes of this Agreement and shall protect such Confidential Information from disclosure to others, using the same degree of care used to protect its proprietary information of like importance, but in any case, using no less than a reasonable degree of care. Recipient may disclose Confidential Information received hereunder only as reasonably required to perform its obligations under this Agreement and only to its employees who have a need to know for such purposes and who are bound by signed, written agreements to protect the received Confidential Information from unauthorized use and disclosure. The restrictions of this Agreement on the use and disclosure of Confidential Information shall not apply to information that: (i) is in the possession or control of Recipient at the time of its disclosure hereunder; (ii) is, or becomes publicly known, through no wrongful act of Recipient; (iii) is received by Recipient from a third party free to disclose it without obligation to Owner, or (iv) is independently developed by Recipient without reference to Confidential Information.

10.4 Recipient may also receive personally identifiable information, individually identifiable health information, or ePHI (together referred to as "Customer's Individually Identifiable Confidential Information" or "CII Confidential Information") in connection with the Web Services. Recipient shall comply with all duties and obligations imposed by the applicable Business Associate Agreement under the HIPAA Regulations, the HITECH ACT, the Confidentiality of Patient Records Act, and any other federal or state regulations governing the disclosure of personally identifiable information, individually identifiable health information or ePHI transmitted to Recipient in connection with the Web Services. Any breach of the applicable Business Associate Agreement by the Recipient, or any violation by the Recipient of the HIPAA Regulations, the HITECH ACT, the Patient Records Act, or the Oregon Identity Theft Protection Act will be a material breach of this Agreement.

- 10.5 Notwithstanding anything to the contrary contained herein, an Owner may request the Recipient in writing to return or destroy the Owner's Confidential Information, and the Recipient agrees to comply promptly, and in the case of destruction, to certify in writing that the destruction has been completed.

## 11. Export Control

- 11.1 We provide Web Services and use software and technology that may be subject to United States export controls administered by the U.S. Department of Commerce, the United States Department of Treasury Office of Foreign Assets Control, and other U.S. agencies and the export control regulations of Switzerland and the European Union. You acknowledge and agree to comply with applicable export controls.

## 12. Registration Data

- 12.1 Registration is required for you to establish an account at the Web Services. You agree (i) to provide certain current, complete, and accurate information about you as prompted to do so by our online registration form ("Registration Data"), and (ii) to maintain and update such Registration Data as required to keep such information current, complete and accurate. You warrant that your Registration Data is and will continue to be accurate and current and that you are authorized to provide such Registration Data. You authorize us to verify your Registration Data at any time. If any Registration Data that you provide is untrue, inaccurate, not current, or incomplete, we retain the right, in its sole discretion, to suspend or terminate rights to use your account. Solely to enable us to use information you supply us internally so that we are not violating any rights you might have in that information, you grant us a nonexclusive license to (i) convert such information into digital format such that it can be read, utilized and displayed by our computers or any other technology currently in existence or hereafter developed capable of utilizing digital information, and (ii) combine the information with other content provided by us in each case by any method or means or in any medium whether now known or hereafter devised. The Registration Data will not be provided to any third parties and will be protected from unauthorized disclosure to the third party.

## 13. Monitoring

- 13.1 We reserve the right to monitor your access and use of the Web Services without notification to you.

## 14. Information Security; Security Notice

- 14.1 Customer shall be solely responsible for acquiring and maintaining technology and procedures for maintaining the security of Customer's link to the Internet.
- 14.2 As part of the Web Services, we shall implement and maintain commercially reasonable and appropriate information security procedures concerning any of Customer's Individually Identifiable Confidential Information, or according to this Agreement, consistent with prevailing industry standards to protect data from unauthorized access by the physical and electronic intrusion, and that comply with applicable privacy rights, applicable law and business guidance issued by any federal or state regulatory agency to protect personally identifiable information, individually identifiable health information or ePHI. Without limiting any other provision in this Agreement, EnSoftek will not allow any other of its customers to view any information or data of Customer, its patients, employees, suppliers, licensors, or licensees.
- 14.3 Unless resulting from the failure of EnSoftek and its affiliate companies to perform the obligations specified in Section 10 and Section 14.2 above, the parties agree that we shall not be held responsible or liable for situations (i) where data or transmissions are accessed by third parties through illegal or illicit means, or (ii) where the data or transmissions are accessed through the exploitation of security gaps, weaknesses, or flaws unknown to us at the time and should not have reasonably been known to us in EnSoftek's risk assessment.
- 14.4 We will promptly report to you any unauthorized access to your data upon discovery by us, and we will use diligent efforts to promptly remedy any breach of security that permitted such unauthorized access. In the event notification to persons included in your data is required, you shall be solely responsible for any such notifications at your expense.

## 15. Miscellaneous

- 15.1 **Notices.** We may give notice to you through (i) a general notice in your account information, (ii) by electronic mail to your e-mail address on record in your Registration Data, or (iii) by written communication sent by first class mail or pre-paid post to your address on record in your Registration Data. Such notice shall be deemed to have been given upon the expiration of forty-eight (48) hours after mailing or posting (if sent by first class mail or pre-paid post) or twelve (12) hours after sending (if sent by email). You may give notice to us (such notice shall be deemed given when received) at any time by any of the following: (a) by letter sent by confirmed facsimile to us at the following fax number, (503) 626-1769; or (b) by letter delivered by nationally recognized overnight delivery service or first-class postage prepaid mail as follows: 735 SW 158th Avenue, Suite 140 Beaverton, OR 97006, in either case, addressed to the attention of "President of the Company". Notices will not be effective unless sent following the above requirements.
- 15.2 **Applicable Laws and Venue.** This Agreement and the Legal Relations between the Parties shall be governed by and construed under the laws of the State of Oregon without regard to principles of Conflicts of Laws otherwise applicable to such determinations, jurisdiction, and venue with respect to any disputes arising hereunder shall be proper only in Multnomah County, Oregon, USA.
- 15.3 **Severability.** If any provision of this Agreement is declared invalid or unenforceable, such provision shall be deemed modified to the extent necessary and possible to render it valid and enforceable. In any event, the unenforceability or invalidity of any provision shall not affect any other provision of this Agreement, and this Agreement shall continue in full force and effect, and be construed and enforced, as if such provision had not been included, or had been modified as above provided, as the case may be.
- 15.4 **Force Majeure.** We shall not be liable for damages for any delay or failure of delivery arising out of causes beyond our reasonable control and without our fault or negligence, including, but not limited to, Acts of God, acts of civil or military authority, fires, riots, wars, internet disruptions, hacker attacks, communication failure, and embargoes. Provided the affected party immediately notifies the other party and takes reasonable and expedient action to resume operations.
- 15.5 **Further Assurances.** Each party shall, on the reasonable request and at the sole cost and expense of the other party, take, execute, acknowledge and deliver all such further acts, documents, and instruments necessary to give full effect to this Agreement.
- 15.6 **Relationship of the Parties.** Nothing contained in this Agreement shall be construed as creating any agency, partnership, or another form of joint enterprise between the parties. The relationship between the parties shall at all times be that of independent contractors. Neither party shall have the authority to contract for or bind the other in any manner whatsoever.
- 15.7 **Publicity.** Neither party shall use the other party's trademarks, service marks, trade names, logos, symbols, or brand names, or otherwise issue or release any announcement, statement, press release, or other publicity or marketing materials relating to the existence or subject matter of this Agreement, or the relationship between the parties, in each case, without the prior written consent of the other party.
- 15.8 **Entire Agreement.** This Agreement, together with all exhibits attached hereto, constitutes the sole and entire agreement of the parties with respect to the subject matter contained herein and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to the such subject matter. This Agreement may only be amended, modified, or supplemented by an agreement in writing signed by each party hereto. In the event of a conflict between the terms, provisions, and conditions contained in the body of this Agreement and the terms, provisions, and conditions contained in the Exhibits to this Agreement, the term, provisions, and conditions contained in the body of this Agreement shall prevail. In no event shall the provisions of any purchase order or any associated documentation used by Customer, constitute a binding agreement between the parties or serve to modify the provisions of this Agreement, regardless of any failure of EnSoftek to object to any purchase order or associated documentation.
- 15.9 **Assignment.** The Customer shall not assign any of its rights or delegate any of its obligations hereunder without the prior written consent of EnSoftek. Any purported assignment or delegation in

violation of this Section shall be null and void. No assignment or delegation shall relieve Customer of any of its obligations hereunder.

- 15.10 **Waiver.** No waiver by any party of any of the provisions hereof shall be effective unless explicitly outlined in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.
- 15.11 **Survival.** Those clauses, the survival of which is necessary for the interpretation or enforcement of this Agreement shall continue in full force and effect in accordance with their terms notwithstanding the expiration or termination hereof, such clauses to include, without limitation, the following: Warranty Disclaimers, Limitation of Liability, Confidential Information, Information Security, Security Notice, Notices, Arbitration, Applicable Law, Jurisdiction and Venue, Severability, Force Majeure, and Miscellaneous.
- 15.12 **United Nations Convention of Contracts.** The application of the United Nations Convention of Contracts for the International Sale of Goods is expressly excluded.
- 15.13 **Headings.** The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.
- 15.14 **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission (to which a signed PDF copy is attached) shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be duly executed as of the date first above written.

Customer	EnSoftek:
<b>Client</b> City of Lake Oswego	<b>EnSoftek, Inc.</b>
By:	By:
Name: Martha Bennett	Name: <b>Ramana Reddy</b>
Title: City Manager	Title: <b>CEO</b>
Date:	Date:

Approved as to form:

Evan Boone, Deputy City Attorney

## Exhibit A - Business Associate Agreement

This Business Associate Agreement (“Agreement”) is made and entered into by and between **Client** located at **Address** (“Covered Entity”), and **EnSoftek, Inc.** with its principal office located at 735 SW 158th Suite 140 Beaverton, OR 97006 (“Business Associate”). Covered Entity and Business Associate may be referred to individually as a “Party” and collectively as the “Parties”.

### Recitals

**WHEREAS**, Covered Entity and Business Associate have entered into a certain Master Hosted Web Services agreement according to which Business Associate will provide certain services to or on behalf of Covered Entity, and Business Associate may create, receive, maintain, transmit, or have access to Protected Health Information to provide those services (“Services Agreement”);

**WHEREAS**, the Department of Health and Human Services (“HHS”) has promulgated regulations at 45 C.F.R. Parts 160 and 164 implementing the privacy requirements (“Privacy Rule”) and regulations at 45 C.F.R. Parts 160, 162, and 164 implementing the security requirements (“Security Rule”) outlined in the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (“HIPAA”) as amended by regulations implementing Subtitle D of the Health Information Technology for Economic and Clinical Health Act (HITECH) which is Title XIII of the American Recovery and Reinvestment Act of 2009 (Public Law 111-5), and has promulgated regulations at 42 C.F.R. Part 2 implementing the restrictions on the use and disclosure of alcohol and drug abuse patient records outlined in the Public Health Service Act codified at 42 U.S.C. § 201 et. seq. (“Public Health Service Act”);

**WHEREAS**, the Privacy Rule and Security Rule require the Covered Entity to enter into a written contract with the Business Associate to assure certain protections for the privacy and security of Protected Health Information, and the Privacy Rule and Security Rule prohibit the disclosure or use of Protected Health Information to or by Business Associate if such a contract is not in place, and the above-described regulations implementing the Public Health Service Act require the Parties to enter into a written agreement to assure protection of alcohol and drug abuse patient records;

**WHEREAS**, both Parties mutually agree to satisfy the foregoing regulatory requirements and all federal, state, and local confidentiality, privacy, and security laws through this Agreement;

**NOW, THEREFORE**, in consideration of the foregoing and of the mutual promises contained herein, and for other good and valuable consideration, receipt of which is hereby acknowledged Covered Entity and Business Associate agree as follows:

### 1. Definitions

Terms used, but not otherwise defined in this Agreement shall have the same meaning as those terms in 45 C.F.R. Part 160, Part 162, and Part 164 then in effect or as amended, concerning the use and disclosure of Protected Health Information, which are collectively referred to as the “HIPAA Rules”, and 42 C.F.R. Part 2, then in effect or as amended, concerning alcohol and drug abuse patient records.

1.1 **“Breach”** shall have the same meaning as the term “Breach” in 45 C.F.R. § 164.402.

1.2 **“Data Aggregation”** shall have the meaning given such term in 45 C.F.R. § 164.501.

1.3 **“Designated Record Set”** shall have the meaning given to such term in 45 C.F.R. § 164.501.

1.4 **“Disclose”** and **“Disclosure”** mean, concerning Protected Health Information, the release, transfer, provision of, access to, or divulging in any other manner of Protected Health Information outside Business Associate’s internal operations or to persons or entities other than members of its workforce, and concerning alcohol and drug abuse patient records, mean communication of patient identifying information, the affirmative verification of another person’s communication of patient identifying information, or the communication of any information from the record of a patient who has been identified.

1.5 **“Electronic Protected Health Information”** or **“ePHI”** shall have the meaning found in the Security Rule, 45 C.F.R. § 160.103.



- 1.6 **"HITECH Act"** shall mean the Health Information Technology for Economic and Clinical Health Act, found in Title XIII of the American Recovery and Reinvestment Act of 2009, Public Law 111-005, and the regulations promulgated thereunder by the Secretary.
- 1.7 **"Individual"** shall have the same meaning found in 45 C.F.R. § 160.103 and shall include a person who qualifies as a personal representative under 45 C.F.R. § 164.502(g).
- 1.8 **"Protected Health Information" or "PHI"** shall have the same meaning as the term "protected health information" in 45 C.F.R. § 160.103, limited to the information created, received, maintained, or transmitted by Business Associate from or on behalf of Covered Entity under this Agreement.
- 1.9 **"Required by Law"** shall have the same meaning found in 45 C.F.R. § 164.103.
- 1.10 **"Secretary"** shall mean the Secretary of the Department of Health and Human Services or his or her designee.
- 1.11 **"Unsecured PHI"** shall have the same meaning as the term "unsecured protected health information" in 45 C.F.R. § 164.402.
- 1.12 **"Use" or "Uses"** shall mean, concerning Protected Health Information, the sharing, employment, application, utilization, examination, or analysis of such information within the Business Associate's internal operations.

## 2. Authorized Uses and Disclosures by Business Associate

- 2.1 **General Use and Disclosure** - Except as otherwise limited in this Agreement, Business Associate may Use or Disclose PHI on behalf of Covered Entity as necessary to provide services as outlined in the Services Agreement, if such Use or Disclosure of PHI would not violate the Privacy Rule if done by Covered Entity. Business Associate may use and Disclose alcohol and drug abuse patient records only as permitted by 42 C.F.R. Part 2.
- 2.2 **Business Activities of Business Associate**
  - 2.2.1 Unless otherwise limited herein, Business Associate may Use PHI:
    - a) As necessary for the proper management and administration of the Business Associate or to carry out the legal responsibilities of a Business Associate;
    - b) To provide Data Aggregation services as permitted by 42 CFR § 164.504(e)(2)(i)(B);
    - c) As Required by Law.
  - 2.2.2 Unless otherwise limited herein, Business Associate may Disclose PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate provided that:
    - a) The Disclosure is required by Law; or
    - b) Business Associate obtains reasonable assurances from the person to whom the PHI is disclosed that it will be held confidentially and used or further disclosed only as Required by Law or for the purposes for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the PHI has been breached.
- 2.3 **Use and Disclosure of Alcohol and Drug Abuse Patient Records** - Business Associate acknowledges and agrees that in receiving, storing, processing, or otherwise dealing with any patient drug and alcohol abuse records, it is fully bound by the regulations set forth at 42 C.F.R. Part 2, as it may be amended. Business Associate agrees that, if necessary, it will resist in judicial proceedings any efforts to obtain access to drug and alcohol abuse patient records except as permitted by 42 C.F.R. Part 2, as it may be amended.

## 3. Business Associate Obligations

- 3.1 **Use of PHI** - Business Associate shall not Use or further Disclose PHI other than as permitted or required by the Services Agreement, this Agreement, or as Required by Law. In Using, Disclosing, or requesting PHI from Covered Entity, Business Associate agrees to limit PHI to the minimum necessary to accomplish the intended purpose of such Use, Disclosure, or request. "Minimum necessary" shall

be interpreted under the HITECH Act and the HIPAA Rules, and implementing regulation or guidance on the definition. Business Associate will make reasonable efforts to limit access to PHI to those members of its workforce that need access based upon their roles and functions.

- 3.2 **Appropriate Safeguards; Compliance with Security Rule (C.F.R Part 164 regulations)** - Business Associate shall use appropriate administrative, technical, and physical safeguards to prevent the Use or Disclosure of PHI other than as provided for by this Agreement. Business Associate shall comply with the Security Rule and shall implement administrative, physical, and technical safeguards (including written policies and procedures) that will reasonably and appropriately protect the confidentiality, integrity, and availability of the EPHI it creates, receives, maintains, or transmits on behalf of Covered Entity.
- 3.3 **Disclosure to Subcontractors** - Business Associate agrees to ensure that any subcontractor that creates, receives, maintains, or transmits PHI on behalf of Business Associate agrees to comply with the applicable HIPAA Rules and the same restrictions and conditions that apply through this Agreement to Business Associate concerning such PHI by entering into a Business Associate Agreement with the subcontractor consistent with 45 C.F.R. 164.502(e).
- 3.4 **Delegation of Covered Entity's Duties** - To the extent the Business Associate is to carry out one or more of the Covered Entity's obligations under the Privacy Rule, the Business Associate shall comply with the requirements of the Privacy Rule that apply to the Covered Entity in the performance of such obligations.
- 3.5 **Disclosure Accounting** - Business Associate agrees to document all Disclosures of PHI and information related to such Disclosures as would be required for the Covered Entity to respond to a request by an Individual for an accounting of Disclosures under 45 C.F.R. § 164.528 ("Disclosure Information") and to retain such documentation for six (6) years from the date of Disclosure.

Within twenty (20) calendar days after receipt of a written notice from the Covered Entity of a request by an Individual for an accounting of Disclosures of PHI, Business Associate shall provide to the Covered Entity the Disclosure Information to enable the Covered Entity to meet the Disclosure accounting obligations under 45 C.F.R. § 164.528. In the event a request for an accounting regarding PHI is delivered directly to Business Associate or its subcontractors, the Business Associate shall within three (3) business days after receipt forward such request to the Covered Entity. Within fifteen (15) calendar days after forwarding the request to the Covered Entity, the Business Associate shall provide its Disclosure Information to the Covered Entity. It shall be the Covered Entity's responsibility to prepare and deliver any accounting of disclosures to the Individual.

Business Associate will include the following information in any Disclosure Information: the date of the Disclosure; the name of the entity or person who received the PHI, and if known, the address of such entity or person; a brief description of the PHI Disclosed; and a brief statement of the purpose of the Disclosure. If during the period covered by the accounting, the Business Associate has made multiple Disclosures of PHI to the same person or entity for a single purpose, including the Covered Entity, the Disclosure Information may, concerning such multiple Disclosures, provide the information listed above for the first Disclosure during the accounting period; the frequency, periodicity, or a number of the Disclosures made during the accounting period; and the date of the last such Disclosure during the accounting period.

- 3.6 **Access to PHI** - Within fifteen (15) calendar days following the Covered Entity's request, the Business Associate shall make available to the Covered Entity or, at the written direction of the Covered Entity, to an Individual, for inspection and copying PHI about the individual that is in a Designated Record Set maintained by the Business Associate, so that Covered Entity may meet its access obligations under 45 C.F.R. §164.524. If the Covered Entity requests an electronic copy of PHI that is maintained by the Business Associate electronically in a Designated Record Set, the Business Associate will provide an electronic copy in the form and format specified by the Covered Entity if it is readily producible in such format; if not readily producible in such format, in an alternative readable electronic form and format agreed to by Covered Entity and the Individual. If the available electronic form and format are not acceptable to the Individual, the Business Associate will provide the PHI in hard copy. Any denial of access to the PHI requested shall be the responsibility of the Covered Entity.
- 3.7 **Amendment of PHI** - Upon receipt of a request from the Covered Entity, the Business Associate shall promptly amend or make available to the Covered Entity for amendment, an Individual's PHI maintained

by Business Associate in a Designated Record Set to enable the Covered Entity to meet its obligations under 45 C.F.R. § 164.526. Any denial of a request by an Individual for amendment of PHI maintained by a Business Associate according to the Agreement shall be the responsibility of the Covered Entity.

**3.8 Government Access to Books and Records** - Business Associate shall make its internal practices, books, and records relating to the Use and Disclosure of PHI received from, or created or received by Business Associate on behalf of Covered Entity, available to the Secretary for purposes of determining Covered Entity's compliance with the HIPAA Rules. Unless prohibited by law or court or order, the Business Associate shall provide to the Covered Entity, (i) prompt written notice of the Business Associate's receipt of any such request from the Secretary, and (ii) a copy of any documentation, books, and records provided by Business Associate to the Secretary according to the Secretary's request.

**3.9 Reporting and Mitigation of Unauthorized Use and Disclosure of PHI or Breach of Unsecured PHI**

**3.9.1 Reporting of Unauthorized Use and Disclosure of PHI.** Business Associate shall provide a written report to Covered Entity of any Uses or Disclosures of PHI not authorized by the Services Agreement or this Agreement of which it becomes aware not more than forty-eight (48) hours after the unauthorized Use or Disclosure is discovered.

**3.9.2 Reporting of Breach of Unsecured PHI.** Business Associate shall notify Covered Entity within forty-eight (48) hours following the discovery of a suspected or actual Breach of Unsecured PHI. A suspected or actual Breach shall be treated as discovered by Business Associate as of the first day on which the Breach is known, or, by exercising reasonable diligence would have been known, to the Business Associate. If a delay is requested by a law enforcement official in accordance with 45 C.F.R. § 164.412, the Business Associate may delay notifying the Covered Entity for the applicable period.

**3.9.3 Content of Notice.** The notice of unauthorized Use or Disclosure, or Breach of Unsecured PHI, shall include:

- a) To the extent possible, the identification of each Individual whose Unsecured PHI has been, or is reasonably believed by the Business Associate to have been improperly accessed, acquired, Used, or Disclosed;
- b) Information related to the unauthorized person or persons who impermissibly Used the PHI or to whom the improper Disclosure was made, and whether the PHI was acquired or viewed;
- c) The nature of the Breach or other non-permitted Use or Disclosure, including a brief description of what happened, the date of the non-permitted Use or Disclosure or Breach, and the date of discovery;
- d) A description of the types of Unsecured PHI that were involved in the non-permitted Use or Disclosure or Breach, including the nature of services, types of identifiers, and the likelihood of re-identification, including whether full name, social security number, credit card number, date of birth, home address, account number, diagnosis, medication, treatment plan or other information were involved;
- e) The corrective or investigative action the Business Associate took or will take to prevent further non-permitted Uses or Disclosures, to protect against future Breaches, and the extent to which the risk to the PHI has been mitigated;
- f) Any details necessary for the Covered Entity to conduct a risk assessment to determine the probability that the PHI believed to have been improperly accessed, acquired, Used, or Disclosed has been compromised and the steps the affected Individuals should take to protect themselves; and
- g) Such other information, including a written report, as the Covered Entity may reasonably request.

**3.9.4 Costs of Breach Notification and Mitigation.** Business Associate shall, at its own cost and expense, mitigate, to the extent practicable, any harmful effects known to Business Associate of any Use or Disclosure of PHI in violation of the requirements of this Agreement. To the extent that the Covered Entity determines that the Breach notification requirements of the HIPAA Rules are triggered by a Breach of Unsecured PHI, as described in Section 4.3 below, Business Associate shall reimburse the Covered Entity for all costs related to such notifications.



- 3.9.5 **Security Incidents.** Business Associate will report to Covered Entity any attempted or successful unauthorized access, Use, Disclosure, modification, or destruction of Electronic Protected Health Information provided by Covered Entity or interference with Business Associate's system operations in Business Associate's information system of which Business Associate becomes aware. The Parties acknowledge that probes and reconnaissance scans are commonplace in the industry and, as such, the Parties acknowledge and agree that, to the extent, such probes and reconnaissance scans constitute Security Incidents, this Section 3.9.5 constitutes notice by Business Associate to Covered Entity of the ongoing existence and occurrence of such Security Incidents for which no additional notice to Covered Entity shall be required, as long as such probes and reconnaissance scans do not result in unauthorized access, Use, or Disclosure of PHI. Probes and reconnaissance scans include, without limitation, pings and other broadcast attacks on the Business Associate's firewall, port scans, and unsuccessful log-on attempts that do not result in unauthorized access, Use, or Disclosure of PHI.
- 3.9.6 **State Law Requirements.** In the event Business Associate has an independent notification obligation related to impermissible Use or Disclosure of PHI in connection with this Agreement or the Services Agreement, Business Associate shall promptly notify Covered Entity of such obligation and, at least five (5) business days before giving any such notice, Business Associate shall notify Covered Entity of its intent to provide the required notifications, including any related information required by applicable state law.
- 3.10 **Retention of PHI** - Business Associate shall retain all PHI throughout the term of this Agreement and shall continue to maintain such information not otherwise returned or destroyed under Section 5.4 of this Agreement for a period of six (6) years after the termination of this Agreement.
- 3.11 **Restrictions on Disclosures** - Business Associate will comply with any agreement by the Covered Entity to provide for confidential communications of PHI, or to restrict the Use or Disclosure of PHI, under 45 C.F.R. § 164.522, including any request by an Individual to restrict the Disclosure of the Individual's PHI to a health plan if the Disclosure is (1) for the purpose of carrying out payment or health care operations, is not for purposes of carrying out treatment, and it not otherwise Required by Law, and (2) the PHI pertains solely to a health care item or service for which the Individual, or person other than the health plan on behalf of the Individual, has paid the Covered Entity in full.
- 3.12 **Prohibition on Sale of PHI** - Except as otherwise expressly permitted by the HIPAA Rules, Business Associate shall not directly or indirectly receive remuneration, including financial or non-financial remuneration, in exchange for an Individual's PHI unless Covered Entity or Business Associate obtains a valid authorization that meets the requirements of 45 C.F.R § 164.508 and states that the disclosure will result in remuneration to the Business Associate.
- 3.13 **Standard Transactions** - Business Associate shall comply with the HIPAA Rules' Standards for Electronic Transactions when conducting any Standard Transactions on behalf of the Covered Entity.

## 4. Covered Entity Obligations

- 4.1 With regard to the Use and/or Disclosure of Protected Health Information by the Business Associate, the Covered Entity agrees to:
- 4.1.1 **Notice of Privacy Practices** - Provide Business Associate in a timely manner a written or electronic copy of the notice of privacy practices (the "Notice") that the Covered Entity provides to Individuals in accordance with 45 C.F.R. § 164.520, including any limitation(s) in such Notices to the extent that such limitation may affect Business Associate's Use or Disclosure of PHI.
- 4.1.2 **Restrictions** - Notify the Business Associate in writing of any restrictions to the Use or Disclosure of PHI that the Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522 to the extent that such restriction may affect the Business Associate's Use or Disclosure of PHI. Covered Entity will notify Business Associate in writing of the termination of any such restriction requirement and inform the Business Associate whether any of the PHI will remain subject to the terms of the restriction agreement.
- 4.1.3 **Authorizations** - Inform Business Associate, in writing and in a timely manner, of any changes in, or revocation of an authorization provided to a Covered Entity by an Individual to Use or Disclose PHI to the extent that such changes may affect Business Associate's Use or Disclosure of PHI.

- 4.1.4 Confidential Communications - Notify the Business Associate in writing and in a timely manner, of any confidential communications requests related to an Individual's PHI that the Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that such request may affect Business Associate's Use or Disclosure of PHI. Covered Entity will notify Business Associate in writing of the termination of any such confidential communications requirement.
- 4.2 Covered Entity shall not request the Business Associate to Use or Disclose PHI in any manner that would not be permissible under the Privacy Rule if done by a Covered Entity.
- 4.3 Determination of Breach and Notification Obligations. The Covered Entity will be solely responsible to determine whether a non-permitted Use or Disclosure constitutes a Breach and will be responsible to provide, to the extent and within the time required by the HIPAA Rules, notice to the affected Individuals, the media, and the Secretary of any Breach of Unsecured PHI. If the Covered Entity determines the non-permitted Use or Disclosure is a Breach that triggers the HIPAA Rules' breach notification requirements, then the Business Associate will reimburse the Covered Entity for all costs related to the notifications of a Breach of Unsecured PHI created, received, maintained or transmitted by Business Associate.
- 4.4 Compliance Review. The Covered Entity may, upon giving reasonable notice to Business Associate, conduct periodic reviews of the Business Associate's internal practices, books, and records related to its Use and Disclosure of PHI under this Agreement to determine compliance with this Agreement and the HIPAA Rules. Such reviews shall be performed on a non-interfering basis and during such times as are reasonably acceptable to Business Associate.

## 5. Term and Termination

- 5.1 Term and Effective Date - This Agreement shall be effective on the effective date of the Services Agreement and shall continue in effect until all obligations of the Parties have been met unless terminated as provided herein or by the mutual agreement of the Parties.
- 5.2 Termination for Material Breach - Upon Covered Entity's determination, in its sole discretion, that Business Associate has violated a material term of this Agreement, Covered Entity will provide Business Associate with written notice of the violation and either (i) an opportunity to cure the breach or end the violation within twenty (20) calendar days after Business Associate's receipt of the notice or such other period determined reasonable and appropriate by Covered Entity, or (ii) terminate this Agreement if Business Associate does not cure the breach or end the violation within such period, or (iii) immediately terminate this Agreement if eliminating the violation or cure of the breach is not possible.
- 5.3 Termination of Agreement - This Agreement shall automatically terminate without any further action of the Parties upon the termination or expiration of the Services Agreement.
- 5.4 Effect of Termination
  - 5.4.1 Unless an EnSoftek Termination Agreement is executed separately with Covered Entity before the Termination Date of this Agreement, then upon termination of this Agreement, Business Associate shall return, within fifteen (15) calendar days after the Termination Date, all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity that is maintained in any form by Business Associate or its subcontractors. The return of PHI shall be in the form of an encrypted MySQL database copy, all Instance data recorded through the Termination Date plus all documents uploaded into the Instance by the Covered Entity. However, PDF documents that are created by or that are available for print, including any document available for print that unencrypts and displays any signature are NOT available for return. Unless the Covered Entity notifies Business Associate within ten (ten) calendar days following the delivery of said PHI that such PHI has not been received, the PHI is considered delivered and accepted by the Covered Entity. If Business Associate determines to retain PHI for their own internal "administration and management" purposes, Business Associate shall extend the protections of this Agreement to such PHI and limit further Uses and Disclosures of such PHI to those purposes only for so long as Business Associate maintains such PHI. Covered Entity understands that following the return of PHI, Business Associate will have completed its obligations and not have any ability to recreate, reassemble, or otherwise, the Covered Entity

System, PHI data, or any attached documents and PDFs unless such data is returned to Business Associate under a new Agreement executed separately and at a separate cost.

