



Agenda Item

January 8, 2025

TO: City Council
FROM: Frank Lonergan, Mayor
SUBJECT: **Committee Appointments**

The following appointments are made, subject to the approval of the Council. Please forward any adverse comments to me prior to the Council meeting on Monday, January 13, 2025. No reply is required if you approve of my decision.

Public Art Mural Appointments

- Mary Beth Cornwell
- Kristi St. Amant
- Brenda Valentin-Bravo
- Judy Massaia
- Frank Lonergan

Planning Commission Appointment

- Justin May

Recreation and Park Board

- Natalie Tomaszewsky

Budget Committee

- Steven Kufeldt
- Elida Sifuentez
- John Reinhardt

PROCLAMATION

RECOGNIZING THE VIETNAMESE HERITAGE AND FREEDOM FLAG

WHEREAS, 58,000 American servicemen and servicewomen that included 810 soldiers from the state of Oregon and nearly 300,000 South Vietnamese soldiers sacrificed their lives for freedom in Vietnam;

WHEREAS, the former Republic of Vietnam flag design was incorporated in the Vietnam Service Medal created by President Lyndon Johnson;

WHEREAS, the hundreds of thousands of Vietnamese who have resettled in the United States have made positive contributions to the historical, cultural, educational, economic prosperity of their local communities and military service.

WHEREAS, Vietnamese Americans remain vigilant in opposing tyranny of all forms, actively supporting human rights for all people, and celebrating the principles of democracy and justice;

WHEREAS, the flag of the former Republic of Vietnam with three red stripes upon a field of gold, symbolizes resilience, freedom, and democracy of Vietnamese Americans in the United States and the city of Woodburn;

WHEREAS, Vietnamese Americans in the United States embrace the flag as a uniting symbol;
and

WHEREAS, the flag of the former Republic of Vietnam has been formally recognized by 20 States, 15 counties, and 106 cities.

NOW, THEREFORE, the City of Woodburn hereby recognizes the Vietnamese Heritage and Freedom Flag as the official symbol of the Vietnamese-American Community in the United States.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Woodburn to be affixed this xx day of *Month* 2023.

Frank Lonergan, Mayor
City of Woodburn

WOODBURN

O R E G O N
Incorporated 1889



Commercial



New Development Projects



Housing

City of Woodburn, Oregon

Annual Comprehensive Financial Report

For the Year Ended June 30, 2024

CITY OF WOODBURN, OREGON

***ANNUAL COMPREHENSIVE
FINANCIAL REPORT***

Year Ended June 30, 2024

***Prepared by
City of Woodburn Finance Department
Anthony Turley, Finance Director***

CITY OF WOODBURN, OREGON
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INTRODUCTORY SECTION



City of Woodburn
270 Montgomery Street
Woodburn, OR 97071
(503) 982-5222 / (503) 982-5244 FAX
www.ci.woodburn.or.us

December 30, 2024

To the Citizens of Woodburn, Honorable Mayor, City Council, and City Administrator:

It is my pleasure to submit the Annual Comprehensive Financial Report (ACFR) of the City of Woodburn, Oregon, for the fiscal year ended June 30, 2024.

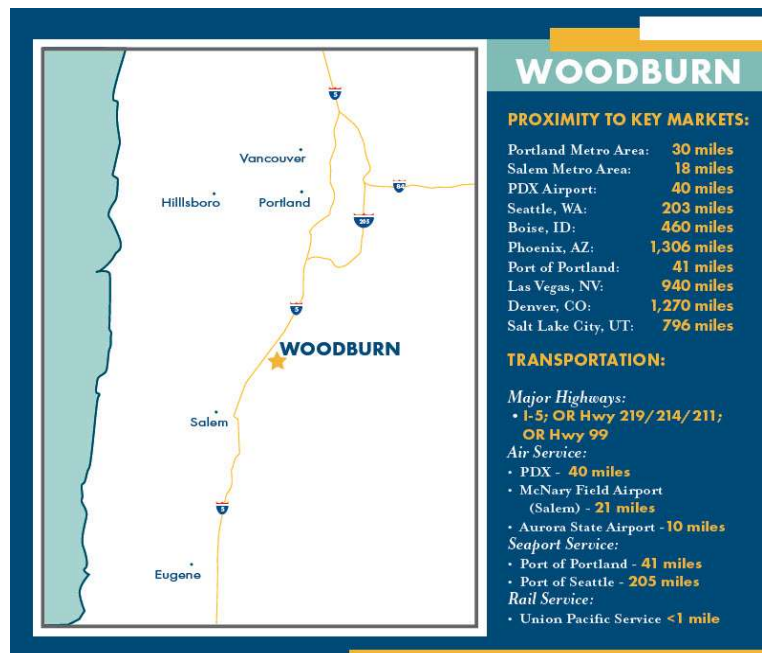
State law requires that an Annual Financial Report and component unit financial statements be published within six months of the fiscal year end and be audited in accordance with generally accepted auditing standards by independent certified public accountants. Independent auditors, Grove, Mueller & Swank REDW Advisors & CPAs, have issued an unmodified opinion on the City of Woodburn’s financial statements for the fiscal year ended June 30, 2024. The independent auditors’ report is presented in the Financial Section of this report. Responsibility for the completeness and reliability of the information contained in this report rests with the City’s management and is based on an internal control structure designed for this purpose. The internal control structure is designed to provide reasonable, rather than absolute, assurance that these objectives are met, as the cost of the internal control should not exceed the related benefits.

In the Management’s Discussion and Analysis (MD&A) section of this report, a narrative introduction, overview, and analysis of the basic financial statements is provided. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A.

CITY PROFILE

The City of Woodburn is a municipal corporation which operates under a Council-Manager form of government. Policy making and legislative authority are vested on the City Council which consists of an elected Mayor (two-year term position) and six councilors (four-year term positions). The City Council is responsible for passing ordinances, resolutions, adopting a budget, and hiring the City Administrator and City Attorney among other things. The City Administrator is responsible for carrying out Council ordinances and policies, managing the daily operations, and appointing department heads.

Woodburn is located in the Willamette Valley, halfway between the larger urban areas of Portland and Salem. The city was incorporated as Woodburn on February 20, 1889.



The City of Woodburn, with a population of 29,033, is Oregon’s 21st most populated city, and 3rd most populated city in Marion County. The City provides a full range of municipal services, including but not limited to: police, water, wastewater, municipal court, public works (water, sewer, storm, and transportation), economic community and planning and building inspections, transit, parks, recreation, aquatics, and library.

REPORTING ENTITY

The financial statements include information for the City of Woodburn and its blended component unit, the Urban Renewal Agency of the City of Woodburn.

BUDGET PROCESS

The Oregon Constitution and Oregon Revised Statutes 294 require an adopted balanced budget by July 1, and that the fiscal year for local governments is July 1 through June 30. The budget sets forth City Council's goals and objectives, and identifies the resources necessary to accomplish them. The legal level of budgetary control, as adopted by Council Resolution, is by fund, although department level detail is shown. Appropriations lapse at fiscal year-end and incomplete projects must be re-appropriated in the following fiscal year as part of the adoption of the annual budget.

ECONOMIC ENVIRONMENT

Woodburn has high concentrations of employment across several traded-sector clusters. These clusters are key target industries for Woodburn and include:

- **Production Technology and Machinery:** manufacturing of machinery for food production, automatic sprinklers systems, bailing machines, hydraulic jacks, and other machinery production.
- **Plastics Manufacturing:** plastic and rubber products, chemical manufacturing, and plumbing fixtures. This cluster is strongly linked to production technology, machinery, and other chemical manufacturing.
- **Metal Product Manufacturing:** prefabricated metal building and component manufacturing, ornamental and architectural metal work manufacturing, bathtubs and sinks, metal pipe hangars, fire escapes, grills and grill work, and all other miscellaneous fabricated metal product manufacturing.
- **Food Processing and Manufacturing:** baked goods, fruit and vegetable canning, frozen foods, confectionary manufacturing, and other food related manufacturing.

Employment patterns in Woodburn, Marion County, and the Portland Region suggest that Woodburn has competitive advantages and opportunities for business development in these rapidly growing clusters:

- **Apparel Manufacturing:** cutting and sewing apparel, embroidering on textile products, carpet cutting and binding, sleeping bag manufacturing, hats and glove manufacturing, and other apparel manufacturing.
- **Distribution and E-Commerce:** wholesale trade, farm supplies and merchant wholesalers, refrigerated warehousing and storage, packaging and labeling services, or other warehouse and distribution.
- **Information Technology and Analytic Technology:** software publishers, electronic computer manufacturing, semiconductor manufacturing, laboratory instrument manufacturing.

Oregon's unemployment rates have dropped dramatically over the last ten years. In October 2024, Oregon's year-over-year unemployment rate was 4.0 percent, and Woodburn's rate was 3.9 percent, which is slightly lower than the U.S. unemployment rate of 4.1 percent for the same period.

Factors contributing to Woodburn's low unemployment rates include people's; availability, quality, skills, education/experience, and wages. Within the Woodburn Urban Growth Boundary there are approximately 12,000 employees¹. Beyond Woodburn, as of October 2024, Salem Region has a labor force of 220,900 and the Portland Region of 1,362,700. This means that Woodburn businesses have access to a mix of highly educated skilled and unskilled workers from across the Salem and Portland Regions.

¹ Source: US Bureau of Labor Statistics, October 2024 Employment and Unemployment in Oregon

MAJOR ISSUES

Development of the FY 2024-25 budget continued the focus on delivery of services to the community with cautious projections due to rising costs in the areas listed below, and an external focus to create a community leadership academy and exploration of a non-profit development center in Woodburn.

- Wages,
- Public Employee Retirement System (PERS),
- Facility maintenance,
- Infrastructure needs,
- Technology needs, and
- Staff recruitment and retention

The current budget includes set-asides for these anticipated costs. The future budgets will continue to be challenged with the need to balance delivery of service with fiscal prudence.

LONG-TERM FINANCIAL PLANNING

A five-year forecast is prepared for each primary operating fund based on current service levels and conservative assumptions. Staff uses the financial plans to make recommendations for utility rate setting, debt refinancing opportunities, capital project budgets, and projection of operating expenses. Revenues are also projected to ensure that operating and capital needs are met.

RELEVANT FINANCIAL POLICIES

The City of Woodburn completes an annual financial plan, which includes a review of the budget policies, fiscal strategy, and five-year forecast. Policy highlights include:

- Annual review to maintain fiscal responsibility, a balanced budget, and obtain policy direction.
- Identification of goals that maximize dedicated funding resources.
- Establishment of General Fund goals to set program priority, maximize City Council's discretion, establish a goal of cost efficiency, pursuit new revenue sources, and identify potential new programs.
- Reserve and contingency policy target levels.
- Compensation and benefit policies which address wages, health care and retirement costs.
- Capital improvement guidelines to set the importance of full cost identification, planning, and funding.
- Debt management policies to ensure thorough analysis of options.
- Investment parameters that prioritize fiscal safety, legal compliance, and a market rate of return.
- Annual audit policy to ensure financial compliance.
- Resource reduction strategy to provide guidance in fiscally challenged periods.

DISTINGUISHED BUDGET PRESENTATION AWARD/EXCELLENCE IN FINANCIAL REPORTING AWARD

The City of Woodburn received GFOA's Distinguished Budget Presentation Award for its FY 2024-25 annual budget document. This is the 13th consecutive year that the City of Woodburn has achieved the prestigious award of a distinguished presentation. The Distinguished Budget Presentation award is the highest form of recognition in governmental budgeting. Its attainment represents a significant accomplishment by a government and its management. In order to receive the award, a governmental unit must publish a budget document that meets program criteria as a policy document, a communications medium, an operations guide, and a financial plan. For the 5th time the City was awarded the Certificate of Achievement for Excellence in Financial Reporting from the GFOA for the FY 2022-23 Annual Financial Report.

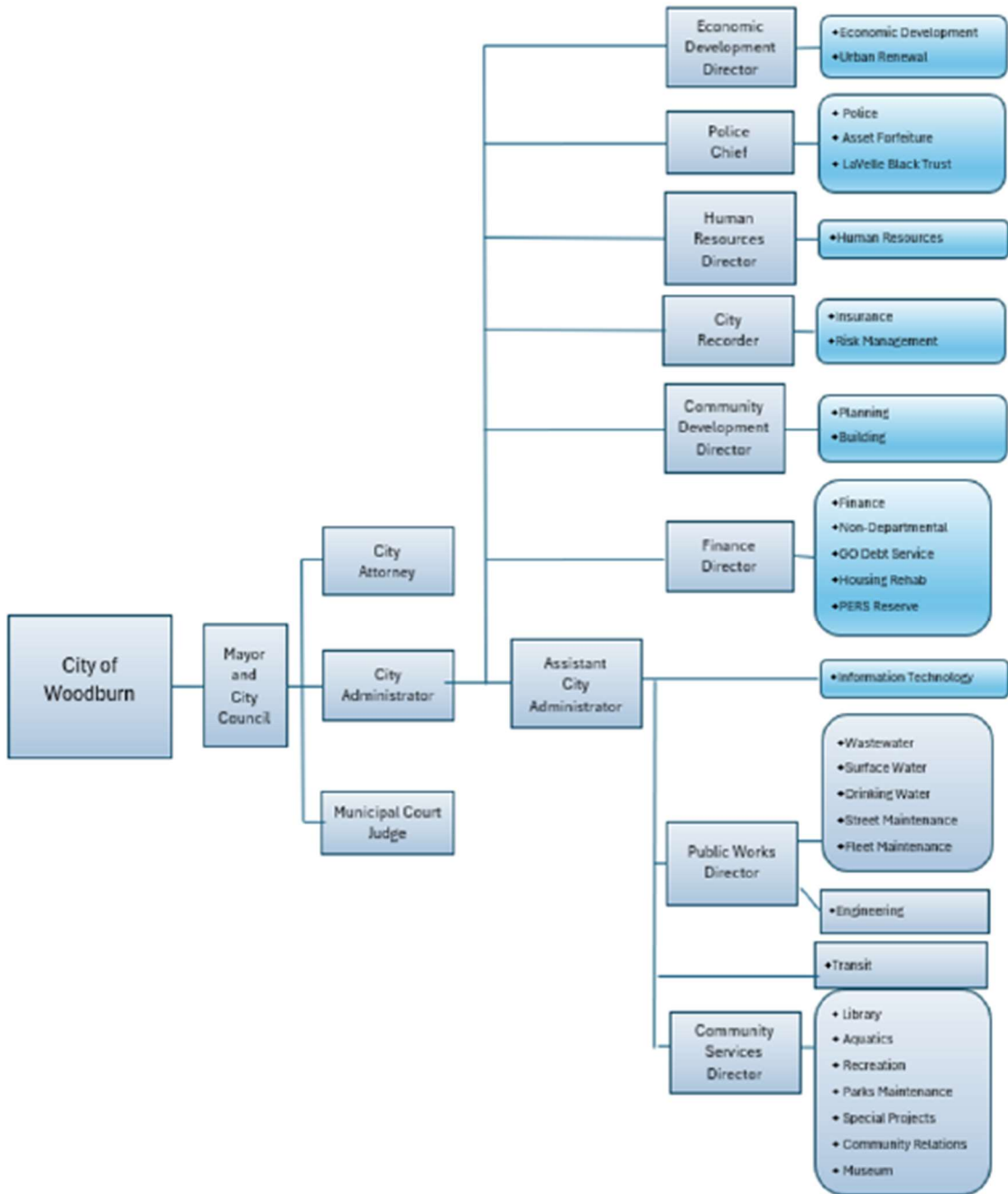
ACKNOWLEDGMENTS

This is the 6th year the City of Woodburn has prepared an Annual Comprehensive Financial Report, which goes beyond the preparation of financial reports to include sections for statistics and continuing disclosure. I would like to thank the entire Finance staff, especially Taylor Shepherd and Karen Sherman, for the excellent service they provide throughout the year which is reflected in this Annual Comprehensive Financial Report. This report is evidence of their dedication and many hours of hard work. I would also like to thank the City Council and City Administrator for the leadership and support they have provided in developing this Annual Financial Report.



Anthony Tarley
Finance Director

ORGANIZATION OF THE CITY OF WOODBURN, OREGON



Source: City of Woodburn, FY 2024-25 Adopted Budget - Functional Organization Chart



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Woodburn
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

CITY OF WOODBURN, OREGON
LIST OF OFFICIALS
JUNE 30, 2024

MAYOR AND COUNCIL MEMBERS

<u>Name</u>	<u>Term Expires</u>
<i>Mayor</i>	
Frank Lonergan	December 31, 2024
<i>Council Members</i>	
Debbie Cabrales	December 31, 2024
Jennifer Cantu	December 31, 2026
Mary Beth Cornwell	December 31, 2026
Eric Morris	December 31, 2024
Sharon Schaub	December 31, 2026
Mark Wilk	December 31, 2024

The above individuals may be contacted at the address below.

Staff

Scott Derickson, City Administrator
McKenzie Granum, City Attorney
Anthony Turley, Finance Director

City of Woodburn, Oregon
270 Montgomery Street
Woodburn, Oregon 97071

FINANCIAL SECTION



GROVE, MUELLER & SWANK

redw
Advisors & CPAs

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Council Members
City of Woodburn
Woodburn, 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 the City of Woodburn, Oregon (the City) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Woodburn, Oregon, as of June 30, 2024 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) and required supplementary information, as listed in the table of contents, 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 management's discussion and analysis, PERS schedules and OPEB schedules described in the preceding paragraph 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 (except as mentioned in the following paragraph) because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary schedules described above are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The budgetary schedules have 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 budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary 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 other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR. The other information comprises the introductory and statistical section of the ACFR 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 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 Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 30, 2024, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and results of that testing and not to provide an opinion on compliance.



Ryan T. Pasquarella, Principal
For REDW LLC
Salem, Oregon
December 30, 2024

CITY OF WOODBURN
Year Ended June 30, 2024

MANAGEMENT’S DISCUSSION AND ANALYSIS

The Management’s Discussion and Analysis of the City of Woodburn’s Annual Comprehensive Financial Report (Annual Financial Report) presents a discussion and analysis of the City’s financial performance during the fiscal year ended June 30, 2024. The information presented here should be considered in conjunction with the financial statements included in this report.

FINANCIAL HIGHLIGHTS

Following are the financial highlights of the City for the fiscal year ended June 30:

	<i>June 30,</i>		
	<i>2024</i>	<i>2023</i>	<i>Change</i>
Net position	\$ 220,059,511	\$ 201,080,217	\$ 18,979,294
Change in net position	18,979,294	17,162,420	1,816,874
Governmental activities net position	130,313,201	119,901,843	10,411,358
Business-type activities fund net position	89,746,310	81,178,374	8,567,936
Change in governmental net position	10,411,358	10,536,697	(125,339)
Change in proprietary fund net position	8,567,936	6,625,723	1,942,213

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City’s basic financial statements. The basic financial statements include three components: the government-wide financial statements, the fund financial statements, and notes to the financial statements. This report also contains required and other supplementary information.

Government-wide financial statements. The government-wide financial statements present the net position (*statement of net position*) and results of operations (*statement of activities*) of the City as a whole. Included are all governmental and business-type assets, deferred outflows, liabilities, deferred inflows, and activities of the City. The measurement focus and basis of accounting are the same for the entire City. The measurement focus is on all economic resources of the City, including current financial resources (assets) and non-current financial resources (capital assets) and the related current and non-current liabilities and equity accounts. Both government-wide statements are prepared using the accrual basis of accounting, which is similar to the methods used by most businesses and takes into account all revenues and expenses connected with the fiscal year, even if cash involved has not been received or paid.

The statement of net position presents information on all the City’s assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as net position. Increases or decreases in net position may indicate whether the City’s financial position is improving or deteriorating.

The statement of activities presents the expenses incurred in providing services to the public and the revenues associated with those activities for both governmental and business-type activities. The statement of activities begins with expenses by function. To these functions are applied charges for services, operating grants and contributions and capital grants and contributions. The resulting sums, with some adjustments, represent charges to taxpayers and may equate to the nearest that governments can determine the “bottom line”.

The government-wide financial statements are divided into two categories. Governmental activities are services funded through property taxes and intergovernmental revenues. The governmental activities for the City include general government, public safety, highways and streets, culture and recreation, and economic development. Business-type activities are operations funded primarily through charges to external users of goods and services. Business-type activities include water and sewer.

Fund Financial Statements. A fund is a fiscal and accounting entity with a self-balancing set of accounts that is used to segregate resources that are restricted to a particular activity. The use of funds deters commingling of resources designated for a specific purpose, prevents unauthorized transfer of surpluses, and ensures compliance with legal and contractual requirements. The City has two types of fund categories: governmental funds and proprietary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources and use the modified accrual basis of accounting. Operating statements include all sources and uses of financial resources and display the excess of revenues and other financial sources over (under) expenditures and other uses. Included in the balance sheet are liquid assets and receivables that will be converted into cash currently and short-term liabilities, including payables to vendors and employees. Unmatured bond principal or liabilities for compensated absences not to be paid in the fiscal year are not included. Because the governmental fund statements do not encompass the long-term focus of the government-wide statements, reconciliations are provided on the subsequent page of the governmental fund statements. The emphasis is on major funds that account for the predominant assets and activities of all funds.

The City maintains seventeen individual governmental funds. Information is presented separately for the General Fund, Building Inspection, Street Fund, Housing Rehab Fund and Urban Renewal Fund in the Governmental Fund Balance Sheet and Statement of Revenue, Expenditures and Changes in Fund Balances. The other governmental funds are combined into a single, aggregated presentation. Information for these non-major governmental funds is provided in the form of *combining statements*.

Proprietary Funds. The City maintains two different types of proprietary funds: enterprise and internal service funds. These funds are used to show activities that operate more like those of commercial enterprises. Fees are charged for services provided, both to outside customers and to other units of the City. Enterprise funds are presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer activities. Internal service funds account for activities furnishing goods or services to other units of the government. Charges for these services are on a cost-reimbursement basis. The internal services funds include insurance and information services. The internal service funds are reported with governmental activities in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Water Operations and Sewer Operations. The internal service funds are combined into a single column in the proprietary fund financial statements.

The City adopts an annual appropriated budget for all of its funds. Budgetary comparison statements, demonstrating compliance with this budget, have been provided.

Notes to the Financial Statements. The notes to the financial statements are an integral part of the basic financial statements and should be read along with them. The notes provide additional information necessary to communicate the financial position of the City.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required and other supplementary information concerning the City.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City had \$238,007,738 in total assets, \$7,019,308 in total deferred outflows, \$22,008,673 in total liabilities and \$2,958,862 in total deferred inflows, resulting in combined net position of \$220,059,511 for governmental and business-type activities. The largest component of the City's net position reflects its net investment in capital assets (i.e., land, buildings, equipment, and infrastructure, less any related debt outstanding that was needed to acquire or construct the 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 cannot be used to liquidate these liabilities.

Governmental capital and lease assets, net of depreciation and amortization, decreased \$297,075 over the prior year mainly due to a decrease in capital expenditures from the prior year primarily due to the completion of the Legion Park improvements and West Hayes Street improvement projects, coupled with current year depreciation. This decrease was slightly offset by the inception of governmental leases and SBITA right to use assets in the current year.

Business-type capital assets, net of depreciation, decreased \$1,196,434 over the prior year due primarily to the completion of the I-5 pump station and elevated water storage tank projects, coupled with current year depreciation.

Total liabilities for both governmental and business-type activities decreased by \$3,199,144 from the prior year mainly due to the early payoff of the 2018 Water Revenue Refunding Bond in July 2023 along with payments on other long-term debt in the current year. Additionally, total accounts payable decreased by \$2,383,828 due to the nature and timing of payments at the end of the fiscal year. These decreases were partially offset by an increase in the net pension liability of \$1,983,480.

Overall, the City's financial net position increased by \$18,979,294 (9%).

Statement of Net Position

The following table reflects the condensed Statement of Net Position compared to the prior year.

Governmental Activities

The City's net position from governmental activities increased \$10,411,358 (9%) from June 30, 2023 to June 30, 2024 due to the collection of Parks and Street system development charges that were added to reserves for future expenditures, as well as fund exchange dollars received from Oregon Department of Transportation (ODOT) starting in the current year. The reduction in liabilities as described above also contributed to the increase in net position.

	2024			2023		
	<i>Governmental Activities</i>	<i>Business-type Activities</i>	<i>Total</i>	<i>Governmental Activities</i>	<i>Business-type Activities</i>	<i>Total</i>
Cash and investments	\$ 63,310,941	\$ 33,520,493	\$ 96,831,434	\$ 54,447,155	\$ 26,463,551	\$ 80,910,706
Other assets	3,068,354	1,256,788	4,325,142	3,181,386	1,179,883	4,361,269
Capital and lease assets, net	78,881,657	57,969,505	136,851,162	79,178,732	59,165,939	138,344,671
<i>Total Assets</i>	145,260,952	92,746,786	238,007,738	136,807,273	86,809,373	223,616,646
Deferred outflows	5,775,541	1,243,767	7,019,308	6,390,135	1,390,307	7,780,442
Other liabilities	2,179,854	501,482	2,681,336	4,160,405	925,938	5,086,343
Long-term liabilities	16,653,333	3,114,847	19,768,180	15,152,990	4,968,484	20,121,474
<i>Total Liabilities</i>	18,833,187	3,616,329	22,449,516	19,313,395	5,894,422	25,207,817
Deferred inflows	1,890,105	627,914	2,518,019	3,982,170	1,126,884	5,109,054
Net position:						
Net investment in capital assets	75,245,605	57,933,116	133,178,721	75,088,828	56,333,884	131,422,712
Restricted	37,805,375	7,413,953	45,219,328	29,560,790	7,401,431	36,962,221
Unrestricted	17,262,221	24,399,241	41,661,462	15,252,225	17,443,059	32,695,284
<i>Total Net Position</i>	\$ 130,313,201	\$ 89,746,310	\$ 220,059,511	\$ 119,901,843	\$ 81,178,374	\$ 201,080,217

Business-type Activities

The City's net position from business-type activities increased \$8,567,936 (11%) from June 30, 2023 to June 30, 2024 due mainly to charges for services in excess of expenses.

Statement of Activities

The following table reflects the condensed Statement of Activities compared to the prior year.

	2024			2023		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
Revenues						
Program Revenues						
Charges for service	\$ 10,250,031	\$ 15,930,253	\$ 26,180,284	\$ 9,768,573	\$ 15,064,692	\$ 24,833,265
Operating grants and contributions	6,172,090	-	6,172,090	3,957,325	-	3,957,325
Capital grants and contributions	5,230,866	2,406,144	7,637,010	6,143,604	2,085,770	8,229,374
<i>Total Program Revenues</i>	21,652,987	18,336,397	39,989,384	19,869,502	17,150,462	37,019,964
General Revenues						
Property taxes	13,365,088	-	13,365,088	12,754,434	-	12,754,434
Franchise taxes	3,119,752	-	3,119,752	2,934,866	-	2,934,866
Other taxes	614,187	-	614,187	617,455	-	617,455
Intergovernmental	920,082	-	920,082	3,892,263	-	3,892,263
Other	2,724,262	1,468,565	4,192,827	1,563,988	685,401	2,249,389
<i>Total General Revenues</i>	20,743,371	1,468,565	22,211,936	21,763,006	685,401	22,448,407
<i>Total Revenues</i>	42,396,358	19,804,962	62,201,320	41,632,508	17,835,863	59,468,371
Expenses						
General government	8,765,482	-	8,765,482	12,173,246	-	12,173,246
Public safety	10,418,113	-	10,418,113	9,379,653	-	9,379,653
Highways and streets	2,754,816	-	2,754,816	2,854,368	-	2,854,368
Culture and recreation	5,537,829	-	5,537,829	2,746,469	-	2,746,469
Economic development	4,628,961	-	4,628,961	4,069,679	-	4,069,679
Interest on long-term debt	12,158	-	12,158	24,645	-	24,645
Water	-	3,885,894	3,885,894	-	3,720,280	3,720,280
Sewer	-	7,218,773	7,218,773	-	7,337,611	7,337,611
<i>Total Expenses</i>	32,117,359	11,104,667	43,222,026	31,248,060	11,057,891	42,305,951
<i>Changes in Net Position Before Transfers</i>	10,278,999	8,700,295	18,979,294	10,384,448	6,777,972	17,162,420
<i>Transfers</i>	132,359	(132,359)	-	152,249	(152,249)	-
<i>Change in Net Position</i>	10,411,358	8,567,936	18,979,294	10,536,697	6,625,723	17,162,420
<i>Beginning Net Position</i>	119,901,843	81,178,374	201,080,217	109,365,146	74,552,651	183,917,797
<i>Ending Net Position</i>	\$ 130,313,201	\$ 89,746,310	\$ 220,059,511	\$ 119,901,843	\$ 81,178,374	\$ 201,080,217

Governmental Activities. Total revenues for the City's governmental activities were \$42,396,358 for the fiscal year ended June 30, 2024. Approximately 32% of the total revenue for the governmental activities was derived from property taxes and approximately 51% of the total revenue was from program revenues. Total expenses for governmental activities were \$32,117,359 and net transfers in were \$132,359 resulting in a \$10,411,359 increase in net position. General government activities accounted for approximately 27% of the total governmental activities expense. Public safety, highways and streets, culture and recreation, and economic development expenses account for approximately 73% of the total, and interest on long-term debt was less than 1% of total governmental activities expenses.

Business-Type Activities. Revenues of business-type activities totaled \$19,804,962 for the current fiscal year. These activities generated \$18,336,397 in program revenues, and \$1,468,565 in interest earnings and miscellaneous revenues. The total expenses for business-type activities were \$11,104,667 and net transfers out were \$132,359 resulting in a \$8,567,936 increase in net position. Business-type activities for the City of Woodburn consist of operations for water and wastewater services.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted previously, the City uses fund accounting to segregate resources that are restricted to a particular activity. Fund balance represents the excess of the assets of the fund over its liabilities. Because the fund financial statements focus on current sources and uses of spendable resources, fund balances relating to each fund may be useful in assessing the government's net resources available.

Governmental Funds. At the end of the fiscal year, there was \$62,045,496 of fund balance of the governmental funds, an increase of \$10,883,745 from the prior year. The City's governmental funds include the General Fund, Building Inspection Fund, Street, Housing Rehabilitation, Street SDC Fund, and other non-major funds.

The General Fund is the chief operating fund of the City. At the end of the fiscal year, a fund balance of \$15,384,479 was reported by the General Fund. The fund balance increased by \$1,417,179 from the previous year due primarily to an increase in property tax revenue with control expenditures.

The City reports four other major governmental funds. The Building Inspection Fund had a fund balance of \$8,261,546, an increase of \$990,113 from the previous year, due mainly to continued above-average licenses and permits revenue with consistent personnel costs. The Street Fund had a fund balance of \$7,273,675, an increase of \$2,728,455, due to transfers in from other funds to cover current year expenditures as well as fund exchange dollars received from ODOT starting in the current year. The Housing Rehabilitation Fund had a fund balance of \$45,888, an increase of \$17,596, with minimal activity during the year. The Street SDC fund had a balance of \$16,395,396, an increase of \$2,876,983, due to continued collections of SDC's to be used in future years.

Proprietary Funds. At the end of the current fiscal year, net position of the enterprise funds equaled \$89,746,310, an increase of \$8,567,936 from the prior year, and net position of the internal service funds equaled \$579,471, a decrease of \$252,070 from the prior year.

The City reports two major proprietary funds, the Water Operations Fund, and the Sewer Operations Fund. The Water Operations Fund had a net position of \$19,458,887, an increase of \$2,802,581 from previous year, mainly due to controlled increases in revenue to keep up with rising operating expenses. The Sewer Operations Fund had a net position of \$70,287,423, an increase of \$5,765,355 from the previous year, mainly due to controlled increases in revenue to keep up with rising operating expenses.

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgeted revenues (budgetary basis) exceeded actual amounts by less than 3%. General Fund expenditures ended \$6,872,040 below budgeted amounts primarily due to management efforts to contain costs throughout the fiscal year. There was one supplemental budget that affected total balances in the General Fund during the year, which increased operating expenses by \$710,000.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital and lease assets for its governmental and business-type activities equaled \$78,881,657 and \$57,969,505 respectively, at the end of the current fiscal year, net of accumulated depreciation and amortization. This investment includes land, construction in process, buildings, equipment, and infrastructure, and right to use assets. Additional information about the City's capital assets is presented on pages 35-36 in the notes to the financial statements.

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Land	\$ 23,056,538	\$ 23,056,538	\$ 1,858,529	\$ 1,813,429	\$ 24,915,067	\$ 24,869,967
Construction in progress	6,095,067	15,483,340	7,811,803	13,651,575	13,906,870	29,134,915
Buildings	24,532,850	23,899,819	62,748,380	62,748,380	87,281,230	86,648,199
Equipment	9,680,494	8,895,781	4,540,425	4,462,784	14,220,919	13,358,565
Infrastructure	56,106,956	46,812,956	40,780,505	34,040,143	96,887,461	80,853,099
Right to use asset	1,651,882	658,892	-	-	1,651,882	658,892
Accumulated depreciation and amortization	(42,242,130)	(39,628,594)	(59,770,137)	(57,550,372)	(102,012,267)	(97,178,966)
Net capital and lease assets	\$ 78,881,657	\$ 79,178,732	\$ 57,969,505	\$ 59,165,939	\$ 136,851,162	\$ 138,344,671

Long-term Debt. At the end of the current fiscal year, long-term debt outstanding for the governmental activities totaled \$3,261,588, compared to \$3,835,147 in the prior year. The decrease is due to scheduled debt repayments offset by the recognition of leases payable. For the business-type activities, total long-term debt equaled \$62,377 compared to \$2,305,508 in the prior year. The decrease is due to scheduled debt repayments and the early payoff of the 2018 Water Revenue Refunding Bond in July 2023. Additional information about the City’s long-term debt outstanding is presented on pages 37-38 in the notes to the financial statements.

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
General obligation bonds	\$ -	\$ 597,000	\$ -	\$ -	\$ -	\$ 597,000
Direct borrowings	1,547,000	1,832,000	-	-	1,547,000	1,832,000
Direct placement revenue bonds	-	-	-	2,244,000	-	2,244,000
Leases payable	606,287	385,604	-	-	606,287	385,604
Accrued compensated absences	1,108,301	1,020,543	62,377	61,508	1,170,678	1,082,051
	\$ 3,261,588	\$ 3,835,147	\$ 62,377	\$ 2,305,508	\$ 3,323,965	\$ 6,140,655

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

Oregon and the City of Woodburn's economic condition will be heavily influenced by population growth. Woodburn's economy determines the ability to retain the local workforce as well as attract new job seekers. These factors will weigh heavily upon the City's ability to continue to provide a high-level service to the public.

In the coming year, there will be a continued focus on stabilizing finances across all funds in light of rising wages, increased retirement costs and medical insurance costs, and the need to grow the work force to sustain a growing community.

The 2016 Urban Growth Boundary (UGB) expansion has permitted opportunities for future development, which will increase future demands on safety/security, water, sewers, streets, building activities, and recreational opportunities. Supplying the demand is expected from an estimated 3,000 housing units (a mixture of both single-family and multi-family) over the next few years. Employment needs will be met by the nearly completed Amazon facility and development of the newly annexed industrial areas (expected to provide an estimated 1 million additional square feet during this time).

REQUESTS FOR INFORMATION

This financial report is designed to provide the City of Woodburn’s citizens, taxpayers, customers, investors, and creditors with a general overview of the City’s finances and to demonstrate the City’s accountability for the money it receives. Questions about this report or requests for additional financial information should be addressed to the City of Woodburn, 270 Montgomery Street, Woodburn, Oregon 97071.

BASIC FINANCIAL STATEMENTS

CITY OF WOODBURN, OREGON
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 63,310,941	\$ 33,520,493	\$ 96,831,434
Accounts receivable	1,868,025	1,197,478	3,065,503
Property taxes receivable	528,993	-	528,993
Assessment liens receivable	9,926	-	9,926
Loans receivable	438,856	-	438,856
Prepaid expenses	26,290	6,859	33,149
Net OPEB asset - RHIA	196,264	52,451	248,715
Non-depreciable capital assets	29,151,605	9,670,332	38,821,937
Other capital assets and leases, net	49,730,052	48,299,173	98,029,225
<i>Total Assets</i>	<u>145,260,952</u>	<u>92,746,786</u>	<u>238,007,738</u>
DEFERRED OUTFLOWS			
Deferred outflows related to PERS	5,644,026	1,206,497	6,850,523
Deferred outflows related to OPEB	131,515	37,270	168,785
<i>Total Deferred Outflows</i>	<u>5,775,541</u>	<u>1,243,767</u>	<u>7,019,308</u>
LIABILITIES			
Accounts payable	885,153	303,113	1,188,266
Accrued payroll liabilities	1,291,306	-	1,291,306
Deposits payable	-	198,369	198,369
Interest payable	3,395	-	3,395
Noncurrent liabilities:			
Due within one year:			
Long-term debt	293,000	-	293,000
Leases payable	235,265	-	235,265
Accrued compensated absences	443,321	24,951	468,272
Due in more than one year:			
Long-term debt	1,254,000	-	1,254,000
Leases payable	371,022	-	371,022
Accrued compensated absences	664,980	37,426	702,406
Subscription liability	440,843	-	440,843
Total OPEB liability - Implicit rate subsidy	599,589	175,609	775,198
Net pension liability - PERS	12,351,313	2,876,861	15,228,174
<i>Total Liabilities</i>	<u>18,833,187</u>	<u>3,616,329</u>	<u>22,449,516</u>
DEFERRED INFLOWS			
Deferred inflows related to PERS	1,754,362	587,927	2,342,289
Deferred inflows related to OPEB	135,743	39,987	175,730
<i>Total Deferred Inflows</i>	<u>1,890,105</u>	<u>627,914</u>	<u>2,518,019</u>
NET POSITION			
Net investment in capital assets	75,245,605	57,933,116	133,178,721
Restricted for:			
Debt service	41,692	-	41,692
Culture and recreation	1,080,058	-	1,080,058
Community development	3,130,323	-	3,130,323
Construction	33,357,038	7,361,502	40,718,540
OPEB - RHIA	196,264	52,451	248,715
Unrestricted	17,262,221	24,399,241	41,661,462
<i>Total Net Position</i>	<u>\$ 130,313,201</u>	<u>\$ 89,746,310</u>	<u>\$ 220,059,511</u>

The accompanying notes are an integral part of the financial statements.