5.4.2 In the event this Agreement is terminated for any reason, the Services Agreement will also terminate as of the effective date of termination of this Agreement.

5.5 Survival - The obligations of the Business Associate under this Section 5 shall survive the termination of this Agreement.

5.6 No Third-Party Beneficiaries - Nothing in this Agreement shall confer any rights, remedies, obligations, or liabilities upon any person or other third party other than the Parties to this Agreement.

**IN WITNESS WHEREOF**, the Parties have duly executed this Agreement as of the effective date of the Services Agreement.

<b>Customer</b>	<b>EnSoftek:</b>
<b>Client</b> City of Lake Oswego	<b>EnSoftek, Inc.</b>
By:	By:
Name: Martha Bennett	Name: <b>Ramana Reddy</b>
Title: City Manager	Title: <b>CEO</b>
Date:	Date:

Approved as to form:

Evan Boone  
Deputy City Attorney

## Exhibit B - Service Level Agreement

### 1. Definitions

- 1.1 "Service Level" The measurements upon which the quality of Web Services is measured.
- 1.2 "Basic Service Level" Any Service Level outlined in this Agreement or an applicable Order that is not a Critical Service Level.
- 1.3 "Critical Service Level" Any Service Level that is described as "critical" in this Agreement or an applicable Order.
- 1.4 "Uptime" Measure the time the Web Services are working and available.
- 1.5 "Downtime" Any period where the Web Services are not available to the end users, regardless of the reason.
- 1.6 "Exempt Downtime" Downtime where the parties have previously agreed upon the time and duration of such Downtime. Only Downtime occurring during the such previously-agreed period shall be deemed to be Exempt Downtime. Exempt downtime will include unscheduled internet outages.
- 1.7 "Unscheduled Downtime" All Downtime that is not Exempt Downtime.
- 1.8 "Active User" – All users are considered active and billable unless marked as Inactive in the DrCloudEHR™ User Management Console.

### 2. Procedures

The establishment of Service Levels will be accomplished as follows:

- 2.1 **Commencement.** Service Levels are established as provided herein and will be measured starting on the "go live" date for the Web Services. Service Level reporting will be put into effect starting on the "go live" date for the Web Services.
- 2.2 **Service Level Changes.** The Parties may agree to add, delete or modify Service Levels. All such changes must be mutually agreed to in writing. Should new technology or improved measurement capabilities be deployed by EnSoftek that impact the Service Level reports, EnSoftek and Customer will agree upon a new measurement process and amend this Exhibit as appropriate. Should EnSoftek and Customer agree to implement a new reporting mechanism, EnSoftek and Customer will establish new Service Levels to be aligned with the new reporting mechanism.
- 2.3 **Downtime Incident Reporting.** Upon receipt of a written request from Customer for a prior calendar month requesting information regarding a specific instance of Downtime, EnSoftek will provide Customer with a related incident report from which Customer may determine any Downtime.
- 2.4 **Excused Failures.** Failure to meet Service Levels will not be deemed to be a failure by ENSOFTEK if one of the following conditions exist: (i) the failure is mutually agreed not to be the fault of ENSOFTEK; (ii) the failure of Customer to carry out relevant obligations causing the failure; (iii) failure of equipment not provided by or maintained by EnSoftek; or (iv) Force Majeure Events.

### 3. Service Level Metrics

In addition to any Service Levels described in detail in the Order, and unless these Service Levels are expressly modified in the Order, the following Service Levels are deemed to be default metrics and will apply to the Agreement.

- 3.1 **Uptime.** The Uptime for the Web Services shall be up at 99% of the time, excluding Exempt Downtime, as calculated for each calendar month.
- 3.2 **Backups.** EnSoftek uses standard operating procedures to back up all ePHI data and documents on a regularly scheduled basis to prevent data loss. An electronic copy of the data and documents will be provided upon Customer request.

## 4. Support Level Metrics

Support Services will be performed by EnSoftek subject to the terms and conditions of the Master Hosted Services Agreement.

- 4.1 EnSoftek will maintain the then-current version of the DrCloudEHR solution in substantial conformance with its Specifications as amended from time to time by EnSoftek, and with applicable Federal regulatory requirements and laws. EnSoftek will use commercially reasonable efforts to either:
  - i. Correct any reproducible Problems or Defects in the then current or immediately prior release of the DrCloudEHR solution which prevent it from operating in substantial conformance with the Specifications and applicable Federal regulatory requirements; or
  - ii. Provide a commercially reasonable alternative that will substantially conform with the Specifications and applicable Federal regulatory requirements and laws.
- 4.2 Customer will make requests for Support Services by giving EnSoftek written notice specifying a Problem or Defect in the DrCloudEHR solution. In making a verbal request for Support Services, Customer will provide EnSoftek within twenty-four (24) hours after such verbal notice with such written information and documentation as may be reasonably prescribed by EnSoftek.
- 4.3 On a timely basis EnSoftek will also provide Customer with such updates as are distributed without charge to other similar Customers which reflect modifications and incremental improvements made to the DrCloudEHR solution by EnSoftek;
- 4.4 EnSoftek will make technical support personnel available from 9:00 a.m. to 5:00 p.m., Customer local time Monday through Friday, exclusive of EnSoftek holidays.
- 4.5 If a reasonable analysis by EnSoftek indicates that a reported Problem or Defect is caused by a problem related to Hardware used by the Customer, the hardware's system software, or applicable software other than the DrCloudEHR solution, or the Customer's misuse or modification of the DrCloudEHR solution, EnSoftek's responsibility will be limited to the correction of the portion, if any, of the problem caused by a Problem or Defect in the DrCloudEHR solution. The Customer will, at EnSoftek's option, pay EnSoftek for the cost of analyzing the reported problem at EnSoftek's then prevailing time-and-materials rate.
- 4.6 The initial term for the provision of Support Services for the DrCloudEHR solution will coincide with the whole Subscription time the DrCloudEHR solution is made available to the Customer provided that the Customer is current on all outstanding invoices per the terms and conditions outlined in the Master Hosted Services Agreement.
- 4.7 Absent a bona fide dispute, if Customer fails to pay for Hosted Subscription Services when due, EnSoftek may refuse to provide Support Services until Customer makes payment of all Charges due.
- 4.8 All reported support service requests will be acknowledged within 8 business hours of receipt.
- 4.9 If an analysis by EnSoftek indicates that a reported problem is caused by a reproducible Problem or Defect, EnSoftek will use commercially reasonable efforts to provide Support Services per the following prioritization of reported problems:

Priority	Definition
1-Critical	<p><b>Priority 1:</b> will be assigned when the DrCloudEHR solution or a material DrCloudEHR solution component is non-operational as a result of a defect [in a Production environment only] such as:</p> <ul style="list-style-type: none"> <li>The Production system cannot be accessed or utilized in any capacity</li> <li>A direct patient safety issue is present</li> <li>A DrCloudEHR solution defect.</li> </ul> <p>Best efforts will be made to correct Priority 1 problems or to provide a plan for such correction, within two (2) business days.</p> <p>Customer's Commitment:</p> <ul style="list-style-type: none"> <li>This case Priority must be submitted directly to the EnSoftek Support department.</li> <li>Customer provides the specific, detailed information required for troubleshooting/ investigation.</li> </ul>

2-High	<ul style="list-style-type: none"> <li>• Customer provides appropriate staff and resources to sustain continuous communication and work effort as required.</li> <li>• Without appropriate Customer resources, the case will be downgraded to Priority 2.</li> </ul> <p><b>Priority 2:</b> will be assigned to Production defects that result in functions that have a significant negative impact on daily operations. A workaround may be available and/or the capacity to maintain daily business functionality. Commercially reasonable efforts will be made to correct Priority 2 problems or to provide a plan for such correction, within four (4) business days.</p> <p>Customer's Commitment:</p> <ul style="list-style-type: none"> <li>• Customer provides the specific, detailed information required for troubleshooting/ investigation.</li> <li>• Customer provides appropriate staff and resources to sustain continuous communication and work effort as required.</li> <li>• Without appropriate Customer resources, the case will be downgraded to Priority 3.</li> </ul>
3-Medium	<p><b>Priority 3:</b> will be assigned for system defects that result in functions that have no major impact on daily operations. An issue that allows the continuation of function, including issues in which a reasonable workaround is available. Commercially reasonable efforts will be made to correct Priority 3 problems or to provide a plan for such correction, within ten (10) business days.</p> <p>Customer's Commitment:</p> <ul style="list-style-type: none"> <li>• Customer provides the specific, detailed information required for troubleshooting/ investigation.</li> <li>• Customer provides appropriate staff and resources to sustain continuous communication and work effort as required.</li> <li>• Without appropriate Customer resources, the case will be downgraded to Priority 4.</li> </ul>
4-Low	<p><b>Priority 4:</b> will be assigned to cosmetic defects that do not affect system usability or non-defect related requests including, but not limited to, system setup/configuration, training, functionality questions, documentation, portal access, and upgrade/change requests. Commercially reasonable efforts will be made to address Priority 4 issues or to provide a plan for such correction, within fifteen (15) business days except for upgrade/change requests. For upgrade/change requests, the customer will be sent a change request form in a reasonable time frame. Such requests will be added to the Engineering pipeline for implementation once EnSoftek receives the signed form from the customer.</p> <p>Customer's Commitment:</p> <ul style="list-style-type: none"> <li>• Customer provides the specific, detailed information required for troubleshooting/ investigation.</li> <li>• Customer provides appropriate staff and resources to sustain continuous communication and work effort as required.</li> <li>• Without appropriate Customer resources, the case will be closed following our Case Closure Notification policy.</li> </ul>

## 5. Termination Option for Chronic Problems

- 5.1 Either party may terminate this Agreement without liability or penalty by notifying the other party within ten (10) days following the occurrence of either of the following: (i) Customer experiences more than five (5) Unscheduled Downtime periods in any three (3) consecutive calendar month period; or (ii) Customer experiences more than eight (8) consecutive business hours of Unscheduled Downtime due to any single event. Such termination will be effective immediately after receipt of such notice by the terminating party.

## 6. Suspension

- 6.1 If EnSoftek is materially hampered in fully performing hereunder for any reason outside of EnSoftek's reasonable control including without limitation any Force Majeure Event (all of which events are herein called "Disability") Customer may suspend use of the Web Services and its obligations to make subscription fee payments to EnSoftek during the period of such Disability.



## Exhibit C – DrCloudEHR Modules

Module Name	Unit	Annual Fees
<b>EnSoftek Modules</b>		
DrCloudEHR Unplugged [per user]	1	\$360
DrCloudEHR Telehealth [per user]	1	\$420
DrCloudEHR Document Storage [per 100GB of Storage]	1	\$1,200
DrCloudEHR Advanced Report Writer [per user]	1	2,388
DrCloudEHR Report Server [Shared Server Environment] Back-end Table Access	1	\$6,912
DrCloudEHR Patient Portal	1	\$5,988
DrCloudEHR Foresight – Analytics / Power BI DrCloudEHR integrates with Power BI to provide insights into practice data with new interactive, graphical analytics reports – [Includes 1 Editor and 1 Viewer]	1	\$14,400
DrCloudEHR Referral Module [website-based referral data submission]	1	\$720
DrCloudEHR General Ledger (GL) Interface	1	\$1,188
DrCloudEHR Clearinghouse Interface	1	\$588
<b>Third-Party Modules</b>		
DrFirst Rcopia (ePrescribing) includes EPCS and PDMP reporting: [per provider]	1	\$1080
DrFirst Rcopia (ePrescribing) Basic: [per provider]	1	\$900
EMR Direct Trust Mailbox - Minimum recommended 1 per facility: [1 mailbox]	1	\$360
Integrated ChartMeds eMAR Solution [Per Administered Bed]	1	\$150
Quest Lab Gold Standard Interface [2-way]	1	\$948
Televox: Appointment Reminder Services [Additional: \$1000 One-time Deployment; 1Million Transactions: \$0.08 per transaction]	1	\$1,200
InterFax.Net Faxing (Per Local Fax Line, up to 100 pages per month [Annual Fee])	1	\$264
Dragon Dictation [per user]	1	\$1,250
Credit Card Processing Integration with Global Payments Integrated [Requires separate agreement with Global Payment Integrated]	1	Set-up Waived
Scriptel Signature Pads [per device]	1	\$309 + freight



## Exhibit D Master Hosted Web Services Agreement

This Exhibit D to the Master Hosted Web Services Agreement sets forth Changes to the Agreement, pursuant to Section 1.10 of the Agreement.

1. The **Introductory Paragraph** is hereby amended to add the following definition (new text is shown in double underline, deleted text is shown in strikethrough):

This Master Hosted Web Services Agreement ("Agreement") is entered into as of ~~August 14, December 26, 2023~~ ("Effective Date"), by and between **EnSoftek, Inc.**, an Oregon corporation, and **its affiliated companies** with principal office located at 735 SW 158th Avenue, Suite 140 Beaverton, OR 97006 ("EnSoftek"), and ~~Client~~ **City of Lake Oswego (Attn: Police Dept.)** located at ~~Address~~ **P.O. Box 369, Lake Oswego, OR 97034** ("Customer"). All references to "we", "us", or "our" shall mean EnSoftek and its affiliated companies. All references to "you" or "your" shall refer to Customer, and to any of your Affiliates and Partner Agencies (defined below) that agree to be bound by this Agreement.

2. The **Definitions (Section 1)** is hereby amended to add the following definition (new text is shown in double underline):

Partner Agencies: Cities of Oregon City, West Linn, Canby and Milwaukie, by and through their police departments. As used within the Contract, "You" and "Customer" includes the City of Lake Oswego and these Partner Agencies for user licensing and operational items in the Contract and its Exhibits, with the Cities of Lake Oswego and Oregon City as the lead contacts.

3. The **Web Services, Section 2.1** is revised to read as follows (new text is shown in double underline; deleted text is shown with strikethrough):

Subject to the terms and conditions hereof, including without limitation our Privacy Policy and the applicable Business Associate Agreement, we shall provide the nonexclusive, non-transferable right to use and operate the Web Services to you and your Affiliates and Partner Agencies during the term of this Agreement under the applicable Order. The initial Order is attached.



4. The **Payment Terms / Change in Fees (Section 3.5)** is revised to read as follows (new text is shown in double underline):

**Change in Fees.** EnSoftek will notify Customer of any change in DrCloudEHR subscription fees effective thirty (30) days after providing notice. The annual subscription fee may increase by the percentage change in the Bureau of Labor Statistics Consumer Price Index based on the rate of change from the same month of the preceding year, provided that in no event may the increase be greater than 5% or the percentage increase of the BLS, Table 5, Compensation (<https://www.bls.gov/news.release/eci.t05.htm>), Professional, Scientific, and Technical Services Index for the applicable year (not seasonally adjusted), whichever is less. Any increase in excess of the not-to-exceed amount is contingent upon the appropriation of sufficient funds, as determined by the customer in its sole discretion.

5. The **Reciprocal Disclosure of Confidential Information and ePHI, Section 10.5** is revised to read as follows (new text is shown in double underline):

Notwithstanding anything to the contrary contained herein, and except as otherwise required by law, an Owner may request the Recipient in writing to return or destroy the Owner's Confidential Information, and the Recipient agrees to comply promptly, and in the case of destruction, to certify in writing that the destruction has been completed.

6. The terms and provisions of the **EnSoftek RFP Response dated Sept. 5, 2023**, Attachment D-1, are hereby incorporated in the Contract terms and shall have priority over any contrary provisions, except as to these Exhibit D provisions.

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

# City of Lake Oswego

## Electronic Health Record (EHR) System

### REQUEST FOR PROPOSAL (RFP) Response

Due Date: September 5, 2023 2:30 PM

The logo for Ensoftek, featuring the word "ensoftek" in a bold, blue, lowercase sans-serif font.

#### Submitted By:

Name: EnSoftek, Inc.  
Address: 735 SW 158<sup>th</sup> Avenue, Suite 140  
Beaverton, OR 97006  
POC Name: Scott Borisoff  
Email: sborisoff@drcloudehr.com  
Phone: (503) 643 1226

#### Submitted To:

City of Lake Oswego, Oregon  
City of Lake Oswego Police Departments  
  
Project Manager: Amber Hambrick  
Behavioral Health Specialist

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## TAB 1 – PROPOSER PROFILE AND STATEMENT OF ABILITY

### Overview

EnSoftek, Inc., specializes in health and human services "whole-person integrated care" solutions for commercial and government market sectors. Our mission is to optimize our customer's business drivers and integrated, value-based delivery incentives with our innovative, care coordination solution, **DrCloudEHR™** ([www.drcloudehr.com](http://www.drcloudehr.com)). With headquarters in Beaverton, Oregon, EnSoftek, a State of Oregon [Certification Office for Business Inclusion and Diversity \(COBID\)](#) certified [Minority Business Enterprise \(MBE\)](#), has over 22 years of technology experience in building complex enterprise software solutions consistently utilizing proven methodologies.



EnSoftek presents its proprietary cloud-based Electronic Health Record (EHR) solution, DrCloudEHR for the City of Lake Oswego Police Department (City's) consideration in its search for a comprehensive EHR system. DrCloudEHR is certified by the Office of the National Coordinator (ONC) Health Information Technology (HIT) as a "[Meaningful Use Stage 3 - Promoting Interoperability \(PI\)](#)" certified EHR and [meets the 21st Century Cures Act guidelines](#). DrCloudEHR enables an innovative and proven service delivery model that dramatically improves healthcare outcomes.



With advanced features and exceptional user-friendliness, DrCloudEHR helps transform the way behavioral health specialists (BHS) manage patient data. Our Vision is to partner with our customers to create value-based care and increase access to health, recovery, and positive therapeutic outcomes through standards-based, interoperable clinical information.

### DrCloudEHR will exceed the City's Objectives and Goals by providing

- ✓ An integrated HIPAA-compliant solution powered by Microsoft Azure, designed specifically for behavioral health partners.
- ✓ Seamless and efficient data capture process with our user-friendly interface and intuitive UI. Our practice management features offer a secure and streamlined charting system, enhancing productivity and simplifying day-to-day business processes.
- ✓ Enhanced interoperability and health information exchange to connect and share health information with other platforms. DrCloudEHR allows for the efficient and secure sharing of vital medical data among healthcare providers and healthcare systems.
- ✓ A web-based solution designed for generating comprehensive reports. Our Built-in Custom Reports Generator empowers you to create personalized clinical and management reports, while also providing seamless integration with Business Intelligence (BI) and analytics.
- ✓ Robust Access Control Lists (ACL) module: Gain the freedom to securely manage role-based access from anywhere with DrCloudEHR. Our advanced system allows you to assign security and permissions based on roles, functions, or workgroups, guaranteeing that only authorized personnel can access sensitive information.
- ✓ Our comprehensive solution offers intelligent workflows designed specifically for behavioral health. With its advanced reporting capabilities, you can easily capture both clinical measures and state-level metrics. Additionally, our platform allows you to assess, stratify, and define quality metrics, providing a seamless and efficient experience.

For example, DrCloudEHR was recently deployed at Clackamas County Behavioral Health Division (CCBHD) to support the coordination, support, outreach, education, and treatment services to Clackamas County residents to achieve their mental health and addiction recovery goals. The DrCloudEHR solutions was configured to support the [24-7 crisis program](#) (24-7 crisis line and mobile outreach team) for residents experiencing [behavioral health distress](#); [adult mental health services](#); [intensive care coordination](#) for [children and adults](#) on the Oregon Health Plan including those individuals at the Oregon State Hospital.

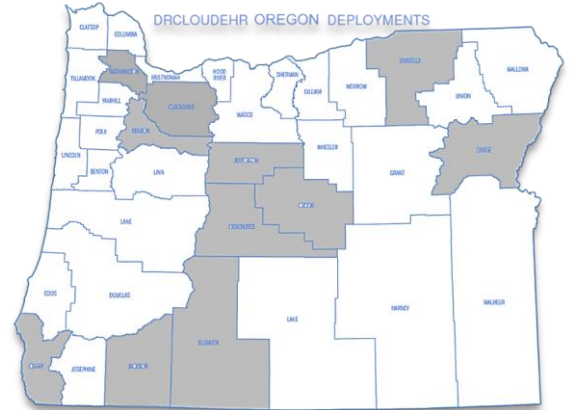
DrCloudEHR was deployed across all of CCBHD's comprehensive treatment programs to meet [practice management](#), [client management](#), [scheduling](#), and [reporting](#) requirements as well as expand its interoperability and consumer access capabilities. DrCloudEHR helps CCBHD serve its clients by letting the solution work for them – to [automate everyday processes](#) needed to reach clinical, financial, and operational objectives. DrCloudEHR delivers a unique platform to meet CCBHD's ever-changing and growing demands, processes, and care delivery approach, supporting each individual's abilities, needs, and desires. DrCloudEHR is [configured to be helpful to users across CCBHD](#), allowing robust [information exchange](#) with external entities for integration and collaboration to support [integrated health care](#) across Clackamas County.

We are currently also in negotiations to expand our solution to the [Clackamas County Health Centers](#) to support their primary care, health education, immunizations, behavioral health, reproductive health, family support, and school-based services.

### DrCloudEHR Oregon Collaborative Network

Additionally, we are excited to introduce the city to the [DrCloudEHR Oregon Collaborative Network](#) which includes:

- ✓ A Beaverton, [Oregon-based company](#) in a position to respond to your needs in a way no other vendor can duplicate.
- ✓ An [Oregon IT workforce](#) with extensive expertise in implementing similar EHR solutions in Oregon.
- ✓ An [Oregon-specific configurable solution](#) that is the right fit for the Lake Oswego Police Department.
- ✓ [Oregon Customers](#) (e.g., Clackamas, County, Washington County, Marion County, Curry County, BestCare, Addictions Recover Center, OnTrack, Turning Point Recovery Services, and others).
- ✓ [Oregon User Groups](#) and associations like the Oregon Council for Behavioral Health (OCBH).
- ✓ [Oregon Partners](#) like Reliance Health Information Exchange (HIE) provide input to the betterment of the DrCloudEHR community and solution.
- ✓ A [committed partner](#) promoting continued learning, growth, and benefiting from each other's experiences.



### Statement Of Work Compliance

DrCloudEHR specifically [meets all the Scope of Work requirements identified in the RFP](#) with minimum configuration. It is designed to adapt and scale with your current and future organizational needs and is hosted in a [FedRAMP-certified Microsoft Azure cloud environment](#) to support the dynamic needs of the healthcare industry.

DrCloudEHR has been successfully implemented, deployed, and used at over [forty-five \(45\) health and human services organizations](#) with thousands of users nationwide. EnSoftek is fully dedicated to providing the city with the highest quality service and project talent. We have proven experience providing strong EHR implementation teams to provide [end-to-end solutions and services](#) to our clients.

DrCloudEHR clients are extremely diverse ranging from large integrated primary care settings, public health, and skilled nursing facilities, to ambulatory/outpatient, and residential/inpatient behavioral health environments operating in a dynamic environment supporting a large number of programs. This diversity can only be achieved with an [agile product and service approach](#). DrCloudEHR clients benefit from a [configurable patient-centric solution](#) that enables the [highest staff and patient satisfaction levels](#).


EnSoftek has over 70 staff members comprised of leaders in developing, implementing, and supporting healthcare solutions, technology management, support, and training of staff to support all the scope of work required for this effort. Our staff has the [relevant expertise in implementing similar EHR solutions](#) and brings institutional knowledge of the diverse client technical environments, health record-keeping, workflow customizations, integration, security, and nuances in training users in multiple locations.

Additionally, [EnSoftek agrees to extend the option to offer the services covered under the awarded Contract at the same prices as specified in this Proposal](#), and under the same terms and conditions, to the Police Departments of West Linn, Oregon City, Canby, and Milwaukie. EnSoftek will execute a contract with each public agency in such an event.

As a team, [we are excited to work alongside the City as a trusted partner](#) in transforming your healthcare practices through DrCloudEHR. Our dedicated team is passionate about tailoring, configuring, and implementing DrCloudEHR to suit your specific needs. We recognize the importance of this partnership and look forward to a long-lasting and productive collaboration.

Thank you for the opportunity to submit our response.

Sincerely,



Ramana Reddy,  
President / CEO

## TAB 2 – FORMS

### Attachment 2 – Insurance

If the proposal is for a Proposer-hosted cloud-based program with record database storage in the Proposer's cloud storage, the Contractor shall obtain prior to the commencement of the Contract or License, and shall maintain in full force and effect for the term of storage of City database records, at the Contractor's expense, Professional Liability and Cyber/Privacy/Network [may be blended as Tech Errors & Omissions] policies with coverage not less than \$1,000,000 per claim/aggregate if dedicated to this contract or \$2,000,000 per claim/aggregate.

The Contractor shall cause the insurance company to provide the City with a certificate of insurance and, an endorsement thereto naming the City, its officers, agents, and employees as an additional insured for those policies indicated, and an endorsement for a waiver of subrogation in favor of the City and all additional insureds. The Contractor shall provide the City written notice of cancellation or material modification (change in limits or coverages) of the insurance contract for not less than the following notice for the purposes stated: 30 days prior notice for reasons other than non-payment; 10 days prior notice for non-payment.

The Contractor shall further cause a certificate of insurance to be issued not less than 5 days prior to any policy expiration date by the Contractor's insurance company or companies during the term of the License, to assure that the required insurance is maintained.

Name of Proposer: EnSoftek, Inc.

Assurance: DrCloudEHR is a cloud-based solution hosted by EnSoftek on the FedRAMP-certified Microsoft Azure cloud environment to support the dynamic needs of the healthcare industry. EnSoftek confirms that it has the required insurance that meets or exceeds the City's requirements.

## Attachment 3a – Proposal Submittal Form

Name of Proposer: EnSoftek, Inc.

PROJECT IDENTIFICATION: Electronic Health Record Database

1. The undersigned Proposer proposes and agrees, if this Proposal is accepted, to enter into an agreement with Owner in the form included in the Contract Documents, except as negotiated otherwise by the Proposer and the City, to perform and furnish the Software Products or Programs, Installation, and Maintenance and Support, indicated in the Proposal for the Pricing Schedule stated (subject to annual maintenance and support charge increases based on the COMPENSATION Paragraph in the RFP).
2. Proposer accepts all of the terms and conditions of the Solicitation Documents. This Proposal will remain subject to acceptance for sixty days after the day of Proposal opening. Proposer will sign and deliver the required number of counterparts of the Agreement within seven (7) days after the date of City's Notice of Award.
3. In submitting this Proposal, Proposer represents, as more fully set forth in the Agreement, that:
  - a) Proposer has examined and carefully studied the Solicitation Documents and the following Addenda receipt of all which is hereby acknowledged: (List Addenda by
    - i. Addendum Number and Date) Addendum No. 1 - 08/17/2023
    - ii. Addendum Number and Date) \_\_\_\_\_
    - iii. Addendum Number and Date) \_\_\_\_\_
  - b) Proposer has become sufficiently familiar with the Scope of Work / Schedule, and with the City's Equipment that the Software will be installed upon and reasonably believes that the equipment and existing programs on the equipment is compatible with the software proposed to be installed.
  - c) Proposer has correlated the information known to Proposer, information and observations obtained from the City regarding the needs of the City (Scope of Work) and the compatibility of equipment upon which the software programs and products are intended to be placed.
  - d) Proposer has given Project Manager written notice of all conflicts, errors, ambiguities, or discrepancies that Proposer has discovered in the RFP and the RFP is generally sufficient to indicate and convey understanding of all terms and conditions for performing and furnishing the Work for which this Proposal is submitted.
  - e) This Proposal is genuine and not made in the interest of or on behalf of any undisclosed person, firm or corporation and is not submitted in conformity with any agreement or rules of any group, association, organization or corporation; Proposer has not directly or indirectly induced or solicited any other Proposer to submit a false or sham Proposal; Proposer has not solicited or induced any person, firm or corporation to refrain from bidding; and Proposer has not sought by collusion to obtain for itself any advantage over any other Proposer or over City.
  - f) Proposer has not discriminated against minority business enterprises, woman business enterprises, or emerging small business enterprises in obtaining any required subcontracts, in accordance with ORS 279A.110(4).
  - g) The undersigned agrees that if awarded the Contract, the Proposer will diligently pursue and complete the work within the time limits specified in the RFP and Proposal.
  - h) Proposer does hereby represent that the prices submitted are those at which Proposer will perform the Work involved.
  - i) Proposer does hereby propose to furnish all labor, materials, equipment, and services necessary to deliver and install the software program or product, except to the extent City staff and equipment are needed, as stated in the RFP and Proposal.
4. Proposer agrees that the Work will be completed and operational by the Date of Completion stated in the Proposal.
5. Communications concerning this Proposal shall be addressed to Proposer indicated below.

Complete in black ink or by typewriter. If PROPOSER is:

An Individual

Signature: \_\_\_\_\_

(Individual's Name, Typed or Printed)

doing business as: \_\_\_\_\_

Email address: \_\_\_\_\_

Business address: \_\_\_\_\_

Phone No. \_\_\_\_\_

A Partnership / Corporation / Limited Liability Company / Other

Firm Name: EnSoftek, Inc.