CITY OF WOODBURN, OREGON
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

	<i>Expenses</i>	<i>Program Revenues</i>		
		<i>Fees, Fines and Charges for Services</i>	<i>Operating Grants and Contributions</i>	<i>Capital Grants and Contributions</i>
FUNCTIONS/PROGRAMS				
Governmental activities:				
General government	\$ 8,765,482	\$ 5,117,514	\$ 135,000	\$ 351,495
Public safety	10,418,113	236,875	6,415	2,167
Highways and streets	2,754,816	641,594	4,582,382	2,577,970
Culture and recreation	5,537,829	570,736	1,448,293	2,299,234
Economic development	4,628,961	3,683,312	-	-
Interest on long-term debt	12,158	-	-	-
<i>Total Governmental activities</i>	32,117,359	10,250,031	6,172,090	5,230,866
Business-type activities:				
Water	3,885,894	5,448,834	-	900,579
Sewer	7,218,773	10,481,419	-	1,505,565
<i>Total Business-type activities</i>	11,104,667	15,930,253	-	2,406,144
<i>Total Activities</i>	\$ 43,222,026	\$ 26,180,284	\$ 6,172,090	\$ 7,637,010

General Revenues:

Property taxes
Franchise taxes
Other taxes
Intergovernmental
Loss on disposition of assets
Unrestricted investment earnings
Miscellaneous

Total General Revenues

Transfers

Change in Net Position

Net Position - beginning of year

Net Position - end of year

The accompanying notes are an integral part of the financial statements.

***Net (Expenses) Revenues
and Changes in Net Position***

<i>Governmental Activities</i>	<i>Business-type Activities</i>	<i>Totals</i>
\$ (3,161,473)	\$ -	\$ (3,161,473)
(10,172,656)	-	(10,172,656)
5,047,130	-	5,047,130
(1,219,566)	-	(1,219,566)
(945,649)	-	(945,649)
(12,158)	-	(12,158)
(10,464,372)	-	(10,464,372)
-	2,463,519	2,463,519
-	4,768,211	4,768,211
-	7,231,730	7,231,730
(10,464,372)	7,231,730	(3,232,642)
13,365,088	-	13,365,088
3,119,752	-	3,119,752
614,187	-	614,187
920,082	-	920,082
(224,286)	-	(224,286)
2,671,010	1,391,497	4,062,507
277,538	77,068	354,606
20,743,371	1,468,565	22,211,936
132,359	(132,359)	-
10,411,358	8,567,936	18,979,294
119,901,843	81,178,374	201,080,217
\$ 130,313,201	\$ 89,746,310	\$ 220,059,511

The accompanying notes are an integral part of the financial statements.

CITY OF WOODBURN, OREGON
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	Special Revenue			
	General	Building Inspection	Street	Housing Rehab
ASSETS				
Cash and investments	\$ 16,074,145	\$ 8,382,815	\$ 7,073,908	\$ 45,874
Accounts receivable	705,937	4,163	257,043	14
Property taxes receivable	461,720	-	-	-
Assessment liens receivable	-	-	-	-
Loans receivable	-	-	-	438,856
Prepaid items	22,990	-	-	-
Total Assets	\$ 17,264,792	\$ 8,386,978	\$ 7,330,951	\$ 484,744
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 160,359	\$ 123,462	\$ 57,276	\$ -
Payroll withholdings	-	-	-	-
Retainage payable	-	1,970	-	-
Accrued payroll and payroll liabilities	1,291,306	-	-	-
Total Liabilities	1,451,665	125,432	57,276	-
Deferred Inflows				
Unavailable revenue	428,648	-	-	438,856
Fund Balance				
Non-spendable	22,990	-	-	-
Restricted for:				
Debt service	-	-	-	-
Construction	-	-	7,273,675	-
Culture and recreation	-	-	-	-
Community development	-	-	-	45,888
Committed to:				
Public safety	-	-	-	-
Capital outlay	-	-	-	-
Planning and building	-	8,261,546	-	-
Retirement	391,120	-	-	-
Unassigned	14,970,369	-	-	-
Total Fund Balance	15,384,479	8,261,546	7,273,675	45,888
Total Liabilities, Deferred Inflows and Fund Balance	\$ 17,264,792	\$ 8,386,978	\$ 7,330,951	\$ 484,744

The accompanying notes are an integral part of the financial statements.

Capital Projects

Street SDC	Other Governmental Funds	Total
\$ 16,395,396	\$ 14,369,719	\$ 62,341,857
-	845,825	1,812,982
-	67,273	528,993
-	9,926	9,926
-	-	438,856
-	3,300	26,290
<hr/>	<hr/>	<hr/>
\$ 16,395,396	\$ 15,296,043	\$ 65,158,904
<hr/>	<hr/>	<hr/>
\$ -	\$ 538,632	\$ 879,729
-	-	-
-	-	1,970
-	-	1,291,306
<hr/>	<hr/>	<hr/>
-	538,632	2,173,005
-	72,899	940,403
-	3,300	26,290
-	41,692	41,692
16,395,396	9,578,577	33,247,648
-	1,080,058	1,080,058
-	2,607,119	2,653,007
-	30,700	30,700
-	1,343,066	1,343,066
-	-	8,261,546
-	-	391,120
-	-	14,970,369
<hr/>	<hr/>	<hr/>
16,395,396	14,684,512	62,045,496
<hr/>	<hr/>	<hr/>
\$ 16,395,396	\$ 15,296,043	\$ 65,158,904
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The accompanying notes are an integral part of the financial statements.

CITY OF WOODBURN, OREGON

RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS TO THE

STATEMENT OF NET POSITION

JUNE 30, 2024

Fund Balances \$ 62,045,496

The Statement of Net Position reports receivables at their net realizable value. However, receivables not available to pay for current period expenditures are reported as unavailable in governmental funds. 940,403

PERS net pension liability, OPEB asset and liability, deferred outflows of resources arising from contributions paid, changes in assumptions, and differences between expected and actual experience, and deferred inflows arising from changes in proportionate share of earnings in the current year are not financial resources in governmental funds, but are reported in the Statement of Net Position.

Net pension liability - PERS	(11,804,859)
Total OPEB liability - Implicit rate subsidy	(574,182)
Net OPEB asset - RHIA	189,058
Deferred outflows - PERS	5,411,526
Deferred outflows - OPEB	125,969
Deferred inflows - PERS	(1,708,394)
Deferred inflows - OPEB	(130,652)

Capital and lease assets are not financial resources in governmental funds, but are reported in the Statement of Net Position at their net depreciable value.

Cost	120,606,869
Accumulated depreciation and amortization	(42,155,978)

All liabilities are reported in the Statement of Net Position. However, if they are not due and payable in the current period, they are not recorded in governmental funds.

Accrued compensated absences	(1,054,844)
Accrued interest	(3,395)
Long-term debt	(1,547,000)
Leases payable	(606,287)

Internal service funds are proprietary-type funds and not reported with governmental funds. However, because internal service funds primarily benefit governmental activities, their assets, liabilities and net position are reported along with governmental activities in the Statement of Net Position. 579,471

Net Position of Governmental Activities \$ 130,313,201

CITY OF WOODBURN, OREGON

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024**

	<i>Special Revenue</i>			
	<i>General</i>	<i>Building Inspection</i>	<i>Street</i>	<i>Housing Rehabilitation</i>
REVENUES				
Taxes and assessments	\$ 12,058,840	\$ -	\$ 109,191	\$ -
Licenses and permits	2,981,957	1,988,293	67	-
Charges for services	972,408	-	-	-
Intergovernmental	1,526,208	-	3,843,374	-
Fines and forfeitures	531,556	939,413	515,030	-
Miscellaneous	1,128,237	379,449	378,470	20,749
<i>Total Revenues</i>	19,199,206	3,307,155	4,846,132	20,749
EXPENDITURES				
Current				
General government	2,985,756	-	-	-
Economic development	1,485,756	2,177,244	-	3,153
Public safety	10,402,147	-	-	-
Highways and streets	-	-	1,895,929	-
Culture and recreation	3,700,125	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	214,046	139,798	251,748	-
<i>Total Expenditures</i>	18,787,830	2,317,042	2,147,677	3,153
REVENUES OVER (UNDER) EXPENDITURES	411,376	990,113	2,698,455	17,596
OTHER FINANCING SOURCES (USES)				
Transfers in	664,198	-	90,000	-
Transfers out	(166,470)	-	(60,000)	-
Proceeds from sale of assets	32,000	-	-	-
Inception of lease	476,075	-	-	-
<i>Total Other Financing Sources (Uses)</i>	1,005,803	-	30,000	-
NET CHANGE IN FUND BALANCE	1,417,179	990,113	2,728,455	17,596
FUND BALANCE, beginning of year	13,967,300	7,271,433	4,545,220	28,292
FUND BALANCE, end of year	\$ 15,384,479	\$ 8,261,546	\$ 7,273,675	\$ 45,888

The accompanying notes are an integral part of the financial statements.

<i>Capital Projects</i>		
<i>Street SDC</i>	<i>Other Governmental Funds</i>	<i>Total</i>
\$ -	\$ 1,744,046	\$ 13,912,077
2,364,370	2,204,409	9,539,096
-	-	972,408
-	2,125,638	7,495,220
-	-	1,985,999
701,180	1,401,364	4,009,449
3,065,550	7,475,457	37,914,249
-	-	2,985,756
-	1,032,045	4,698,198
-	-	10,402,147
-	202,361	2,098,290
-	1,558,130	5,258,255
-	882,000	882,000
-	63,164	63,164
-	755,177	1,360,769
-	4,492,877	27,748,579
3,065,550	2,982,580	10,165,670
-	823,741	1,577,939
(188,567)	(952,902)	(1,367,939)
-	-	32,000
-	-	476,075
(188,567)	(129,161)	718,075
2,876,983	2,853,419	10,883,745
13,518,413	11,831,093	51,161,751
\$ 16,395,396	\$ 14,684,512	\$ 62,045,496

The accompanying notes are an integral part of the financial statements.

CITY OF WOODBURN, OREGON

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

<i>Net Change in Fund Balances - Total Governmental Funds</i>	\$ 10,883,745
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received.</p>	
Property tax receivables	16,812
Decreases in other assets	(2,336)
<p>Governmental funds do not report expenditures for unpaid compensated absences, unpaid payroll, interest expense or arbitrage since they do not require the use of current financial resources. However, the Statement of Activities reports such expenses when incurred, regardless of when settlement ultimately occurs.</p>	
Accrued compensated absences	(194,415)
Accrued interest payable	1,592
Deferred charge on refunding	(1,402)
<p>Capital outlays are reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital outlay over their estimated useful lives as depreciation and amortization expense.</p>	
Expenditures for capital and lease assets	1,866,983
Depreciation and amortization	(2,565,869)
<p>Proceeds from the issuance of long-term debt provide current financial resources to governmental funds and are reported as revenues. In the same way, repayments of long-term debt use current financial resources and are reported as expenditures in governmental funds. However, neither the receipt of debt proceeds nor the payment of debt principal affect the Statement of Activities, but are reported as increases and decreases in noncurrent liabilities in the Statement of Net Position.</p>	
Inception of lease	(476,075)
Debt principal paid	874,000
Repayment of lease principal	174,514
<p>Current year PERS pension and OPEB expenses related to changes in liabilities are reported as an expense in the Statement of Activities but are not recorded as an expenditure in the governmental funds.</p>	
	85,880
Net income of internal service funds	(252,071)
<i>Change in Net Position of Governmental Activities</i>	<u>\$ 10,411,358</u>

The accompanying notes are an integral part of the financial statements.

CITY OF WOODBURN, OREGON
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2024

				<i>Governmental Activities</i>
	<i>Water Operations</i>	<i>Sewer Operations</i>	<i>Total</i>	<i>Internal Service</i>
ASSETS				
Current Assets				
Cash and investments	\$ 6,814,744	\$ 26,705,748	\$ 33,520,492	\$ 969,085
Accounts receivable	366,195	831,282	1,197,477	55,044
Prepaid items	-	6,859	6,859	-
<i>Total Current Assets</i>	7,180,939	27,543,889	34,724,828	1,024,129
Noncurrent Assets				
Net OPEB asset - RHIA	22,489	29,962	52,451	7,206
Nondepreciable capital assets	4,085,706	5,584,626	9,670,332	-
Other capital assets, net of depreciation	9,520,338	38,778,835	48,299,173	430,763
<i>Total Noncurrent Assets</i>	13,628,533	44,393,423	58,021,956	437,969
<i>Total Assets</i>	20,809,472	71,937,312	92,746,784	1,462,098
DEFERRED OUTFLOWS				
Deferred outflows related to PERS	392,747	813,750	1,206,497	232,500
Deferred outflows related to OPEB	16,470	20,800	37,270	5,546
<i>Total Deferred Outflows</i>	409,217	834,550	1,243,767	238,046
LIABILITIES				
Current Liabilities				
Accounts payable	82,012	221,099	303,111	3,453
Deposits payable	198,369	-	198,369	-
Accrued compensated absences - current portion	18,269	6,682	24,951	21,383
<i>Total Current Liabilities</i>	298,650	227,781	526,431	24,836
Noncurrent Liabilities				
Accrued compensated absences	27,403	10,023	37,426	32,074
Subscription liability	-	-	-	440,843
Net pension liability - PERS	1,094,861	1,782,000	2,876,861	546,454
Total OPEB liability - Implicit rate subsidy	78,298	97,311	175,609	25,407
<i>Total Noncurrent Liabilities</i>	1,200,562	1,889,334	3,089,896	1,044,778
<i>Total Liabilities</i>	1,499,212	2,117,115	3,616,327	1,069,614
DEFERRED INFLOWS				
Deferred inflows related to PERS	243,921	344,006	587,927	45,968
Deferred inflows related to OPEB	16,669	23,318	39,987	5,091
<i>Total Deferred Inflows</i>	260,590	367,324	627,914	51,059
NET POSITION:				
Net investment in capital assets	13,584,810	44,348,306	57,933,116	-
Restricted for:				
Construction	4,810,518	4,237,063	9,047,581	-
OPEB - RHIA	22,489	29,962	52,451	7,206
Unrestricted	1,041,070	21,672,092	22,713,162	572,265
<i>Total Net Position</i>	\$ 19,458,887	\$ 70,287,423	\$ 89,746,310	\$ 579,471

The accompanying notes are an integral part of the financial statements.

CITY OF WOODBURN, OREGON

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	<u>Water Operations</u>	<u>Sewer Operations</u>	<u>Total</u>	<u>Governmental Activities</u>
				<u>Internal Service</u>
OPERATING REVENUES				
Charges for services	\$ 5,448,834	\$ 10,481,419	\$ 15,930,253	\$ 2,274,066
Miscellaneous	69,477	7,591	77,068	6,814
<i>Total Operating Revenues</i>	5,518,311	10,489,010	16,007,321	2,280,880
OPERATING EXPENSES				
Personal services	1,957,578	2,352,567	4,310,145	755,128
Materials and services	1,450,185	3,121,995	4,572,180	1,669,913
Depreciation	475,554	1,744,211	2,219,765	-
<i>Total Operating Expenses</i>	3,883,317	7,218,773	11,102,090	2,433,997
OPERATING INCOME (LOSS)	1,634,994	3,270,237	4,905,231	(153,117)
NONOPERATING REVENUES (EXPENSES)				
Investment revenue	288,822	1,102,675	1,391,497	29,079
Interest expense	(2,577)	-	(2,577)	-
<i>Total Nonoperating Revenues (Expenses)</i>	286,245	1,102,675	1,388,920	29,079
NET INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	1,921,239	4,372,912	6,294,151	(124,038)
Capital contributions	900,579	1,505,565	2,406,144	-
Transfers in	40,763	36,878	77,641	-
Transfers out	(60,000)	(150,000)	(210,000)	(128,032)
CHANGE IN NET POSITION	2,802,581	5,765,355	8,567,936	(252,070)
NET POSITION, beginning of year	16,656,306	64,522,068	81,178,374	831,541
NET POSITION, end of year	\$ 19,458,887	\$ 70,287,423	\$ 89,746,310	\$ 579,471

The accompanying notes are an integral part of the financial statements.

CITY OF WOODBURN, OREGON
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	<u>Water Operations</u>	<u>Sewer Operations</u>	<u>Totals</u>	<u>Governmental Activities Internal Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Collected from customers	\$ 5,577,640	\$ 10,366,562	\$ 15,944,202	\$ 2,285,342
Paid to suppliers	(1,714,895)	(3,774,833)	(5,489,728)	(836,819)
Paid to employees	(1,939,807)	(2,052,598)	(3,992,405)	(1,082,454)
<i>Net Cash Provided by Operating Activities</i>	1,922,938	4,539,131	6,462,069	366,069
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	40,763	36,878	77,641	-
Transfers out	60,000	(150,000)	(90,000)	(128,032)
<i>Net Cash Used in Non-Capital Financing Activities</i>	100,763	(113,122)	(12,359)	(128,032)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(939,713)	1,106	(938,607)	(516,915)
Principal paid on loans and bonds payable	(2,244,000)	-	(2,244,000)	-
Capital contributions	900,579	1,505,565	2,406,144	-
Interest paid	(7,804)	-	(7,804)	-
<i>Net Cash Used in Capital and Related Financing Activities</i>	(2,290,938)	1,506,671	(784,267)	(516,915)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	288,822	1,102,676	1,391,498	29,079
<i>Increase (Decrease) in Cash and Investments</i>	21,585	7,035,356	7,056,941	(249,799)
CASH AND INVESTMENTS, Beginning of year	6,793,159	19,670,392	26,463,551	1,218,884
CASH AND INVESTMENTS, End of year	<u>\$ 6,814,744</u>	<u>\$ 26,705,748</u>	<u>\$ 33,520,492</u>	<u>\$ 969,085</u>

The accompanying notes are an integral part of the financial statements.

CITY OF WOODBURN, OREGON

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (Continued)

YEAR ENDED JUNE 30, 2024

	<u>Water Operations</u>	<u>Sewer Operations</u>	<u>Totals</u>	<u>Governmental Activities Internal Service</u>
RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 1,634,994	\$ 3,270,237	\$ 4,905,231	\$ (153,118)
Adjustments to reconcile the change in operating cash provided by operating activities:				
Depreciation	475,555	1,744,213	2,219,768	86,152
Non-cash transfers in	(40,765)	(36,879)	(77,644)	-
Non-cash transfers out	-	108,968	108,968	-
<i>Change in assets and liabilities:</i>				
Accounts receivable	51,890	(122,448)	(70,558)	4,461
Deferred outflows	67,644	78,896	146,540	25,109
Net OPEB asset - RHIA	(2,922)	(3,423)	(6,345)	-
Prepaid items	-	-	-	(1,090)
Accounts payable and accrued liabilities	(223,947)	(438,777)	(662,724)	(27,452)
Customer deposits	7,440	-	7,440	-
Compensated absences payable	3,467	(2,598)	869	9,959
Net pension liability - PERS	175,911	206,059	381,970	65,577
Total OPEB liability - Implicit rate subsidy	3,465	4,059	7,524	1,292
Deferred inflows	(229,794)	(269,176)	(498,970)	355,179
<i>Net Cash Provided by Operating Activities</i>	<u>\$ 1,922,938</u>	<u>\$ 4,539,131</u>	<u>\$ 6,462,069</u>	<u>\$ 366,069</u>
<i>Noncash Transactions</i>				
Transfer of capital assets	<u>\$ (40,763)</u>	<u>\$ (36,878)</u>	<u>\$ (77,641)</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Woodburn, Oregon (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

The Financial Reporting Entity

The City of Woodburn, Oregon is governed by an elected mayor and six council members who comprise the City Council. The City Council exercises supervisory responsibilities over the City operations, but day-to-day management control is the responsibility of a city administrator. All significant activities and organizations for which the City is financially accountable are included in the financial statements for the year ended June 30, 2024.

There are certain governmental agencies and various service districts which provide services within the City. These agencies have independently elected governing boards and the City is not financially accountable for these organizations. Therefore, financial information for these agencies is not included in the accompanying basic financial statements.

As defined by accounting principles generally accepted in the United States of America, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. The City of Woodburn's financial statements include the Woodburn Urban Renewal Agency as a blended component unit. The City Council and Board of Directors of Woodburn Urban Renewal Agency are composed of the same individuals and the City has operational responsibility for the agency.

The separately issued financial statements of the Woodburn Urban Renewal Agency may be obtained from the City, 270 Montgomery Street, Woodburn, Oregon 97071.

Basic Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Government-wide financial statements display information about the reporting government as a whole. Interfund activity that is not related to interfund services provided and used has been removed from these statements. 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.

CITY OF WOODBURN, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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, enterprise or fiduciary. Currently, the City has general, special revenue, capital projects, debt service, internal service and enterprise type funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are consolidated into a single column within each fund type in the financial section of the basic financial statements and are detailed in the other supplementary information.

The government-wide and proprietary fund financial statements are accounted for using an economic resources measurement focus, whereby all assets and liabilities are included in the statement of net position and the statement of fund net position. The increases and decreases in those net positions are presented in the government-wide statement of activities and in the proprietary fund statement of revenues, expenses and changes in fund net position. These funds use the accrual basis of accounting whereby revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Interfund activity consists of transfers, services provided and/or used, reimbursements, advances and loans. As a general rule, the effect of interfund activity has been eliminated from the governmental-wide financial statements. Exceptions to this general rule include interfund services provided and/or used. Interfund services provided and/or used are accounted for as revenues and expenses since the elimination of such revenues and expenses would distort the direct costs and program revenues reported for the various functions.

Amounts reported as program revenues in the statement of activities include (1) fines, fees and charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Grants and contributions not restricted are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Operating revenues and operating expenses are intermediate components within the proprietary fund statement of revenues, expenses, and changes in fund net position, and include only those transactions that constitute their principal, ongoing activities exclusive of investing or financing transactions. Significant operating revenues include charges for services and miscellaneous income. Significant operating expenses include personnel, materials and supplies, outside services, and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fund Balance

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Although not a major impact on the financial statements, Governmental Fund type fund balances are now reported in the following classifications.

CITY OF WOODBURN, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance (Continued)

Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the City Council takes formal action that places specific constraints on how the resources may be used. The City Council can modify or rescind the commitment at any time through taking a similar formal action.

Resources that are constrained by the City's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the City Council approves which resources should be "reserved" during the adoption of the annual budget. The City's Finance Director uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the City's Annual Financial Report.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

The City Council has approved a policy to maintain an ending fund balance in the General Fund, in order to provide stable services and employment to offset cyclical variations in revenues and expenditures. The targeted floor for the ending balance is 20% of annual operating revenue, as shown as a minimum fund balance in the General Fund, with the long-term goal of increasing the reserve to 25% as year-end savings occur. The City Council is the highest level of decision-making authority and may take formal action by vote or resolution to establish, modify, or rescind a fund balance commitment.

Definitions of Governmental Fund Types

The General Fund is used to account for all financial resources not accounted for in another fund.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenues sources" means that the revenue sources for the fund must be from restricted or committed sources, specifically that a substantial portion of the revenue must be from these sources and be expended in accordance with those requirements.

Capital Projects Funds are utilized to account for financial resources to be used for the acquisition or construction of capital equipment and facilities.

Debt Service Funds are utilized to account for the accumulation of resources for, and the payment of, long-term debt principal and interest.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Financial Statements

Governmental funds use the modified accrual basis of accounting whereby revenues are recorded only when susceptible to accrual (both measurable and available). “Measurable” means that the amount of the transaction can be determined. “Available” is defined as being collectible within the current period or soon enough thereafter (30 days) to be used to liquidate liabilities of the current period. Expenditures other than interest on noncurrent obligations, are recorded when the fund liability is incurred.

Real and personal property taxes are levied as of July 1 for each fiscal year on values assessed as of January 1. Property taxes are an enforceable lien on both real and personal property as of July 1 and are due and payable in three installments on November 15, February 15, and May 15. All property taxes are billed and collected by Marion County and remitted to the City. In the governmental fund financial statements, property taxes are reflected as revenues in the fiscal period for which they were levied, provided they are due, or past due and receivable within the current period, and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (30 days). Otherwise, they are reported as unavailable revenues.

Intergovernmental revenues are recognized as revenues when all eligibility requirements are met. There are, however, essentially two types of intergovernmental revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, all eligibility requirements are determined to be met when the underlying expenditures are recorded. In the other, monies are virtually unrestricted as to the purpose of the expenditure and are usually revocable only for failure to comply with prescribed requirements; therefore, all eligibility requirements are determined to be met at the time of receipt, or earlier, if the susceptible accrual criteria are met.

Licenses and permits, charges for services, fines and forfeits and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

When both restricted and unrestricted resources are available for use, it is the City’s practice to use restricted resources first, then unrestricted resources as they are needed.

The reporting model sets forth minimum criteria (percentage of the assets, liabilities, receipts, or disbursements of either fund category or the government and enterprise combined) for the determination of major funds. Nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section.

The City reports the following major governmental funds:

- General Fund
- Building Inspection Fund
- Street Fund
- Housing Rehabilitation Fund
- Street SDC Fund

The City reports the following major proprietary funds:

- Water Operations
- Sewer Operations

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reporting amounts of certain assets, liabilities, revenues, and expenses as of and for the year ended June 30, 2024. Actual results may differ from such estimates.

Cash and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and certificates of deposit. Investments, included in cash and investments, are carried at cost which approximates market value. For purposes of the statement of cash flows, the proprietary funds consider cash and cash equivalents to include the cash and investment common pool. These amounts have the general characteristics of demand deposit accounts in that the proprietary funds may deposit additional cash at any time and also may withdraw cash at any time without prior notice or penalty.

Receivables and Unavailable Revenues

Receivables for state, county, and local shared revenues, included in accounts receivable, are recorded as revenue in the governmental funds as earned.

Receivables of the enterprise funds are recorded as revenue as earned.

Property taxes receivable for the governmental fund types, which have been collected within thirty days subsequent to year end, are considered measurable and available and are recognized as revenues. All other property taxes are considered unavailable and, accordingly, have not been recorded as revenue. Property taxes receivable by the City represent the City's allocated share of delinquent property taxes and other amounts to be collected from property owners within Marion County, Oregon.

Assessment liens in the governmental fund types are recognized as receivables at the time property owners are assessed for property improvements. All assessments receivable are considered unavailable and, accordingly, have not been recorded as revenue.

Revolving loans in the government fund types are recognized as receivables at the time housing rehabilitation loans are made. All loans receivable are considered unavailable and, accordingly, have not been recorded as revenue.

Inventory and Prepaid Items

Inventory in business-type funds is stated at cost (first-in, first-out basis) and is charged to expense as used. Prepaid items in the governmental funds are stated at cost and charged to expenditures in the period consumed.

Capital Assets

Capital assets are stated at cost or estimated historical cost. Donated capital assets and donated works of art or similar items are reported at acquisition value rather than at fair value.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Capital assets include land, right-of-way (included with land), buildings, improvements, equipment, infrastructure and other tangible and intangible assets costing over \$5,000 used in operations that have initial useful lives extending beyond a single reporting period. Infrastructure are those capital assets that are stationary in nature and can be preserved for a significantly greater number of years than most other capital assets. Infrastructure reported in governmental activities consists of roads, bridges, sidewalks, and traffic and lighting systems. Infrastructure reported in business-type activities consists of water and wastewater collection systems.

All capital assets, except for infrastructure in governmental activities prior to July 1, 1980, have been capitalized in the government-wide and proprietary fund financial statements. In accordance with the current financial resources measurement focus, capital assets are not capitalized in the governmental fund financial statements. All purchased capital assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Historical cost is measured by the cash or cash equivalent price of obtaining an asset, including ancillary charges necessary to place the asset into its intended location and condition for use. Donated capital assets are reported at their estimated market value at the time of acquisition plus ancillary charges, if any. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Amounts expended for maintenance and repairs are charged to expenditures/expenses in the appropriate funds as incurred and are not capitalized.

Capital assets are depreciated unless they are inexhaustible in nature (e.g., land and right-of-ways). Depreciation is an accounting process to allocate the cost of capital assets to expense in a systematic and rational manner to those periods expected to benefit from the use of capital assets. Depreciation is not intended to represent an estimate in the decline of fair market value, nor are capital assets, net of accumulated depreciation, intended to represent an estimate of the current condition of the assets, or the maintenance requirements needed to maintain the assets at their current level of condition.

Depreciation is computed over the estimated useful lives of the capital assets. All estimates of useful lives are based on actual experience by City departments with identical or similar capital assets. Depreciation is calculated on the straight-line basis, except for infrastructure and improvements other than buildings reported in the governmental activities column of the government-wide financial statements, which are calculated using a composite depreciation method. The estimated useful lives of the various categories of assets are as follows:

Buildings and improvements	10 - 40 years
Water and Sewer Systems	15 - 50 years
Infrastructure	50 years
Equipment	5 - 15 years

Upon disposal of capital assets, cost and accumulated depreciation are removed from the accounts and, if appropriate, a gain or loss on the disposal is recognized.

Long-Term Debt

Long-term debt directly related and expected to be paid from the enterprise funds is recorded in these funds. All other unmatured long-term debt is recorded on the statement of net position. Repayment of general bonded debt will be made from debt service funds. Bond premiums will be amortized over the life of the related debt. Payment of compensated absences will be made primarily from the General Fund, Street Fund, Water Fund and Sewer Fund.

CITY OF WOODBURN, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The City reports deferred outflows of resources related to pensions and other post-employment benefits for contributions made after the June 30, 2023 measurement date, differences between expected and actual experience, and changes in proportionate share, as well as deferred charges related to refunded bonds.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows*, 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 items that qualify for reporting in this category. The City reports deferred inflows related to pensions and other post-employment benefits for changes in projected earnings versus actual earnings and contribution versus proportionate share of contributions.

The third instance of deferred inflows arises only under a modified accrual basis of accounting. Accordingly, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and loans receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Pension Liability

The City reports its proportionate share of the Net Pension Liability of the Oregon Public Employees Retirement System (OPERS). A negative Net Pension Liability is reported as a Net Pension Asset. For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of OPERS and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at market value.

Post-Employment Benefits Other Than Pensions (OPEB)

The City reports two components of post-employment benefits other than pensions (OPEB) - Oregon Public Employees Retirement System Retiree Health Insurance Account (OPERS RHIA) and a single-employer defined benefit post-employment health plan administered by Citycounty Insurance Services (CIS).

The City reports its proportionate share of the Oregon Public Employees Retirement System Retiree Health Insurance Account (OPERS RHIA). A negative OPEB liability is reported as an OPEB Asset. For purposes of measuring the City's OPEB liability or asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of OPERS RHIA and additions to/deductions from OPERS RHIA's fiduciary net position have been determined on the same basis as they are reported by OPERS RHIA. For this purpose, the benefit payments are recognized when due and payable in accordance with benefit terms. Investments are reported at market value.

CITY OF WOODBURN, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Post-Employment Benefits Other Than Pensions (OPEB) (Continued)

The City reports an OPEB liability or asset, deferred outflows of resources and deferred inflows of resources related to the implicit subsidy arising from the City's single employer defined benefit post-employment health plan administered by CIS. For the purpose of measuring the City's OPEB liability or asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined based on an actuarial valuation provided by CIS. Benefit payments are recognized when due and payable in accordance with benefit terms.

Subscription Liability

Subscription liability represents the net present value of the expected subscription payments over the term of the arrangement at a borrowing rate either explicitly described in the agreement, implicitly determined by the City or the incremental borrowing rate at the time of the subscription agreement, reduced by payments made. In the government-wide financial statements, subscription liability is reported as part of liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of the subscription payments is reported as other financing sources and expenditures at the inception of the subscription and payments are recorded as expenditures.

Accrued Compensated Absences

Accumulated vested compensated absences is accrued in the proprietary funds as it is earned by employees. In governmental fund types, the amounts, if any, expected to be liquidated with expendable available resources are accrued as liabilities of the funds and the amount payable from future resources is recorded on the statement of net position. The compensated absences in the Statement of Net Position are recorded as long-term in that the amount is not expected to materially change. Sick pay, which does not vest, is recorded in all funds when leave is taken.

Budget and Budgetary Accounting

A budget is prepared for each fund in accordance with the modified accrual basis of accounting for all funds. For budgetary purposes, interfund loan transactions are reported as interfund transfers. Appropriations are made at the program/function level for all funds. Expenditures may not legally exceed appropriations. Appropriations lapse at the end of each fiscal year. Budget amounts include original approved amounts and all subsequent appropriation transfers approved by the City Council. After budget approval, the City Council may approve supplemental appropriations if an occurrence, condition, or need exists which had not been ascertained at the time the budget was adopted. Management may not amend the budget. A supplemental budget requires hearings before the public, publications in newspapers and approval by the City Council.

ORGANIZATION AND OPERATION

The City’s financial operations are accounted for in the following funds:

Governmental Fund Types

General Fund

The General Fund accounts for activities of the City which are not accounted for in any other fund. Principal sources of revenue are property taxes, franchise fees and state and county shared revenues. Primary expenditures are for public safety, highways and streets, economic development, culture and recreation, and general government. In accordance with GASB Statement No. 54, the PERS Reserve fund, which is budgeted separately and accounts for the City’s participation in the State’s employer incentive program, is combined with the General fund for financial reporting purposes.

Special Revenue Funds

Building Inspection Fund - This fund accounts for building permit revenue and associated operations.

Street Fund - This fund is used to account for the City’s street operations. The fund’s major source of revenue is highway gas tax received from the State of Oregon.

Housing Rehabilitation Fund - This fund accounts for the City’s CDBG grant program and provides low-income housing and small business loans.

Transit Fund – This fund accounts for amounts held to be used for transportation services.

Asset Forfeiture Fund - This fund accounts for the seizure of private properties that are the product of illegal activity, and for the expenditure of the proceeds by the City for illegal drug activity investigations and subsequent arrests.

American Rescue Plan Fund - This fund accounts for revenue and expenditures directly related to the funds received by the City resulting from the American Rescue Plan Act.

Lavelle Black Trust Fund – This fund accounts for the donations received to continue the police dog program.

Special Assessment Fund - This fund accounts for the repayment of local improvement district (LID) assessments.

Urban Renewal Fund – This fund accounts for transactions related to urban renewal, including debt service on the URA loan. Property taxes are the primary source of revenue.

Capital Projects Funds

Street SDC Fund - This fund accounts for the collection and spending of street SDCs.

General Capital Construction Fund - This fund is used to account for transfers from general services funds used for general services construction projects.

ORGANIZATION AND OPERATION (Continued)

Governmental Fund Types (Continued)

Special Revenue Funds (Continued)

Street & Storm Capital Improvement Fund - This fund accounts for transfers from the Storm and Street funds. The money is used for street and storm related capital projects.

Parks SDC Fund - This fund is used to account for the collection and spending of park SDCs.

Storm SDC Fund - This fund accounts for the collection and spending of storm SDCs.

Equipment Replacement Fund - This fund accounts for transfers from other funds set aside for future equipment purchases.

Debt Service Fund

GO Debt Service Fund - This fund accounts for debt service on the City's 2005 GO bond (refunded in 2017). Property taxes are the major source of revenue.

Proprietary Fund Types

Enterprise Funds

The City has two enterprise funds. Three individually budgeted funds are related to water, and report as Water Operations, and three individually budgeted funds are related to sewer, and report as Sewer Operations. The specific funds and their purposes are as follows.

Water Operations - This operating fund includes the Water fund, the Water SDC fund and the Water Capital Construction fund. Customer usage fees and system development charges (SDCs) are the primary sources of revenue. The funds account for water general operations, water system capital improvement projects and the retirement of associated debt.

Sewer Operations - This operating fund includes the Sewer fund, the Sewer SDC fund and the Sewer Capital Construction Fund. Customer usage fees and system development charges (SDCs) are the primary sources of revenue. The funds account for the operation of the City's sewer system, sewer system capital improvement projects, and the retirement of associated debt.

Internal Service Funds

The City has two internal service funds which provide services to other City departments. Internal charges are the primary revenue source for all funds. Expenditures are for the purposes as described below.

Information Technology Fund - This fund accounts for the maintenance and replacement of the City's network and technology services.

Insurance Fund – This fund accounts for the City's insurance coverage.

CITY OF WOODBURN, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2024

CASH AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Each fund type’s portion of this pool is displayed on the Statement of Net Position as part of “cash and investments.”

	<i>Carrying Value</i>	<i>Fair Value</i>
Cash		
Cash on hand	\$ 4,422	\$ 4,422
Deposits with financial institutions	52,956,080	52,956,080
Investments		
Local Government Investment Pool	43,870,932	43,708,610
	<u>\$ 96,831,434</u>	<u>\$ 96,669,112</u>

Cash is reported in the financial statements as follows:

Governmental funds	\$ 62,341,856
Internal Service funds (included in governmental activities)	969,085
Enterprise funds	<u>33,520,493</u>
	<u>\$ 96,831,434</u>

Deposits

The book balance of the City’s bank deposits was \$52,956,080 and the bank balance was \$53,226,132 at year end. The difference is due to transactions in process. Bank deposits are secured to legal limits by federal deposit insurance. The remaining amount is secured in accordance with ORS 295 under a collateral program administered by the Oregon State Treasurer.