Signature: \_\_\_\_\_

Name (Legible): Ramana Reddy

Title of Signor: President/CEO (Partner / Corporate Officer / LLC Member or Manager / Other)

Email address: [ramana@ensoftek.com](mailto:ramana@ensoftek.com)

Business address: 735 SW 158th Avenue, Suite 140, Beaverton, OR 97006

Phone No.: (503) 643 1226

State of Residency of Entity: Oregon (Oregon or other state)



## Attachment 3b – References

### Reference No. 1

Name of Proposer: EnSoftek, Inc.

Name: Rhett Martin

Title: Administrative Services Division Director

Entity Name: Marion County Health and Human Services

Email Address of Reference Named: [WMartin@co.marion.or.us](mailto:WMartin@co.marion.or.us)

Mailing Address: 3180 Center St NE

City / State / Zip: Salem, OR 97301-4532

Dates of Referenced Project: 09/02/2020 to 08/31/2030

Description of Referenced Project (proposed solution of similar magnitude has been completed):

Marion County Health and Human Services (MCHHS) selected DrCloudEHR to meet the unique needs of MCHHS programs. The health department with over 420 providers provides early childhood nursing, emergency preparedness, environmental health, HIV AIDS, immunizations, reproductive health, sexually transmitted infections, Women, Infants, and Children (WIC), residential and support services, intensive services and support, adult outpatient mental health, addiction treatment, acute, forensic & diversion services, child and youth outpatient mental health, communicable disease control, and maternal child health services. EnSoftek is configuring, customizing, developing integrations and interfaces, forms and reports, providing training, deployment, and hosting the DrCloudEHR solution for MCHHS.

As part of the implementation process, our staff is using an Agile implementation methodology that consists of planning, requirements analysis, agile development (workflows, forms, interfaces, reports), data migration, training and support to provide secure uninterrupted access to DrCloudEHR. We are also integrating staff across varying workflows and programs into one working DrCloudEHR environment. The customized DrCloudEHR will provide MCHHS with a MU Stage 3 certified, HIPAA-compliant EHR solution that will positively impact the health and well-being of the community through prevention, early intervention, and treatment.

Please see Marion County's "[Letter of Recommendation](#)" included in Appendix A.

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### Reference No. 2

Name of Proposer: EnSoftek, Inc.

Name: Angela Handran

Title: Office Manager

Entity Name: Clackamas County Behavioral Health Division

Email Address of Reference Named: [AHandran@clackamas.us](mailto:AHandran@clackamas.us)

Mailing Address: 2051 Kaen Road, Suite #154

City / State / Zip: Oregon City, OR 97045

Dates of Referenced Project: 07/01/2022 to 04/30/2027

Description of Referenced Project (proposed solution of similar magnitude has been completed):

DrCloudEHR was recently deployed at Clackamas County Behavioral Health Division (CCBHD) to support the coordination, support, outreach, education, and treatment services to Clackamas County residents so they can achieve their mental health and addiction recovery goals. The DrCloudEHR solutions was configured to support the 24-7 crisis program (24-7 crisis line and mobile outreach team) for residents experiencing behavioral health distress; adult mental health services, intensive care coordination for children and adults on the Oregon Health Plan (Health Share of Oregon and Trillium Community Health Plan) including those individuals at the Oregon State Hospital.

DrCloudEHR was deployed across all of CCBHD's comprehensive treatment programs to meet practice management, client management, scheduling, and revenue cycle management requirements as well as expand its interoperability and

consumer access capabilities. DrCloudEHR helps CCBHD serve its clients by letting the solution work for them – to automate everyday processes needed to reach clinical, financial, and operational objectives. DrCloudEHR delivers a unique platform to meet CCBHD's ever-changing and growing demands, processes, and care delivery approach, ensuring each individual's varying abilities, needs, and desires are supported. DrCloudEHR is configured to be helpful to users across CCBHD, allowing robust information exchange with external entities for integration and collaboration to support integrated health care across Clackamas County.

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### Reference No. 3

Name of Proposer: EnSoftek, Inc.

Name: Kris Cassidy

Title: Human Services Operations Manager

Entity Name: Washington County Human Services Division

Email Address of Reference Named: [Kristin\\_cassidy@co.washington.or.us](mailto:Kristin_cassidy@co.washington.or.us)

Mailing Address: 155 N First Avenue, Suite 170

City / State / Zip: Hillsboro, Oregon 97124-3001

Dates of Referenced Project: 09/02/2017 to 08/31/2027

Description of Referenced Project (proposed solution of similar magnitude has been completed):

DrCloudEHR was configured to support service coordination of the behavioral health and developmental disabilities programs for the County. The Human Services Division (HSD) also administers Medicaid behavioral health plan benefits for Washington County residents under the Oregon Health Plan (OHP). Washington County with over 170 providers has diverse programs with varying needs addressed by DrCloudEHR. Programs include adult and children's mental health, children's wraparound program, developmental disabilities, crisis walk-in center, and utilization management for the Health Share of Oregon mental health plan.

DrCloudEHR was configured to adapt to each of those programs but still be integrated for the whole division. The County had a staged implementation in which they went live with some programs first, while we were still configuring the solution for other programs. We also integrated staff across different facilities and varying workflows and programs into one working DrCloudEHR environment.

Please see Washington County's "[Letter of Recommendation](#)" included in Appendix A.

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## Attachment 3c – Pricing Schedule

Name of Proposer: EnSoftek, Inc.

### ONE TIME CHARGES

Software Development: \$ N/A  
 Installation: (DrCloudEHR Enterprise v2024 “AS-IS” Solution Implementation) \$ Included

#### DrCloudEHR Enterprise v2024 “AS-IS” Solution Implementation

- Project Planning and Requirements/Gap Analysis.
  - DrCloudEHR Enterprise v2024 Installation/Set-Up/Configuration to include.
    - o Configure demographics including facilities/programs, locations, encounters, staff management modules.
    - o Admissions and scheduling modules configuration.
    - o DrCloudEHR v2024 forms library and reports for clinical documentation / charting.
    - o Golden Thread - Quality management system.
- Training for up to five (5) days.
- Deployment and go-live support.

**Note:** Your specific requirement changes, customizations, and interfaces to DrCloudEHR v2024 “As-Is” Solution will require Change Requests (CR) and an additional budget.

Training: Annual Refresh Training for new staff and features (10 hours) \$ 1,500  
 Other: \_\_\_\_\_ \$ \_\_\_\_\_  
 Other: \_\_\_\_\_ \$ \_\_\_\_\_

### ANNUAL CHARGES

\*Annual Maintenance and Customer Support Fee Increase Maximum: For annual maintenance or other annual support charges, the rate of increase may be adjusted by not more than the percentage increase of the Bureau of Labor Statistics, Table 5, Compensation (<https://www.bls.gov/news.release/eci.t05.htm>), Professional, Scientific, and Technical Services Index for the applicable year (not seasonally adjusted).

Maintenance: (Software bug fixes, security patches, and other updates)

Year One\*: \$ Included

Support: (Gold-Level Phone and Email Support (M-F, 8 AM to 8 PM customer local time))

Year One\*: (DrCloudEHR does not include a CPI increase for Year 1) \$ 3,500

Other: Microsoft Azure Cloud Hosting \$ 3,000

Other: \_\_\_\_\_ \$ \_\_\_\_\_

License Fee per Full User: (DrCloudEHR User Subscription Fees) \$ 1,080 x 25 = \$ 27,000

**TOTAL OF ONE-TIME CHARGES AND FIRST YEAR OF ANNUAL CHARGES:** \$ 35,000

=====

To be completed by City Staff:

Additional Annual Charges for the 5-year term of the Contract,  
 with assumed index percentage increase: \$ \_\_\_\_\_

**LIFE CYCLE COST:** \$ \_\_\_\_\_

## IMPLEMENTATION NOTES AND ASSUMPTIONS

- All annual fees begin and are payable on contract execution and the anniversary date for the full term of the agreement.
- DrCloudEHR Enterprise v2024 subscription fees are based on 25 contracted users. Any users above the contracted user counts will be invoiced as extra users for \$1080/user/year, billed annually upfront.
- Your specific requirement changes, customizations, and interfaces to DrCloudEHR v2024 “As-Is” Solution will require Change Requests (CR) and an additional budget.
- Any deviations/delays in the two (2) month implementation timeline by City will affect the implementation timeline and EnSoftek resource allocation resulting in “Project Extension Fees @ \$7,500 per month”.
- Each active named user may have multiple devices engaged at the same time. When a staff member who has been assigned a subscription to DrCloudEHR leaves the City, their password is deactivated, and the subscription is automatically ready to be reassigned to another staff member without additional cost.
- Project Kick-off will be scheduled at a mutually agreeable date, not exceeding 30 days from agreement execution. The City will complete all pre-kickoff documents supplied by EnSoftek no less than 1-week before project kick-off.
- During the initial stage of the implementation, a requirements analysis will be completed to determine the configuration requirements for the DrCloudEHR Enterprise v2024 functionality.
- DrCloudEHR is a cloud-based solution requiring that the City provide only end-user devices (computers, laptops, printers, etc.) as well as its user internet connectivity.
- The City will designate key help desk personnel for its users to contact for level-one support. They will be responsible for aggregating requests and direct communication with EnSoftek support staff.
- DrCloudEHR base subscription includes up to ten (10) GB (Gigabytes) of storage for the import of external documentation. Additional storage is at an additional cost.
- Application maintenance and support (updates, bug fixes, and support) are included.
- Gold customer support includes Monday through Friday, 8 a.m. to 8 p.m. customer time zone.
- Training is limited to one week (5 days) using the train-the-trainer methodology.
- The City will provide training facilities and necessary equipment if on-site training is needed. Travel time and travel fees are additional and will be billed as incurred for on-site training.
- EnSoftek’s standard Web Services Agreement is used as a schedule for the City Agreement.
- Professional Services fees (i.e., Data Migration) are not included in subscription fees.
- Beginning in year 2, a 5% or an amount equal to the prior year’s increase in the Bureau of Labor Statistics CPI Index, whichever is greater, will be assessed.

## TAB 3 – PROPOSED SOLUTION

- a) Provide a concise description of the approach and process to successfully complete the work to be performed including any specific staffing or equipment resources that will be employed by the proposer. Proposer shall clearly describe their ability to deliver a state-of-the-art, secure, turnkey solution utilizing a contractor-hosted solution and/or a City on-premises solution.

EnSoftek's experience with EHR deployments began back in 2010 when most health organizations still relied on paper health records and exchanging data between organizations meant manually recording notes. Over our tenure, EnSoftek has followed an implementation approach that evaluates every deployment to improve on both the process followed and the resources required to ensure the DrCloudEHR implementation is completed on time and within budget. Fast forward to 2023, EnSoftek has deployed its solution on federal as well as state, and local government levels.

DrCloudEHR is a HIPAA-compliant, cloud-based solution hosted by EnSoftek on the FedRAMP-compliant Microsoft Azure Cloud platform designed for reliability and high availability to support thousands of concurrent users. We are successfully implemented and deployed at healthcare organizations in more than fifteen states including agencies at the State, County, and local levels, as non-profit and for-profit organizations. Additionally, EnSoftek successfully developed and implemented a custom EHR for the U.S. Peace Corps that is deployed internationally for medical officers in the U.S. and overseas to better manage healthcare delivery serving 77 countries.

DrCloudEHR is a comprehensive solution that exceeds all expectations when it comes to security, technology, and functionality. It improves health record compliance through streamlined intake, scheduling, and reporting. DrCloudEHR's value-based offering empowers the City to provide services across a variety of settings, from mental health crises to substance abuse, homelessness, and other social services crises provided by the police departments.

Beginning with the initial crisis contact, DrCloudEHR provides the functionality and workflows required to capture and process a wide range of crucial information to evaluate, make recommendations, and connect individuals with available resources to mitigate the crisis. The application enables the delivery of services in the field with mobile-response-first capabilities, enabling clinicians from multiple police departments to work collaboratively to access the required data while remaining in compliance with security and privacy policies.

DrCloudEHR connects your continuum of care by integrating behavioral health assessments, treatment plans, service notes, surveys, and revisions. Multiple tools are available to providers in one central system to edit, manage, monitor, and report on the delivery of comprehensive services for patients. It provides easy access to various forms and notes and includes an easy-to-use "Form Builder" to build custom forms. While custom forms and notes can be created by City staff using the Form Builder, DrCloudEHR has built-in DAP and service notes that include start time/end time participants, intervention, and other required fields.

Along with the built-in standard reports DrCloudEHR includes an integrated "Custom Reports Generator" that provides an interface to generate various ad-hoc reports and run self-designed queries to support clinical and management reporting. DrCloudEHR further provides quality management features such as our Golden Thread™ (DrCloudEHR proprietary quality system) rules which provide a list of tasks and to-dos that clinicians can take care of from one single screen.

EnSoftek believes it is essential to understand the City's need for a new EHR and demonstrate its commitment to becoming your technical partner for today and well into the future. EnSoftek will work closely with your team during implementation to set up and configure DrCloudEHR to your specific requirements. The City will not be locked into a predetermined solution and will have control over its ability to meet your current and unique future requirements.

As part of our EHR implementations, we apply our proprietary DrAgile implementation methodology that consists of planning and analysis, agile development, and support phases. We will work closely with the City's key stakeholders to gather requirements during the planning and analysis phase. Our team will analyze and create user stories to develop workflows, forms, interfaces, and reports, develop a transition plan and incorporate sufficient user training, provide ongoing support, and secure, uninterrupted access to DrCloudEHR.



Patient-Centric System

## DrCloudEHR Features and Functionality

DrCloudEHR meets all the Scope of Work Requirements identified in the RFP out of the box with minimum configuration. With a focus on providing Integrated Care, DrCloudEHR uses a hub and spoke model for data design and storage. Patient Demographic information is the hub, and documentation to support the various aspects of health services is the spokes. We also integrate staff across multiple departments and programs into one working DrCloudEHR environment. This is similar in scope to the City's needs and another example of how technology should fulfill the needs of the user – software servicing the user!

EnSofttek fully understands the numerous challenges that the City experiences, and has built its DrCloudEHR solution to help solve those challenges. DrCloudEHR has the following built-in functionality/modules to meet or exceed City's needs of service delivery, documentation, interface, and reporting requirements.

- Ease of Use
  - Configurable user interface (UI).
  - Mobile access.
- Intake Management
  - Referral tracking integrated with pre-admission/admission movements.
  - Pre-admissions with waitlist management.
  - Bed management, leave of absence, and scheduling care in one integrated record.
  - Patient demographics and history including all medical and nursing care documented electronically following HIPAA and Health Information Technology for Economic and Clinical Health (HITECH) privacy and operational regulations.
  - Active Problems, medications, allergies, immunizations, lab results, radiology images, medical procedures, vital signs, and personal statistics.
- Service Delivery
  - Integrated assessments, problem lists, treatment plans, and service notes.
  - Centralized schedule and calendar management.
  - Activities of Daily Living (ADL) Management.
  - Nursing, Therapy, Shift Reports, 24-Hour Nursing Summary.
  - Integrated Electronic Medical and Treatment Administration Record (eMAR/eTAR).
  - Group session management and group progress notes.
- Document Management System
  - Upload and store scanned files of any type by authorized staff.
  - Automatically indexed by patient ID, document type, service type, and date of service, and can be attached to a particular visit or encounter.
  - Stored on durable cloud drives and easily retrievable.
- Golden Thread™ (Proprietary Quality Management System)
  - The DrCloudEHR Quality Engine utilizes scalable, modular, evidence-based algorithms to meet compliance and audit requirements.
- General
  - Alerts / Notification Management.
  - Security Management for Role-Based Access (Executive, Front Desk, Clinical, Medical, Financial, Billing, QA/Compliance, Auditor, Administrative, etc.)
  - Multiple Facility Support, Chart Review – advanced powerful charts and notes.
  - Standard Reports including Meaningful Use reporting.
  - Custom Reporting and Analytics, Executive Dashboard.
- DrCloudEHR | Unplugged
  - Ideal for low bandwidth environments or when there is no internet access.
  - Secure, encrypted access to your data for continuity in service delivery.
  - Synchronize encrypted data to your device automatically when connectivity is available; ensuring full HIPAA compliance and accurate record keeping.
  - Disaster recovery planning.
  - Data security with a remote system wipe - even if the laptop or tablet is compromised (e. g. lost), DrCloudEHR with industry-standard, remote-wipe capabilities, keeps your data safe.
- DrCloudEHR Report Server [Shared Server Environment] Back-end Table Access



- Data stored in a secure MySQL database with access over SSH.
- Reporting tools of your choice to access tables that are refreshed with current data daily.
- Reports are managed outside DrCloudEHR. Additional Reporting tools are required.
- DrCloudEHR Advanced Report Writer Named User
  - Embedded DrCloudEHR Report Writer for custom real-time, ad-hoc report generation.
  - Generate clinical, financial, and management reports within DrCloudEHR.
  - No additional tools are necessary for the Advanced Report Writer.
- DrCloudEHR Foresights Analytics Suite
  - Secure access to your Business Intelligence (BI) database which is refreshed daily.
  - Leverage an existing Reporting Suite that contains a continuously growing list of established dashboards and reports created through the MS Power BI tools published into DrCloudEHR.
  - Dashboards and reports integrated into DrCloudEHR and available to be accessed by authorized and subscribed users.
    - Sample list of existing dashboards/reports includes the Executive Dashboard, Expected Revenue Summary, Units Summary, Visits Summary, AR/Collections and Aging Report, Discharges, and Duration Report, Patients by Diagnostic Code, etc.

### DrCloudEHR supports the following 3rd party Interfaces

- Billing clearinghouses – Availity, Emdeon, Office Ally clearing houses, Pay.gov, and PHTECH payment processing interfaces.
- Integrated Nuance 360 - Dragon Medical - Speech Dictation Service: Provides an easy-to-use cloud-based dictation service.
- Laboratory/Radiology Information Systems – Quest, LabCorp, Sterling Labs, Millennium Health, Westox, Clinical Science Labs, Cytocheck, and Redwood Toxicology.
- Secure Direct Messaging – Direct Trust certified interface partner EMR Direct.
- Integrated Secure electronic faxing service using Interfax.NET.
- Appointment Reminder Service – Clienttell.net (now Intrado).
- ePrescribing – DrFirst eRx interface with single sign-on for a unified experience.
- ChartMeds -Integrated ChartMeds eMAR solution to track all necessary information for administering medications.
- Document Management - Upload scanned documents, import documents received through our built-in internet faxing module, and index them into personalized folder structures for meaningful organization, quick search, and easy retrieval.
- Zoom Video conferencing for Telehealth support.
- Credit Card Processing Integration with Global Payments Integrated.
- Integrated Patient Ledger, General Ledger (GL) Interface with Quantum (Geneva).
- Chesapeake Regional Information System for our Patients (CRISP) HIE.
- Illinois Medicaid Comprehensive Assessment of Needs and Strengths (IM+CANS)
- Illinois Department of Human Services - Division's Automated Reporting & Tracking System (DARTS).
- American Society of Addiction Medicine (ASAM) CONTINUUM & Co-Triage.
- Oregon Measures and Outcomes Tracking System (MOTS).
- Immunization registry - ALERT IIS, the state of Oregon's computerized immunization information system, related to, based on CDC system reporting requirements. When patients receive an immunization at a participating clinic.

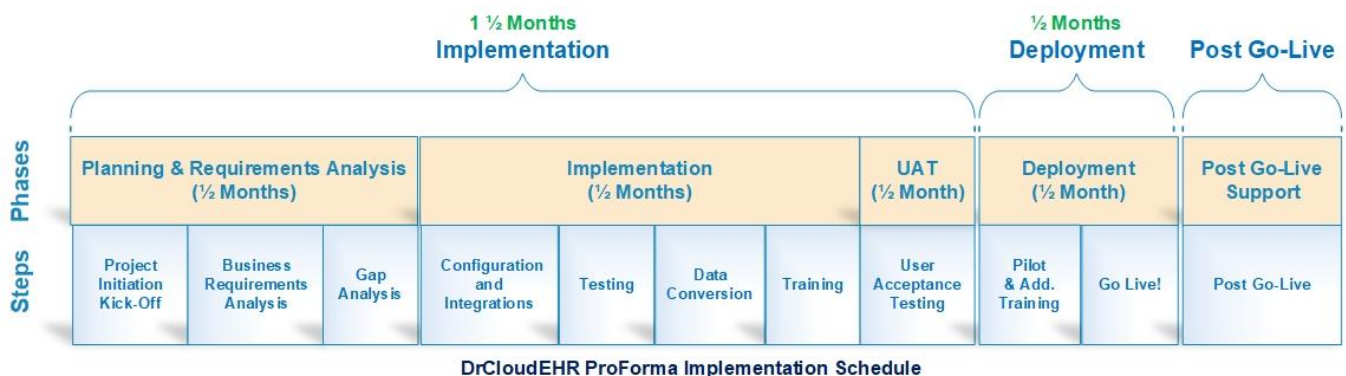
- Addiction treatment tracking - Methasoft Treatment Management System to track methadone doses dispensed to patients in the treatment of opiate addiction.
  - Oregon Medicaid Management Information System (MMIS)
  - Collective Medical PreManage - tracking and monitoring emergency services interactions for individuals receiving Diversion, Crisis Intervention, or other provisioned services.
  - Oregon Reliance eHealth Collaborative HIE. EnSoftek supports the HIE with Reliance and multiple agencies for data sharing.
  - Washington State Treatment and Assessment Report Generation Tool (TARGET) and others.
  - Signature Pads (Scriptel and Bamboo).
- b) A project schedule must be furnished by the proposer showing the personnel engaged in each task, the deliverables, and the significant completion dates (days after contract start, not specific dates) for the major tasks of the project. Include any anticipated risks, negative or positive, and proposed response strategies.

## Project Approach & Schedule

EnSoftek has always approached all DrCloudEHR implementation projects with consistency, transparency, and with open communication throughout the implementation process. We take extra steps to ensure that we obtain 100% customer satisfaction from start to finish and thereafter. Every implementation project begins with a detailed analysis, scope, and timeline development. Even before implementation, we involve our implementation team in the pre-sales process/demos so they can gain a deeper understanding of your requirements. We will work with the City to ensure that all the functional and technical requirements are met by DrCloudEHR.

Our approach to implementing DrCloudEHR successfully is as follows:

- Assign an experienced EnSoftek Implementation Project Manager for day-to-day project management and working closely with City stakeholders.
- Understand the project vision and the priorities of the project drivers.
- Align our team with the City's goals and objectives.
- Set up a kick-off/project initiation meeting and identify key points of contact and communication plan.
- Meet with key stakeholders and develop the work breakdown structure (WBS) documented in the Microsoft project plan with associated performance metrics to meet the goals and objectives (high-level milestone deliverables, schedule, resource plan, critical paths, interdependencies, and expectations).
- Review functional, and technical requirements in detail with staff and develop a detailed requirements analysis document.
- Empower the Super Users with continuous training and knowledge about DrCloudEHR from the very beginning, so they can develop processes blended with the City's functional requirements.
- Use Agile and SCRUM methodologies and tools for measurable and accountable productivity.
- Implement our effective change management and control process.
- Provide holistic solutions built on Modular Open System Architecture (MOSA).
  - Integrate Practice Management Features to boost efficiency and productivity.
    - "Golden Thread" Scalable, Modular, Evidence-Based Algorithms.





## Key Personnel

EnSoftek is fully dedicated to providing the highest quality service and project talent. We have proven experience providing strong Health IT teams to provide end-to-end EHR solutions and services to our clients. EnSoftek has over 70 staff members comprised of leaders in developing, implementing, and supporting healthcare solutions, project management, support, and training.

EnSoftek's proposed Project Implementation Manager and Training Manager bring over 20 years of combined experience supporting multiple DrCloudEHR deployments in Oregon for various Counties with similar services. They bring institutional knowledge of the diverse client technical environments, health record-keeping, workflow customizations, integration, data conversion, security, and nuances in training users in multiple locations.

**Name:** Chris Goodbaudy

**Role:** Project Implementation Manager

- Responsibilities:**
- Provide overall project oversight with direct reach-back into EnSoftek PMO.
  - Collaborate with City department leaders, evaluate process flows, ensure clinical information is captured appropriately, and identify opportunities for improvement.
  - Apply innovative strategies to help the City achieve business goals through optimizing and standardizing technology systems.
  - Participate in weekly project meetings and steering committee meetings.
  - Participate in requirements gathering and guide the implementation.
  - Liaison between City staff and the implementation team to help define/translate requirements.
  - Provide solution overview, review the scope of the project and requirements, conduct workflow assessments, and guide configuration activities.
  - Responsible for day-to-day implementation activities, oversight, scheduling, and monitoring activities.
  - Develop and maintain project plan, scope, schedules, and project status.
  - Review City business processes (discovery templates, requirements, interfaces, deployment plan)
  - Configure DrCloudEHR modules and ensure that they meet the City's SOW requirements.
  - Manages issue logs, resolution, status, and risk to project success.
  - Ensures task requirements are met and deliverables are on time.

**Experience Summary:** As the Senior Implementation Manager for the past ten (10) years, Chris has been working on DrCloudEHR implementations all over the US supporting customers with clinical and billing configurations. Chris is responsible for overseeing many successful DrCloudEHR implementations in the primary care, public health, behavioral health, and long-term care space. He is highly proficient in analyzing data trends, task breakdowns, business workflow processes, and communication barriers, resulting in maximized effectiveness of the organization. Chris is responsible for leading work sessions both in-person and virtual, with staff to review existing business workflows and help align with our standard of build and best practices.

Chris has been the primary point of contact and leads for many large complex DrCloudEHR implementations including multiple implementations in Oregon including Clackamas, Marion, and Washington Counties. He has experience managing and training technical and clinical staff and enhancing the use of DrCloudEHR. He has successfully managed project risks, compliance, budgets, resources, and training for technical teams while participating in all phases of the project.

**Name:** Melinda Griffin

**Role:** Training Manager

- Responsibilities:**
- Work closely with City staff to accomplish training needs:
    - Revise the training curriculum as it relates to the functionality of the City's business processes.
    - Conduct training sessions (onsite and web-based training as per the training plan) on DrCloudEHR modules as they relate to the functionality of the current City business processes.
  - Assist documentation specialist in revising user manuals and online help documentation as per City needs.
  - Provide go-live support and guidance to the City and ensure user adoption.

**Experience Summary:** As the Training Manager for DrCloudEHR, Melinda has been delivering effective train-the-trainer and train-the-user programs. Throughout her tenure, she has adeptly balanced the demands of clients with the educational needs of its employees, leading to successful outcomes. Melinda has over ten (10) years of experience

leading and directing training efforts to deliver the best customer support experience to clients of varying sizes and specialties.

Melinda is responsible for conducting hands-on training for the front office, physician coding, and billing personnel as well as practice administrators. She has extensive experience as a classroom trainer, distance learning facilitator, and individualized instructor as well as go-live support to maximize productivity and enhance the clinical aspects of every patient visit.

She has experience as a lead trainer, creating classroom and eLearning courses, defining course objectives, and developing curriculum materials including participant guides, job aids, quick reference guides, and course assessments. She has been providing online and hands-on training on DrCloudEHR system functionality for hundreds of users from multiple disciplines and locations with varying degrees of IT expertise.

## Deliverables

Deliverable	Description
<b>Project Management Plan</b>	<p>The Project Management Plan shall provide a comprehensive baseline of what needs to be achieved during the implementation of DrCloudEHR, how it is to be achieved, who will be involved, how it will be reported and measured, and how the information will be communicated at a minimum, the following plans:</p> <ul style="list-style-type: none"> <li>• Initial Project Work Plan detailing the sequence of events and the time required for each event to implement the project within the given timeframe.</li> <li>• Staffing Plan shall identify the number of key staff and their corresponding skill set to meet the needs of the project.</li> <li>• Issue and Risk Management Plan defines processes for identifying, escalating, logging, monitoring, and resolving risks and issues of a project in a timely manner.</li> <li>• Quality Management Plan defines quality policies and procedures for deliverables, and project processes, and identifies methods to promote continuous improvement.</li> </ul>
<b>Gap Analysis</b>	The results of assessing the solution's fit relative to the City's requirements and documenting the gaps.
<b>Configuration Plan</b>	Describes how the functional and non-functional requirements in the scope of work transform into configuration/deployment by EnSoftek to deliver a fully compliant solution for the City. The plan will include details such as the rollout approach or required phases, integration approach, data flow diagrams, cutover activities, and post-implementation activities.
<b>Maintenance and Operations Support Plan</b>	Approach outlining maintenance and Operations support, help desk and issues management, system enhancements, patches, and technical support for DrCloudEHR.
<b>Test Plan</b>	EnSoftek will provide a test plan to test for DrCloudEHR readiness and functionality across the different testing phases: Integration Testing, Performance Testing, Security Testing, etc.
<b>Training Plan</b>	EnSoftek will provide a comprehensive Training Plan for DrCloudEHR tailored to City staff roles and responsibilities. The training plan shall include details such as the anticipated training schedule, the training methodology, the proposed materials to be developed, and their corresponding approval.
<b>Disaster Recovery and Business Continuity Plan</b>	EnSoftek will provide a DR plan that identifies the framework around recovery efforts and approach to continue delivering services following an incident, including the expected scenarios and corrective action plans.
<b>Training Documentation</b>	Training manuals and other available resources to guide City staff.
<b>User Documentation</b>	EnSoftek will provide updated user documentation discussing any changes when major system changes or updates occur such as versions or releases.
<b>Readiness Assessment Checklist</b>	A readiness assessment will be done prior to going live to verify processes and operational goals.
<b>Final Acceptance Letter</b>	Final written acceptance of EnSoftek's work as completed at the completion of Go-Live!

## Anticipated risks

Based on our experience implementing DrCloudEHR for similar clients, the table below describes the project areas that have the most significant challenges and proven mitigation practices EnSoftek has employed to minimize them.