Investments

The State Treasurer of the State of Oregon maintains the Oregon Short Term Fund, of which the Local Government Investment Pool is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill, and caution. The Oregon Short Term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). The carrying value of the City’s position in the pool is the same as the value of the pool shares; market value was 99.63% of the value of the pool shares as of June 30, 2024. The investment in the Oregon Short Term Fund is not subject to classification. Separate financial statements for the Oregon Short Term Fund are available from the Oregon State Treasurer.

CITY OF WOODBURN, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2024

CASH AND INVESTMENTS (Continued)

Interest Rate Risk

In accordance with its investment policy, the City manages its exposure to declines in market value of its investments by limiting the weighted average maturity of its investments.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) and the National Credit Union Administration (NCUA) provide insurance for the City's deposits up to \$250,000 for the aggregate of demand deposits and the aggregate of all time deposits and savings accounts at each financial institution and credit union. Deposits in excess of FDIC and NCUA coverage are with institutions participating in the Oregon Public Funds Collateralization Program (PFCP). The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. As of June 30, 2024, \$52,976,132 of the City's bank balances were exposed to custodial credit risk as part of the Public Funds Collateralization Program.

Custodial Risk - Investments

For an investment, this is the risk that, in the event of a failure of the counterparty, the City will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The City's investment policy limits the types of investments that may be held and does not allow securities to be held by the counterparty.

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of or has control of any fund. 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, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill, and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP. The LGIP is not rated for credit quality.

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

CAPITAL ASSETS

The summary of capital assets for governmental activities for the year ended June 30, 2024 is as follows:

	<i>Balances July 1, June 30, 2023</i>	<i>Additions</i>	<i>Retirements/ Transfers</i>	<i>Balances June 30, 2024</i>
<i>Capital assets not being depreciated</i>				
Land	\$ 23,056,538	\$ -	\$ -	\$ 23,056,538
Construction in progress	15,483,340	659,709	(10,047,982)	6,095,067
Subtotal, nondepreciable assets	38,539,878	659,709	(10,047,982)	29,151,605
<i>Capital and lease assets being depreciated or amortized</i>				
Buildings	23,899,819	633,031	-	24,532,850
Equipment	8,895,781	823,198	(38,485)	9,680,494
Infrastructure	46,812,956	9,294,000	-	56,106,956
Less accumulated depreciation:				
Buildings	(10,306,552)	(818,663)	-	(11,125,215)
Equipment	(7,262,912)	(425,123)	38,485	(7,649,550)
Infrastructure	(21,779,244)	(1,057,415)	-	(22,836,659)
Capital assets, net of depreciation	40,259,848	8,449,028	-	48,708,876
Right to use asset - equipment	658,892	476,075	-	1,134,967
Less accumulated amortization	(279,886)	(264,668)	-	(544,554)
Lease assets, net of amortization	379,006	211,407	-	590,413
Right to use asset - SBITA	-	516,915	-	516,915
Less accumulated amortization	-	(86,152)	-	(86,152)
SBITA assets, net of amortization	-	430,763	-	430,763
<i>Total capital, lease, and SBITA assets being depreciated or amortized, net</i>	40,638,854	9,091,198	-	49,730,052
Net capital assets	\$ 79,178,732	\$ 9,750,907	\$(10,047,982)	\$ 78,881,657

Depreciation expense was allocated as follows:

General government	\$ 812,610
Public safety	196,629
Highways and streets	1,020,557
Culture and recreation	271,405
	<u>\$ 2,301,201</u>

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

CAPITAL ASSETS (Continued)

Amortization expense was allocated as follows:

General government	\$ 107,825
Public safety	242,995
	<u>\$ 350,820</u>

The summary of capital assets for the business-type activities for the year ended June 30, 2024 is as follows:

	<i>Balances June 30, 2023</i>	<i>Additions</i>	<i>Retirements</i>	<i>Balances June 30, 2024</i>
<i>Capital assets not being depreciated</i>				
Land	\$ 1,813,429	\$ 45,100	\$ -	\$ 1,858,529
Construction in progress	13,651,575	1,000,576	(6,840,348)	7,811,803
Subtotal, nondepreciable assets	15,465,004	1,045,676	(6,840,348)	9,670,332
<i>Capital assets being depreciated</i>				
Buildings	62,748,380	-	-	62,748,380
Water and sewer systems	34,040,143	6,740,362	-	40,780,505
Equipment	4,462,784	77,641	-	4,540,425
Less accumulated depreciation:			-	-
Buildings	(38,929,929)	(1,261,331)	-	(40,191,260)
Water and sewer systems	(15,661,307)	(750,846)	-	(16,412,153)
Equipment	(2,959,136)	(207,588)	-	(3,166,724)
Capital assets, net of depreciation	43,700,935	4,598,238	-	48,299,173
Net capital assets	<u>\$ 59,165,939</u>	<u>\$ 5,643,914</u>	<u>\$ (6,840,348)</u>	<u>\$ 57,969,505</u>

Depreciation expense was allocated as follows:

Water operations	\$ 475,554
Sewer operations	1,744,211
	<u>\$ 2,219,765</u>

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

LONG-TERM DEBT

Long-term debt transactions for the year ended June 30, 2024 were as follows:

	<u>Outstanding July 1, 2023</u>	<u>Issued</u>	<u>Matured/ Redeemed During Year</u>	<u>Outstanding June 30, 2024</u>	<u>Due Within One Year</u>
<i>Governmental Activities:</i>					
Direct placement general obligation bonds	\$ 597,000	\$ -	\$ (597,000)	\$ -	\$ -
Direct borrowings	1,832,000	-	(285,000)	1,547,000	293,000
	<u>2,429,000</u>	<u>-</u>	<u>(882,000)</u>	<u>1,547,000</u>	<u>293,000</u>
Accrued compensated absences	1,020,543	1,008,157	(920,399)	1,108,301	443,321
	<u>\$ 3,449,543</u>	<u>\$ 1,008,157</u>	<u>\$ (1,802,399)</u>	<u>\$ 2,655,301</u>	<u>\$ 736,321</u>
<i>Business-type Activities:</i>					
Direct placement revenue bonds	\$ 2,244,000	\$ -	\$ (2,244,000)	\$ -	\$ -
Accrued compensated absences	61,508	86,111	(85,242)	62,377	24,951
	<u>\$ 2,305,508</u>	<u>\$ 86,111</u>	<u>\$ (2,329,242)</u>	<u>\$ 62,377</u>	<u>\$ 24,951</u>

Direct Placement General Obligation Bonds Payable - Governmental Activities

General Obligation Bond Series 2017 (2005 refunding): In November 2017, the City issued bonds directly to a bank in the amount of \$3,749,000 at 2.08% interest, to refund bonds issued in 2005. Bond interest is payable semiannually, while principal is due annually through June 2024. The bonds are unsecured, and the City has levied an ad valorem tax to service payments due. Amounts due are not subject to acceleration in the event of default. The balance was paid in full in 2024.

Loans from Direct Borrowings - Governmental Activities

2019 Urban Renewal Note Payable: In June 2019, the Woodburn Urban Renewal Agency (a component unit of the City) entered into a note payable agreement in the amount of \$2,900,000 at 2.77% interest, to fund urban renewal projects. Interest is payable semiannually, while principal is due annually through June 2029. The loan is secured by the tax increment revenues and amounts due are not subject to acceleration in the event of default. The balance at June 30, 2024 is \$1,547,000. Annual debt service requirements for direct borrowings are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 293,000	\$ 42,852	\$ 335,852
2026	301,000	34,736	335,736
2027	309,000	26,398	335,398
2028	318,000	17,839	335,839
2029	326,000	9,030	335,030
	<u>\$ 1,547,000</u>	<u>\$ 130,855</u>	<u>\$ 1,677,855</u>

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

LONG-TERM DEBT (Continued)

Direct Placement Revenue Bonds Payable - Business-type Activities

2018 Water Revenue Refunding Bond - Direct Placement: In October 2020, the City issued bonds totaling \$8,630,000 at 2.94% interest to refund outstanding loans payable. Bond interest is payable semiannually, while principal is due annually through December 2024. The bonds are secured by the net revenues of the water system. This loan was fully paid off in July 2023.

LEASES PAYABLE

The City has four lease agreements for twelve police vehicles with various payment amounts and expiration dates. The yearly payments in place at June 30, 2024 are between \$9,650 and \$46,400, with the newest lease expiring in 2027. The leases payable were calculated using discount rates with a range of 5.7% and 8.7%.

The City has a lease agreement for police equipment. The agreement was incepted in June 2022 with yearly payments of \$84,358 commencing in July 2022. The lease payable was calculated using a discount rate of 3.0%.

The City has a lease agreement for office equipment with monthly payments in place at June 30, 2022 of \$1,917 per month, with the lease expiring in 2027. The lease payable was calculated using a discount rate of 3.0%.

As of and for the year ended June 30, 2024, the City's lease payable activity was as follows:

	Outstanding June 30, 2023	Issued	Matured/ Redeemed During Year	Outstanding June 30, 2024	Due Within One Year
Vehicle leases	\$ 29,241	\$ 476,075	\$ (158,420)	\$ 346,896	\$ 137,292
Police equipment lease	313,567	-	(74,951)	238,616	77,199
Copier lease	42,796	-	(22,021)	20,775	20,774
	<u>\$ 385,604</u>	<u>\$ 476,075</u>	<u>\$ (255,392)</u>	<u>\$ 606,287</u>	<u>\$ 235,265</u>

At June 30, 2024, future principal and interest payments for the lease payables are as follows:

<i>Fiscal Year Ending June 30,</i>	<i>Vehicle Leases</i>			<i>Police Equipment Leases</i>			<i>Copier Leases</i>			<i>Totals</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2025	\$ 137,292	\$ 22,377	\$ 159,669	\$ 77,199	\$ 7,159	\$ 84,358	\$ 20,774	\$ 313	\$ 21,087	\$ 235,265	\$ 29,849	\$ 265,114
2026	145,923	13,746	159,669	79,516	4,842	84,358	-	-	-	225,439	18,588	244,027
2027	63,682	4,561	68,243	81,901	2,457	84,358	-	-	-	145,583	7,018	152,601
	<u>\$ 346,897</u>	<u>\$ 40,684</u>	<u>\$ 387,581</u>	<u>\$ 238,616</u>	<u>\$ 14,458</u>	<u>\$ 253,074</u>	<u>\$ 20,774</u>	<u>\$ 313</u>	<u>\$ 21,087</u>	<u>\$ 606,287</u>	<u>\$ 55,455</u>	<u>\$ 661,742</u>

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

SUBSCRIPTION LIABILITY

Changes in subscription-based information technology arrangements are as follows:

	<u>Outstanding June 30, 2023</u>	<u>Additions</u>	<u>Matured/ Redeemed Reductions</u>	<u>Outstanding June 30, 2024</u>
<i>Business-type activities</i>				
Subscriptions	\$ -	\$ 516,915	\$ (76,072)	\$ 440,843

As of June 30, 2024, the City had one active subscription-based information technology arrangement (subscriptions), which met the criteria as defined by GASB Statement No. 96, SBITAs. The subscription has an annual payment of \$101,711 and an interest rate of 4.96%. As of June 30, 2024, the value of the right to use asset is \$516,915 with accumulated amortization of \$86,152 and the value of the subscription liability is \$440,843.

Future minimum subscription-based information technology arrangement payments are as follows:

<i>Fiscal Year</i> <u>Ending June 30,</u>	<u>Subscriptions</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 79,845	\$ 21,866	\$ 101,711
2026	83,806	17,905	101,711
2027	87,962	13,749	101,711
2028	92,325	9,386	101,711
2029	96,905	4,806	101,711
	<u>\$ 440,843</u>	<u>\$ 67,712</u>	<u>\$ 508,555</u>

CITY OF WOODBURN, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2024

PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description

Substantially all City employees are members in the Oregon Public Employees Retirement System (OPERS); a cost-sharing multiple-employer defined benefit pension plan that acts as a common investment and administrative agent for government units in the State of Oregon. Employees hired before August 29, 2003 belong to the Tier One/Tier Two Retirement Benefit Program (established pursuant to ORS Chapter 238), while employees hired on or after August 29, 2003 belong to the OPSRP Pension Program (established pursuant to ORS Chapter 238A). OPERS produces an independently audited Annual Comprehensive Financial Report which can be found at: http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

Benefits Provided

Tier One/Tier Two Retirement Benefit

Pension Benefits. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0% for police and fire employees, 1.67% 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.

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

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

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

CITY OF WOODBURN, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2024

PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)

Benefits Provided (Continued)

Tier One/Tier Two Retirement Benefit (Continued)

Disability Benefits. A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefit regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

Benefit Changes After Retirement. Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25% on the first \$60,000 of annual benefit and 0.15% on annual benefits above \$60,000.

Pension Benefits. The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated by formula for members who attain normal retirement age. For general service members, 1.5% is multiplied by the number of years of service and the final average salary.

OPSRP Pension Program

Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. For police and fire members, 1.8% is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, 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.

CITY OF WOODBURN, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2024

PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)

Benefits Provided (Continued)

OPSRP Pension Program (Continued)

Disability Benefits. A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 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% on the first \$60,000 of annual benefit and 0.15% on annual benefits above \$60,000.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2021 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 22.23% for Tier One/Tier Two members, 16.67% for OPSRP General Service members, and 21.46% for OPSRP Police and Fire members. The City’s total contributions exclusive of the 6% “pick-up” was \$2,608,603.

Covered employees are required to contribute 6% of their salary to the Plan, but the employer is allowed to pay any or all of the employees’ contribution in addition to the required employers’ contribution. The City has elected to contribute the 6% “pick-up” or \$800,753 of the employees’ contribution.

Contributions and pension expense are reported in the funds in which the related payroll costs are incurred, primarily the General, Street, Water, Sewer, Information Technology, and Insurance funds.

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

At June 30, 2024, the City reported a liability of \$15,228,174 for its proportionate share of the OPERS net pension liability. The net pension liability was measured as of June 30, 2023, and the net pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to June 30, 2023. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the City’s proportion was 0.0813%, compared to 0.0865% from its proportion measured as of June 30, 2022.

CITY OF WOODBURN, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2024

PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)

For the year ended June 30, 2024, the City recognized pension expense of \$171,851. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 744,704	\$ 60,381
Changes of assumptions	1,352,781	10,086
Net difference between projected and actual earnings on investments	273,713	-
Changes in proportionate share	892,224	1,113,611
Differences between employer contributions and proportionate share of contributions	978,498	1,158,211
Contributions subsequent to measurement date	2,608,603	-
	<u> </u>	<u> </u>
Total	<u><u>\$ 6,850,523</u></u>	<u><u>\$ 2,342,289</u></u>

Deferred outflows of resources related to pensions of \$2,608,603 resulting from the City’s contributions subsequent to the measurement date will be recognized as either a reduction of the net pension liability or an increase in the net pension asset in the year ending June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as an addition to (reduction from) as follows:

<i>Fiscal Year Ending June 30,</i>	
<u> </u>	
2025	\$ 498,467
2026	(425,993)
2027	1,425,865
2028	406,607
2029	(5,315)
	<u> </u>
Total	<u><u>\$ 1,899,631</u></u>

PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)

Actuarial Methods and Assumptions

The net pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial methods and assumptions:

Valuation Date	December 31, 2021
Measurement Date	June 30, 2023
Experience Study Report	2020, published June 20, 2021
Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.40%
Investment Rate of Return	6.90%
Projected Salary Increases	3.40%
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service.
Mortality	<p><i>Healthy retirees and beneficiaries:</i> 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.</p> <p><i>Active members:</i> 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.</p> <p><i>Disabled retirees:</i> 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.</p>

PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)

Actuarial Methods and Assumptions (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 experience study which reviewed experience for the four-year period ending on December 31, 2020.

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption was based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target	Compound Annual Return (Geometric)
Global Equity	27.50 %	7.07 %
Private Equity	25.50	8.83
Core Fixed Income	25.00	4.50
Real Estate	12.25	5.83
Master Limited Partnerships	0.75	6.02
Infrastructure	1.50	6.51
Hedge Fund of Funds - Multistrategy	1.25	6.27
Hedge Fund Equity - Hedge	0.63	6.48
Hedge Fund - Macro	5.62	4.83
Assumed Inflation - Mean		2.35 %

Discount Rate

The discount rate used to measure the net pension liability was 6.90% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those 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 net pension liability.

PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)

Sensitivity of the City’s proportionate share of the net pension liability to changes in the discount rate

The following presents the City’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.90%, as well as what the City’s proportionate share of the net pension 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:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net pension liability	\$ 25,154,078	\$ 15,228,174	\$ 6,921,246

Pension Plan Fiduciary Net Position

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

DEFINED CONTRIBUTION PENSION PLANS

The City sponsors two defined contribution pension plans. Both plan’s provisions and contribution requirements are established and amended by the City Council.

The 401A is administered by ICMA Retirement Corp. to provide retirement benefits for the City Attorney. The City has established a contribution amount equivalent to approximately 7% of covered salary. The City contributed \$7,335 to the plan for the year ended June 30, 2024.

The 457 plan is administered by both ICMA Retirement Corporation and First Investors Financial Services and provides additional retirement benefits for contract and unrepresented employees. The City has established matching contribution rates of 5% or 8.5%, depending on contractual agreements. The City contributed \$239,438 to the plan for the year ended June 30, 2024.

POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

The other postemployment benefits (OPEB) for the City combines two separate plans. The City provides an implicit rate subsidy for retiree health insurance premiums, and a contribution to the State of Oregon’s PERS cost-sharing multiple-employer defined health insurance benefit plan.

Contributions and OPEB expense are reported in the funds in which the related payroll costs are incurred, primarily the General, Street, Water, Sewer, Information Technology, and Insurance funds.

CITY OF WOODBURN, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2024

POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Financial Statement Presentation

The City’s two OPEB plans are presented in the aggregate on the Statement of Net Position. The amounts on the financial statements relate to the plans as follows:

	<u>Implicit Rate</u> <u>Subsidy Plan</u>	<u>PERS</u> <u>RHIA Plan</u>	<u>Total OPEB</u> <u>on Financials</u>
Net OPEB asset	\$ -	\$ 248,715	\$ 248,715
Deferred Outflows of Resources			
Differences between expected and actual experience	94,869	-	94,869
Change in assumptions	10,845	-	10,845
Net difference between projected and actual earnings	-	705	705
Changes in proportionate share	-	5,153	5,153
Contributions subsequent to measurement date	57,037	176	57,213
Total Deferred Outflows of Resources	<u>162,751</u>	<u>6,034</u>	<u>168,785</u>
Total OPEB Liability	775,198	-	775,198
Deferred Inflows of Resources			
Differences between expected and actual experience	13,757	6,244	20,001
Change in assumptions	140,447	2,682	143,129
Net difference between projected and actual earnings	-	-	-
Changes in proportionate share	-	12,600	12,600
Total Deferred Inflows of Resources	<u>154,204</u>	<u>21,526</u>	<u>175,730</u>
OPEB Expense/(Income)	24,925	(38,764)	(13,839)

Implicit Rate Subsidy

Plan Description

The City’s single employer defined benefit postemployment healthcare plan is administered by Citycounty Insurance Services (CIS). Benefit provisions are established through negotiations between the City and representatives of the City or through resolutions passed by City Council. No assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

The City’s postemployment healthcare plan administrator issues a publicly available financial report that includes financial statements and required supplementary information for CIS. This report may be obtained by writing to the CIS Main Office, 1212 Court Street NE, Salem OR 97301.