Risk	Mitigation
<b>Stakeholder buy-in</b> All Stakeholders are not always in synch with the overarching goals of the organization and instead tend to focus on their specific needs, which if not met will potentially present roadblocks and misguided direction of needs.	Whether intentional or unintentional, every project will experience some roadblocks. By meeting with Stakeholders at each level, and documenting individual wins at every level, EnSoftek diffuses this risk. Outlining the organization's project goals and objectives into set categories and then mapping individual goals and objectives into each category, essentially paying attention to all stakeholder personal wins allows the project to show success at each level and assures buy-in.
<b>Failure to lock down final specifications</b> As with any task, if the finish line is not well defined, you can never truly know that the objectives have been met. Scope change and missed sign-off dates are an assured occurrence causing the need for additional budget.	From the early stage of a project through the ongoing use of an EHR, being able to accurately define the deliverable and how success will be measured is imperative. To start the project, EnSoftek meets with stakeholders to begin defining deliverables based on the outcomes needed. Drilling down each deliverable to detail the data collection, design, processes, and required results tied back to the objectives allows EnSoftek and City to define the finish line. Understanding that things can and likely will always change over time, following the same Gap Analysis process for updating the required outcomes leads to success.
<b>Project staff allocation</b> Every project requires participation from agency staff regardless of how much of the project build is completed by the vendor. There is no way to guarantee the precise amount of time that is required from City staff before the engagement. When the City's allocation of time is not flexible or if insufficient attention is placed on involvement during implementation, the project will experience missed stakeholder objectives and misguided results.	EnSoftek manages each project with measures that analyze resources to ensure that the project stays on track. Using a set of key performance indicators, the project team will monitor potential resource risks to recognize, communicate, and make the proper adjustments. During the project planning, and gap analysis phase, and again throughout the project, a review of the type of resources, and the quantity of resources that are needed will be completed and reviewed for adjustment.
<b>Staying focused</b> Consider that changes are inevitable. Requirements, processes, priorities, and people change. Projects that do not stay aligned with stakeholder goals and objectives or new directives enacted over time, cannot deliver on time, on budget, or on target.	Setting the right expectations and discussing the potential risks upfront sheds light on areas that may render project risk. EnSoftek uses a combination of communication planning, attendance tracking, project documentation, and ongoing reviews that force the project deliverables to stay in focus.

c) State objectives, scope of services, and anticipated deliverables.

## Objectives

We aim to collaborate with the city in offering high-quality care and improving access to health services, recovery support, and positive therapeutic results. Our DrCloudEHR solution is designed to be interoperable, adhering to industry standards, and centered around a holistic approach to patient care. It provides comprehensive support to both clinical and operational staff by enabling evidence-based clinical decision-making, resulting in enhanced patient care and a commitment to the City's principles of patient recovery and resilience.

## DrCloudEHR meets all the Scope of Work Requirements identified in the RFP out of the box

During the implementation phase, our staff will work with the City to configure DrCloudEHR to meet the workflows and compliance requirements. DrCloudEHR will deliver a fully configured solution that meets the needs of City BHS.

Core Business Functions	Available in DrCloudEHR
Creating records	Yes
Creating or completing contacts, notes, assessments, forms, and reporting.	Yes
Scheduling	Yes
Task Management	Yes
System navigation between notes, forms, records	Yes
Remote login capabilities	Yes

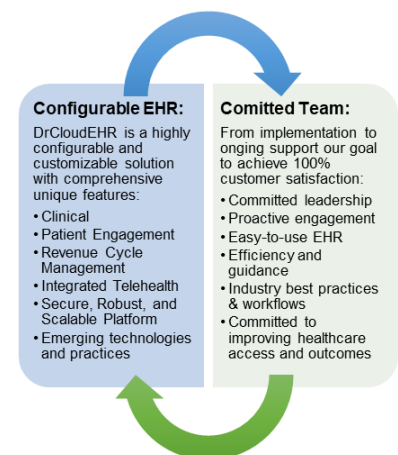
Printing with style sheet	Yes
<b>Forms</b>	<b>Available in DrCloudEHR</b>
Assessments	Yes
Access to pre-built forms	Yes
Ability to create forms specific to our needs	Yes
Easily browse and select forms relevant to their team	Yes
Status of progress or completion of forms separate from sign off	Yes
Ability to save and return to draft forms following sign off.	Yes
Form fields populate automatically when a field has already been collected on a different form or through demographics	Yes
Custom help text on form fields to guide completion	Yes
<b>Contact Types</b>	<b>Available in DrCloudEHR</b>
Various contact types in new system	Yes
Drop down of team and role-specific contact types	Yes
Contact types must be filter to generate reports	Yes
Contact types must reference scheduled visits in the system, when applicable.	Yes
<b>Note Types</b>	<b>Available in DrCloudEHR</b>
A singular note type	Yes
A consistent and singular note type can then be created and related to any contact or assessment.	Yes
<b>Attachments</b>	<b>Available in DrCloudEHR</b>
Upload attachments in PDF, word, maybe digital (i.e., Directors' custodies, release of information, guardianship info, crisis plan)	Yes
Relate an attachment to a contact type	Yes
Create a subject line for the attachment	Yes
<b>Flags</b>	<b>Available in DrCloudEHR</b>
Custom flags can be created and managed to support notes or assessments to complete; reporting and filter views	Yes
<b>Scheduling</b>	<b>Available in DrCloudEHR</b>
Must have internal scheduling capability, to schedule appointments with individuals being serviced and send calendar invites.	Yes
See scheduled appointments in an intuitive and user-friendly view	Yes
<b>Reporting</b>	<b>Available in DrCloudEHR</b>
Reporting must be generated in real-time from existing EHR data	Yes
Reporting must be filterable and specified by a variety of variables including user, time-period, contact type, assessment or form type, flags, and select custom variables.	Yes
The system must have a pre-identified selection of reports based on current needs and logs.	Yes
The system must be supported to create ongoing reports	Yes
The system should inform a user when a field is archived, and the reporting is no longer consistent or supported	Yes
The system must have the capacity to create new reports in such a way that minimal technical expertise is needed	Yes
<b>Task Management</b>	<b>Available in DrCloudEHR</b>
Function to generate tasks or with a due date to track follow-ups or queued-up work.	Yes
Capability to view all tasks (complete and incomplete)	Yes
<b>Permission and Roles</b>	<b>Available in DrCloudEHR</b>
System of roles assignment and editing	Yes
User role assignment	Yes
Permission-based access based on assigned roles	Yes
<b>Notifications/Alerts</b>	<b>Available in DrCloudEHR</b>
Ability to review the status or completion of forms and signature capability	Yes
Alerts must be auto-generated based on select events and assessment scores	Yes
Notification should be customizable and generated via schedule appointments and self-generated tasks with a date/time	Yes
<b>Automation</b>	<b>Available in DrCloudEHR</b>

Smart phrases or routinely used notes must be accessible	Yes
Must suggest forms or scheduled contacts based on calculated responses to forms	Yes
<b>Record Migration/Retention</b>	<b>Available in DrCloudEHR</b>
Ability to keep 7-year record retention for clients (Access to City must survive contract or license termination.)	Yes
Retention schedule based on OAR 877-030-0100	Yes
<b>Mental Health Services Record Training</b>	<b>Available in DrCloudEHR</b>
Person-led training for the new system	Yes
Access to a support person to clarify questions or tools for the initial onboarding period	Yes
Must be able to give feedback to vendor or implementation team during the onboarding period and as the system is being onboarded	Yes
Understand what features and functions to expect at the launch of a new EHR	Yes
<b>Ongoing Support</b>	<b>Available in DrCloudEHR</b>
System support is available to help them to adjust business operations	Yes
Technical updates to EHR must be routine	Yes
<b>Privacy and Security Requirements</b>	<b>Available in DrCloudEHR</b>
The system uses encryption for stored information. Health information cannot be read or understood except by those using a system that can "decrypt" it with a "key."	Yes
Analytic capabilities to review records of information system activity, such as audit logs, access reports, and security incident tracking reports	Yes
Intuitive structure to grant access to systems containing ePHI	Yes
The system terminates an electronic session after a predetermined time of inactivity	Yes
HIPAA compliant	Yes
Requires unique name and password combination for all logins	Yes
Comprehensive system logging and user activity	Yes
Data Integrity	Yes
<b>Interface Requirements</b>	<b>Available in DrCloudEHR</b>
Potentially the ability in the future to connect with Mark 43 and Versaterm records management systems, as well as the Tri-Tech computer-aided dispatch (CAD) system.	Yes

d) The proposer shall clearly state the anticipated benefits to the City for using the proposer's proposed solution.

In today's healthcare environment, the City is harnessing the power of technology to coordinate data from multiple sources to maximize the value of care. At EnSoftek, we understand the importance of seamless data integration and real-time collaboration. Our goal is to empower providers with an EHR solution they can trust, allowing them to fully focus on the well-being of their patients. Our cutting-edge technology enables better access to care and, ultimately, improves outcomes for all.

EnSoftek shares the City's dedication to delivering top-quality behavioral health care to individuals in Lake Oswego. As part of this commitment, EnSoftek's DrCloudEHR platform provides a comprehensive solution that caters to the City's evolving needs and aims to enhance patient care delivery. With its user-friendly features, DrCloudEHR allows easy information sharing and collaboration with external organizations, promoting integrated health care throughout the city. EnSoftek brings a unique approach to behavioral health care delivery, which aligns with the City's philosophy and vision for the future.



EnSoftek provides technology solutions and services that address the unique challenges faced by City Behavioral Health Specialists dealing with clients in social services and law enforcement settings. With our DrCloudEHR platform, we have successfully implemented solutions in numerous Counties, in Oregon including Clackamas, Marion, Washington, Curry, Umatilla, and Josephine Counties. For instance, we recently assisted Clackamas County in migrating from a legacy EHR system to a modern and efficient solution, resulting in easy-to-use improved workflows and increased user engagement. DrCloudEHR is specifically designed to capture and process a wide range of crucial information, from client demographics to scheduling and reporting. We are confident that our platform will streamline your operations and ensure the delivery of the best care for your clients.



In addition, EnSoftek works with our partners helping them streamline their business processes with our Total Package/Life Cycle system in areas such as medical records, practice management (medical, and mental health), reporting systems, medical supply inventory management, operating in low bandwidth environments (disconnected mode) and meeting all FISMA requirements while achieving the “Authority to Operate” at the “High Level” security based on National Institute of Standards and Technology (NIST) and other information assurance standards.

### DrCloudEHR Solution and Services Value Proposition to the City

<b>EFFICIENCY</b>	<ul style="list-style-type: none"> <li>• Efficiencies in documentation and documentation routing combined with staff oversight responsibilities to deliver care collaboration, documentation sign-off, and compliance across the full continuum of care.</li> </ul>
<b>AGILITY</b>	<ul style="list-style-type: none"> <li>• Improved access and coordination of care with an integrated calendar/scheduling module for appointments and calendar management built around improving efficiency and productivity for multiple providers and multiple facility support.</li> </ul>
<b>SAFETY</b>	<ul style="list-style-type: none"> <li>• DrCloudEHR is a flexible, extensible, feature-rich, mobile, telehealth ready, HIPAA and 508 compliant coordinated care solution hosted on FedRAMP compliant Microsoft Azure platform, leading federal and commercial cloud vendor, which meets all FISMA regulations.</li> </ul>
<b>SECURITY</b>	<ul style="list-style-type: none"> <li>• DrCloudEHR is a Meaningful Use Stage 3 certified cloud-based solution with role-based access, it excels at security, technology, functional requirements and helps improve health record compliance through referral and intake, scheduling, documentation, and billing.</li> </ul>
<b>PRODUCTIVITY</b>	<ul style="list-style-type: none"> <li>• Simplified data capture with practice management features which provide secure charting to streamline workflows for day-to-day business processes and dramatically increase productivity.</li> </ul>
<b>MOBILE SOLUTION</b>	<ul style="list-style-type: none"> <li>• DrCloudEHR anytime, anywhere allows you to make informed decisions which in turn helps drive better clinical and business outcomes.</li> </ul>
<b>REPORTING</b>	<ul style="list-style-type: none"> <li>• A data model designed to generate rich and valuable reports that integrate demographics and associated treatment data. Built-in Custom Reports Generator that enables you to create your own clinical and management reports along with an interface to analytics tools such as Power BI.</li> </ul>
<b>INTEGRATION</b>	<ul style="list-style-type: none"> <li>• Built on Modular Open System Architecture (MOSA) principles - designed to interface and communicate with other systems ensuring the exchange of health information between providers, healthcare systems and promotes engagement by integrating into existing networks.</li> </ul>

- e) Proposer shall clearly state how future upgrades shall keep the City current with evolving technologies and state or other governmental requirements.

DrCloudEHR is an innovative, scalable EHR solution upgraded regularly with new features and improved performance to ensure that the solution remains compliant with current state and federal regulations, as well as up-to-date with the latest medical advances. These upgrades include integrating new features such as our enhanced practice management and workflow capabilities and improving the security of data stored in DrCloudEHR. Additionally, all these upgrades adhere to industry standards, including those set by Meaningful Use and 21st Century Cures Act guidelines. By staying on top of technological advancements and updating DrCloudEHR accordingly, we ensure that our solution will remain in compliance with all state and federal regulations.

Furthermore, EnSoftek Account Managers keep a watchful eye on changes to the industry landscape. As new laws are introduced or old ones are revised, depending on the type of compliance requirements, EnSoftek can partner with experts in the field to analyze the requirements and develop a plan to update DrCloudEHR to meet these requirements. Our engineering team utilizes the Agile Development methodologies to manage product development/upgrades and will follow our proven change management process. When third-party collaboration is required the Account Manager will coordinate efforts among all parties.

By investing in these upgrades, our clients can provide their patients with reliable, up-to-date information about their health that will enable them to make informed decisions about their treatment options.

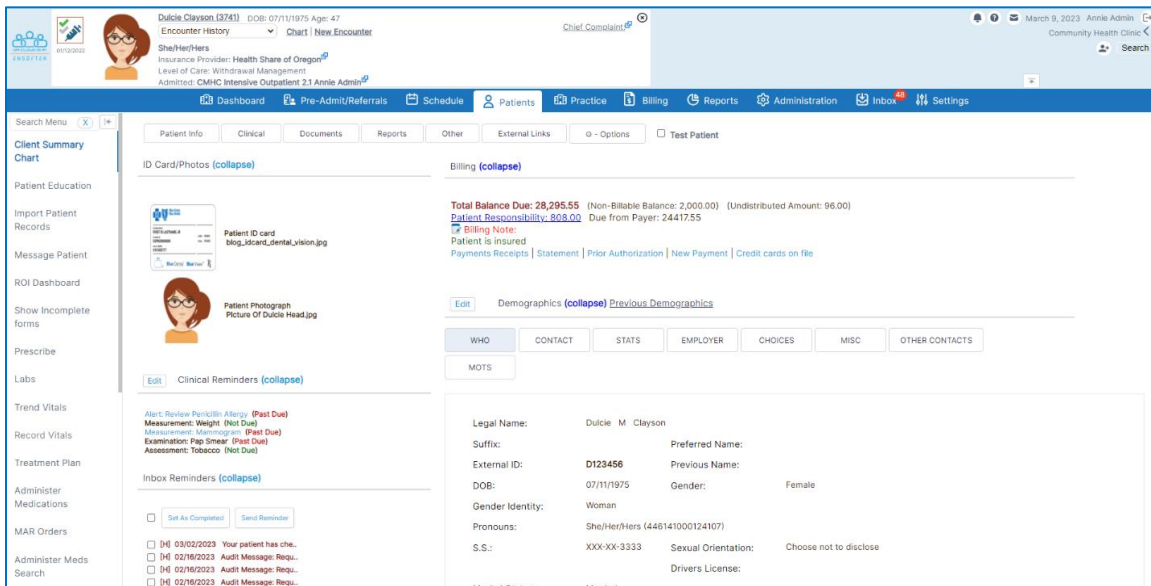
- f) The Proposer shall clearly state how the proposed system provides maximum flexibility with no customization required by the Proposer. The system shall provide all features within the current version of the software, requiring no coding or programming modifications and with all changes done through the configuration of existing software.

DrCloudEHR is a cloud-based integrated Software-as-a-Service (SaaS) solution, hosted on FedRAMP-certified Microsoft Azure, and can be accessed 24/7 by most modern Web browsers supported by popular desktop and mobile operating systems worldwide. City staff will only require a supported web browser to access the system. DrCloudEHR meets all the features and functionality identified in the City’s RFP through configuration and will not require any customizations.

Our system has been successfully deployed on the Microsoft Azure cloud platform for the past 10 years, running in a virtual environment with a high degree of reliability. DrCloudEHR sits on one of the most dependable cloud networks in the industry and through a reliable internet connection continues to offer an impressive 99.9% uptime availability. What makes this solution especially unique is that even if the city loses internet connectivity, DrCloudEHR employs auto-save technology to save staff documentation in the background.

DrCloudEHR has an easy-to-use, intuitive user interface with a strong focus on usability for daily activities and allows the city to chart with accuracy and efficiency. It provides multiple options to configure the text on the screen adjust menu options and screen workflows to minimize clicks for daily activities. DrCloudEHR provides an easy-to-view and consistent navigation throughout the system. The roles and privileges set up for a user will determine the information they see and which areas of the system they can access. Previously entered information can be easily viewed without leaving the current workflow by accessing the Running History.

The Washington County, Oregon - Human Services Division with similar programs and services to conducted a competitive review of eleven EHRs in the market and selected the DrCloudEHR platform for their needs due to its high score in all areas including user experience and usability.



The screenshot displays the DrCloudEHR interface for a patient named Dulcie Clayton (DOB: 07/11/1975, Age: 47). The interface is organized into a sidebar with navigation options like Dashboard, Pre-Admit/Referrals, Schedule, Patients, Practice, Billing, Reports, Administration, Inbox, and Settings. The main content area shows the patient's chart with tabs for Patient Info, Clinical, Documents, Reports, and Billing. The Patient Info tab is active, displaying patient demographics, contact information, and billing details. The Billing section shows a total balance due of \$28,295.55 and a patient responsibility of \$108.00. The Demographics section includes fields for Legal Name, Suffix, External ID, DOB, Gender, Pronouns, S.S., Sexual Orientation, and Drivers License.

### DrCloudEHR - Intuitive Configurable User Interface

DrCloudEHR offers streamlined configurable workflows for day-to-day business processes and dramatically increases productivity. During the planning and analysis phase, we work closely with your key stakeholders to gather requirements and analyze and create user stories to develop workflows. We also integrate staff across multiple facilities and varying workflows and programs into one working DrCloudEHR environment. Once a workflow is created it can be added to the forms cabinet to guide City staff through the required forms. Scheduled appointments can also be configured to automatically include workflows so all forms are added to an individual's chart for completion.

Custom Golden Thread rules can be configured so any subsequent or dependent forms can be added to the chart for completion at a visit. The system provides multiple mechanisms – Inbox, Past Visits, Billing Manager, Error Reports, etc. to view forms that are incomplete with easy access to complete them. Workflows can be tied to individual programs and appointment types. Users can see suggested new forms or other alerts based on calculated responses or completing certain forms.

DrCloudEHR is a Meaningful Use Stage 3 certified EHR and can send and receive continuity of care data files from external EHRs and HIEs via the exchange of industry-standard CCDA files. CCDA standardizes the content and structure for clinical care summaries, DrCloudEHR can exchange patients' data, sending critical and real-time patient data to clinicians and organizations involved in the patient's care. We also can exchange care data using our Direct Trust-based interface through our service partner EMRDirect.

## TAB 4 – FUNCTIONAL AND TECHNICAL RESPONSE

- a) Ownership rights - Describe the rights of purchase of software. Topics such as “access to” codes, understanding of logic, and format of files shall be addressed.

DrCloudEHR is a SaaS-based solution and is offered as a subscription service that is managed by user subscriptions. DrCloudEHR hosts and manages all data on the FedRAMP-compliant Microsoft Azure Cloud platform. All data is owned by the individual EnSoftek clients. EnSoftek does not assume ownership of any of the data or of client, staff, or facility records. EnSoftek provides secure online access to a copy of all customer data in MySQL format. We follow HIPAA security and privacy policies and procedures for the safe destruction/sanitization of data. We are always available to discuss custom data format, and other options if required by the city.

- b) Access rights and control – describe system security regarding the rights of software access privileges and control of information by the proposed module. Describe security dependencies.

DrCloudEHR is HIPAA-compliant and hosted on the FedRAMP-compliant Microsoft Azure Cloud platform. Microsoft is committed to annual certification against the ISO/IEC 27001:2005, a broad international information security standard. The ISO/IEC 27001:2005 certificate validates that Microsoft has implemented the internationally recognized information security controls defined in this standard, including guidelines and general principles for initiating, implementing, maintaining, and improving information security management within an organization. Microsoft Azure is designated FedRAMP-compliant at the FISMA-Moderate level by the Joint Authorization Board.

DrCloudEHR leverages cloud storage for durability and reliability. All data is stored in Azure Managed Disks with multiple redundancy options. All data is encrypted in transit and when at rest. We use both locally redundant storage and zone redundant storage strategies to ensure data integrity and reliability.

All data access via production and staging instances of DrCloudEHR is done via SSL. The connection uses TLS 1.2, meeting FIPS 140-2 criteria, and is encrypted using AES-256-based algorithms. All data is stored on encrypted disks and configured so that only the DrCloudEHR system has access to the disk to read/update the data. DrCloudEHR uses HIPAA-compliant AES 256-bit encryption to encrypt all data. All system data is archived to durable, geo-redundant, Windows Azure drives in encrypted containers. All data queries are passed through sanitized/parametrized objects to filter any rogue elements or suspected values to prevent SQL Injection and other rogue attempts. Remote Administration Access to the servers is limited to authorized users via SSH over VPN.

### Access Control Lists (ACL) module

DrCloudEHR has a robust Access Control Lists (ACL) module. ACL supports controlling access at the menu, screen, modules, and in some cases field-level access. IT administrators have total control over creating and managing types of users and groups to assign security and permissions by role, function, or functional workgroup.

Only users with appropriate access permissions are allowed to access and query data in the system or generate reports and produce printed output. IT administrators will have full access to manage a user’s account such as setting certain permissions, resetting passwords, and making them inactive when they are no longer with the organization. Our trainers cover these topics as part of our IT administrator training and ensure staff has access to all the user guides, documentation, and resources they need to carry out these very important functions. Individual chart access can be limited to a specific few (information can be restricted per user, per facility, or location) which is extremely important for VIP or other sensitive population charting.

DrCloudEHR incorporates role-based access and only authenticated/authorized users are allowed to log on and access only authorized information/modules analogous to a single-sign-on system. Audit logging is configurable and only authorized administrators have access to review logs. IT administrators within the customer’s system can determine which features of the software are accessible, by whom, and at what level. Outside partners can be given limited access at a level determined by the administrators.

- c) The proposer shall submit a sample of a proposed HIPAA Business Associate Agreement if any patient health information will be stored by the proposer within the proposed solution.

Please see the separately attached “DrCloudEHR Subscription Agreement” that includes our HIPAA Business Associate Agreement.



- d) The proposer shall submit a SOC 2 Type 2 report if any PII (personally identifiable information) is stored within the proposed solution.

DrCloudEHR is hosted on the FedRAMP-compliant Microsoft Azure Cloud platform. Azure has been audited against the Service Organization Control (SOC) reporting framework for both SOC 1 Type 2 and SOC 2 Type 2. Both reports are available to customers to meet a wide range of US and international auditing requirements.

Additionally, EnSoftek has operational and financial controls in place and we strictly follow General Accounting Principles and regulations.

## TAB 5 – MAINTENANCE AND SUPPORT

- a) The proposer shall provide a proposal to provide implementation support services. The proposer shall describe how application maintenance and support will be provided.

### Implementation Support Services

EnSoftek believes it is essential for us to understand the City's need for a new EHR and demonstrate its commitment to becoming your technical partner with the highest customer satisfaction for today and well into the future.

- ✓ EnSoftek is committed to deploying a configurable solution that is the right fit for the Lake Oswego Police Department.
- ✓ With our headquarters in Beaverton, Oregon, EnSoftek is in a position to respond to meet your needs in a way that no other vendor can duplicate.
- ✓ As an Oregon-based solution provider with a workforce having extensive expertise in implementing similar EHR systems for Oregon customers, we will continuously meet Oregon State's evolving requirements.
- ✓ Access to appropriate staff and executive oversight will ensure the city of a properly managed, well-configured, and appropriate EHR system for its needs.
- ✓ Dedicated leadership committed to being available during the life of this project to ensure delivery of the contractual obligation. This will include face-to-face meetings with the City's Stakeholders at any time.
- ✓ Long-term partner - EnSoftek is committed to making sure the city is intimately involved not only through the implementation phase, but well into the future by promoting continued learning, growth, and benefiting from each other's experiences.
- ✓ Local Collaborations - User groups with Oregon customers and associations like the Oregon Council for Behavioral Health.

*Washington County. OR applauded EnSoftek for a smooth launch of DrCloudEHR division-wide, stating, "they were very apprehensive and concerned about the effects of selecting, adopting and launching an EHR solution but quickly realized, working with EnSoftek made those concerns a non-issue."*

### DrCloudEHR Client Services (DCS) Team (maintenance and support)

At EnSoftek, our mantra is very simple: "Success lies in making our customers successful." We are a customer-focused organization that is in proactive communication to address issues/risks/problems as early as possible. DrCloudEHR has a well-established maintenance and support/help desk organization in Oregon, the DrCloudEHR Client Services (DCS) team, that provides support to our customers located around the Country (Local/National/Regional level).

The DCS team uses ServiceDesk and JIRA (Issues and bug tracking) software for gathering information and troubleshooting issues. The DCS team logs and reviews all user issues, requests, and suggestions. They track the issue and update the user until it is resolved. **Our maintenance and support services are explained in detail in the below responses.**

- b) The proposer shall provide detailed definitions of the terms "upgrade to software" and "update to software." The proposer shall state whether either or both of these are included as part of maintenance and support at no charge. The proposer shall detail how baseline product software releases, which are provided periodically to address technical, functional, and regulatory changes, or changes to business practices, will be provided to the City and what documentation updates will be provided to the City with a release.

### Upgrade to Software

In DrCloudEHR, upgrades generally refer to larger changes that are made to the solution. These modifications can include adding new features and functionality, improving existing features, or optimizing performance. In some cases,

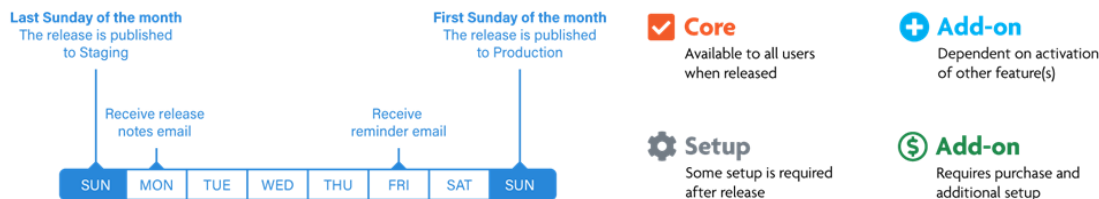
upgrading DrCloudEHR may mean switching from an older version to a newer version that requires no additional payment, but all new and upgraded add-on features will require additional payment.

## Update to Software

Updates are generally smaller changes that are made to the solution. These changes can include bug fixes, security patches, and other updates that help keep DrCloudEHR running smoothly and securely. In many cases, updates do not require any additional payments and follow our release cycle.

## Release Management

EnSoftek has regularly scheduled plans for DrCloudEHR releases and ongoing hotfixes and patches to minimize downtime (every 4-6 weeks, about 7-8 releases annually). Our operations team performs the maintenance activities and sends notices/alerts in advance outlining the release contents and the timing (between 10 PM and 11 PM on Sundays) for when they will be available in staging and production. Typically, a week before a planned release, our operations team sends an email announcement with detailed release notes, to a pre-determined list of contacts at the city.



The nature of the feature (technical, functional, and regulatory) released will determine if any action is required on the part of users to enable, or configure, the new feature. Updates occur automatically.

- c) The proposer shall provide a complete schedule of how issues and defects will be prioritized and corrected. The proposer shall include a ranking scale, a definition of what types of problems are included, and how and when the issue will be resolved. The proposer shall provide details of the process to be used to address client requests for enhancements or corrections to the software. The proposer shall state whether these requests are routed to other clients for comments, and if found to be desired by the majority of clients, whether these enhancements are then added to the software as an upgrade at no charge to all clients.

## Issue and Defect Tracking

Every request received has a priority associated (critical, high, medium, and low) so the DCS team can address problems expeditiously.

Priority	Definition
<b>1–Critical</b>	<b>Critical:</b> will be assigned when the DrCloudEHR solution or a material DrCloudEHR solution component is non-operational as a result of a defect [in a Production environment only] such as; the Production system cannot be accessed or utilized in any capacity; a direct patient safety issue is present; a DrCloudEHR solution defect. Best efforts will be made to correct Priority 1 problems or to provide a plan for such correction, within two (2) business days.
<b>2–High</b>	<b>High:</b> will be assigned to Production defects that result in functions that have a significant negative impact on daily operations. A workaround may be available and/or the capacity to maintain daily business functionality. Commercially reasonable efforts will be made to correct Priority 2 problems or to provide a plan for such correction, within four (4) business days.
<b>3–Medium</b>	<b>Medium:</b> will be assigned for system defects that result in functions that have no major impact on daily operations. An issue that allows the continuation of function, including issues in which a reasonable workaround is available. Commercially reasonable efforts will be made to correct Priority 3 problems or to provide a plan for such correction, within ten (10) business days.
<b>4–Low</b>	<b>Low:</b> will be assigned to cosmetic defects that do not affect system usability or non-defect-related requests including, but not limited to, system setup/configuration, training, functionality questions, documentation, portal access, and upgrade/change requests. Commercially reasonable efforts will be made to address Priority 4 issues or to provide a plan for such correction, within fifteen (15) business days except for upgrade/change requests.