Benefits Provided

The plan provides eligible retirees and their dependents under age 65 the same health care coverage at the same premium rates as offered to active employees. The retiree is responsible for the premiums.

CITY OF WOODBURN, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2024

POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Implicit Rate Subsidy (Continued)

As of the valuation date of July 1, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	8
Active employees	128
	136
	136

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

The City’s total OPEB liability of \$775,198 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022. For the fiscal year ended June 30, 2024, the City recognized OPEB expense from this plan of \$24,925. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	<i>Deferred Outflow of Resources</i>	<i>Deferred Inflow of Resources</i>
Differences between expected and actual experience	\$ 94,869	\$ 13,757
Changes of assumptions	10,845	140,447
Contributions subsequent to measurement date	57,037	-
	\$ 162,751	\$ 154,204
Total	\$ 162,751	\$ 154,204

Deferred outflows of resources related to OPEB of \$57,037 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2025	\$ (18,232)
2026	(18,232)
2027	(13,035)
2028	(458)
2029	(1,000)
Thereafter	2,467
	(48,490)
Total	\$ (48,490)

CITY OF WOODBURN, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2024

POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability for the June 30, 2024 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified: inflation rate of 2.50%, projected salary increases of 3.50%, discount rate of 2.16%, medical and vision varies between 5.75% and 3.75%, dental at 4.00%, and mortality rates based on the PUB-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees.

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

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance as of June 30, 2023	\$ 736,125
Changes for the year:	
Service cost	72,521
Interest on total OPEB liability	27,672
Effect of economic/demographic gains or losses	-
Effect of assumptions changes or inputs	(6,723)
Benefit payments	(54,397)
	<u> </u>
Balance as of June 30, 2024	<u>\$ 775,198</u>

The effect of changes in assumptions is the result of the change in the discount rate from 2.21 to 2.16.

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 (1.16 percent) or 1 percentage point higher (3.16 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Discount Rate:	<u>1% Decrease (2.54%)</u>	<u>Current Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
Total OPEB Liability	\$ 838,378	\$ 775,198	\$ 717,034
 Healthcare Cost Trend:			
	<u>1% Decrease (2.75% increasing to 3.00%)</u>	<u>Trend Rate (3.75% increasing to 4.00%)</u>	<u>1% Increase (4.75% increasing to 5.00%)</u>
Total OPEB Liability	\$ 695,254	\$ 775,198	\$ 869,239

CITY OF WOODBURN, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2024

POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

PERS Retirement Health Insurance Account

Plan Description

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 or online at: <https://www.oregon.gov/PERS/Pages/Financials/Actuarial-Financial-Information.aspx>.

Benefits Provided

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost, the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan.

A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Contributions

PERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2021 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2022. The City's contribution rates for the period were 0.00% for Tier One/Tier Two members. The City's total contributions for the year ended June 30, 2023 were \$176.

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

At June 30, 2024, the City reported an asset of \$248,715 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2023 and was determined by an actuarial valuation as of December 31, 2021, rolled forward to June 30, 2023. The City's proportion of the net OPEB asset was based on the City's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2023 the City's proportionate share was 0.0679%, which is an increase from its proportion of 0.0072% as of June 30, 2022.

CITY OF WOODBURN, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2024

POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

PERS Retirement Health Insurance Account (Continued)

For the year ended June 30, 2024, the City recognized OPEB income from this plan of \$38,764. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	<i>Deferred Outflow of Resources</i>	<i>Deferred Inflow of Resources</i>
Differences between expected and actual experience	\$ -	\$ 6,244
Changes of assumptions	-	2,682
Net difference between projected and actual earnings	705	-
Change in proportionate share	5,153	12,600
Contributions subsequent to measurement date	176	-
	<hr/>	<hr/>
Total	<u>\$ 6,034</u>	<u>\$ 21,526</u>

Deferred outflows of resources related to OPEB of \$176 resulting from the City’s contributions subsequent to the measurement date will be recognized as either a reduction of the net OPEB liability or an increase in the net OPEB asset in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<i>Year ended June 30:</i>	
2025	\$ (15,896)
2026	(12,260)
2027	9,192
2028	3,296
	<hr/>
Total	<u>\$ (15,668)</u>

Actuarial Methods and Assumptions

See OPERS Pension Plan footnote for additional information on actuarial assumptions and methods, the long-term expected rate of return, and the discount rate.

Sensitivity of the 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 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:

CITY OF WOODBURN, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2024

POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

PERS Retirement Health Insurance Account (Continued)

	<u>1% Decrease</u> <u>(5.90%)</u>	<u>Discount Rate</u> <u>(6.90%)</u>	<u>1% Increase</u> <u>(7.90%)</u>
Net OPEB liability (asset)	\$ (226,081)	\$ (248,715)	\$ (268,132)

OPEB Plan Fiduciary Net Position

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

TRANSFERS

Interfund transfers are as follows:

	<u>Transfers Out</u>						<u>Total Transfers</u> <u>In</u>
	<u>Governmental funds</u>				<u>Business-type funds</u>		
<u>Transfers In</u>	<u>General</u>	<u>Street</u>	<u>Street SDC</u>	<u>Non-major</u>	<u>Water</u> <u>Operations</u>	<u>Sewer</u> <u>Operations</u>	
Governmental funds							
General	\$ -	\$ -	\$ -	\$ 664,198	\$ -	\$ -	\$ 664,198
Street	-	-	-	-	-	90,000	90,000
Other non-major	166,470	60,000	188,567	288,704	60,000	60,000	823,741
Transfers Out	<u>\$ 166,470</u>	<u>\$ 60,000</u>	<u>\$ 188,567</u>	<u>\$ 952,902</u>	<u>\$ 60,000</u>	<u>\$ 150,000</u>	<u>\$ 1,577,939</u>

Transfers made during the fiscal year include, but are not limited to, the following purposes:

- An annual subsidy to the Transit Fund from the General Fund,
- Transfers to Capital Construction Funds to provide funding for capital project expenditures incurred during the fiscal year, and
- Transfers from the Sewer Fund to the Street Fund for street sweeping costs.

The table above is based on fund financials statements.

CONTINGENCIES

The City purchases commercial insurance to cover all commonly insurable risks, which includes property damage, liability, and employee bonds. Most policies carry a small deductible amount. No insurance claims settled in each of the prior three years have exceeded policy coverage.

The City is a defendant in various litigation proceedings. Management believes any losses arising from these actions will not materially affect the City’s financial position.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WOODBURN, OREGON**COMBINING BALANCE SHEET – BUDGETARY FUNDS REPORTED AS GENERAL FUND**

JUNE 30, 2024

	<i>Budgetary funds</i>		<i>Total (reported as General Fund)</i>
	<i>General Fund</i>	<i>PERS Reserve</i>	
ASSETS			
Cash and investments	\$ 15,683,025	\$ 391,120	\$ 16,074,145
Accounts receivable	705,937	-	705,937
Property taxes receivable	461,720	-	461,720
Prepaid items	22,990	-	22,990
<i>Total Assets</i>	<u>\$ 16,873,672</u>	<u>\$ 391,120</u>	<u>\$ 17,264,792</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 160,359	\$ -	\$ 160,359
Accrued payroll and payroll liabilities	1,291,306	-	1,291,306
<i>Total Liabilities</i>	1,451,665	-	1,451,665
Deferred Inflows			
Unavailable revenue	428,648	-	428,648
Fund Balance			
Non-spendable	22,990	-	22,990
Committed to:			
Retirement	-	391,120	391,120
Unassigned	14,970,369	-	14,970,369
<i>Total Fund Balance</i>	<u>14,993,359</u>	<u>391,120</u>	<u>15,384,479</u>
<i>Total Liabilities, Deferred Inflows and Fund Balance</i>	<u>\$ 16,873,672</u>	<u>\$ 391,120</u>	<u>\$ 17,264,792</u>

See notes to required supplementary information.

CITY OF WOODBURN, OREGON

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGETARY FUNDS REPORTED AS GENERAL FUND
YEAR ENDED JUNE 30, 2024*

	<i>Budgetary funds</i>		<i>Total (reported as General Fund)</i>
	<i>General Fund</i>	<i>PERS Reserve</i>	
REVENUES			
Taxes and assessments	\$ 12,058,840	\$ -	\$ 12,058,840
Licenses and permits	2,981,957	-	2,981,957
Charges for services	972,408	-	972,408
Intergovernmental	1,526,208	-	1,526,208
Fines and forfeitures	531,556	-	531,556
Miscellaneous	1,128,237	-	1,128,237
<i>Total Revenues</i>	19,199,206	-	19,199,206
EXPENDITURES			
Current			
General government	2,985,756	-	2,985,756
Economic development	1,485,756	-	1,485,756
Public safety	10,402,147	-	10,402,147
Culture and recreation	3,700,125	-	3,700,125
Capital outlay	214,046	-	214,046
<i>Total Expenditures</i>	18,787,830	-	18,787,830
REVENUES OVER (UNDER) EXPENDITURES	411,376	-	411,376
OTHER FINANCING SOURCES (USES)			
Transfers in	664,198	-	664,198
Transfers out	(166,470)	-	(166,470)
Proceeds from sales of assets	32,000	-	32,000
Inception of lease	476,075	-	476,075
<i>Total Other Financing Sources (Uses)</i>	1,005,803	-	1,005,803
NET CHANGE IN FUND BALANCE	1,417,179	-	1,417,179
FUND BALANCE, beginning of year	13,576,180	391,120	13,967,300
FUND BALANCE, end of year	\$ 14,993,359	\$ 391,120	\$ 15,384,479

See notes to required supplementary information.

CITY OF WOODBURN, OREGON

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – GENERAL FUND (BUDGETARY BASIS)
YEAR ENDED JUNE 30, 2024*

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Taxes and assessments	\$ 12,440,000	\$ 12,440,000	\$ 12,058,840	\$ (381,160)
Licenses and permits	252,600	252,600	379,635	127,035
Franchise fees	2,291,000	2,291,000	2,602,322	311,322
Charges for services	1,096,110	1,096,110	972,408	(123,702)
Intergovernmental	1,929,170	2,639,170	1,526,208	(1,112,962)
Fines and forfeitures	555,250	555,250	531,556	(23,694)
Miscellaneous	540,680	540,680	1,128,237	587,557
<i>Total Revenues</i>	19,104,810	19,814,810	19,199,206	(615,604)
EXPENDITURES				
Administration	2,209,340	2,209,340	1,980,238	229,102
Economic development	830,340	830,340	369,945	460,395
Nondepartmental	1,084,680	1,794,680	1,002,281	792,399
Police	10,099,780	10,099,780	10,402,147 *	(302,367)
Community services	4,297,240	4,297,240	3,907,991	389,249
Planning	955,670	955,670	777,173	178,497
Engineering	482,840	482,840	348,055	134,785
Contingency	4,989,980	4,989,980	-	4,989,980
<i>Total Expenditures</i>	24,949,870	25,659,870	18,787,830	6,872,040
REVENUES OVER (UNDER) EXPENDITURES	(5,845,060)	(5,845,060)	411,376	6,256,436
OTHER FINANCING SOURCES (USES)				
Transfers in	1,166,000	1,166,000	664,198	(501,802)
Transfers out	(166,470)	(166,470)	(166,470)	-
Proceeds from sale of assets	62,000	62,000	32,000	(30,000)
Inception of lease	-	-	476,075	476,075
<i>Total Other Financing Sources (Uses)</i>	1,061,530	1,061,530	1,005,803	(55,727)
NET CHANGE IN FUND BALANCE	(4,783,530)	(4,783,530)	1,417,179	6,200,709
FUND BALANCE, beginning of year	10,470,720	10,470,720	13,576,180	3,105,460
FUND BALANCE, end of year	\$ 5,687,190	\$ 5,687,190	\$ 14,993,359	\$ 9,306,169

* Expenditures exceeded the appropriated amount due to the inception of leases. This is not a violation of local budget law.

See notes to required supplementary information.

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – PERS RESERVE FUND (BUDGETARY BASIS)
YEAR ENDED JUNE 30, 2024**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Personal services	391,120	391,120	-	391,120
NET CHANGE IN FUND BALANCE	(391,120)	(391,120)	-	391,120
FUND BALANCE, beginning of year	391,120	391,120	391,120	-
FUND BALANCE, end of year	\$ -	\$ -	\$ 391,120	\$ 391,120

See notes to required supplementary information.

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUILDING INSPECTION FUND
YEAR ENDED JUNE 30, 2024**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 2,261,380	\$ 2,361,380	\$ 1,988,293	\$ (373,087)
Intergovernmental	1,161,000	1,361,000	939,413	(421,587)
Miscellaneous	61,000	61,000	379,449	318,449
<i>Total Revenues</i>	<u>3,483,380</u>	<u>3,783,380</u>	<u>3,307,155</u>	<u>(476,225)</u>
EXPENDITURES				
Building inspection	2,779,360	3,079,360	2,317,042	762,318
Contingency	8,178,320	8,178,320	-	8,178,320
<i>Total Expenditures</i>	<u>10,957,680</u>	<u>11,257,680</u>	<u>2,317,042</u>	<u>8,940,638</u>
NET CHANGE IN FUND BALANCE	(7,474,300)	(7,474,300)	990,113	8,464,413
FUND BALANCE, beginning of year	<u>7,474,300</u>	<u>7,474,300</u>	<u>7,271,433</u>	<u>(202,867)</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,261,546</u>	<u>\$ 8,261,546</u>

See notes to required supplementary information.

CITY OF WOODBURN, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - STREET FUND
YEAR ENDED JUNE 30, 2024

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Taxes and assessments	\$ 110,000	\$ 110,000	\$ 109,191	\$ (809)
Licenses and permits	400	400	67	(333)
Intergovernmental	2,075,000	2,075,000	3,843,374	1,768,374
Fines and forfeitures	420,000	420,000	515,030	95,030
Miscellaneous	100,500	100,500	378,470	277,970
<i>Total Revenues</i>	<u>2,705,900</u>	<u>2,705,900</u>	<u>4,846,132</u>	<u>2,140,232</u>
EXPENDITURES				
Street	2,929,440	2,929,440	2,147,677	781,763
Contingency	4,175,770	4,175,770	-	4,175,770
<i>Total Expenditures</i>	<u>7,105,210</u>	<u>7,105,210</u>	<u>2,147,677</u>	<u>4,957,533</u>
REVENUES OVER (UNDER) EXPENDITURES	(4,399,310)	(4,399,310)	2,698,455	7,097,765
OTHER FINANCING SOURCES (USES)				
Transfers in	90,000	90,000	90,000	-
Transfers out	(60,000)	(60,000)	(60,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(4,369,310)	(4,369,310)	2,728,455	7,097,765
FUND BALANCE, beginning of year	<u>4,369,310</u>	<u>4,369,310</u>	<u>4,545,220</u>	<u>175,910</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,273,675</u>	<u>\$ 7,273,675</u>

See notes to required supplementary information.

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - HOUSING REHABILITATION FUND
YEAR ENDED JUNE 30, 2024**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Miscellaneous	\$ 10,400	\$ 10,400	\$ 20,749	\$ 10,349
EXPENDITURES				
Housing rehab	38,290	38,290	3,153	35,137
NET CHANGE IN FUND BALANCE	(27,890)	(27,890)	17,596	45,486
FUND BALANCE, beginning of year	27,890	27,890	28,292	402
FUND BALANCE, end of year	\$ -	\$ -	\$ 45,888	\$ 45,888

See notes to required supplementary information.

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - STREET SDC FUND
YEAR ENDED JUNE 30, 2024**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 2,000,000	\$ 2,000,000	\$ 2,364,370	\$ 364,370
Miscellaneous	110,000	110,000	701,180	591,180
<i>Total Revenues</i>	2,110,000	2,110,000	3,065,550	955,550
EXPENDITURES				
Transportation SDC	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	2,110,000	2,110,000	3,065,550	955,550
OTHER FINANCING SOURCES (USES)				
Transfers out	(420,000)	(420,000)	(188,567)	231,433
NET CHANGE IN FUND BALANCE	1,690,000	1,690,000	2,876,983	1,186,983
FUND BALANCE, beginning of year	12,938,430	12,938,430	13,518,413	579,983
FUND BALANCE, end of year	\$ 14,628,430	\$ 14,628,430	\$ 16,395,396	\$ 1,766,966

See notes to required supplementary information.

CITY OF WOODBURN, OREGON

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

LAST TEN FISCAL YEARS¹

	City's proportion of the net pension liability (asset)	City's proportionate share of the net pension liability (asset)	City's covered payroll	City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	0.1145%	\$ (2,595,126)	\$ 8,048,595	-32.2%	103.6%
2016	0.1224%	7,026,676	8,457,225	83.1%	91.9%
2017	0.1081%	16,230,093	8,344,438	194.5%	80.5%
2018	0.0994%	13,401,200	8,800,124	152.3%	83.1%
2019	0.0856%	12,969,468	8,950,436	144.9%	82.1%
2020	0.0912%	15,782,405	8,868,978	178.0%	80.2%
2021	0.0778%	16,979,947	10,145,281	167.4%	75.8%
2022	0.0798%	9,545,486	9,855,515	96.9%	87.6%
2023	0.0865%	13,244,694	10,504,778	126.1%	84.5%
2024	0.0813%	15,228,174	13,139,706	115.9%	81.7%

See notes to required supplementary information.

CITY OF WOODBURN, OREGON
SCHEDULE OF THE CITY'S CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Contractually required contributions	Contributions in relation to the contractually required	Contribution deficiency (excess)	City's covered payroll	Contributions as a percentage of covered payroll
2015	\$ 1,046,147	\$ (1,046,147)	\$ -	\$ 8,457,225	12.37%
2016	1,096,838	(1,096,838)	-	8,344,438	13.14%
2017	1,034,667	(1,034,667)	-	8,800,124	11.76%
2018	1,347,984	(1,347,984)	-	8,950,436	15.06%
2019	1,407,165	(1,407,165)	-	8,868,978	15.87%
2020	1,874,810	(1,874,810)	-	10,145,281	18.48%
2021	1,620,295	(1,620,295)	-	9,855,515	16.44%
2022	1,733,222	(1,733,222)	-	10,504,778	16.50%
2023	2,116,468	(2,116,468)	-	13,139,706	16.11%
2024	2,608,603	(2,608,603)	-	13,557,890	19.24%

See notes to required supplementary information.