## Change Management Process

For enhancements and other change requests, we have a robust Change Management Process. For enhancements that are urgent in nature due to a regulation change or other drivers, the City would contact their EnSoftek Account Manager

with the change request. The Account Manager would ensure the request is entered into the Service Desk and work closely with the team to understand the requirements and develop a delivery plan that meets your needs.

For all other requests, EnSoftek has a well-established Change Control Board (CCB) as part of the Change Management process to develop custom modifications. Our preferred method is for users to submit requests via the Service Desk which notifies staff to review the request and authorize EnSoftek to perform requirements analysis and provide the required estimates as part of a Change Request. Once approved we conduct a change impact analysis of new or altered scope, which includes requirements analysis at the change level, an important part of the software engineering process. When a change is received, the CCB performs an in-depth impact analysis. It also reviews effort estimates to approve and prioritize changes based on the impact analysis. Then a Change request is submitted for customer approval.

After approval is received, our team identifies the altered needs or requirements of the user community; having identified these requirements then re-designs or modifies the solution per the requirements.

- d) The proposer shall provide details of support to be provided to the City such as Internet access to a secure website, help desk support, and method of defect corrections to baseline product software. The proposer shall include specific methods of support (phone, email, web, etc.) and the hours of operation/response time for each and must state whether a senior technical advisor will be available 24/7 with cellular phone support for the duration of special processes or events.

As described above, DrCloudEHR has a well-established customer support/help desk organization in Oregon, the DrCloudEHR Client Services (DCS), that provides support to our customers located around the Country. When city staff experiences an issue or defect, they can;

- 1) Report using Atlassian JIRA Service Desk 24x7
- 2) Report by emailing [support@drcloudehr.com](mailto:support@drcloudehr.com) 24x7
  - o This email is monitored by our support specialists and responded to per SLA
- 3) Call or email their Account Manager per SLA
- 4) Call the main tech support number per SLA

The city can choose from the following levels of support and SLAs.

Support Team availability and SLA options			
	Basic	Gold	Platinum
Phone	None	Yes	Yes
Email	Unlimited	Unlimited	Unlimited
Time	(M-F, 8 AM to 5 PM, customer local time)	(M-F, 8 AM to 8 PM customer local time)	24x5x365

The “Gold” and “Platinum” support options are needed for those clients with extended support needs. We currently provide 24x5x365 support to multiple clients.

The DCS team is motivated to ensure customer issues are responded to as per the SLA. If responses have not been received to client satisfaction or need urgent attention or escalation, they can always email or call their dedicated Account Manager to escalate the issue. The city will have a dedicated Customer Success Account Manager, to ensure smooth and effective utilization of DrCloudEHR. The Account Manager will work collaboratively with the city throughout the project, keeping up-to-date with the configuration details, training, and go-live activities, and will be available 24/7 for special events. As a lead point of contact post-Go-Live, the Account Manager will maintain regular communication to understand ever-changing business needs and ensure 100% customer satisfaction.

- e) The proposer shall describe how user groups are established and what support the proposer provides to the user group and describe the frequency and location of client forums, seminars, and conferences.

DrCloudEHR has monthly user groups on new releases, updated features, refreshing topics, and a national user group that meets quarterly. While EnSoftek sponsors the groups, our goal is to empower a client-led steering committee to actively listen to and address solution-related challenges, and create a space for our customers to collaborate on industry trends impacting the community. We count on the input received from our customers to guide the DrCloudEHR solution roadmap, which is updated and presented in each meeting. We also set up regular forums, seminars, and conferences in different locations throughout the Country where users can come together to discuss and exchange ideas.

Our team provides the required guidance and support to user groups by supplying them with information on DrCloudEHR literature, updates, and other relevant topics. We also facilitate a regular feedback process that allows the user groups to express their thoughts, evaluate our services, and make suggestions for improvement. By establishing and supporting

our user groups, we make sure that customers have an effective platform for sharing experiences, tips, best practices, and getting help.

- f) All City staffing requirements within the project shall be detailed, including the specific tasks to be performed and the estimated amount of required time by staff type.

### City Staffing Requirements

The city staff is an important resource for a successful DrCloudEHR implementation and adoption. The City's staff will need to be committed to completing the implementation process in a timely manner as well as staying up-to-date on any changes and updates that are made along the way. Typically, the resources involved in DrCloudEHR implementation include the (Executive Team / Project Sponsor), Project Manager, and IT Administrator. The Executive Team / Project Sponsor is responsible for setting the vision and goals of the EHR system providing strategic direction throughout the process and ensuring that all necessary tasks are completed on time and within budget. The project manager and IT administrator are responsible for coordinating all of the activities necessary from kickoff to go-live.

We estimate the following amount of required time for each role:

Role	Effort Time (estimate)
Executive Team and Project Sponsor	≈10 hours
Project Manager & IT Administration	≈40 hours

## TAB 6 – COMPLETED PRICING SECTION

- a) The proposer must provide separate cost information according to the itemized cost format outlined in Attachment 3c, Pricing Schedule.

As per RFP instructions, please see [Attachment 3c, Pricing Schedule](#) included under TAB 2 – FORMS.

- b) The proposer shall provide costs and descriptions for any third-party products required by the City.

All required third-party products as per the RFP are included in [Attachment 3c, Pricing Schedule](#). The complete list of all available DrCloudEHR modules is included in the attached “DrCloudEHR Subscription Agreement”.

## TAB 7 – CONTRACT DOCUMENTATION

Please see the separately attached “DrCloudEHR Subscription Agreement” for the city’s review.

## TAB 8 – RESOURCES TO BE PROVIDED BY THE CITY

### Software & Hardware

DrCloudEHR is a web browser-based solution and is designed to be mobile responsive. The city staff will only require end-user devices (computers, laptops, etc.) as well as internet connectivity to access DrCloudEHR. It works with Safari, Google Chrome, Mozilla Firefox, Microsoft Edge, and Internet Explorer (the most recent and 1 previous version). Our IT/Operations team deploys DrCloudEHR in the cloud so there are no on-premises server requirements.

### On-Site Meetings & Training

The city will provide meeting and training facilities and necessary equipment for on-site training.

## TAB 9 – APPENDIX A

### Marion County – Recommendation Letter



TO: Prospective Client of Ensoftek, Inc.

FROM: W. Rhett Martin  
Administrative Services Division Director  
Marion County Health and Human Services  
3180 Center St NE, Salem, OR 97301  
(503) 585-4978  
WMartin@co.marion.or.us

DATE: July 27, 2023

RE: Recommendation of DrCloudEHR and EnSoftek. Inc.

As the Electronic Health Records implementation project manager for Marion County Health and Human Services, I would like to offer my genuine recommendation for Ensoftek, Inc. and their DrCloudEHR system.

Before implementing Ensoftek, Inc.'s DrCloudEHR, Marion County primarily documented services via paper files, limiting our ability to easily access and report out on information. After publishing a nationwide request for proposal and hosting several rounds of demonstrations, a group of stakeholders ultimately selected DrCloud EHR for the system's ability to be customized and adapted to our vast array of health services.

System design and implementation took just over 2 years, with our Public Health Division going fully live in January 2023, followed by our Behavioral Health Division in April 2023. With a dynamic offering of services including a public health clinic, children and adult outpatient mental health, addiction treatment, crisis response, and many more, Marion County had specific needs that larger EHR platforms could not satisfy. Not only did our EHR need to be customizable to each of those programs, but also adaptable enough to evolve alongside our growing services. DrCloudEHR provided just that.

While we do continue to work through minor issues, we are tremendously happy with the product, as well as the entire Ensoftek team. From start to finish, Ensoftek has been accommodating and eager to meet our needs. Please do not hesitate to reach out via email or phone if you have any questions about our experience with Ensoftek or DrCloudEHR.

Best regards,



W. Rhett Martin

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Administration 3180 Center ST NE Salem, OR 97301  
PH (503) 588-5357 FAX (503) 361-2688



## Washington County – Recommendation Letter

TO: Prospective Ensoftek, Inc. Client

FROM: Kris Cassidy   
Human Services Operations Manager  
Washington County Human Services Division  
5240 NE Elam Young Parkway Suite 150  
Hillsboro, OR 97124  
(503) 846-3591  
Kristin\_cassidy@co.washington.or.us

SUBJECT: Recommendation of DrCloudEHR and EnSofttek, Inc.

As the EMR implementation project manager for the Washington County Human Services Division, I would like to offer my sincere recommendation for Ensoftek, Inc. and their DrCloudEHR system as well as their design and implementation services.

Before we implemented Ensoftek, Inc.'s DrCloudEHR we documented mostly in paper files. We began our search by putting together a large committee of stakeholders to develop a requirements list for a new EMR and then we drafted an RFP that was published nationally. We received seven proposals that we scored based on our first tier of criteria. Four proposals met the minimum requirements. Those four were then scored based on a second tier of criteria and the top two of those proposers were selected for in-person demonstrations. DrCloudEHR very clearly rose to the top during the demonstrations so they were selected and we developed a contract to work with them.

System design and implementation took about a year and we went fully live in the EMR in January 2018. Washington County has a diverse set of programs with varying needs to be addressed by the EMR. Programs include adult and children's mental health, children's wraparound program, developmental disabilities, crisis walk-in center and utilization management for the Health Share of Oregon mental health plan. The EMR had to be flexible enough to adapt to each of those programs but still be integrated for the whole division. We had a staged implementation in which we went live with some programs first, while we were still developing the system for other programs.

While we do continue to work through minor issues, we have been extremely happy with the EMR and consider it a tremendous improvement over paper records. There were no major issues during implementation and the system is working well for us. The project was completed on time and within budget. The quality of support from our DrCloudEHR project manager is excellent as well as the interactions we have with all of the staff at Ensoftek. Response to our service tickets and requests is timely and accurate. We have had no down time with the system.

Please feel free to contact me at the email or phone number above if you have any questions about our experience with Ensoftek and their DrCloudEHR Solution.

Department of Health and Human Services — Human Services Division  
*Behavioral Health • Developmental Disabilities*  
5240 NE Elam Young Parkway, Suite 150, Hillsboro, OR 97124  
[www.co.washington.or.us/HHS](http://www.co.washington.or.us/HHS)

**Agenda Bill 2024-01-16-02**

Date Prepared: December 18, 2023

For Meeting Date: January 16, 2024

To: Rory Bialostosky, Mayor  
West Linn City Council

Through: John Williams, City Manager *JRW*

From: Erich Lais, PE – City Engineer/Public Works Director *EL*

Subject: Sale of surplus property located at 3955 Cedaroak Drive

---

**Purpose:****Purpose**

The City Council is required to hold a public hearing and determine if the City should accept a final offer for the sale of the City-owned property located at 3955 Cedaroak Drive.

**Question(s) for Council:**

Does the Council want to accept the offer to purchase the surplus property located at 3955 Cedaroak Drive?

**Public Hearing Required:**

Yes

**Background & Discussion:**

- The City purchased the referenced property with Environmental Services funds on or around September 5, 2008, for \$75,000.
- The property has remained vacant and undeveloped since its purchase.
- Through Resolution 2021-11, signed on June 14, 2021, the City determined there is no future public use for the property and declared the property surplus. Meeting details for item 7(e) can be found here: [June 14, 2021 Council Meeting](#).
- A subsequent meeting with City Council was held on August 2, 2021 to address a request for reconsideration of the approved Resolution 2021-11. Meeting details for item 6(b) can be found here: [August 2, 2021 Council Meeting](#). The decision to approve the resolution was upheld.
- Through the designation of surplus, the City also directed staff to initiate the sales process in accordance with WLMC 2.875(4) with any proceeds received to be deposited into the Environmental Services fund.
- The City engaged with a licensed local realtor who conducted a Comparative Market Analysis (CMA) to establish an initial list price to market the property. That CMA is attached to this report.
- An initial list price of \$165,000 was established and the property was active for sale on August 10, 2023. The City received one offer at \$60,000 which was rejected and countered at \$110,000 on November 15, 2023. On November 30, 2023 the City received a counter from the buyer at

\$85,000 which was rejected and countered at \$100,000. The counter of \$100,000 with all agreements executed and accepted on December 4, 2023 and the public notice and Council approval process was initiated.

- Due to land use restrictions originating from a stream located throughout the property, it is unlikely for the City to receive additional or higher offers. A land use memo from the Planning Department is attached to this report to provide additional information.
- Under state law and the City's ordinance for sale of surplus property, the City Council is required to hold a public hearing following public notice at least 7 days in advance of the hearing. Public notice was first published in the Daily Journal of Commerce and The West Linn Tidings on December 27, 2023.
- City Council opted to reschedule the meeting and public hearing to Tuesday, January 16<sup>th</sup>. An updated public notice was published in the Business Tribune on January 9, 2024 and the West Linn Tidings on January 10, 2024.

**Budget Impact:**

\$ Revenue for the Environmental Services Fund

**Sustainability Impact:**

All West Linn codes related to environmental issues would be strictly followed on any future development of the property, ensuring preservation of natural resources as on similar properties citywide.

**Council Options:**

1. Accept the offer and allow staff to proceed with the sale.
2. Do not accept the offer and direct staff to continue to market the property.

**Staff Recommendation:**

1. Accept the offer to allow sale of the property and eliminate City liability and responsibility of continued maintenance of the property. Additional offers for purchase are not anticipated.

**Potential Motion:**

Motion to approve the sale of the property located at 3955 Cedaroak Drive for \$100,000 and authorize the City Manager to execute all necessary documents to complete the transaction.

**Attachments:**

1. Final Sale Agreement
2. Property Map
3. Land Use Memo from Planning Department
4. Comparative Market Analysis



**OREF**  
OREGON REAL ESTATE FORMSSale Agreement # CityWLtoJPatino

RESIDENTIAL

**VACANT LAND REAL ESTATE SALE AGREEMENT****FINAL AGENCY ACKNOWLEDGMENT**

Both Buyer and Seller acknowledge having received the Oregon Real Estate Agency Disclosure Pamphlet, and hereby acknowledge and consent to the following agency relationships in this transaction:

Buyer's Agent(s)\*: Elizabeth Henderson Oregon License #: 200509373  
 is/are the agent of (select one): ☐ Buyer exclusively ("Buyer Agency") ☒ Both Buyer and Seller ("Disclosed Limited Agency")  
 Name of Real Estate Firm(s)\*: Wings NW Real Estate LLC Firm License #: 201252836  
 Buyer's Agent's Office Address: 4487 Kenthorpe Way West Linn OR 97068  
 Phone #1: \_\_\_\_\_ Phone #2: \_\_\_\_\_ E-mail: elizabeth@wingsnwre.com

Seller's Agent(s)\*: Elizabeth Henderson Oregon License #: 200509373  
 is/are the agent of (select one): ☐ Seller exclusively ("Seller Agency") ☒ Both Buyer and Seller ("Disclosed Limited Agency")  
 Name of Real Estate Firm(s)\*: Wings NW Real Estate Firm License #: 201252836  
 Seller's Agent's Office Address: \_\_\_\_\_  
 Phone #1: (503) 320-9160 Phone #2: \_\_\_\_\_ E-mail: elizabeth@WingsNWre.com

\*If Buyer's and/or Seller's Agents and/or Firms are co-selling or co-listing in this transaction, all Agent and Firm names should be disclosed above or in an attached OREF 002 – Addendum to Real Estate Sale Agreement.

If both parties are each represented by one or more Agents in the same Real Estate Firm, and Agents are supervised by the same principal broker in that Real Estate Firm, Buyer and Seller acknowledge said principal broker will become the disclosed limited agent for both Buyer and Seller as more fully explained in the Disclosed Limited Agency Agreements that have been reviewed and signed by Buyer, Seller, and Agent(s).

Buyer will sign this acknowledgment at the time of signing this Agreement before submission to Seller. Seller will sign this acknowledgment at the time this Agreement is first submitted to Seller, even if this Agreement will be rejected or a counteroffer will be made. Seller's signature to this Final Agency Acknowledgment will not constitute acceptance of this Agreement or any terms herein.

Buyer Joey Patino Print Joey Patino Date 10/20/2023 ←  
 Buyer \_\_\_\_\_ Print \_\_\_\_\_ Date \_\_\_\_\_ ←  
 Seller [Signature] Print City of West Linn Date 11/6/2023 ←  
 Seller \_\_\_\_\_ Print \_\_\_\_\_ Date \_\_\_\_\_ ←

**GENERAL TERMS**

This Agreement is intended to be a legal and binding contract. If it is not understood, seek competent legal advice before signing. For an explanation of the printed terms and provisions in this form, Seller and Buyer are encouraged to closely review Section 29 (Definitions) and Section 30 (Miscellaneous). No changes or alterations are permitted to any portion of the pre-printed format or text of this form. Any such proposed changes or alterations must be made on a separate document.

1. PARTIES/PRICE/PROPERTY DESCRIPTION: Buyer Joey Patino

offers to purchase from Seller City of West Linn  
City of West Linn

the following described real property (the "Property") situated in the State of Oregon, County of Clackamas,  
 and commonly known or identified as (insert street address, city, zip code, tax identification number, lot/block description, etc.):  
3955 Cedar Oak Dr, West Linn, OR 97068  
732 CEDAR OAK PARK #3 PT LT 200

(If a complete legal description of the Property is not included in this Agreement, Buyer and Seller agree to use the legal description provided by Escrow, defined in Section 17 (Escrow), for purposes of legal identification and conveyance of title.)

for the "Purchase Price" (in U.S. currency) of \_\_\_\_\_ A \$ 60,000.00

on the following terms: as earnest money, the sum of (the "Deposit") \_\_\_\_\_ B \$ 6,000.00

on \_\_\_\_\_, as additional earnest money, the sum of (the "Additional Deposit") \_\_\_\_\_ C \$ \_\_\_\_\_

at or before Closing, the balance of the down payment \_\_\_\_\_ D \$ \_\_\_\_\_

at Closing and on delivery of the ☒ Deed ☐ Contract, the balance of the Purchase Price \_\_\_\_\_ E \$ 54,000.00

will be paid as agreed in the Financing Sections of this Agreement. (Lines B, C, D, and E should equal Line A)

Buyer Initials JP / \_\_\_\_\_ Date 10/20/2023

Seller Initials [Signature] / \_\_\_\_\_ Date 11/6/23

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**LINES WITH THIS SYMBOL ← REQUIRE A SIGNATURE AND DATE**

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## SELLER'S COUNTEROFFER No. 1

1 This is a counteroffer to the ☒ Sale Agreement or ☐ Buyer's Counteroffer No. \_\_\_\_.

2 Buyer(s) Joey Patino  
3 Seller(s) City of West Linn  
4 Property Address or Tax ID # 3955 Cedar Oak Dr, West Linn, OR 97068  
5 \_\_\_\_\_ (the "Property")

6 **1. AGREEMENT TO SELL:** Seller agrees to sell the real and personal property upon the terms and conditions set forth in the Sale Agreement and  
7 subsequent counteroffers where applicable, except as modified as follows:

- 8 **1. Sales price to be \$110,000.**  
9 **2. Seller and buyer acknowledge, Realtor, Elizabeth Henderson is representing both seller as**  
10 **the listing agent and buyer, with his written offer.**  
11 **3. Final sale is subject to public notice and requires approval at a public City Council**  
12 **Meeting.**

13 \_\_\_\_\_  
14 \_\_\_\_\_  
15 \_\_\_\_\_  
16 \_\_\_\_\_  
17 \_\_\_\_\_  
18 \_\_\_\_\_  
19 \_\_\_\_\_ For additional provisions, see Addendum \_\_\_\_\_

20 All remaining terms and conditions of the Sale Agreement (and other counteroffer(s) where applicable), not otherwise modified, are approved and  
21 accepted by Seller. Time is of the essence. This Seller's Counteroffer shall automatically expire on 11/17/23 at 5 ☐ a.m. ☒ p.m.  
22 (the "Counteroffer Deadline") if not accepted within that time. This Seller's Counteroffer may be accepted by Buyer only in writing. However, Seller  
23 may withdraw this counteroffer before the Counteroffer Deadline at any time prior to Buyer's transmission of signed acceptance.

24 Seller acknowledges receipt of a completely filled-in copy of Buyer's Offer and Seller's Counteroffer, and all subsequent counteroffers where  
25 applicable, which Seller has fully read and understands. Seller acknowledges Seller has not relied on any oral or written statements of any Buyer or  
26 of any Agent(s) that are not expressly contained in the Sale Agreement as amended. Seller has reviewed the Seller Representations made in the  
27 Sale Agreement and will promptly correct, in writing, any inaccurate representations.

28 Seller [Signature] City of West Linn Date Nov 15, 2023 \_\_\_\_\_ a.m. 3:15 p.m. ←  
29 Seller \_\_\_\_\_ Date \_\_\_\_\_ a.m. \_\_\_\_\_ p.m. ←

### 30 **2. BUYER'S RESPONSE (select only one):**

- 31 ☐ Buyer accepts Seller's Counteroffer.  
32 ☐ Buyer does not accept Seller's Counteroffer AND Buyer has attached to this agreement Buyer's Counteroffer.  
33 ☐ Buyer rejects Seller's Counteroffer.

34 Buyer acknowledges receipt of signed copies of the Sale Agreement and all subsequent counteroffers, including this Seller's Counteroffer, where  
35 applicable, which Buyer has fully read and understands.

36 Buyer Joey Patino Date \_\_\_\_\_ a.m. \_\_\_\_\_ p.m. ←  
37 Buyer \_\_\_\_\_ Date \_\_\_\_\_ a.m. \_\_\_\_\_ p.m. ←

38 This offer was Delivered by Buyer's Agent to Buyer for signature on (insert date) \_\_\_\_\_ at \_\_\_\_\_ a.m. \_\_\_\_\_ p.m.

39 Note: If delivery/transmission occurs after the Counteroffer Deadline identified above, it will not become binding upon Seller and Buyer unless the  
40 parties agree to extend said Deadline by an Addendum, Counteroffer, or other writing, jointly signed by the parties. The parties' failure to do so shall  
41 be treated as a rejection under Buyers Response above, and this transaction shall be automatically terminated.

42 Buyer's Agent Elizabeth Henderson Seller's Agent Elizabeth Henderson

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**LINES WITH THIS SYMBOL ← REQUIRE A SIGNATURE AND DATE**

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Sale Agreement # CityWLtoJPatino  
RESIDENTIAL

### BUYER'S COUNTEROFFER No. 1

1 This is a counteroffer to Seller's Counteroffer No. 1.

2 Buyer(s) Joey Patino  
3 Seller(s) City of West Linn  
4 Property Address or Tax ID # 3955 Cedar Oak Dr, West Linn, OR 97068  
5 (the "Property")

6 **1. AGREEMENT TO PURCHASE:** Buyer agrees to purchase the real and personal property upon the terms and conditions set forth in the Sale  
7 Agreement and subsequent counteroffers where applicable, except as modified as follows:

8 1. Sales price to be \$85,000.  
9 2. Buyers response timeline expired on Sellers Counter prior to buyer receipt. Buyer and  
10 seller agree to extend buyer response deadline to continue negotiations if both parties reach  
11 agreement.

12 \_\_\_\_\_  
13 \_\_\_\_\_  
14 \_\_\_\_\_  
15 \_\_\_\_\_  
16 \_\_\_\_\_  
17 \_\_\_\_\_  
18 \_\_\_\_\_  
19 \_\_\_\_\_ For additional provisions, see Addendum \_\_\_\_\_

20 All remaining terms and conditions of the Sale Agreement (and other counteroffer(s), where applicable), not otherwise modified, are approved and  
21 accepted by Buyer. Time is of the essence. This Buyer's Counteroffer shall automatically expire on 11/27/2023 at 5 ☐ a.m. ☒ p.m.  
22 (the "Counteroffer Deadline") if not accepted within that time. This Buyer's Counteroffer may be accepted by Seller only in writing. However, Buyer  
23 may withdraw this offer before the Counteroffer Deadline at any time prior to Seller's transmission of signed acceptance.

24 Buyer acknowledges receipt of a completely filled-in copy of Seller's Offer and Buyer's Counteroffer, and all subsequent counteroffers where  
25 applicable, which Buyer has fully read and understands. Buyer acknowledges Buyer has not relied on any oral or written statements of any Seller or  
26 of any Agent(s) that are not expressly contained in the Sale Agreement as amended.

27 Buyer Joey Patino Joey Patino Date 11/21/2023, 11:44:40 AM PST \_\_\_\_\_ a.m. \_\_\_\_\_ p.m. ←  
28 Buyer \_\_\_\_\_ Date \_\_\_\_\_ a.m. \_\_\_\_\_ p.m. ←

29 **2. SELLER'S RESPONSE:** Seller has reviewed the Seller Representations made in the Seller Representations section and elsewhere in the Sale  
30 Agreement and will promptly correct, in writing, any inaccurate representations. (select only one)

31 ☐ Seller accepts Buyer's Counteroffer.  
32 ☒ Seller does not accept Buyer's Counteroffer AND Seller has attached to this agreement Seller's Counteroffer.  
33 ☐ Seller rejects Buyer's Counteroffer.

34 Seller acknowledges receipt of signed copies of the Sale Agreement and all subsequent counteroffers, including this Buyer's Counteroffer, where  
35 applicable, which Seller has read and fully understands.

36 Seller [Signature] City of West Linn Date 11/30/23 9 a.m. \_\_\_\_\_ p.m. ←  
37 Seller \_\_\_\_\_ Date \_\_\_\_\_ a.m. \_\_\_\_\_ p.m. ←

38 This offer was Delivered by Seller's Agent to Seller for signature on (insert date) \_\_\_\_\_ at \_\_\_\_\_ a.m. \_\_\_\_\_ p.m.

39 Note: If delivery/transmission occurs after the Counteroffer Deadline identified above, it will not become binding upon Seller and Buyer unless the  
40 parties agree to extend said Deadline by an Addendum, Counteroffer, or other writing, jointly signed by the parties. The parties' failure to do so shall  
41 be treated as a rejection under Seller's Response above, and this transaction shall be automatically terminated.

42 Buyer's Agent Elizabeth Henderson Seller's Agent Elizabeth Henderson

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RESIDENTIAL

**DISCLOSED LIMITED AGENCY AGREEMENT FOR SELLERS**

- 1 Real Estate Firm Wings NW Real Estate LLC
- 2 The Parties to this Disclosed Limited Agency Agreement are:
- 3 Seller's Agent Elizabeth Henderson
- 4 Seller's Agent Principal Broker Elizabeth Henderson
- 5 Seller City of West Linn Seller \_\_\_\_\_
- 6 \_\_\_\_\_
- 7 The parties to this Agreement understand Oregon law allows a single real estate agent to act as a disclosed limited agent to represent both the  
 8 Seller and the buyer in the same real estate transaction, or multiple buyers who want to purchase the same property. It is also understood when  
 9 different agents associated with the same principal broker (the broker who directly supervises the other agents) establish agency relationships with  
 10 the buyer and seller in a real estate transaction, the agents' principal broker shall be the only broker acting as a disclosed limited agent  
 11 representing both seller and buyer. The other agents shall continue to represent only the party with whom they have an established agency  
 12 relationship unless all parties agree otherwise in writing.
- 13 In consideration of the above understanding and the mutual promises and benefits exchanged here and in the Listing Agreement, the parties now  
 14 agree as follows:
- 15 1. Seller(s) acknowledge they have received the Oregon Real Estate Agency's Initial Agency Disclosure Pamphlet required by ORS 696.820 and  
 16 have read and discussed with the Seller's Agent the part of the pamphlet entitled "Duties and Responsibilities of an Agent who Represents More  
 17 than One Client in a Transaction." The Initial Agency Disclosure Pamphlet is hereby incorporated into this Disclosed Limited Agency Agreement by  
 18 reference.
- 19 (Seller Initials) [Signature] (Seller Initials) \_\_\_\_\_
- 20 2. Seller(s), having discussed with the Seller's Agent the duties and responsibilities of an agent who represents more than one party to a  
 21 transaction, consent and agree as follows:
- 22 a. The Seller's Agent, in addition to representing Seller (select one), ☒ may ☐ may not represent one or more buyers in a transaction  
 23 involving the listed property;
- 24 b. In a transaction involving the listed property where the buyer is represented by an agent who works in the same Real Estate Firm as the  
 25 Seller's Agent and who is supervised by the Seller's Agent's Principal Broker, the Seller's Agent's Principal Broker may represent both  
 26 Seller and Buyer. In such a situation, the Seller's Agent will continue to represent only the Seller, and the other agent will represent only  
 27 the Buyer, consistent with the applicable duties and responsibilities as set out in the Initial Agency Disclosure Pamphlet; and
- 28 c. In all other cases, the Seller's Agent and the Seller's Agent's Principal Broker shall represent Seller exclusively.
- 29 Seller [Signature] City of West Linn Date Nov 15, 2023 \_\_\_\_\_ a.m. 3:00 p.m. ←
- 30 Seller \_\_\_\_\_ Date \_\_\_\_\_ a.m. \_\_\_\_\_ p.m. ←
- 31 Seller's Agent Elizabeth Henderson Date \_\_\_\_\_ a.m. \_\_\_\_\_ p.m. ←  
 (On their own and on the Principal Broker's behalf)

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Sale Agreement # CityWLtoJPatino  
RESIDENTIAL

## SELLER'S COUNTEROFFER No. 2

This is a counteroffer to the ☐ Sale Agreement or ☒ Buyer's Counteroffer No. 1.

Buyer(s) Joey Patino  
Seller(s) City of West Linn  
Property Address or Tax ID # 3955 Cedar Oak Dr, West Linn, OR 97068  
(the "Property")

**1. AGREEMENT TO SELL:** Seller agrees to sell the real and personal property upon the terms and conditions set forth in the Sale Agreement and subsequent counteroffers where applicable, except as modified as follows:

**1. Sales price to be \$100,000.**

**2. Seller and buyer agree to extend former addendum response deadlines to continue sale negotiations.**

**3. All other terms and conditions to remain the same.**

For additional provisions, see Addendum

All remaining terms and conditions of the Sale Agreement (and other counteroffer(s) where applicable), not otherwise modified, are approved and accepted by Seller. Time is of the essence. This Seller's Counteroffer shall automatically expire on 12/01/2023 at 5 ☐ a.m. ☒ p.m. (the "Counteroffer Deadline") if not accepted within that time. This Seller's Counteroffer may be accepted by Buyer only in writing. However, Seller may withdraw this counteroffer before the Counteroffer Deadline at any time prior to Buyer's transmission of signed acceptance.