CITY OF WOODBURN, OREGON

*SCHEDULE OF CHANGES IN TOTAL OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS - IMPLICIT RATE SUBSIDY
LAST SEVEN FISCAL YEARS¹*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 72,521	\$ 61,305	\$ 59,512	\$ 44,820	\$ 39,806	\$ 47,892	\$ 51,565
Interest on total OPEB liability	27,672	15,588	15,120	23,775	24,532	25,949	21,016
Effect of economic/demographic gains or (losses)	-	120,513	-	(15,430)	-	(16,512)	-
Effect of assumption change or inputs	(6,723)	(102,061)	2,791	(21,415)	20,318	(96,751)	(46,746)
Benefit payments	(54,397)	(38,994)	(44,391)	(38,599)	(49,862)	(37,144)	(32,401)
Net change in total OPEB liability	39,073	56,351	33,032	(6,849)	34,794	(76,566)	(6,566)
Total OPEB liability, beginning	736,125	679,774	646,742	653,590	618,796	695,362	701,928
Total OPEB liability, ending	<u>\$ 775,198</u>	<u>\$ 736,125</u>	<u>\$ 679,774</u>	<u>\$ 646,741</u>	<u>\$ 653,590</u>	<u>\$ 618,796</u>	<u>\$ 695,362</u>
Covered-employee payroll	\$13,557,890	\$13,139,706	\$10,504,778	\$ 9,855,515	\$10,145,281	\$ 8,868,978	\$8,950,436
Total OPEB liability as a % of covered-employee payroll	5.7%	5.6%	6.5%	6.6%	6.4%	7.0%	7.8%

Notes:

The above table presents the most recent actuarial valuations for the City's post-employment health insurance benefits plan and provides information that approximates the funding progress of the plan.

There are no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75 to pay the OPEB benefit for the implicit rate subsidy OPEB plan.

¹ 10-year trend information required by GASB Statement 75 will be presented prospectively

CITY OF WOODBURN, OREGON

*SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
 OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM RETIREE HEALTH INSURANCE ACCOUNT
 LAST EIGHT FISCAL YEARS ¹*

	<u>City's proportion of the net OPEB liability (asset)</u>	<u>City's proportionate share of the net OPEB liability (asset)</u>	<u>City's covered payroll</u>	<u>City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2017	0.0869%	\$ 23,610	\$ 8,344,438	0.3%	94.2%
2018	0.0815%	(34,002)	8,800,124	-0.4%	108.9%
2019	0.0825%	(92,049)	8,950,436	-1.0%	124.0%
2020	0.0815%	(157,485)	8,868,978	-1.8%	124.0%
2021	0.0505%	(102,836)	10,145,281	-1.0%	150.1%
2022	0.0709%	(243,371)	9,855,515	-2.5%	183.9%
2023	0.0607%	(215,766)	10,504,778	-2.1%	194.6%
2024	0.0679%	(248,715)	13,139,706	-1.9%	201.6%

¹ 10-year trend information required by GASB Statement 75 will be presented prospectively

CITY OF WOODBURN, OREGON
SCHEDULE OF THE CITY'S CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM RETIREE HEALTH INSURANCE ACCOUNT
LAST EIGHT FISCAL YEARS ¹

	Contractually required contributions	Contributions in relation to the contractually required	Contribution deficiency (excess)	City's covered payroll	Contributions as a percentage of covered payroll
2017	\$ 38,765	\$ (38,765)	\$ -	\$ 8,800,124	0.44%
2018	40,561	(40,561)	-	8,950,436	0.45%
2019	39,580	(39,580)	-	8,868,978	0.45%
2020	40,436	(40,436)	-	10,145,281	0.40%
2021	5,106	(5,106)	-	9,855,515	0.05%
2022	1,497	(1,497)	-	10,504,778	0.01%
2023	1,339	(1,339)	-	13,139,706	0.01%
2024	176	(176)	-	13,557,890	0.00%

¹ 10-year trend information required by GASB Statement 75 will be presented prospectively

See notes to required supplementary information.

CITY OF WOODBURN, OREGON

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024**

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

On or before June 30 of each year, the City enacts a resolution approving the budget, appropriating the expenditures, and levying the property taxes. The City's budget is presented on the modified accrual basis of accounting which is the same basis as GAAP with the exception of interfund loans, which are not reported on the budgetary basis.

Prior to enacting this resolution, the proposed budget is presented to a budget committee consisting of members of the City Council and a like number of interested citizens. The budget committee presents the budget to the City Council for budget hearings prior to enactment of the resolution. The City budgets all funds as required by Oregon Local Budget Law.

The resolution authorizing appropriations for each fund sets the legal level of control by which expenditures cannot legally exceed appropriations. Appropriations of expenditures are made at the program/function level for all funds. The detail budget document is required to contain more specific information for the above-mentioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers, and adoption by the City Council. Management may modify original and supplemental budgets by the use of appropriation transfers between the legal levels of control within a fund. Such transfers require approval by the City Council. Management may not amend the budget without seeking the approval of the Council. Appropriations lapse as of year-end.

Changes in Benefit Terms

The Oregon Supreme Court on April 30, 2015, ruled that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law was unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS will make restoration payments to those benefit recipients. Senate Bill 822 lowered the COLA from 2% to 1.5% for recipients who do not pay Oregon income tax because they are not residents of Oregon.

OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire.

This is a change in benefit terms was not included in the net pension liability (asset) proportionate shares provided by OPERS for the year ended June 30, 2015.

Changes of assumptions

Details and a comprehensive list of changes in methods and assumptions can be found in the 2012, 2014, and 2016 experience study for the System, which were published on September 18, 2013, September 23, 2015, July 26, 2017, and July 25, 2019, respectively. These reports can be found at:

<http://www.oregon.gov/PERS/Pages/Financials/Actuarial-Presentations-and-Reports.aspx>.

CITY OF WOODBURN, OREGON
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY *(Continued)*

Other Postemployment Benefits (OPEB)

The tables on pages 63-65 present the activities, changes in the proportionate share and contributions related to the City's postemployment health insurance benefit plans (implicit rate subsidy and retirees' health insurance account) based on the most recent actuarial valuations for the City.

There are no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75 to pay the OPEB benefit for the implicit rate subsidy OPEB plan.

SUPPLEMENTARY INFORMATION

CITY OF WOODBURN, OREGON
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	<i>Special Revenue</i>					<i>Capital Projects</i>	
	<i>Transit</i>	<i>Asset Forfeiture</i>	<i>American Rescue Plan</i>	<i>Lavelle Black Trust</i>	<i>Special Assessment</i>	<i>Urban Renewal</i>	<i>General Capital Construction</i>
ASSETS							
Cash and investments	\$ 556,660	\$ 30,700	\$ 1,674,424	\$ 35,862	\$ 45,107	\$ 1,034,347	\$ 124,866
Accounts receivable	844,489	-	-	-	-	1,336	-
Property taxes receivable	-	-	-	-	-	41,659	-
Assessment liens receivable	-	-	-	-	9,926	-	-
Prepaid items	-	-	-	-	-	-	3,300
<i>Total Assets</i>	<u>\$ 1,401,149</u>	<u>\$ 30,700</u>	<u>\$ 1,674,424</u>	<u>\$ 35,862</u>	<u>\$ 55,033</u>	<u>\$ 1,077,342</u>	<u>\$ 128,166</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE							
Liabilities:							
Accounts payable	\$ 356,953	\$ -	\$ -	\$ -	\$ -	\$ 106,187	\$ 18,776
Deferred Inflows:							
Unavailable revenue	-	-	-	-	9,926	38,460	843
Fund Balance:							
Non-spendable	-	-	-	-	-	-	3,300
Restricted for:							
Debt service	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-
Culture and recreation	1,044,196	-	-	35,862	-	-	-
Community development	-	-	1,674,424	-	-	932,695	-
Committed to:							
Public safety	-	30,700	-	-	-	-	-
Capital outlay	-	-	-	-	45,107	-	105,247
Unassigned	-	-	-	-	-	-	-
<i>Total Fund Balance</i>	<u>1,044,196</u>	<u>30,700</u>	<u>1,674,424</u>	<u>35,862</u>	<u>45,107</u>	<u>932,695</u>	<u>108,547</u>
<i>Total Liabilities, Deferred Inflows and Fund Balance</i>	<u>\$ 1,401,149</u>	<u>\$ 30,700</u>	<u>\$ 1,674,424</u>	<u>\$ 35,862</u>	<u>\$ 55,033</u>	<u>\$ 1,077,342</u>	<u>\$ 128,166</u>

CITY OF WOODBURN, OREGON

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (Continued)

JUNE 30, 2024

	<i>Capital Projects</i>			<i>Debt Service</i>		<i>Total</i>
	<i>Street & Storm Capital Construction</i>	<i>Parks SDC</i>	<i>Storm SDC</i>	<i>Equipment Replacement</i>	<i>GO Debt Service</i>	
ASSETS						
Cash and investments	\$ 1,931,294	\$ 6,669,084	\$ 1,034,915	\$ 1,192,712	\$ 39,748	\$ 14,369,719
Accounts receivable	-	-	-	-	-	845,825
Property taxes receivable	-	-	-	-	25,614	67,273
Assessment liens receivable	-	-	-	-	-	9,926
Prepaid items	-	-	-	-	-	3,300
<i>Total Assets</i>	<u>\$ 1,931,294</u>	<u>\$ 6,669,084</u>	<u>\$ 1,034,915</u>	<u>\$ 1,192,712</u>	<u>\$ 65,362</u>	<u>\$ 15,296,043</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ 56,716	\$ -	\$ -	\$ 538,632
Deferred Inflows:						
Unavailable revenue	-	-	-	-	23,670	72,899
Fund Balance:						
Non-spendable	-	-	-	-	-	3,300
Restricted for:						
Debt service	-	-	-	-	41,692	41,692
Construction	1,931,294	6,669,084	978,199	-	-	9,578,577
Culture and recreation	-	-	-	-	-	1,080,058
Community development	-	-	-	-	-	2,607,119
Committed to:						
Public safety	-	-	-	-	-	30,700
Capital outlay	-	-	-	1,192,712	-	1,343,066
Unassigned	-	-	-	-	-	-
<i>Total Fund Balance</i>	<u>1,931,294</u>	<u>6,669,084</u>	<u>978,199</u>	<u>1,192,712</u>	<u>41,692</u>	<u>14,684,512</u>
<i>Total Liabilities, Deferred Inflows and Fund Balance</i>	<u>\$ 1,931,294</u>	<u>\$ 6,669,084</u>	<u>\$ 1,034,915</u>	<u>\$ 1,192,712</u>	<u>\$ 65,362</u>	<u>\$ 15,296,043</u>

CITY OF WOODBURN, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	<i>Special Revenue</i>					<i>Capital Projects</i>	
	<i>Transit</i>	<i>Asset Forfeiture</i>	<i>American Rescue Plan</i>	<i>Lavelle Black Trust</i>	<i>Special Assessment</i>	<i>Urban Renewal</i>	<i>General Capital Construction</i>
REVENUES							
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -	1,119,066	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	1,335,076	-	-	-	-	-	-
Miscellaneous	77,986	12,555	38,289	3,872	4,424	64,694	106,089
<i>Total Revenues</i>	1,413,062	12,555	38,289	3,872	4,424	1,183,760	106,089
EXPENDITURES							
Current							
Economic development	-	-	280,500	-	76	751,469	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	1,463,334	-	-	2,080	-	-	-
Debt service							
Principal	-	-	-	-	-	285,000	-
Interest	-	-	-	-	-	50,746	-
Capital outlay	-	-	-	-	-	276,528	246,531
<i>Total Expenditures</i>	1,463,334	-	280,500	2,080	76	1,363,743	246,531
REVENUES OVER (UNDER) EXPENDITURES	(50,272)	12,555	(242,211)	1,792	4,348	(179,983)	(140,442)
OTHER FINANCING SOURCES (USES)							
Transfers in	181,062	-	-	-	-	-	248,989
Transfers out	-	-	(827,239)	-	-	-	-
<i>Total Other Financing Sources (Uses)</i>	181,062	-	(827,239)	-	-	-	248,989
NET CHANGE IN FUND BALANCE	130,790	12,555	(1,069,450)	1,792	4,348	(179,983)	108,547
FUND BALANCE, beginning of year	913,406	18,145	2,743,874	34,070	40,759	1,112,678	-
FUND BALANCE, end of year	\$ 1,044,196	\$ 30,700	\$ 1,674,424	\$ 35,862	\$ 45,107	\$ 932,695	\$ 108,547

CITY OF WOODBURN, OREGON

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

NONMAJOR GOVERNMENTAL FUNDS (Continued)

YEAR ENDED JUNE 30, 2024

	<i>Capital Projects</i>				<i>Debt Service</i>	
	<i>Street & Storm Capital Construction</i>	<i>Parks SDC</i>	<i>Storm SDC</i>	<i>Equipment Replacement</i>	<i>GO Debt Service</i>	<i>Total</i>
	REVENUES					
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ 624,980	\$ 1,744,046
Licenses and permits	-	2,142,615	61,794	-	-	2,204,409
Intergovernmental	790,562	-	-	-	-	2,125,638
Miscellaneous	699,788	280,907	52,321	50,984	9,455	1,401,364
<i>Total Revenues</i>	1,490,350	2,423,522	114,115	50,984	634,435	7,475,457
EXPENDITURES						
Current						
Economic development	-	-	-	-	-	1,032,045
Highways and streets	-	-	202,361	-	-	202,361
Culture and recreation	-	92,716	-	-	-	1,558,130
Debt service						
Principal	-	-	-	-	597,000	882,000
Interest	-	-	-	-	12,418	63,164
Capital outlay	213,832	-	-	18,286	-	755,177
<i>Total Expenditures</i>	213,832	92,716	202,361	18,286	609,418	4,492,877
REVENUES OVER (UNDER) EXPENDITURES	1,276,518	2,330,806	(88,246)	32,698	25,017	2,982,580
OTHER FINANCING SOURCES (USES)						
Transfers in	213,690	-	-	180,000	-	823,741
Transfers out	-	(80,298)	(45,365)	-	-	(952,902)
<i>Total Other Financing Sources (Uses)</i>	213,690	(80,298)	(45,365)	180,000	-	(129,161)
NET CHANGE IN FUND BALANCE	1,490,208	2,250,508	(133,611)	212,698	25,017	2,853,419
FUND BALANCE, beginning of year	441,086	4,418,576	1,111,810	980,014	16,675	11,831,093
FUND BALANCE, end of year	\$ 1,931,294	\$ 6,669,084	\$ 978,199	\$ 1,192,712	\$ 41,692	\$ 14,684,512

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – STREET & STORM CAPITAL CONSTRUCTION FUND
YEAR ENDED JUNE 30, 2024**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Intergovernmental	\$ 500,000	\$ 500,000	\$ 790,562	\$ 290,562
Miscellaneous	2,000	2,000	699,788	697,788
<i>Total Revenues</i>	502,000	502,000	1,490,350	988,350
EXPENDITURES				
Capital outlay	880,000	880,000	213,832	666,168
REVENUES OVER (UNDER) EXPENDITURES				
	(378,000)	(378,000)	1,276,518	1,654,518
OTHER FINANCING SOURCES (USES)				
Transfers in	237,320	237,320	213,690	(23,630)
NET CHANGE IN FUND BALANCE	(140,680)	(140,680)	1,490,208	1,630,888
FUND BALANCE, beginning of year	140,680	140,680	441,086	300,406
FUND BALANCE, end of year	\$ -	\$ -	\$ 1,931,294	\$ 1,931,294

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - TRANSIT FUND
YEAR ENDED JUNE 30, 2024**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Intergovernmental	\$ 1,770,800	\$ 1,770,800	\$ 1,335,076	\$ (435,724)
Miscellaneous	10,000	10,000	77,986	67,986
<i>Total Revenues</i>	<u>1,780,800</u>	<u>1,780,800</u>	<u>1,413,062</u>	<u>(367,738)</u>
EXPENDITURES				
Transit	1,941,040	1,941,040	1,463,334	477,706
Contingency	780,260	780,260	-	780,260
<i>Total Expenditures</i>	<u>2,721,300</u>	<u>2,721,300</u>	<u>1,463,334</u>	<u>1,257,966</u>
REVENUES OVER (UNDER) EXPENDITURES	(940,500)	(940,500)	(50,272)	890,228
OTHER FINANCING SOURCES (USES)				
Transfers in	227,000	227,000	181,062	(45,938)
NET CHANGE IN FUND BALANCE	(713,500)	(713,500)	130,790	844,290
FUND BALANCE, beginning of year	713,500	713,500	913,406	199,906
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,044,196</u>	<u>\$ 1,044,196</u>

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – ASSET FORFEITURE FUND
YEAR ENDED JUNE 30, 2024**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Miscellaneous	\$ 250	\$ 250	\$ 12,555	\$ 12,305
EXPENDITURES				
Asset forfeiture	16,600	16,600	-	16,600
NET CHANGE IN FUND BALANCE	(16,350)	(16,350)	12,555	28,905
FUND BALANCE, beginning of year	16,350	16,350	18,145	1,795
FUND BALANCE, end of year	\$ -	\$ -	\$ 30,700	\$ 30,700

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – AMERICAN RESCUE PLAN FUND
YEAR ENDED JUNE 30, 2024**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Miscellaneous	\$ 30,000	\$ 30,000	\$ 38,289	\$ 8,289
EXPENDITURES				
American Rescue Plan	281,220	281,220	280,500	720
Contingency	714,920	714,920	-	714,920
<i>Total Expenditures</i>	996,140	996,140	280,500	715,640
REVENUES OVER (UNDER) EXPENDITURES	(966,140)	(966,140)	(242,211)	723,929
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,254,250)	(1,254,250)	(827,239)	427,011
NET CHANGE IN FUND BALANCE	(2,220,390)	(2,220,390)	(1,069,450)	1,150,940
FUND BALANCE, beginning of year	2,220,390	2,220,390	2,743,874	523,484
FUND BALANCE, end of year	\$ -	\$ -	\$ 1,674,424	\$ 1,674,424

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – LAVELLE BLACK TRUST FUND
YEAR ENDED JUNE 30, 2024**

	Budget Amounts		Actual	Variance
	Original	Final		
REVENUES				
Miscellaneous	\$ 500	\$ 500	\$ 3,872	\$ 3,372
EXPENDITURES				
Materials and services	7,500	7,500	2,080	5,420
Contingency	25,690	25,690	-	25,690
<i>Total Expenditures</i>	33,190	33,190	2,080	31,110
NET CHANGE IN FUND BALANCE	(32,690)	(32,690)	1,792	34,482
FUND BALANCE, beginning of year	32,690	32,690	34,070	1,380
FUND BALANCE, end of year	\$ -	\$ -	\$ 35,862	\$ 35,862

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – SPECIAL ASSESSMENT FUND
YEAR ENDED JUNE 30, 2024**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous	\$ 2,300	\$ 2,300	\$ 4,424	\$ 2,124
EXPENDITURES				
Materials and services	2,300	2,300	76	2,224
Contingency	39,960	39,960	-	39,960
NET CHANGE IN FUND BALANCE	(39,960)	(39,960)	4,348	44,308
FUND BALANCE, beginning of year	39,960	39,960	40,759	799
FUND BALANCE, end of year	\$ -	\$ -	\$ 45,107	\$ 45,107