Seller acknowledges receipt of a completely filled-in copy of Buyer's Offer and Seller's Counteroffer, and all subsequent counteroffers where applicable, which Seller has fully read and understands. Seller acknowledges Seller has not relied on any oral or written statements of any Buyer or of any Agent(s) that are not expressly contained in the Sale Agreement as amended. Seller has reviewed the Seller Representations made in the Sale Agreement and will promptly correct, in writing, any inaccurate representations.

Seller City of West Linn Date 11/30/23 9 a.m. ☐ p.m. ←

Seller \_\_\_\_\_ Date \_\_\_\_\_ a.m. ☐ p.m. ←

## 2. BUYER'S RESPONSE (select only one):

☒ Buyer accepts Seller's Counteroffer.

☐ Buyer does not accept Seller's Counteroffer AND Buyer has attached to this agreement Buyer's Counteroffer.

☐ Buyer rejects Seller's Counteroffer.

Buyer acknowledges receipt of signed copies of the Sale Agreement and all subsequent counteroffers, including this Seller's Counteroffer, where applicable, which Buyer has fully read and understands.

Buyer Joey Patino Joey Patino Date 12/01/2023, 07:50:44 PM PST a.m. ☐ p.m. ←

Buyer \_\_\_\_\_ Date \_\_\_\_\_ a.m. ☐ p.m. ←

This offer was Delivered by Buyer's Agent to Buyer for signature on (insert date) 12/01/2023, 04:03:55 PM PST at \_\_\_\_\_ a.m. ☐ p.m.

Note: If delivery/transmission occurs after the Counteroffer Deadline identified above, it will not become binding upon Seller and Buyer unless the parties agree to extend said Deadline by an Addendum, Counteroffer, or other writing, jointly signed by the parties. The parties' failure to do so shall be treated as a rejection under Buyers Response above, and this transaction shall be automatically terminated.

Buyer's Agent Elizabeth Henderson Seller's Agent Elizabeth Henderson

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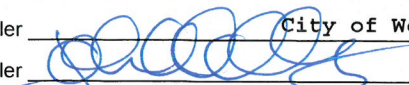
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## ADDENDUM TO REAL ESTATE SALE AGREEMENT

1	Buyer(s) <u>Joey Patino</u>
2	Seller(s) <u>City of West Linn</u>
3	Property Address or Tax ID # <u>3955 Cedar Oak Dr, West Linn, OR 97068</u>
4	(the "Property")

Seller and Buyer hereby agree the following shall be a part of the Real Estate Sale Agreement referenced above:

1. Buyer and seller acknowledge that addenda were signed after expiration and agree to be bound and move forward with signed agreements.
2. Buyer accepts the final Seller Counter 2: Monday, December 4th, 2023 to be effective day / first full day of mutual acceptance.
3. For clarification: This sale is subject to public notice and requires approval at a public City Council Meeting. Buyers 45 business day Inspection/Feasibility to begin upon City Council approval of Real Estate Sales Contract 'CityWLtoJPatino'.

30	Buyer <u>Joey Patino</u>	Date _____	_____ a.m. _____ p.m. ←
31	Buyer _____	Date _____	_____ a.m. _____ p.m. ←
32	Seller <u>City of West Linn</u>	Date _____	_____ a.m. _____ p.m. ←
33	Seller 	Date <u>12/4/23</u>	<u>8:30</u> a.m. _____ p.m. ←

Buyer's Agent Elizabeth Henderson Seller's Agent Elizabeth Henderson

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Sale Agreement # CityWLtoJPatino  
 Addendum # Earnest Money

RESIDENTIAL

## ADDENDUM TO REAL ESTATE SALE AGREEMENT

1 Buyer(s) Joey Patino  
 2 Seller(s) City of West Linn  
 3 Property Address or Tax ID # 3955 Cedar Oak Dr, West Linn, OR 97068  
 4 \_\_\_\_\_ (the "Property")

5 Seller and Buyer hereby agree the following shall be a part of the Real Estate Sale Agreement referenced above:

6 Buyer understands this sale contract is expressly contingent upon reaching City Council

7 Approval scheduled to be reviewed on the Council agenda for January 8, 2024.

8 \_\_\_\_\_  
 9 Buyer to submit \$6,000 Earnest Money to escrow within 3 business days of Council approval.

10 \_\_\_\_\_  
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30 Buyer Joey Patino Joey Patino Date 12/07/2023, 10:57:03 PM PST \_\_\_\_\_ a.m. \_\_\_\_\_ p.m. ←  
 31 Buyer \_\_\_\_\_ Date \_\_\_\_\_ a.m. \_\_\_\_\_ p.m. ←  
 32 Seller [Signature] City of West Linn Date 12/14/23 9 a.m. \_\_\_\_\_ p.m. ←  
 33 Seller \_\_\_\_\_ Date \_\_\_\_\_ a.m. \_\_\_\_\_ p.m. ←

34 Buyer's Agent Elizabeth Henderson Seller's Agent Elizabeth Henderson

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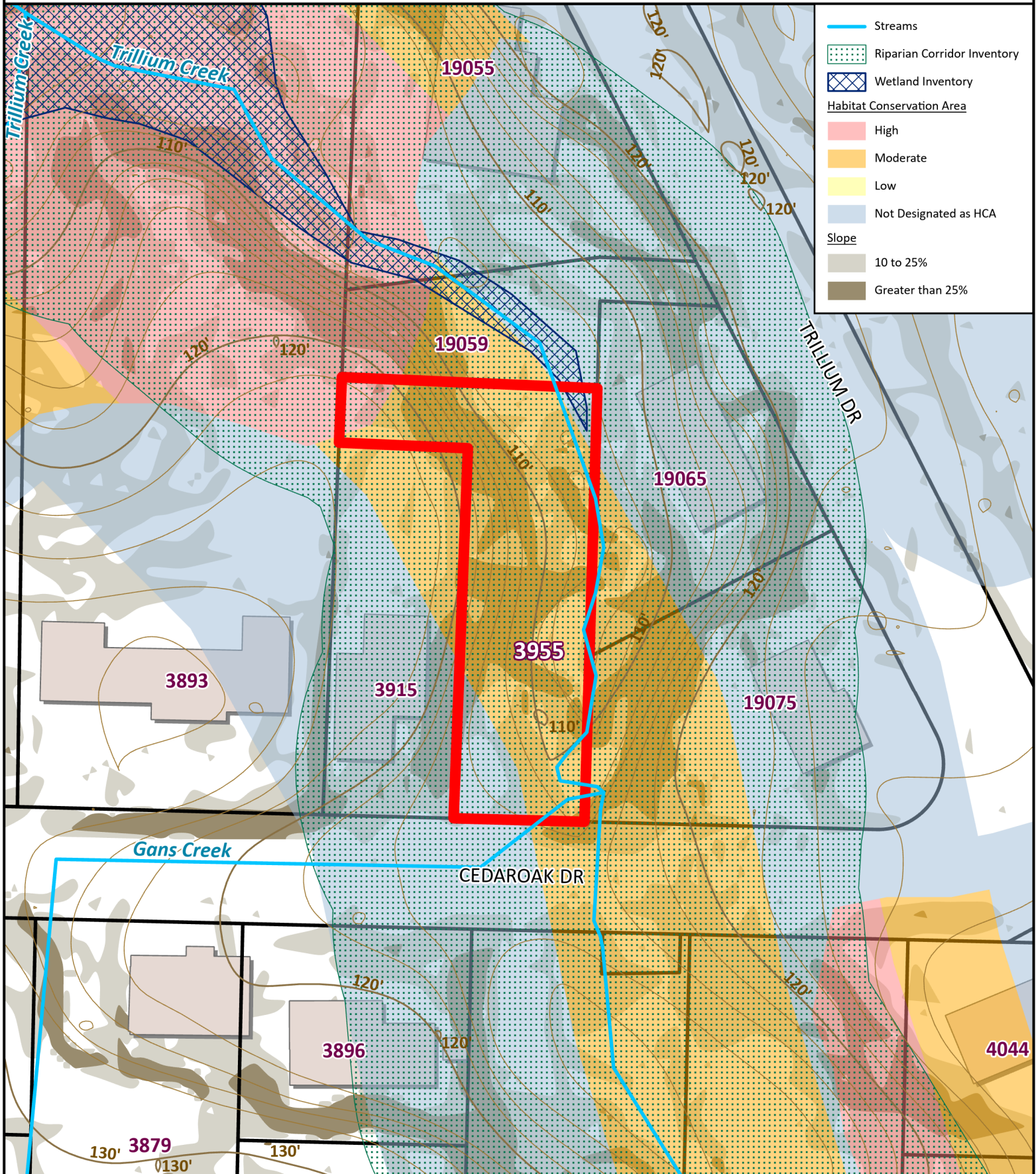
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# CITY OF West Linn

## Memorandum

Date: July 21, 2021

To: Jules Walters, Mayor  
West Linn City Council

From: Darren Wyss, Planning Manager

Subject: Land Use Regulations on 3955 Cedaroak Drive

West Linn Planning was asked to provide information on the development potential for the City-owned property at 3955 Cedaroak Drive. The request was prompted by the City proposal to surplus the property and some community members commenting the property was not developable because of the location of Trillium Creek and its associated environmental setbacks. The analysis below shows that the property **is developable with some restrictions** as outlined in the West Linn Community Development Code (CDC).

Basic land use facts for the City-owned property at 3955 Cedaroak Drive:

Property Size:	13,556 sq. ft.
Comp Plan Designation:	Low Density Residential
Zoning:	R-10 (10,000 sq. ft. minimum lot size)
Permitted Uses:	<a href="#">Community Development Code Chapter 11.030</a> <a href="#">Community Development Code Chapter 11.050</a>
Conditional Uses:	<a href="#">Community Development Code Chapter 11.060</a>
Environmental Overlays:	Water Resource Area <a href="#">CDC Chapter 32</a> Habitat Conservation Area <a href="#">CDC Chapter 28</a>

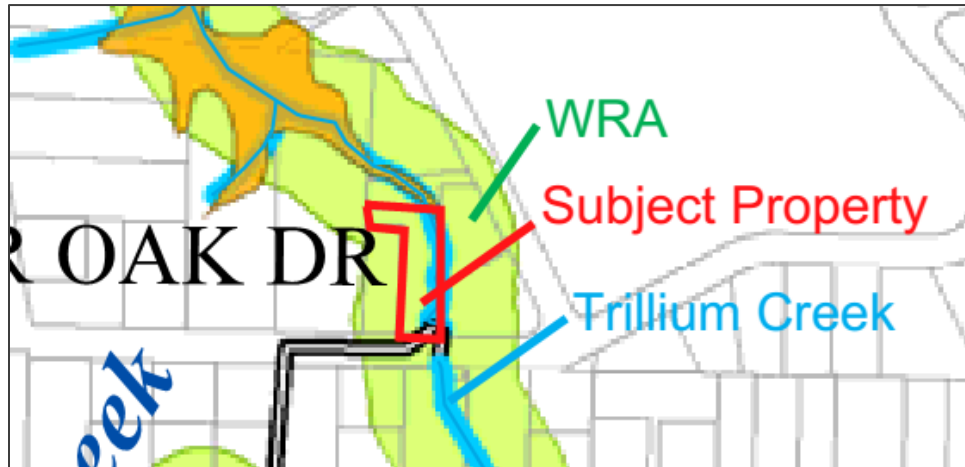
The property is entirely encumbered by the Water Resource Area (WRA) associated with Trillium Creek. The West Linn Community Development Code (CDC) defines a Water Resource Area as *“Any water resource or riparian area identified in the West Linn WRA Map and the adjacent area of varying widths, established pursuant to Chapter **32** CDC, in which development activities are restricted in order to protect the functions and values of the associated water resource”*.

Figure 1 shows the property location, Trillium Creek, and the associated WRA on the City-adopted WRA Map.



# CITY OF West Linn

Figure 1.



CDC Chapter 32 regulates the size, type, location, and mitigation requirements of development taking place on property containing a WRA. When a property is entirely encumbered by the WRA, as is the case with 3955 Cedaroak Drive, the City provides for a hardship allowance to avoid a “taking” by depriving an owner of the reasonable use of land ([CDC Chapter 32.110](#)). The process requires attending a pre-application conference and the subsequent submittal of a land use application for a WRA Permit. The code outlines a few provisions that must be met to qualify for the hardship allowance:

1. The property must have existed as a lot of record and been recorded with Clackamas County on or before January 1, 2006.

***Clackamas County Record of Survey SN2003-107, recorded March 17, 2003, shows the lot of record in its current configuration.***

2. Maximum disturbed area of 5,000 sq. ft. of the WRA.

***This requirement would get confirmed during the land use review for the WRA Permit. Maximum disturbed area includes footprints of all structures, decks, patios, sidewalks, driveways, and any disturbed area not replanted with native vegetation per an approved mitigation plan. Lot coverage and floor-to-area ratio requirements of the R-10 zone would still apply.***

3. Minimum distance from the water resource (Trillium Creek in this case) of 15 feet. Minimum permitted width of driveway required to reduce impervious surfaces. Reduced setbacks from property lines are allowed to minimize impacts.

***The requirement would get confirmed during the land use review for the WRA Permit.***

4. Mitigation and re-vegetation of disturbed areas.



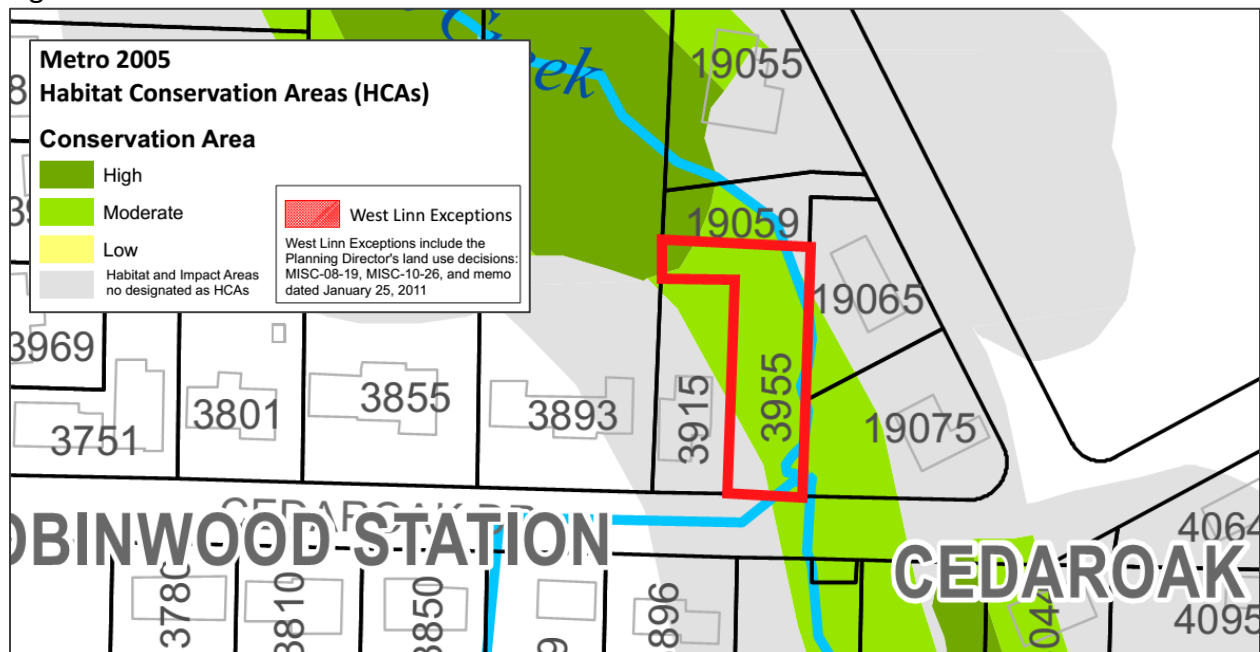
# CITY OF West Linn

***A mitigation/re-vegetation plan is required to be prepared by a qualified professional and submitted with the land use application.***

The property is also encumbered by Moderate Value Habitat Conservation Area (HCA) associated with Trillium Creek. The West Linn Community Development Code (CDC) defines Habitat Conservation Areas as “Areas identified on the Habitat Conservation Areas Map and subject to the standards found in Chapter **28** CDC, Willamette and Tualatin River Protection”.

Figure 2 shows the property location, Trillium Creek, and the associated HCA on the City-adopted HCA Map.

Figure 2.



CDC Chapter 28 regulates the size, type, location, and mitigation requirements of development taking place on property containing HCAs. When a property is encumbered by HCAs, as is the case with 3955 Cedar Oak Drive, the City provides the opportunity for development to avoid a “taking”. The regulations allow a maximum disturbance of 5,000 sq. ft. of HCA designated land with encroachment directed to low value, then moderate value, and finally high value if no other options are available ([CDC Chapter 28.110.A](#)). The process requires attending a pre-application conference and the subsequent submittal of a land use application for HCA Review and Permit. The code outlines a few provisions that must be met to qualify for disturbance of the HCA:



## CITY OF West Linn

1. The property must be a legal lot of record and have less than 5,000 sq. ft. of non-HCA land.

***Clackamas County Record of Survey SN2003-107, recorded March 17, 2003, shows the lot of record in its current configuration. There is approximately 1,300 sq. ft. of non-HCA land so the property is eligible to disturb HCA designated land.***

2. Minimize disturbance to the HCA land by directing development first to low value, then moderate value, then high value lands.

***The property has approximately 1,300 sq. ft. of non-HCA land with the remainder primarily moderate value HCA land. Minimizing disturbance would be judged against existing regulations for confirmation during the HCA land use review.***

3. Maximum disturbed area of 5,000 sq. ft. of impervious surfaces on HCA designated land.

***The requirement would get confirmed during the HCA land use review.***

4. Reduced setbacks from property lines are allowed to minimize impacts.

***The requirement would get confirmed during the HCA land use review.***

5. Mitigation and re-vegetation of disturbed areas.

***A mitigation/re-vegetation plan is required to be prepared by a qualified professional and submitted with the land use application.***

Prior to development of the property, there would be opportunity for public comment and feedback on a proposal. As noted earlier, an applicant would be required to attend a pre-application conference with City staff to learn the land use review process and the applicable CDC criteria the proposal would need to meet. Pre-application meetings are open to the public and comments can be submitted.

Upon submittal of a land use application for WRA and HCA review, all property owners within 500-feet, all neighborhood associations, the Oregon Department of State Lands, and the Army Corps of Engineers would be notified and provided the opportunity to comment. The property would also be posted with a sign notifying the community of an impending land use decision with a description of the proposal.

Please feel free to contact me at [dwyss@westlinnoregon.gov](mailto:dwyss@westlinnoregon.gov) or 503-742-6064 with any questions regarding the land use process for development on the property at 3955 Cedar oak Drive.

# Competitive Market Analysis

for

## City of West Linn - 3955 Cedaroak



**3955 Cedar Oak DR  
West Linn, OR 97068**

**Acres, Number of: 0.31**

- Zoning 10
- Legal - 732 Cedaroak Park
- Private wooded lot with neighborhood creek!

**Recommended Price: \$165,000 (\$145,000 - \$175,000)**



Prepared By  
**Residential Specialist, CRS**  
**Elizabeth Henderson**  
Principal Broker  
Wings NW Real Estate  
19363 Willamette Drive, #161  
West Linn OR 97068  
[Allow me to help you online!](#)  
[Oregon Schools](#)

Phone: 503-320-9160  
Cell: 503-320-9160  
Email:  
[elizabeth@wingsnwre.com](mailto:elizabeth@wingsnwre.com)  
[City of Portland](#)



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Pricing Your Home	11

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CMA prepared by:

Elizabeth Henderson, Principal Broker - Owner, ABR, CRS, GRI

Wings NW Real Estate



## Comparables to Your Home

21545 WILLAMETTE DR	West Linn	97068	LND	ACT	\$125,000
---------------------	-----------	-------	-----	-----	-----------



MLS#: 23237537	Status: ACT	PTax/Yr: \$555
Unit/Lot #:	# Lots: 2	Acres: 0.16
Zoning: R-10	Wtr Frnt:	Area: 147
Lot Size: 7K-9,999SF		Prop Type: RESID

Directions: Willamette Dr, or Willamette Dr. to A St. to shared driveway

Remarks: Two buildable lots, zoned single-family attached or detached (duplex, triplex, quadplex, cottage clusters, townhouse, or manufactured home.) Per Seller Oregon law allows up to 8 units with the population of West Linn. All utilities available. Access through Willamette Drive per Oregon Transportation Dept. Possible 2nd story Mt. Hood view. Buyer to do own due diligence.

18366 HILLSIDE CT	West Linn	97068	LND	ACT	\$149,500
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MLS#: 23178252	Status: ACT	PTax/Yr: \$932
Unit/Lot #:	# Lots:	Acres:
Zoning: Resid	Wtr Frnt:	Area: 147
Lot Size: 10K-14,999SF		Prop Type: RESID

Directions: HIGHWAY 43,RIGHT UPPER MIDHILL,LEFT COLLEGE HILL,LEFT HILLSIDE COURT

Remarks: Are you looking for a premium lot with view, This is it! Located in a quiet cul-de-sac with wonderful views of mountain and city, surrounded by million dollar homes in College Hill Estate. You won't regret it. All utilities in the street. Close to downtown Lake Oswego, great ranking schools. Buyer do your due diligence.

0 Willamette DR	West Linn	97068	LND	ACT	\$250,000
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MLS#: 23317642	Status: ACT	PTax/Yr: \$122
Unit/Lot #:	# Lots:	Acres:
Zoning: R	Wtr Frnt:	Area: 147
Lot Size: 5K-6,999SF		Prop Type: RESID

Directions: Willamette

Remarks: Exciting Opportunity: Build Your Dream Home with a Spectacular View! Calling all builders! This budget-friendly lot is a rare find, cleared, cleaned, and primed for construction. Situated in a fantastic location with convenient access to downtown West Linn and Lake Oswego, it offers an easy commute. The area boasts highly regarded schools, making it ideal for families. Don't miss out on the chance to bring your vision to life! Additionally, the adjacent lot is also available for purchase, providing even more possibilities.

Territorial DR	West Linn	97068	LND	ACT	\$250,000
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MLS#: 23356129	Status: ACT	PTax/Yr: \$2,578
Unit/Lot #:	# Lots:	Acres:
Zoning: R5	Wtr Frnt: Y	Area: 147
Lot Size: 7K-9,999SF		Prop Type: RESID

Directions: Willamette Dr, R on Mill St, L on Territorial, lot next to 5039 Territorial Dr ML#23377417

Remarks: WEST LINN RIVER FRONT LOT. BUILD YOUR DREAM HOME. Breathtaking views, access to dock, short walk to Old Town Oregon City. Geo Tech and survey completed. Sewer, electric and water available at Street (SDC fees not paid). Riverfront home next door is FOR SALE too (ML#23377417) Remember its about the river and waterfront investing and living. Ask listing agent for more details.



3310 ARBOR DR	West Linn	97068	LND	ACT	\$350,000
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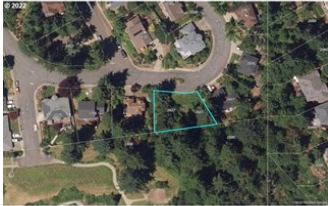


MLS#: 23402827      Status: ACT      PTax/Yr: \$2,278  
 Unit/Lot #:      # Lots:      Acres: 0.28  
 Zoning: R10      Wtr Frnt:      Area: 147  
 Lot Size: 10K-14,999SF      Prop Type: RESID

**Directions:** Willamette Drive to Arbor

**Remarks:** Great location and easy access to Highway 43. Bring your own builder for this beautiful, private and level lot. Natural Stream in the back and backs to plenty of privacy. Please do not walk the property without an appointment.

1627 KILLARNEY DR	West Linn	97068	LND	SLD	\$249,000
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MLS#: 22634400      Status: SLD      PTax/Yr: \$1,158  
 Unit/Lot #:      # Lots:      Acres: 0.23  
 Zoning: R10      Wtr Frnt:      Area: 147  
 Lot Size: 10K-14,999SF      Prop Type: RESID

**Directions:** Blankenship to Debok to Killarney OR Bland Cir to Crestview to Alpine/Killarney

**Remarks:** Last lot in established neighborhood. Backs to North Willamette Neighborhood Park. Desirable West Linn location and schools.

4060 KENTHORPE WAY	West Linn	97068	LND	SLD	\$275,000
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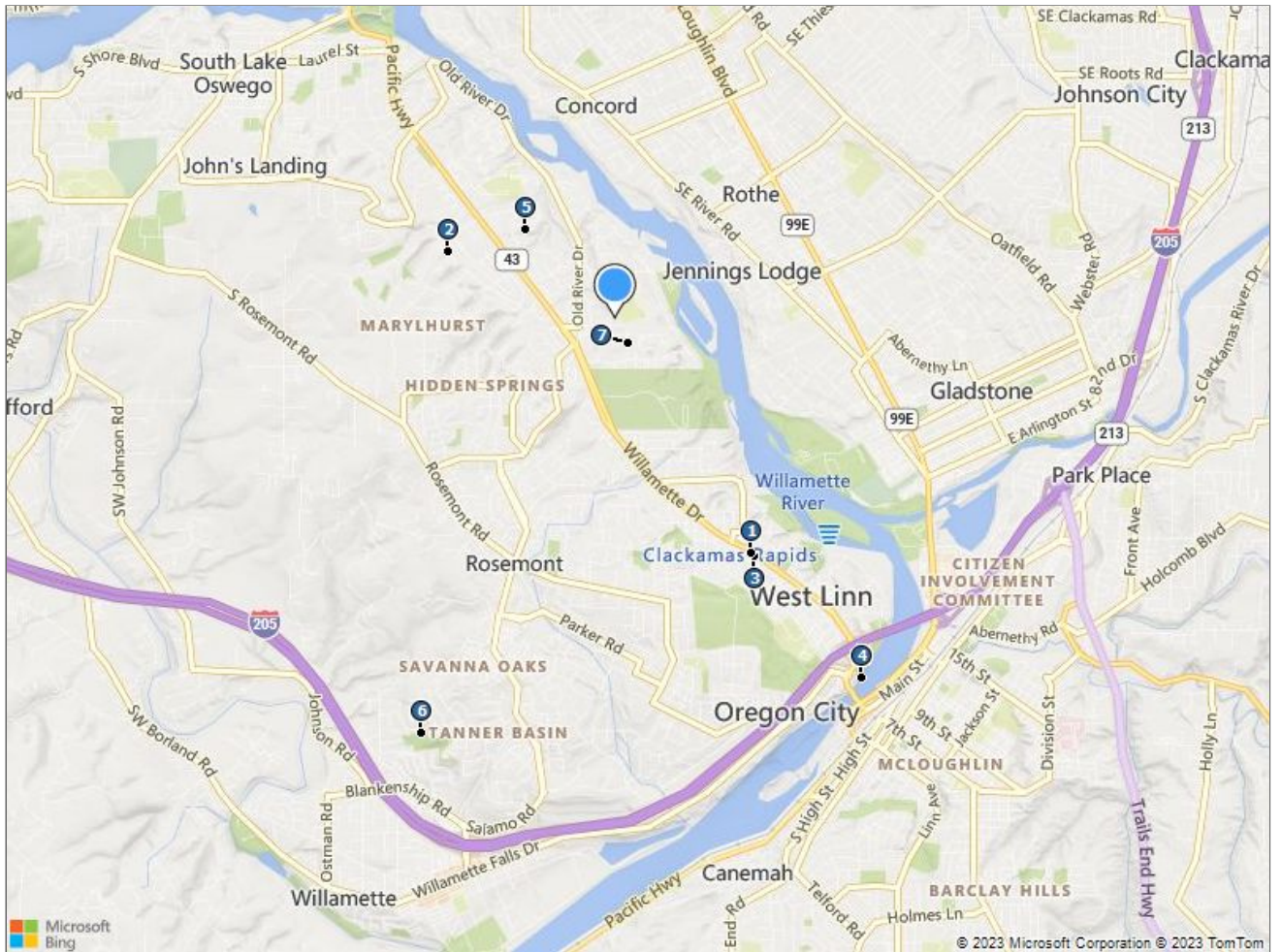


MLS#: 22444114      Status: SLD      PTax/Yr: \$1,362  
 Unit/Lot #:      # Lots: 1      Acres: 0.27  
 Zoning: R10      Wtr Frnt:      Area: 147  
 Lot Size: 10K-14,999SF      Prop Type: RESID

**Directions:** From 43, E. on Cedaroak Dr., R. on Old River Dr., L on Kenthorpe Way





**Remarks:** Lovely private treed setting minutes to downtown Lake Oswego. This .27ac sloped lot is located off a very quiet dead-end street in West Linn's popular Robinwood neighborhood. Within blocks to elementary school and other amenities including grocery, restaurants/coffee, parks, and Cedaroak Boat Ramp (Willamette River access). Creek at back of lot enhances natural setting. Private driveway is shared with another home. Please park on Kenthorpe Way and walk up driveway to lessen impact for neighbors.


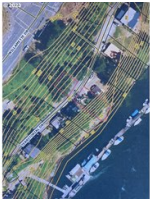
## Map of Comparables to Your Home





#	MLS#	Address	#	MLS#	Address	#	MLS#	Address
1	23237537	21545 WILLAMETTE DR	2	23178252	18366 HILLSIDE CT	3	23317642	0 Willamette DR
4	23356129	Territorial DR	5	23402827	3310 ARBOR DR	6	22634400	1627 KILLARNEY DR
7	22444114	4060 KENTHORPE WAY						

## Adjustments to Comparables

				
Property Category:	LND	LND	LND	LND
Address:	3955 Cedar Oak DR	21545 WILLAMETTE DR	18366 HILLSIDE CT	0 Willamette DR
City, State:	West Linn, OR	West Linn, OR	West Linn, OR	West Linn, OR
Zip:	97068	97068	97068	97068
County:	Clackamas	Clackamas	Clackamas	Clackamas
MLS#:		23237537	23178252	23317642
Status:		ACT	ACT	ACT
List Price:	\$165,000	\$125,000	\$149,500	\$250,000
Sale Price:				
Sale Date:				
%SP/LP:		0%	0%	0%
%SP/OLP:		0%	0%	0%
Sold Terms:				
DOM / CDOM:		146 /	45 /	34 /
	\$ Adj	\$ Adj	\$ Adj	\$ Adj
Acres, Number of	0.31	0.16		
Manufactured House Okay Y/N		Y		
Waterfront Y/N				
Total Adjustments:				
Adjusted Price:		\$125,000	\$149,500	\$250,000

				
Property Category:	LND	LND	LND	LND
Address:	3955 Cedar Oak DR	Territorial DR	3310 ARBOR DR	1627 KILLARNEY DR
City, State:	West Linn, OR	West Linn, OR	West Linn, OR	West Linn, OR
Zip:	97068	97068	97068	97068
County:	Clackamas	Clackamas	Clackamas	Clackamas
MLS#:		23356129	23402827	22634400
Status:		ACT	ACT	SLD
List Price:	\$165,000	\$250,000	\$350,000	\$259,000
Sale Price:				\$249,000
Sale Date:				09/23/2022
%SP/LP:		0%	0%	96%
%SP/OLP:		0%	0%	96%
Sold Terms:				CONV
DOM / CDOM:		6 /	136 /	23 / 23
	\$ Adj	\$ Adj	\$ Adj	\$ Adj
Acres, Number of	0.31		0.28	0.23
Manufactured House Okay Y/N		N		
Waterfront Y/N		Y		
Total Adjustments:				
Adjusted Price:		\$250,000	\$350,000	\$249,000



				
Property Category:	LND	LND		
Address:	3955 Cedar Oak DR	4060 KENTHORPE WAY		
City, State:	West Linn, OR	West Linn, OR		
Zip:	97068	97068		
County:	Clackamas	Clackamas		
MLS#:		22444114		
Status:		SLD		
List Price:	\$165,000	\$320,000		
Sale Price:		\$275,000		
Sale Date:		08/12/2022		
%SP/LP:		86%		
%SP/OLP:		80%		
Sold Terms:		CONV		
DOM / CDOM:		132 / 132		
	\$ Adj	\$ Adj	\$ Adj	\$ Adj
Acres, Number of	0.31	0.27		
Manufactured House Okay Y/N				
Waterfront Y/N				
Total Adjustments:				
Adjusted Price:		\$275,000		

## Summary of Comparable Listings

### Active Listings

Cat	MLS#	Area	Type	Address	City	Acres	Price
LND		147		3955 Cedar Oak DR , West Linn, OR 97068	West Linn	0.31	\$165,000
LND	23237537	147	RESID	21545 WILLAMETTE DR	West Linn	0.16	\$125,000
LND	23178252	147	RESID	18366 HILLSIDE CT	West Linn		\$149,500
LND	23317642	147	RESID	0 Willamette DR	West Linn		\$250,000
LND	23356129	147	RESID	Territorial DR	West Linn		\$250,000
LND	23402827	147	RESID	3310 ARBOR DR	West Linn	0.28	\$350,000

### Sold Listings

Cat	MLS#	Area	Type	Address	City	Acres	Price
LND		147		3955 Cedar Oak DR , West Linn, OR 97068	West Linn	0.31	\$165,000
LND	22634400	147	RESID	1627 KILLARNEY DR	West Linn	0.23	\$249,000
LND	22444114	147	RESID	4060 KENTHORPE WAY	West Linn	0.27	\$275,000

## Pricing Your Home

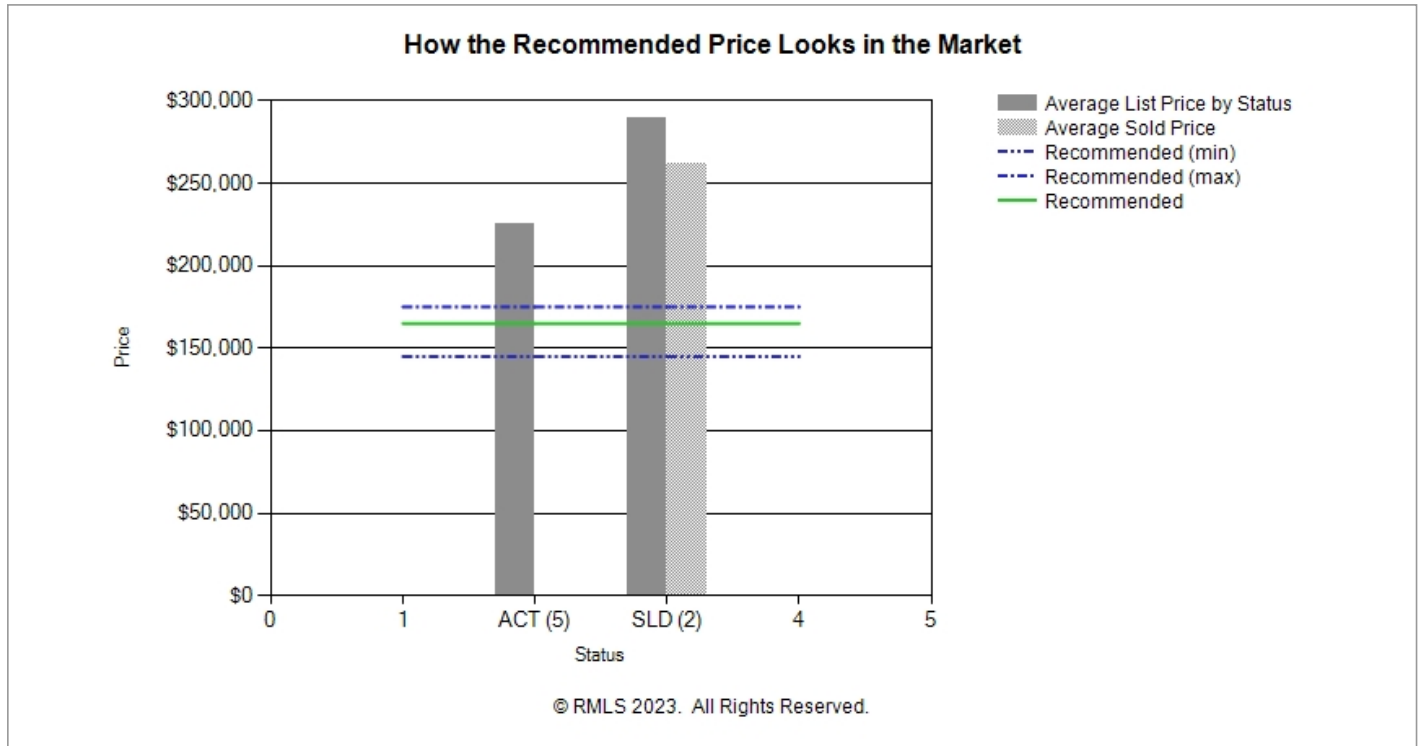
Status	#	Price				Sqft		\$/Sqft	CDOM	
		Minimum	Average	Median	Maximum	Average	Median	Average	Average	Median
ACT	5	\$125,000	\$224,900	\$250,000	\$350,000	0	0	N/A	N/A	N/A
SLD	2	\$249,000	\$262,000	\$262,000	\$275,000	0	0	N/A	78	78

Total Listings: 7 Sold Properties closed averaging 90.50% of their Final List Price.

	Amount	\$/Sqft
Min. List Price:	\$125,000	N/A
Avg. List Price:	\$243,357	N/A
Max. List Price:	\$350,000	N/A
Average Sale Price:	\$262,000	N/A
Recommended List Price		
Min:	\$145,000	\$10
Max:	\$175,000	\$12
Recommended:	\$165,000	\$12

\*\*Note: Comparable listings with SQFT=0 are excluded from all Price/SQFT calculations

## How the Recommended Price Looks in the Market



**Agenda Bill 2024-01-16-03**

Date Prepared: 1-08-2024

For Meeting Date: 1-16-2024

To: Rory Bialostosky, Mayor  
West Linn City Council

Through: John Williams, City Manager *JRW*

From: Megan Big John, Parks and Recreation Director (MBJ)

Subject: Community Recreation Center Feasibility Study Phase 2

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**Purpose:**

To present Phase 2 of the Community Recreation Center Feasibility Study Scope of Work and cost estimate provided by MIG, Inc.

**Question(s) for Council:**

1. Would the Council approve the Parks and Recreation Department to move to Phase 2 of the Community Recreational Center Feasibility Study?
2. Would the Council approve a contract with MIG, Inc. for Phase 2 of the Community Recreational Center Feasibility Study?

**Public Hearing Required:**

None Required.

**Background & Discussion:**Phase 1 Focus and Findings

In 2023 the City Council prioritized the exploration of an indoor recreation and civic center. This priority builds on the recommendation of the 2019 Parks and Recreation Master Plan. This feasibility study re-engaged with the community to identify needs, opportunities, and desires to support the City's development of a new community recreation center. This process included one-on-one conversations, a Steering Committee, two Townhall Meetings, and an Online Questionnaire, representing nearly 2,000 participants and input from the Parks and Recreation Advisory Board.

Through a community questionnaire 1,492 residents responded to the question "Do you agree that a community recreation center is still a priority for West Linn?" Respondents to the questionnaire confirmed that a center is still a priority, across all demographic breakdowns. This question will continue to be explored, with more specific details about cost impacts, in the proposed Phase II of work.



### Phase 2 Scope

Phase 2 of the feasibility process builds on the qualitative discussion in Phase 1 using statistically representative polling (Probability-Based) of voters as well as a participatory design process to refine the concept of a recreation center in West Linn. This work will proceed on two coordinated tracks, one focused on community engagement and the other on technical analysis. These two tracks will come together at key points, specifically for Steering Committee Workshops and Community Open House Meetings where information on the technical work will be shared and influenced through guided exercises that keep the priorities of the community as a whole and the fiscal responsibility of the City Council in mind. With the short timeline, this project will need to be efficient in time and resources. MIG, Inc proposed the following Scope of Work that builds on the work completed in Phase I with the following deliverables to meet the potential November ballot measure deadline. Details found in Attachment 1.

The MIG team will deliver the following meetings, analysis, and products to advance this project to a decision package for City Council to consider before the deadline to refer to a ballot measure. This package will include:

- Polling results that describe project support, key influences, and tested messages,
- Focused attention on engaging potentially opposing viewpoints to build consensus around development options,
- Concept design, including buildings and associated site improvements, as informed by an iterative community process,
- Phasing plan for future aquatics addition,
- Illustrations of the site, floor plan and renderings of indoor and outdoor views,
- Refined costs and operations plan,
- Exploration of start-up and gap funding measure to ensure that the facility is financially sustainable in the long-term, and
- Informational materials incorporating messages and graphics developed and tested during this process.

Key Community Engagement provided by MIG, Inc. will include:

- Steering Committee/PRAB Workshops (4 in person)
  - City Council Update (2) (in person)
  - PRAB Update (2) (in person)
  - Community-Wide Questionnaire (online and on paper)
  - Focus Group and Individual Meetings (Up to 8 Videoconference)
  - Community Open House Meetings (2) (In Person)
  - Probability-Based Voter Poll
  - Creation of Outreach and Information Materials
- \*Staff will engage in additional Community outreach opportunities as well.

Site Analysis and Operational Planning:

- Parking requirements and outdoor park amenities
- Site analysis for the Parker Road site
- Concept Design of facility with a phased development plan
- Refine the Indoor and Outdoor Space Program and Area Requirements
- Concept Design development and strategy for integrating the future aquatic addition
- General Massing and Character
- Illustrative Site Plan and Renderings

- Draft and Final Illustrative Site Plan, Floor Plans, and 3D massing.
- Draft and Final Renderings of exterior and interior spaces (5)
- Refined Costs and Documentation
- Revised Capital Cost Estimate
- Operations and Funding Plan
- Summary Report Presentation and Documentation

**Budget Impact:**

Project quote from MIG, Inc. is \$263,390. Additionally, the City will need to pay for a Traffic Study to update the most recent study on Parker Road completed in 2013.

**Sustainability Impact:**

N/A for this portion of the project.

**Council Options:**

1. Direct staff to enter contact with MIG, Inc for Phase II work.
2. Direct staff not to move forward to Phase II.

**Staff Recommendation:**

As shown in the Phase 1 feasibility report there is a strong desire in the Community for this facility. There is still a need to evaluate the long term financial operational cost and viability of the Community Recreation Center and refine the design. Moving to Phase 2 will allow exploration of the Community's desire and ability to financially support a Community Recreational Center. Staff recommends that the Council moves forward with Phase 2 to allow this information gathering and community discussion process.

**Potential Motion:**

"I move to approve moving forward on Phase 2 of the Community Recreation Center and authorize the City Manager to sign the contract with MIG, Inc."

**Attachments:**

1. MIG, Inc. Scope of work and fee estimate.
2. City Council Agenda Bill Community\_Recreation\_Study\_Information.pdf



January 5, 2024

Megan Big John, Parks and Recreation Director  
City of West Linn  
Via Email: mbigjohn@westlinnoregon.gov

*Subject: Recreation Center Feasibility Update Phase 2*

Dear Ms. Big John:

MIG, Inc., in partnership with Ballard\*King Associates, EMC Research, DCW Cost Management, and OPSIS Architecture, is happy to provide you with this proposal to continue developing a concept for a new recreation center in your community. To be efficient in time and resources, this effort builds on a first phase of work with the same primary team of professionals. For the unique needs of this phase of work, we are adding staff at MIG to address landscape architecture and public information materials, as well as DCW Cost Management and EMC Research to ensure that we can provide the best and most accurate information about the community's willingness to pay and the actual cost of a future facility.

Our proposal includes an approach, deliverables, and task-level budget for the next phase of this conversation. We understand the purpose of Phase 2 includes:

- Testing voter approval of costs, elements, and key messages
- Working closely with the community, Steering Committee, and Park and Recreation Advisory Board on design
- Advancing to concept design, including a floor plan and refined program
- Developing interior and exterior renderings of a potential future facility
- Refining the operations and capital costs
- Developing public information materials

## Phase 2 Approach

Phase 2 of the feasibility process builds on the qualitative discussion in Phase 1 using probabilistic (statistically representative ) polling of voters as well as a participatory design process to refine the concept of a recreation center in West Linn. This work will proceed on two coordinated tracks, one focused on community engagement and the other on technical analysis. These two tracks will come together at key points, specifically for Steering Committee Workshops and Community Open House Meetings where information on the technical work will be shared and influenced through guided exercises that keep the priorities of the community as a whole and the fiscal responsibility of the City Council in mind.

## Deliverables

The MIG team will deliver the following meetings, analysis, and products to advance this project to a decision package (PowerPoint presentation and supporting documentation) for City Council to consider before the deadline to refer a ballot measure. This package will include:

- Polling results that describe project support, key influences, and tested messages,
- Focused attention on engaging potentially opposing viewpoints to build consensus around development options,
- Concept design, including buildings and associated site improvements, as informed by an iterative community process,
- Phasing plan for future aquatics addition,
- Illustrations of the site, floor plan and renderings of indoor and outdoor views,
- Refined costs and operations plan,
- Exploration of start-up and gap funding measure to ensure that the facility is financially sustainable in the long-term, and
- Informational materials incorporating messages and graphics developed and tested during this process.

Deliverables will be provided for City review on the schedule agreed upon by the project team. A preliminary project schedule is attached to this proposal.

1. Project Management and Meetings
  - 1.1. Project Management and Administration (10 months)
  - 1.2. Steering Committee/PRAB Workshops (4 in person)
  - 1.3. PRAB Update (2) (in person)
  - 1.4. City Council Update (2) (in person)
2. Community Engagement and Information
  - 2.1. Probability-Based Voter Poll
  - 2.2. Community-Wide Questionnaire (online and on paper)
  - 2.3. Focus Group and Individual Meetings (Up to 8 Videoconference)
  - 2.4. Community Open House Meetings (2) (In Person)
  - 2.5. Outreach and Information Materials
3. Site Analysis, Adjacency and Parking
  - 3.1. Parking requirements and outdoor park amenities
  - 3.2. Indoor and outdoor program adjacency
  - 3.3. Site analysis for the Parker Road site
  - 3.4. Phased development plan

4. Concept Design
  - 4.1. Refine the Indoor and Outdoor Space Program and Area Requirements
  - 4.2. Concept Design development and strategy for integrating the aquatic addition
  - 4.3. General Massing and Character
5. Illustrative Site Plan and Renderings
  - 5.1. Draft and Final Illustrative Site Plan, Floor Plans, and 3D massing
  - 5.2. Draft and Final Renderings of exterior and interior spaces (5)
6. Refined Costs and Documentation
  - 6.1. Revised Capital Cost Estimate
  - 6.2. Operations and Funding Plan
  - 6.3. Summary Report Presentation and Documentation

## Contingency Tasks

- C1. Traffic Study Update

## Assumptions

The MIG team is making the following assumptions in the design of this process:

- The decision to place a funding measure on the November 2024 ballot must be made by the July 8, 2024, City Council meeting. An earlier decision will allow for more community information opportunities ahead of the election.
- The project will last no more than 10 months, January to October, but the concept design work will be on an accelerated path for the first 4 months.
- The project site will be Tanner Creek Park, with a limit-of-work line set at the property boundary of the Parker Road site.
- Design of aquatics space is not included in this scope. Space will be reserved in the site plan and consideration of this potential in the design of the building. Future aquatics space would also be an additional phase of design, development, and construction.
- The project Steering Committee will include representatives from the PRAB. However, two separate updates to the full PRAB are also scoped.
- Supplementing the probability-based survey with an open-access online and paper questionnaire will reach more community members to build support for the project.
- Mailing and printing costs are not included in outreach materials or meeting budgets.
- Traffic study completed in 2013 will need to be updated following the completion of the concept design; the extent of this work will be clarified as we move forward. A placeholder based on our best estimate is included in an optional task to be refined and authorized by the City before proceeding.
- Parking requirements have changed and will be updated.

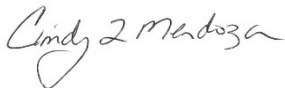
- Up to 8 focus group/individual meetings will be held by videoconference, or the equivalent level of effort in in-person meetings.
- An allowance is provided to develop high-quality outreach and information materials such as flyers, doorhangers, etc. as determined in conjunction with the City's Project Manager. This is in addition to the display and presentation materials developed during the design process.
- Reports and documents will be in the form of presentation materials (PowerPoint) with supporting technical documentation (pdfs).
- Draft materials will be provided to the City for review and one (1) set of consolidated comments before being revised and finalized. This process will be critical to the timeline of the project.

Throughout the process, MIG Project Manager Ryan Mottau will coordinate the team and manage the project's resources and schedule.

Attached to this proposal is a detailed budget by task and team member. The total cost of the proposed work is \$263,390.

Our team is ready to move forward quickly, understanding that there is a limited window to inform a decision to proceed with the necessary funding measure. We are committed to working flexibly with the goal of a successful facility for your community. If you have any questions, please contact either Ryan Mottau (Project Manager) or myself by phone at 503-297-1005 or by email [cindym@migcom.com](mailto:cindym@migcom.com) and [ryanm@migcom.com](mailto:ryanm@migcom.com).

Sincerely,



Cindy Mendoza  
Principal | Director of Parks + Recreation Planning  
MIG, Inc.

## Preliminary Project Schedule

Community Engagement Activities	Design and Technical Analysis Tasks	Timeline
Steering Committee/PRAB Workshop #1 Focus Group and Individual meetings begin	Discuss Building Program Site and Parking Analysis	Mid-January 2024
Voter Polling Steering Committee/PRAB Workshop #2, #3 Community Open House #1 City Council Presentation	Concept Design Floor Plan Initiate Traffic Study update (Contingency Task) Refine Indoor and Outdoor Space Program	February 2024
Steering Committee/PRAB Workshop #4 Community Open House #2	Operations Costs and Plan Updated Capital Costs	March 2024
	Interior and Exterior Illustrations	April 2024
City Council Presentation	Feasibility Study Documentation	End of April 2024
<b>City Council Decision Point: Refer to Ballot Latest Possible Meeting: July 8<sup>th</sup> 2024</b>		
Informational materials to support community discussion	Outreach and Information Materials	Following Decision to Refer Ballot Measure
<b>Funding Vote – November 5, 2024</b>		
	Final Design and Construction Documentation	December 2024-December 2025?
	Construction	2026-27?
	Opening	2027?



City of West Linn | COMMUNITY CENTER FEASIBILITY UPDATE PHASE 2

estimated project cost

		MIG, Inc.												Subconsultants						Direct Costs	Professional Fees Totals	
		Cindy Mendoza Principal-in-Charge		Ryan Mottau Project Manager		Sou Garner Outreach Coordinator		Audrey West Landscape Architect		MIG Communications / Graphic Design		MIG Project Associate		MIG Totals	Ballard* King	DCW Cost Management	EMC Research	OPSIS	Sub Totals			
		Hrs@	\$200	Hrs@	\$175	Hrs@	\$160	Hrs@	\$210	Hrs@	\$175	Hrs@	\$125									
Task 1: Project Management and Meetings																						
1.1	Project Management and Administration (10 months)	5	\$1,000	32	\$5,600		\$0	20	\$4,200		\$0	10	\$1,250	67	\$12,050				\$8,000	\$8,000		\$20,050
1.2	Steering Committee/PRAB Workshops (in person) (4)	12	\$2,400	20	\$3,500	12	\$1,920	8	\$1,680		\$0	16	\$2,000	68	\$11,500				\$12,000	\$12,000	\$500	\$24,000
1.3	PRAB Update (2) (in person)	6	\$1,200	6	\$1,050	8	\$1,280		\$0		\$0	4	\$500	24	\$4,030				\$4,000	\$4,000	\$150	\$8,180
1.4	City Council Update (2) (in person)	6	\$1,200	6	\$1,050		\$0		\$0		\$0	4	\$500	16	\$2,750				\$5,000	\$5,000	\$150	\$7,900
Subtotal		29	\$5,800	64	\$11,200	20	\$3,200	28	\$5,880	0	\$0	34	\$4,250	175	\$30,330	\$0	\$0	\$0	\$29,000	\$29,000	\$800	\$60,130
Task 2: Community Engagement and Information																						
2.1	Probability-Based Voter Poll	2	\$400	8	\$1,400	4	\$640		\$0		\$0		\$0	14	\$2,440			\$26,100		\$26,100		\$28,540
2.2	Community-Wide Questionnaire (online and on paper)	4	\$800	12	\$2,100	4	\$640		\$0		\$0	20	\$2,500	40	\$6,040					\$0	\$400	\$6,440
2.3	Focus Group and Individual Meetings (Videoconference)	4	\$800	8	\$1,400	4	\$640		\$0		\$0	16	\$2,000	32	\$4,840					\$0	\$100	\$4,940
2.4	Community Open House Meetings (2)	4	\$800	12	\$2,100	8	\$1,280	12	\$2,520		\$0	24	\$3,000	60	\$9,700				\$5,000	\$5,000	\$1,000	\$15,700
2.5	Outreach and Information Materials	2	\$400	12	\$2,100	8	\$1,280		\$0	40	\$7,000	8	\$1,000	70	\$11,780				\$1,200	\$1,200		\$12,980
Subtotal		16	\$3,200	52	\$9,100	28	\$4,480	12	\$2,520	40	\$7,000	68	\$8,500	216	\$34,800	\$0	\$0	\$26,100	\$6,200	\$32,300	\$1,500	\$68,600
Task 3: Site Analysis, Adjacency and Parking																						
3.1	Parking requirements and outdoor park amenities	2	\$400	4	\$700		\$0	12	\$2,520		\$0		\$0	18	\$3,620				\$2,000	\$2,000	\$500	\$6,120
3.2	Indoor and outdoor program adjacency	2	\$400	2	\$350		\$0	8	\$1,680		\$0		\$0	12	\$2,430				\$4,000	\$4,000		\$6,430
3.3	Site analysis for the Parker Road site	2	\$400	2	\$350		\$0	16	\$3,360		\$0	12	\$1,500	32	\$5,610				\$3,000	\$3,000	\$200	\$8,810
3.4	Phased development plan	2	\$400	2	\$350		\$0	4	\$840		\$0	4	\$500	12	\$2,090				\$3,000	\$3,000		\$5,090
Subtotal		8	\$1,600	10	\$1,750	0	\$0	40	\$8,400	0	\$0	16	\$2,000	74	\$13,750	\$0	\$0	\$0	\$12,000	\$12,000	\$700	\$26,450
Task 4: Concept Design																						
4.1	Refine the Indoor and Outdoor Space Program and Area Requirements		\$0	4	\$700		\$0	8	\$1,680		\$0		\$0	12	\$2,380				\$6,000	\$6,000		\$8,380
4.2	Concept Design development and strategy for integrating the aquatic area	2	\$400	2	\$350		\$0	24	\$5,040		\$0		\$0	28	\$5,790				\$12,000	\$12,000		\$17,790
4.3	General Massing and Character		\$0	2	\$350		\$0	4	\$840		\$0		\$0	6	\$1,190				\$4,000	\$4,000		\$5,190
Subtotal		2	\$400	8	\$1,400	0	\$0	36	\$7,560	0	\$0	0	\$0	46	\$9,360	\$0	\$0	\$0	\$22,000	\$22,000	\$0	\$31,360
Task 5: Illustrative Site Plan and Renderings																						
5.1	Illustrative Site Plan, Floor Plans, and 3D Massing	2	\$400	2	\$350		\$0	12	\$2,520		\$0		\$0	16	\$3,270				\$8,000	\$8,000		\$11,270
5.2	Renderings of Exterior and Interior Spaces (5)	2	\$400	2	\$350		\$0	16	\$3,360		\$0		\$0	20	\$4,110				\$10,000	\$10,000		\$14,110
Subtotal		4	\$800	4	\$700	0	\$0	28	\$5,880	0	\$0	0	\$0	36	\$7,380	\$0	\$0	\$0	\$18,000	\$18,000	\$0	\$25,380
Task 6: Refined Costs and Documentation																						
6.1	Revised Capital Cost Estimate	2	\$400	2	\$350		\$0	8	\$1,680		\$0		\$0	12	\$2,430		\$5,300		\$2,000	\$7,300		\$9,730
6.2	Operations and Funding Plan	6	\$1,200	24	\$4,200		\$0		\$0		\$0		\$0	30	\$5,400	\$9,000			\$2,000	\$11,000		\$16,400
6.3	Summary Report Presentation and Documentation	4	\$800	8	\$1,400		\$0	16	\$3,360		\$0	12	\$1,500	40	\$7,060				\$11,000	\$11,000		\$18,060
Subtotal		12	\$2,400	34	\$5,950	0	\$0	24	\$5,040	0	\$0	12	\$1,500	82	\$14,890	\$9,000	\$5,300	\$0	\$15,000	\$29,300	\$0	\$44,190
SUBTOTAL		71	\$14,200	172	\$30,100	48	\$7,680	168	\$35,280	40	\$7,000	130	#####	629	\$110,510	\$9,000	\$5,300	\$26,100	\$102,200	\$142,600	\$3,000	\$256,110
5% Markup (Direct Costs/Administrative)																				\$7,130	\$150	\$7,280
TOTAL PROJECT COSTS																					\$263,390	

Optional/Contingency Tasks		
3.2	Traffic Study Update	\$20,000



**Agenda Bill 2023-12-11-07**

Date Prepared: 12-4-2023

For Meeting Date: 12-11-2023

To: Rory Bialostosky, Mayor  
West Linn City Council

Through: John Williams, City Manager *JRW*

From: Megan Big John, Parks and Recreation Director (MBJ)

Subject: Community Recreation Center Feasibility Study Findings

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**Purpose:**

To review findings of the Community Recreational Feasibility Study.

**Question(s) for Council:**

Does the Council approve the Parks and Recreation Department to begin Phase II of the Community Recreational Feasibility Study?

**Public Hearing Required:**

None Required.

**Background & Discussion:**

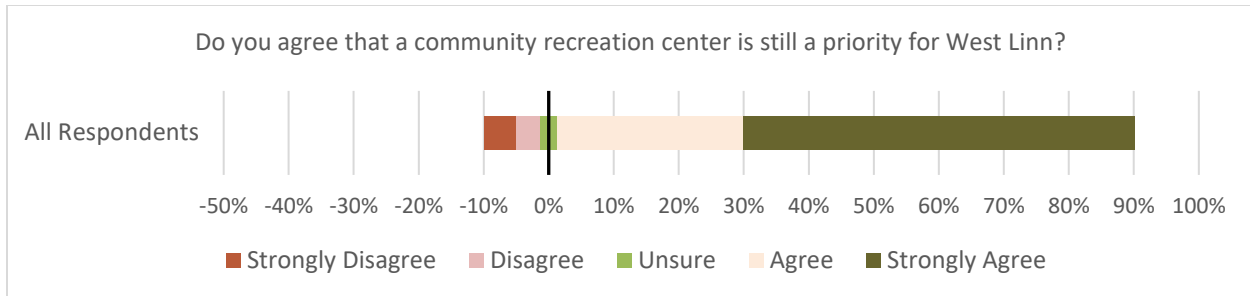
In 2023 the City Council prioritized the exploration of an indoor recreation and civic center. This priority builds on the recommendation of the 2019 Parks and Recreation Master Plan. This feasibility study re-engaged with the community to identify needs, opportunities, and desires to support the City's development of a new community recreation center. This process included one-on-one conversations, a Steering Committee, two Townhall Meetings, and an Online Questionnaire, representing nearly 2,000 participants and input from the Parks and Recreation Advisory Board.

The purpose of this study aimed to establish 3 findings:

1. The general level of support for pursuing a Community Recreation Center as a priority.
2. The type of spaces and uses desired by the community.
3. Use information gathered to examine possible costs to build and operate the desired Community Recreation Center.

**Community Engagement Findings**

Through a community questionnaire 1,492 residents responded to the question "Do you agree that a community recreation center is still a priority for West Linn?" Respondents to the questionnaire confirmed that a center is still a priority, across all demographic breakdowns. This question will continue to be explored, with more specific details about cost impacts, in the next phase of work.



#### Desired Active Indoor Recreation Spaces

Over 1,000 respondents to the online questionnaire indicated interest in the following: running, jogging, walking, strength training, health, wellness, cardio, yoga/Pilates, recreation programs, classes/instruction, arts, and crafts.

#### Additional Community Benefits Identified

The desired benefits beyond active recreation were also identified through the outreach. The need for indoor spaces for teens, opportunities for local jobs, and creating safe indoor spaces. Additionally providing safe spaces that provide emergency support needs shown during the pandemic, wildfires, and extreme heat were mentioned. Also providing a place where people can meet their needs here in West Linn, rather than having to travel to nearby communities.

#### Aquatics

The direction from the adopted 2019 plan and City Council said to consider aquatics in later phases of a future facility. The Community Recreation Center can be a first step toward a desired pool facility. 949 questionnaire respondents indicated aquatics/pool space was the most important type of space, 250 of these followed up by writing in reasons they felt this was critical. Ten of those comments indicated that a pool was necessary for their support.

#### Further Clarification and Concerns

The cost impact (taxes) to build and operate this facility is the most frequently mentioned concern. It was brought up in community outreach discussions and indicated in 44 of the questionnaire results.

#### West Linn Market and Operation Costs

Initial analysis from Ballard-King & Associates shows that with our population the center will need to draw users from secondary service areas, such as neighboring communities, to provide financial stability. The funding associated with the operation of the center will need to be clearly defined in addition to the funding for building as options presented utilizing initial analysis project the facility to operate at a deficit.

#### **Budget Impact:**

If Council wishes to move on to Phase II, the MIG consultant team will provide a formal cost estimate. Phase II study will focus on community polling to gauge support of a November 2024 Bond Measure to fund the building of the center.

#### **Sustainability Impact:**

N/A for this portion of the project.

**Council Options:**

1. Direct staff to seek estimate from MIG to enter into a contract for Phase II work. Staff will present cost estimates in January to move to a contract.
2. Direct staff not move this project to Phase II.

**Staff Recommendation:**

Although there is strong desire for the community for this facility, Staff recommends that Council should consider the long term financial operational cost and viability of the Community Recreation Center. We will need to sort out the long-term finances prior to formally presenting a proposal to the West Linn community, as the City does not have the ability to absorb new costs without an equivalent revenue stream.

**Potential Motion:**

“I move to direct the Parks and Recreation Director to create a cost estimate to move forward on Phase II findings of the Community Recreation Center.”

**Attachments:**

N/A

## Work Session Agenda Report

Date Prepared: January 8, 2024  
For Meeting Date: January 16, 2024  
To: Mayor Rory Bialostosky and West Linn City Council  
From: John Williams, City Manager *JRW*  
Megan Big John, Parks and Recreation Director MBJ  
Subject: Request for City to accept ownership of historic tugboat

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### Purpose

Council discussion of request to accept ownership of a historic river boat.

### Question(s) for Council:

Would the Council like the City to accept ownership of the Lady B boat, to store at first and potentially put on public display in the future?

### Background & Discussion:

The Advocates for Willamette Falls Heritage (“Advocates”) – formerly the Willamette Falls Heritage Foundation – has approached the City of West Linn with a proposal to preserve a 40-foot, 75-year-old river tugboat named the Lady B, which served for many years in the West Linn area and is one of the last surviving boats of its kind. More information on the history of the Lady B is provided in Attachment 1, a proposal written by the Advocates. Discussions have been underway for some time but the need for decision-making has arisen recently as described below.

The Advocates proposes that the City of West Linn accept ownership of the Lady B in February and agree to store the boat for up to ten years while the Advocates lead a fundraising effort to allow permanent public display. As noted in Attachment 1, the Advocates propose Willamette Park for the permanent display but it’s possible a different site could be identified. Siting in this location would likely require a land use process, including flood plain/environmental review.

The Advocates offer to fully fund the Lady B’s move to West Linn. The site currently contemplated for storage is an open area in Wilderness Park off Clark Street, near Oregon City Loop (see attachment 2). This isn’t completely ideal, but the City does not have any ideal place for storage of a 40-foot boat. The Advocates would provide funds adequate for moving the boat, resetting it in a cradle, and protecting it from the elements and vandalism as best as possible. This would include fencing.

The Advocates propose that the City have the ultimate right to determine whether and where the boat is displayed publicly. Additionally, the Advocates propose to set up a reserve account or other funding mechanism to provide the City with funds to scrap the Lady B in the future if fundraising is not successful to pay for permanent display.

The Advocates indicates that time is of the essence for a City decision. The Lady B is currently stored at Wilsonville Concrete Products, but the company will only continue storage until the end of February.

The Advocates main goal currently is to save the Lady B from scrap while discussions continue about the long-term.

West Linn Parks and Recreation Advisory Board (“PRAB”) discussed this proposal with the Advocates on December 8, 2022. Four of the six members present had concerns with the proposed location in the already-busy Willamette Park and with future maintenance costs, but the Board did not make a formal recommendation one way or the other. Since that time, the Advocates have been working to develop more specifics and a proposal to fund storage, display, and/or disposal. Staff and the PRAB now seek Council overall direction on this concept.

**Council Options:**

This acquisition has not been planned or prioritized by the City. The City does not have a policy in place to review major donation proposals (staff recommends adopting a policy to help with future requests).

Options include:

- Accept the Advocates’s proposal and direct staff and City Attorney to move forward with logistics, including developing legal ownership/transfer agreements.
- Deny the proposal.
- Agree to store the Lady B temporarily but not retain ownership. The Advocates has told staff that they are not able to own the Lady B.
- Request more time for consideration, including perhaps further discussion with PRAB or other Advisory Groups. The Historic Review Board has not yet been consulted nor have neighborhood groups. Discussion could include other ways to memorialize commercial boating on the Willamette River rather than permanent display of a boat.

**Staff Recommendation:**

While this proposal is a worthy cause, staff has concerns about the City taking on ownership of the Lady B. We are not experts in preservation of antique boats, and there will be future costs for maintenance (vandalism repair, capital improvements, landscape maintenance around the boat, etc.). These costs have not been determined. However, the City’s Parks Fund is stretched thin and all new obligations are concerning. In the short/medium term, we don’t have an ideal place to store the Lady B and have concerns about leaving the boat in Wilderness Park, or anywhere, for up to ten years. We also believe that the City may end up being the “villain” in the future if funds are not raised for display, and scrapping is the only option.

For all of these reasons, as our friends at the Advocates will tell you, staff has been less than enthusiastic about taking on ownership of the vessel. The Advocates are strong champions of this project and are doing their best to mitigate staff concerns. Due to the uniqueness of the situation and the close historic ties between this vessel and the West Linn community/waterfront, we seek direction from Council as to whether this project should be a priority for the City.

Whatever happens with this request, staff recommends development of a donation acceptance policy (such as [this one](#) from the City of Stanton, MI) to assist in review of future requests. We understand more items may be coming the City’s way, including from current demolition activities at the former paper mill. It would be helpful for us to have some guidance about City priorities, cost implications, and more.

**Attachments:**

1. Proposal from Willamette Falls Heritage Advocates
2. Proposed storage location – Wilderness Park
3. October 2023 Letter of Intent between Wilsonville Concrete Products and Advocates
4. Funding Agreement proposed by Advocates

# Version 5

## Lady B Storage Proposal

The original proposal from, Willamette Falls Heritage Foundation (subsequently renamed Advocates for Willamette Falls Heritage-*Advocates* ) to the city of West Linn, is shown below as Version 4. That was a proposal for a long-term display concept of the historic tugboat used on the Willamette River at West Linn. That concept has now been replaced by a storage concept while a long-term display location and funding can be found. Version 4 proposal includes the history of the Lady B tugboat.

The reason for the storage concept is driven by two realities that came to light in the middle of 2023.

- Number one, was that owner of the Lady B, Wilsonville Concrete, informed the Advocates that they could not keep the Lady B on their property very much past the first of 2024.
- Number two, the cost estimate for the facilities to accommodate a proposed long-term concept, like version 4 comes in at over \$100,000, plus the cost of delivery. The *Advocates* felt it could not raise that much money in the time left before Wilsonville Concrete needed to have the Lady B removed from their property, presumably in the form of scrap metal unless some other arrangements could be made that would preserve the Lady B.

As the Advocates have discussed with the city manager, the Advocates have now received \$25,000 in donations plus a commitment from Wilsonville Concrete, which combined the Advocates believe, covers the cost of delivering and fencing the Lady B, at the Clark Street storage site.

Version 4 delivered to John Williams and Ken Warner October 22, 2022

Proposal to the City of West Linn regarding potential acceptance  
and placement of the historic Lady B tugboat

### Opportunity:

The **Willamette Falls Heritage Foundation** (WFHF) has been offered a historic tugboat that for many years primarily moved logs down the Willamette River between Wilsonville and West Linn, to the mills or through the locks at Willamette Falls. The name of the tugboat is the

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Lady B, and it was part of the Bernert family fleet of towboats that are commemorated at Bernert Landing in Willamette Park

Today the Lady B is still owned by the Bernert family, through Wilsonville Concrete Products (Owner), which is offering the tugboat to a new owner for the preservation of her history and the history of mid-Century towing on the Willamette that she represents so well.

WFHF intends to be a “facilitator” in the process of acquiring the Lady B by a third party (presumably the City of West Linn). WFHF would assist in finding a suitable location for her display, and in raising funds for her placement and interpretation. The following is a description of the Lady B and some history of her experience and why she is an appropriate artifact associated with the Willamette River in the City of West Linn.

### **History**

The Lady B is an old steel-hulled, log-towing tugboat. She was built by James Bernert (1926-1981) at Nichols boatworks (Hood River) in the late 1940s. She is just under 40 feet with a Detroit Diesel 6v71 with about 150 horsepower. She has a 36" inch, three-bladed propeller on a two-inch Twin Disc shaft. She has a long towline winch on the aft deck and a low pilot-house of more recent steel construction--historically she had a wood pilot house that would be rebuilt periodically.

The boat was fully operational until it was decommissioned in 2022 and was historically used over the decades towing logs; supporting and crewing dredges; assisting in barge-shuffles; and other marine towing activities. The Lady's displacement is about 10 tons with a hard-chined hull design. She has front and rear lazarets (for storage) and a main hull compartment with an engine room. The Detroit Diesel engine is keel cooled (on hull). Today the Lady is on the shore in a sturdy, custom-made steel cradle, after her last duties working in one of the company's mine ponds in Salem.

The Lady has a mid-century design with a shallow hull (to be able to navigate numerous river shallows) and a low-torqued engine, for pulling. In later life, she served as a dredge tender and crewing vessel. From the '30s to the '60s boats like the Lady B navigated the upper Willamette river, bringing logs to the mills.

These are just initial highlights from the Lady's historic life. At approximately 75 years of age, she is one of the last surviving mid-20<sup>th</sup> century working tugboats from the upper Willamette River's logging and paper-making heyday.





**WEST LINN RIVER MEN.** At the original boathouses of Joe Bernert Towing Company and Albert Bernert Towing Company, located by the lower part of the Willamette River just below Willamette Park, owners and operators of two Bernert brothers' businesses pose in front of the tugboats in 1930. From left to right are Joe Bernert, owner; Durward Criteser, operator; Frank Garlick, operator; Albert Bernert, owner; Charles "Smokey" Stoller, operator; Gail Merwin, operator; and Paul Wallace, operator. (Courtesy Toni Dollowitch Bernert.)





*Bernert Tugs at anchor by Willamette Park in the mid-20<sup>th</sup> Century*

Later in the century river products began to be moved more by trucks and barges. The Lady's owners have moved to more modern technology and she is in peril of the scrap yard. Her ownership and operations for decades by the Bernert family make her an integral part of West Linn's river commerce and millwork heritage.

According to historian George Kramer, the Lady B's story would qualify her for nomination to the National Register of Historic Places, joining the sternwheeler Portland as an important visual and physical reference point for interpretation and appreciation of Oregon's history of marine navigation. Any such nomination would be an option for the Lady in her future life.

**Tugboat specifications:**

- Length, approximately 40 feet
- Steel hull, deck and cabin
- Just two feet of free-board when she worked the river
- Length if including (potentially) partial logs or replicas of logs being towed-- 55 feet

**Proposal to locate the Lady B at Bernert' Landing in Willamette Park**



**Pre-delivery stabilization and security modifications:**

- Remove all oil and water from engine – flush before arriving at park
- Fasten door to cabin and any access to below deck with tamper proof method

**Configuration of placement:**

- Type of foundation: concrete, supporting existing steel cradle
- Clearance adequate for cleaning leaves etc. but not large enough to allow someone to crawl under the boat
- Drain to street or parking lot
- Height of deck from the surrounding area - 2 feet or less
- Concrete foundation recessed so the boat appears to be floating while supported by the steel cradle
- Barrier, ramp, or stairs to a viewing platform, to discourage climbing



*Lady B at Wilsonville Concrete*





*Meeting of WHFH board members with Michael Bernert, CEO of Wilsonville Concrete Products, and Tom McCauley, the company's Lady B liaison with WHFH.*

### **Proposed physical location at Willamette Park's Bernert Landing**

The location that the WHFH recommends is just north of the boat trailer parking lot at Bernert Landing in Willamette Park as shown on the illustration below, within view of the Grindstones public art sculpture, installed in 2016 through a Foundation/City partnership. The proposed location is about 70-feet wide (north to south) between the street and the parking lot. It is about 90 feet between existing tree trunks (deciduous trees) with no low branches (east and west). The location is on a ridge running east and west with lawn between the boat landing parking lot and Volpp Street, which is about seven feet above the parking lot and a similar elevation above Volpp.

The opening is about 52 feet between existing tree crowns. WHFH believes there is room for something that looks like logs or a partial raft being towed behind the tugboat, and that this concept tells the story of the boat and its industry more completely.

WHFH thinks this is an ideal location. The site could have a concrete cradle/hollow that would allow the Lady B to be no more than a couple of feet above the surrounding ground/lawn or less. The elevation would allow the cradle to drain into the grass or parking lot with just enough clearance to slip a strap under the boat when and if it was ever found necessary to move her.





### **Other models of installations for landlocked boats**

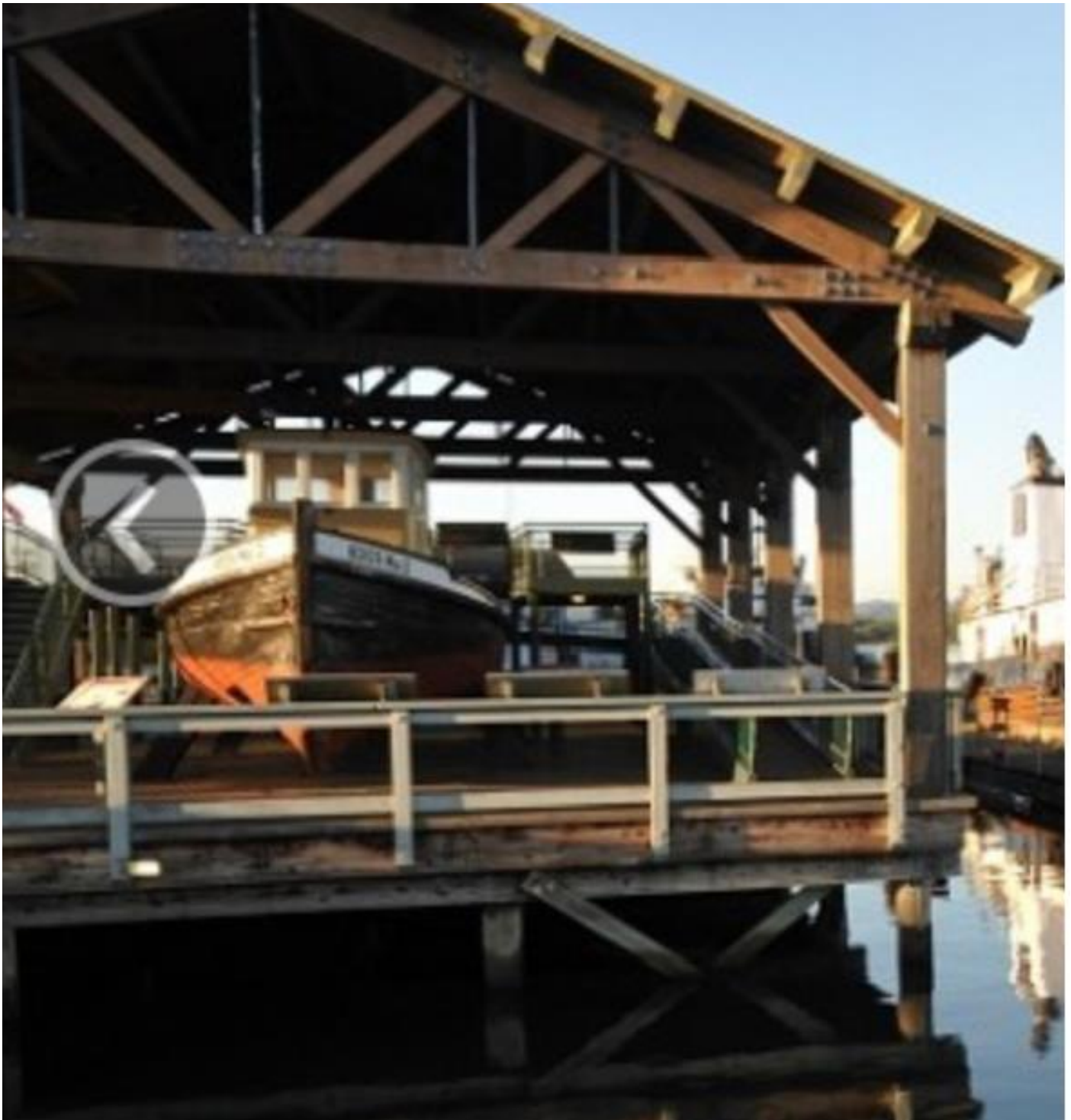
#### **Similar historic tugboats displayed by the city of Coos Bay**

WFHF has discovered that the city of Coos Bay has two or three similar sized tugboats displayed on its "board walk", which is on a narrow strip of land between Highway 101 and the bay. WFHF contacted the city Operations Administrator Greg Hamblet to discuss Coos Bay's experience with such displays. Greg is responsible for the administration of the Operating Division within the Public Works and Community Development at the city of Coos Bay. Greg said they have had no problems with the tugboats on display. The tugboats are wood hulls, so the city has built a roof over them for weather protection. There is a rope barrier to discourage people from getting on the boats and a ramp for ADA accessibility. The decks he said are about eight feet above the boardwalk surface. They have not had any trouble with vandalism.

Greg can be contacted at 541 269 1181 extension 2201.







*Tugboats on display on the city of Coos Bay boardwalk*

**Commitment and agreement from Willamette Falls Heritage Foundation**

WFHF understands that it will need to facilitate the raising of funds for the installation of the Lady B, including appropriate foundations and any additional features such as signage and

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partial logs or replicas of logs being towed by the Lady B, unless the City agrees to assume any portion of those expenses.

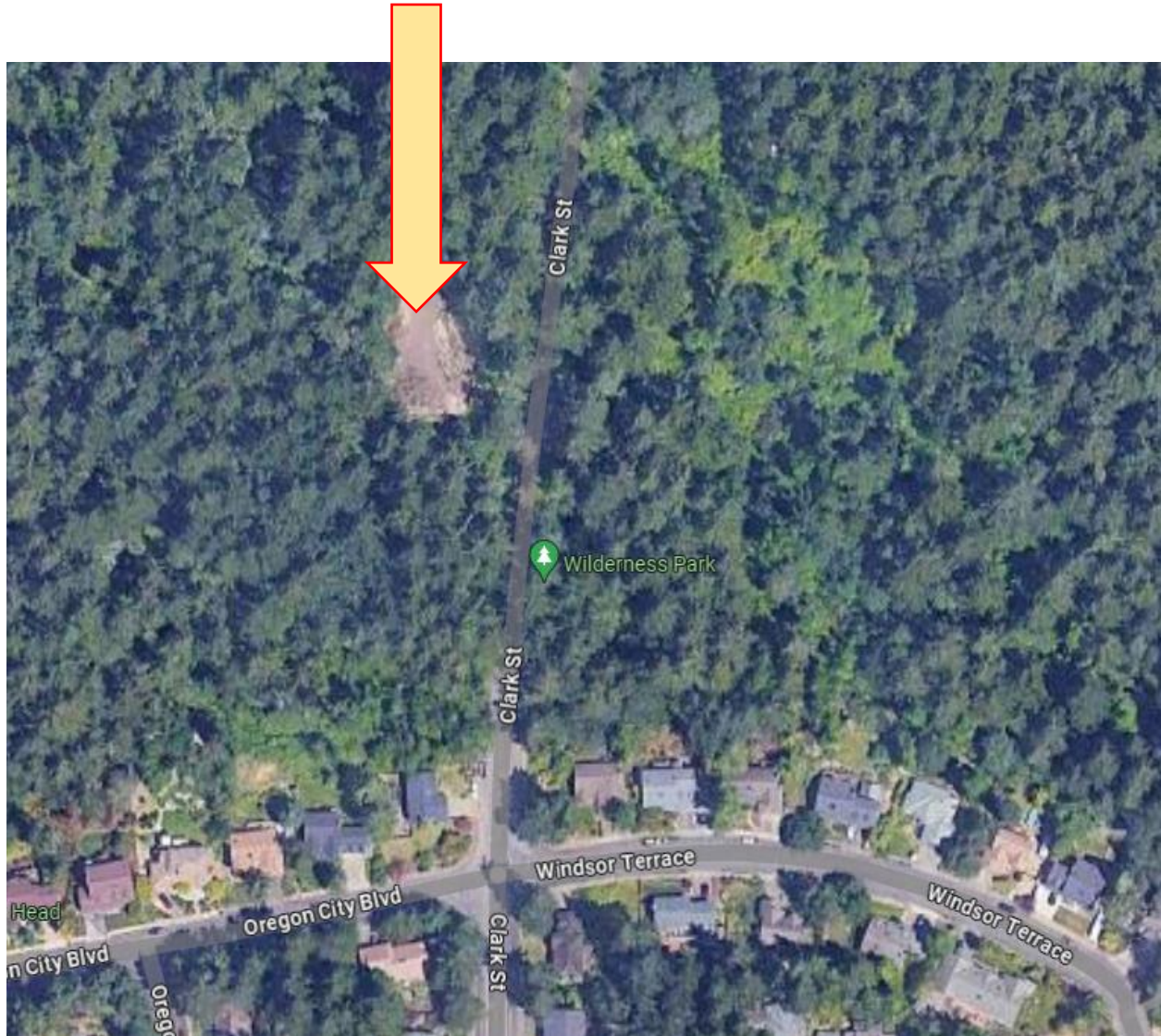
There will be an agreement initially drafted by the WFHF, under which the offer from the owner to WFHF and acceptance of the gift of the Lady B by WFHF, will immediately be assigned to the City of West Linn, provided the City has been assured that the moving and installation costs will be raised by WFHF.

The agreement may contain a provision that WFHF will have the right to approve the relocation of the Lady B to what the City and WFHF believe to be a more appropriate location in the future. Such provision if exercised will require that all cost associated with the relocation, including any remediation of the site at Willamette Park, be funded by a party that is not the city of West Linn, unless the city agrees to such an expense or any portion thereof.



## Attachment 2 – Proposed Storage Location for Lady B

Open Area in Wilderness Park off Clark Street, near Oregon City Blvd.





WCP, Inc.  
P.O. Box 37  
Wilsonville, OR 97070

## NON-BINDING LETTER OF INTENT

October 22, 2023

RE: Letter of Intent on the Transfer of Lady B

Dear Board Members of Advocates for Willamette Falls Heritage,

Thank you for the discussions that we have had over the last 2 years regarding your interest in our vessel, the "Lady B". The Lady B is among a class of tugboats designed to serve as log tenders for the rafting of logs from forestlands along to upper Willamette River to various mills along the lower stretch of the river system. After over a half century of this and similar work, these vessels are no longer compliant with new U.S. Coast Guard regulations and are now permanently.

Over the last several years, our business has scrapped 3 similar vessels and were preparing to scrap the Lady B when your organization approached us regarding transferring the Lady B to a third party ("Acquirer") rather than scrapping the vessel. We commend the Advocates for Willamette Falls Heritage (AWFH) for your interest this artifact to the unique origins of our region and are writing you this letter to confirm that we are prepared to transfer the vessel to a permanent counterparty of your choosing. This offer is subject the following understanding:

- 1) **Transfer Agreement:** Please see the enclosed transfer agreement that outlines the terms by which we will transfer the vessel. We are transferring this vessel and the existing cradle on an as-is, where-is basis and unable to make any representations as to the condition, fitness, or safety of the vessel.
- 2) **Timeline:** We have stored the vessel at our property in Wilsonville OR for the last 18 months while we awaited confirmation on if AWFH had identified a suitable Acquirer to take possession of the vessel and a location to display and/or store the vessel. We are able to store this vessel on our property until February 29, 2024. After this date, we will need to proceed with scrapping the vessel to free space for our other operations.
- 3) **Loading:** While our staff is able to offer advice on how to safely load and transport this type of vessel, we cannot be held liable for how the Acquirer of the vessel chooses to load and transport it. Upon acceptance ("Acceptance") at our yard and the commencement of loading, the vessel is the property of the Acquirer subject to delivery to the storage area on Clark Street in West Linn. The Acquirer's Acceptance at our yard will be final with no option to reject the vessel upon delivery to the location on Clark Street in West Linn. WCP will provide a donation to AWFH or the City of West Linn for the cost to cover the loading and transportation including liability insurance naming the Acquirer from the loading company and the trucking company who performs this work, from the current location to the Clark Street location in the City of West Linn.







WCP, Inc.  
P.O. Box 37  
Wilsonville, OR 97070

While we fully expect that AWFH may have additional terms and conditions directly with the acquirer, WCP, Inc. does not intend to be party to any agreement other than the aforementioned Transfer Agreement. If AWFH wishes for WCP, Inc. to continue to store the vessel for eventual transfer subject to the understanding above, please sign the acknowledgement below. While we appreciate the good faith efforts of AWFH to find a suitable acquirer, we also completely understand if AWFH is unable to do so for any reason. However, we do respectfully request that AWFH provide notice to us as soon as possible if the eventual transfer prior to February 29<sup>th</sup>, 2024 proves unfeasible.

Thank you again for your interest in this special part of our history and warm wishes on great success on your efforts. If you wish to discuss further, please my cell phone at 971-998-7862 or feel free to send me an e-mail at [michael@wilsonvilleconcrete.com](mailto:michael@wilsonvilleconcrete.com).

Sincerely,

Michael Bernert  
*Vice President*

Accepted and Acknowledged:

  
Board Member AWFH





## **Funding Agreement**

Dated November \_\_, 2023

By this agreement which is entered into between Advocates for Willamette Falls Heritage Inc. ("AWFH") formerly Willamette Falls Heritage Foundation Inc., an Oregon nonprofit 501 C corporation and the City of West Linn ("City").

The AWFH was offered under a Letter of Intent ("LOI") between AWFH and Wilsonville Concrete ("WCP"), attached as Exhibit A, the Lady B tug boat as a donation for the purpose of preventing the Lady B from being scrapped and for the potential preservation and display as an important artifact related to its historic activities in the Willamette River, at the mills in West Linn, and through the locks at Willamette Falls.

With the authority granted under the LOI the AWFH hereby proposes that the City enter into a transfer agreement with WCP to take possession of the Lady B for the purpose of storage or any other purpose consistent with this agreement.

The AWFH and the City have agreed on a location off Clark Street in the city of West Linn for storage of the Lady B while a permanent location for storage or display can be found. The AWFH has raised the funds necessary to cover the cost of loading, hauling, unloading, the construction of fencing to protect the Lady B and for a deposit held by the city for the purpose outlined in section 2. E.

### **Section 1.**

The City will take possession of the Lady B under the terms of a Transfer Agreement attached to this agreement as Exhibit B

### **Section 2.**

- A. WCP has agreed to contribute to the AWFH or the City the cost of loading the Lady B on a truck at its current location at the WCP property in Wilsonville including the cost of insurance provided by the crane company.



- B. WCP has agreed to contribute to AWFH or the City the cost of hauling the Lady B to its destination on city property on Clark Street in West Linn including the cost of insurance provided by the trucking company.
- C. AWFH will contribute to the city for the cost of lifting the Lady B off the truck and on to the cradle that the Lady B is currently on at WCP's property including the cost of insurance by the crane company. This contribution shall not exceed \$10,000.
- D. AWFH will contribute to the city the cost to erect a 6-foot-high chain link fence around the Lady B at the Clark Street location. This contribution shall not exceed \$5,000.
- E. AWFH will contribute a deposit to the City of \$10,000 for use by the City to pay toward any cost incurred by the city for removing the Lady B from its location on Clark Street.
  - a. Provided that the storage location provided by the City on Clark Street shall be a minimum of 10 years.
  - b. AWFH will serve in an advisory role to assist in finding a new storage or permanent place for the Lady B.
  - c. If a new location has not been found, and the Lady B has not been moved to that location, prior to the 10<sup>th</sup> anniversary of this agreement, at no cost to the City, upon the expiration of 10 years, the city may dispose of the Lady B by any means they see fit and use the \$10,000 toward any cost associated with such disposition and removal of associated accommodations such as fencing.
  - d. If the city incurs no cost or a cost less than \$10,000 the remainder of the \$10,000 shall be returned to the AWFH.

This Agreement will become effective only when the contributions provided in Section 2 have been delivered to the City.

Agreed on this \_\_\_\_\_ day of \_\_\_\_\_, 2023

Advocates for Willamette Falls Heritage Inc.

The City of West Linn

\_\_\_\_\_  
Title \_\_\_\_\_

\_\_\_\_\_  
Title \_\_\_\_\_