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – URBAN RENEWAL FUND
YEAR ENDED JUNE 30, 2024**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Taxes and assessments	\$ 1,104,000	\$ 1,104,000	\$ 1,119,066	\$ 15,066
Miscellaneous	20,000	20,000	64,694	44,694
<i>Total Revenues</i>	1,124,000	1,124,000	1,183,760	59,760
EXPENDITURES				
Administration				
Personal services	292,200	292,200	291,343	857
Materials and services	553,550	553,550	460,126	93,424
Capital outlay	736,000	736,000	276,528	459,472
Debt service				
Principal	285,000	285,000	285,000	-
Interest	50,750	50,750	50,746	4
Contingency	60,000	60,000	-	60,000
<i>Total Expenditures</i>	1,977,500	1,977,500	1,363,743	613,757
REVENUES OVER (UNDER) EXPENDITURES	(853,500)	(853,500)	(179,983)	673,517
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	-
NET CHANGE IN FUND BALANCE	(853,500)	(853,500)	(179,983)	673,517
FUND BALANCE, beginning of year	1,187,230	1,187,230	1,112,678	(74,552)
FUND BALANCE, end of year	\$ 333,730	\$ 333,730	\$ 932,695	\$ 598,965

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – GENERAL CAPITAL CONSTRUCTION FUND
YEAR ENDED JUNE 30, 2024**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Intergovernmental	\$ 1,750,000	\$ 1,750,000	\$ -	\$(1,750,000)
Miscellaneous	-	-	106,089	106,089
<i>Total Revenues</i>	1,750,000	1,750,000	106,089	(1,643,911)
EXPENDITURES				
Capital outlay	3,204,960	3,204,960	246,531	2,958,429
REVENUES OVER (UNDER) EXPENDITURES	(1,454,960)	(1,454,960)	(140,442)	1,314,518
OTHER FINANCING SOURCES (USES)				
Transfers in	1,306,470	1,306,470	248,989	(1,057,481)
NET CHANGE IN FUND BALANCE	(148,490)	(148,490)	108,547	257,037
FUND BALANCE, beginning of year	148,490	148,490	-	(148,490)
FUND BALANCE, end of year	\$ -	\$ -	\$ 108,547	\$ 108,547

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – PARKS SDC FUND
YEAR ENDED JUNE 30, 2024**

	<i>Budget Amounts</i>			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance</i>
REVENUES				
Licenses and permits	\$ 1,400,000	\$ 1,400,000	\$ 2,142,615	\$ 742,615
Miscellaneous	35,000	35,000	280,907	245,907
<i>Total Revenues</i>	1,435,000	1,435,000	2,423,522	988,522
EXPENDITURES				
Materials and services	60,000	60,000	92,716	(32,716)
REVENUES OVER (UNDER) EXPENDITURES	1,375,000	1,375,000	2,330,806	955,806
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,028,750)	(1,028,750)	(80,298)	948,452
NET CHANGE IN FUND BALANCE	346,250	346,250	2,250,508	1,904,258
FUND BALANCE, beginning of year	4,459,380	4,459,380	4,418,576	(40,804)
FUND BALANCE, end of year	\$ 4,805,630	\$ 4,805,630	\$ 6,669,084	\$ 1,863,454

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – STORM SDC FUND
YEAR ENDED JUNE 30, 2024**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 60,000	\$ 60,000	\$ 61,794	\$ 1,794
Miscellaneous	10,000	10,000	52,321	42,321
<i>Total Revenues</i>	70,000	70,000	114,115	44,115
EXPENDITURES				
Materials and services	250,000	250,000	202,361	47,639
REVENUES OVER (UNDER) EXPENDITURES	(180,000)	(180,000)	(88,246)	91,754
OTHER FINANCING SOURCES (USES)				
Transfers out	(67,320)	(67,320)	(45,365)	21,955
NET CHANGE IN FUND BALANCE	(247,320)	(247,320)	(133,611)	113,709
FUND BALANCE, beginning of year	1,021,790	1,021,790	1,111,810	90,020
FUND BALANCE, end of year	\$ 774,470	\$ 774,470	\$ 978,199	\$ 203,729

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – EQUIPMENT REPLACEMENT FUND
YEAR ENDED JUNE 30, 2024**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous	\$ 8,000	\$ 8,000	\$ 50,984	\$ 42,984
EXPENDITURES				
Capital outlay	1,274,640	1,274,640	18,286	1,256,354
REVENUES OVER (UNDER) EXPENDITURES	(1,266,640)	(1,266,640)	32,698	1,299,338
OTHER FINANCING SOURCES (USES)				
Transfers in	180,000	180,000	180,000	-
NET CHANGE IN FUND BALANCE	(1,086,640)	(1,086,640)	212,698	1,299,338
FUND BALANCE, beginning of year	1,086,640	1,086,640	980,014	(106,626)
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,192,712</u>	<u>\$ 1,192,712</u>

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – GO DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2024**

	Budget Amounts		Actual	Variance
	Original	Final		
REVENUES				
Taxes and assessments	\$ 630,000	\$ 630,000	\$ 624,980	\$ (5,020)
Miscellaneous	3,310	3,310	9,455	6,145
<i>Total Revenues</i>	633,310	633,310	634,435	1,125
EXPENDITURES				
Debt service				
Principal	629,000	629,000	597,000	32,000
Interest	13,100	13,100	12,418	682
<i>Total Expenditures</i>	642,100	642,100	609,418	32,682
NET CHANGE IN FUND BALANCE	(8,790)	(8,790)	25,017	33,807
FUND BALANCE, beginning of year	8,790	8,790	16,675	7,885
FUND BALANCE, end of year	\$ -	\$ -	\$ 41,692	\$ 41,692

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – WATER OPERATIONS
COMBINING**

YEAR ENDED JUNE 30, 2024

	<u>Water</u>	<u>Water SDC</u>	<u>Water Capital Construction</u>	<u>Eliminations</u>	<u>Total Water Operations</u>
REVENUES					
Charges for services	\$ 5,448,834	\$ -	\$ -	\$ -	\$ 5,448,834
Licenses and permits	-	900,579	-	-	900,579
Miscellaneous	69,477	-	-	-	69,477
Interest earnings	80,144	197,559	11,119	-	288,822
<i>Total Revenues</i>	5,598,455	1,098,138	11,119	-	6,707,712
EXPENDITURES					
Water	3,326,824	-	-	-	3,326,824
Debt service					
Principal	2,244,000	-	-	-	2,244,000
Interest	7,514	-	-	-	7,514
Capital outlay	40,764	-	962,405	-	1,003,169
<i>Total Expenses</i>	5,619,102	-	962,405	-	6,581,507
REVENUES OVER (UNDER) EXPENDITURES	(20,647)	1,098,138	(951,286)	-	126,205
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	953,918	(953,918)	-
Transfers out	(138,543)	(875,375)	-	953,918	(60,000)
<i>Total Other Financing Sources (Uses)</i>	(138,543)	(875,375)	953,918	-	-
NET CHANGE IN FUND BALANCE	(159,190)	222,763	2,632	-	66,205
FUND BALANCE, beginning of year	2,249,230	3,873,120	712,003	-	6,834,353
FUND BALANCE, end of year	\$ 2,090,040	\$ 4,095,883	\$ 714,635	\$ -	6,900,558
RECONCILIATION TO NET POSITION- GAAP BASIS					
Capital assets, net					13,606,044
OPEB asset					22,489
Deferred outflows related to PERS					392,747
Deferred outflows related to OPEB					16,470
Compensated absences					(45,672)
Net pension liability					(1,094,861)
OPEB liability					(78,298)
Deferred inflows related to PERS					(243,921)
Deferred inflows related to OPEB					(16,669)
NET POSITION - GAAP BASIS					\$ 19,458,887

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - WATER FUND
YEAR ENDED JUNE 30, 2024**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Charges for services	\$ 5,097,450	\$ 5,117,450	\$ 5,448,834	\$ 331,384
Miscellaneous	66,000	66,000	69,477	3,477
Interest earnings	50,000	50,000	80,144	30,144
<i>Total Revenues</i>	5,213,450	5,233,450	5,598,455	365,005
EXPENDITURES				
Water	3,578,190	3,598,190	3,326,824	271,366
Debt service				
Principal	2,260,000	2,260,000	2,244,000	16,000
Interest	12,000	12,000	7,514	4,486
Capital outlay	43,000	43,000	40,764	2,236
Contingency	181,060	181,060	-	181,060
<i>Total Expenditures</i>	6,074,250	6,094,250	5,619,102	475,148
REVENUES OVER (UNDER) EXPENDITURES				
	(860,800)	(860,800)	(20,647)	840,153
OTHER FINANCING SOURCES (USES)				
Transfers out	(414,000)	(414,000)	(138,543)	275,457
Proceeds from sale of assets	2,000	2,000	-	(2,000)
<i>Total Other Financing Sources (Uses)</i>	(412,000)	(412,000)	(138,543)	273,457
NET CHANGE IN FUND BALANCE	(1,272,800)	(1,272,800)	(159,190)	1,113,610
FUND BALANCE, beginning of year	1,834,600	1,834,600	2,249,230	414,630
FUND BALANCE, end of year	\$ 561,800	\$ 561,800	\$ 2,090,040	\$ 1,528,240

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - WATER SDC FUND
YEAR ENDED JUNE 30, 2024**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 1,000,000	\$ 1,000,000	\$ 900,579	\$ (99,421)
Interest earnings	50,000	50,000	197,559	147,559
<i>Total Revenues</i>	1,050,000	1,050,000	1,098,138	48,138
EXPENDITURES	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	1,050,000	1,050,000	1,098,138	48,138
OTHER FINANCING SOURCES (USES)				
Transfers out	(125,000)	(1,075,000)	(875,375)	199,625
NET CHANGE IN FUND BALANCE	925,000	(25,000)	222,763	247,763
FUND BALANCE, beginning of year	2,967,400	3,517,400	3,873,120	355,720
FUND BALANCE, end of year	\$ 3,892,400	\$ 3,492,400	\$ 4,095,883	\$ 603,483

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – WATER CAPITAL CONSTRUCTION FUND
YEAR ENDED JUNE 30, 2024**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Charges for services	\$ 800,000	\$ 800,000	\$ -	\$ (800,000)
Interest earnings	8,000	8,000	11,119	3,119
<i>Total Revenues</i>	808,000	808,000	11,119	(796,881)
EXPENDITURES				
Water capital construction	2,006,800	2,956,800	962,405	1,994,395
REVENUES OVER (UNDER) EXPENDITURES				
	(1,198,800)	(2,148,800)	(951,286)	247,515
OTHER FINANCING SOURCES (USES)				
Transfers in	479,000	1,429,000	953,918	(475,082)
NET CHANGE IN FUND BALANCE	(719,800)	(719,800)	2,632	(227,567)
FUND BALANCE, beginning of year	719,800	719,800	712,003	(7,797)
FUND BALANCE, end of year	\$ -	\$ -	\$ 714,635	\$ (235,364)

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – SEWER OPERATIONS
COMBINING
YEAR ENDED JUNE 30, 2024**

	<i>Sewer</i>	<i>Sewer SDC</i>	<i>Sewer Capital Construction</i>	<i>Eliminations</i>	<i>Total Sewer Operations</i>
REVENUES					
Charges for services	\$ 10,481,419	\$ -	\$ -	\$ -	\$ 10,481,419
Licenses and permits	-	1,505,565	-	-	1,505,565
Miscellaneous	7,591	-	-	-	7,591
Interest earnings	919,690	182,986	-	-	1,102,676
<i>Total Revenues</i>	11,408,700	1,688,551	-	-	13,097,251
EXPENDITURES					
Sewer	5,122,472	229,304	-	-	5,351,776
Capital outlay	-	-	114,950	-	114,950
<i>Total Expenses</i>	5,122,472	229,304	114,950	-	5,466,726
REVENUES OVER (UNDER) EXPENDITURES					
	6,286,228	1,459,247	(114,950)	-	7,630,525
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	116,387	(116,387)	-
Transfers out	(266,387)	-	-	116,387	(150,000)
<i>Total Other Financing Sources (Uses)</i>	(266,387)	-	116,387	-	(150,000)
NET CHANGE IN FUND BALANCE	6,019,841	1,459,247	1,437	-	7,480,525
FUND BALANCE, beginning of year	17,065,885	2,776,379	-	-	19,842,264
FUND BALANCE, end of year	\$ 23,085,726	\$ 4,235,626	\$ 1,437	\$ -	27,322,789
RECONCILIATION TO NET POSITION- GAAP BASIS					
Capital assets, net					44,363,461
OPEB asset					29,962
Deferred outflows related to PERS					813,750
Deferred outflows related to OPEB					20,800
Compensated absences					(16,705)
Net pension liability					(1,782,000)
OPEB liability					(97,310)
Deferred inflows related to PERS					(344,006)
Deferred inflows related to OPEB					(23,318)
NET POSITION - GAAP BASIS					<u>\$ 70,287,423</u>

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - SEWER FUND
YEAR ENDED JUNE 30, 2024**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Charges for services	\$ 9,527,500	\$ 9,527,500	\$ 10,481,419	\$ 953,919
Miscellaneous	5,500	5,500	7,591	2,091
Interest earnings	190,000	190,000	919,690	729,690
<i>Total Revenues</i>	<u>9,723,000</u>	<u>9,723,000</u>	<u>11,408,700</u>	<u>1,685,700</u>
EXPENDITURES				
Sewer	5,506,350	6,006,350	5,122,472	883,878
Contingency	1,000,000	1,000,000	-	1,000,000
<i>Total Expenditures</i>	<u>6,506,350</u>	<u>7,006,350</u>	<u>5,122,472</u>	<u>1,883,878</u>
REVENUES OVER (UNDER) EXPENDITURES	3,216,650	2,716,650	6,286,228	3,569,578
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,185,000)	(2,185,000)	(266,387)	1,918,613
NET CHANGE IN FUND BALANCE	1,031,650	531,650	6,019,841	5,488,191
FUND BALANCE, beginning of year	15,161,480	15,661,480	17,065,885	1,404,405
FUND BALANCE, end of year	<u>\$ 16,193,130</u>	<u>\$ 16,193,130</u>	<u>\$ 23,085,726</u>	<u>\$ 6,892,596</u>

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - SEWER SDC FUND
YEAR ENDED JUNE 30, 2024**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 1,300,000	\$ 1,300,000	\$ 1,505,565	\$ 205,565
Interest earnings	50,000	50,000	182,986	132,986
<i>Total Revenues</i>	1,350,000	1,350,000	1,688,551	338,551
EXPENDITURES				
Sewer	300,000	300,000	229,304	70,696
REVENUES OVER (UNDER) EXPENDITURES	1,050,000	1,050,000	1,459,247	409,247
OTHER FINANCING SOURCES (USES)				
Transfers out	(100,000)	(100,000)	-	100,000
NET CHANGE IN FUND BALANCE	950,000	950,000	1,459,247	509,247
FUND BALANCE, beginning of year	558,280	558,280	2,776,379	2,218,099
FUND BALANCE, end of year	\$ 1,508,280	\$ 1,508,280	\$ 4,235,626	\$ 2,727,346

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – SEWER CAPITAL CONSTRUCTION FUND
YEAR ENDED JUNE 30, 2024**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Sewer capital construction				
Capital outlay	2,135,000	2,135,000	114,950	2,020,050
REVENUES OVER (UNDER) EXPENDITURES	(2,135,000)	(2,135,000)	(114,950)	2,020,050
OTHER FINANCING SOURCES (USES)				
Transfers in	2,135,000	2,135,000	116,387	(2,018,613)
NET CHANGE IN FUND BALANCE	-	-	1,437	1,437
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	\$ -	\$ -	\$ 1,437	\$ 1,437

CITY OF WOODBURN, OREGON
COMBINING STATEMENT OF FUND NET POSITION - INTERNAL SERVICE FUNDS
JUNE 30, 2024

	<i>Information Technology</i>	<i>Insurance</i>	<i>Total</i>
ASSETS			
Current Assets			
Cash and investments	\$ 300,344	\$ 668,741	\$ 969,085
Accounts receivable	54,625	419	55,044
<i>Total Current Assets</i>	354,969	669,160	1,024,129
Noncurrent Assets			
Net OPEB Asset - RHIA	6,127	1,079	7,206
Other capital assets, net of depreciation	430,763	-	430,763
<i>Total Noncurrent Assets</i>	436,890	1,079	437,969
<i>Total Assets</i>	791,859	670,239	1,462,098
DEFERRED OUTFLOWS			
Deferred outflows related to PERS	205,846	26,654	232,500
Deferred outflows related to OPEB	4,876	670	5,546
	210,722	27,324	238,046
LIABILITIES			
Current Liabilities			
Accounts payable	332	3,121	3,453
Accrued compensated absences	21,383	-	21,383
<i>Total Current Liabilities</i>	21,715	3,121	24,836
Noncurrent Liabilities			
Accrued compensated absences	32,074	-	32,074
Subscription liability	440,843	-	440,843
Net pension liability - PERS	490,201	56,253	546,454
Total OPEB liability - Implicit rate subsidy	22,309	3,098	25,407
<i>Total Noncurrent Liabilities</i>	985,427	59,351	1,044,778
<i>Total Liabilities</i>	1,007,142	62,472	1,069,614
DEFERRED INFLOWS			
Deferred inflows related to PERS	34,749	11,219	45,968
Deferred inflows related to OPEB	4,411	680	5,091
	39,160	11,899	51,059
NET POSITION			
Restricted for:			
OPEB - RHIA	6,127	1,079	7,206
Unrestricted	(49,848)	622,113	572,265
<i>Total Net Position</i>	\$ (43,721)	\$ 623,192	\$ 579,471

CITY OF WOODBURN, OREGON

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2024**

	<u><i>Information Technology</i></u>	<u><i>Insurance</i></u>	<u><i>Total</i></u>
OPERATING REVENUES			
Charges for services	\$ 1,523,016	\$ 751,050	\$ 2,274,066
Miscellaneous	6,789	25	6,814
	<hr/>	<hr/>	<hr/>
<i>Total Operating Revenues</i>	1,529,805	751,075	2,280,880
OPERATING EXPENSES			
Personal services	668,599	86,529	755,128
Materials and services	800,702	869,211	1,669,913
Capital outlay	8,956	-	8,956
	<hr/>	<hr/>	<hr/>
<i>Total Expenses</i>	1,478,257	955,740	2,433,997
	<hr/>	<hr/>	<hr/>
OPERATING INCOME	51,548	(204,665)	(153,117)
NONOPERATING REVENUES (EXPENSES)			
Investment revenue	11,413	17,666	29,079
	<hr/>	<hr/>	<hr/>
NET INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	62,961	(186,999)	(124,038)
Transfers out	(128,032)	-	(128,032)
	<hr/>	<hr/>	<hr/>
CHANGE IN NET POSITION	(65,071)	(186,999)	(252,070)
NET POSITION, beginning of year	21,350	810,191	831,541
	<hr/>	<hr/>	<hr/>
NET POSITION (Deficit), end of year	\$ (43,721)	\$ 623,192	\$ 579,471
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF WOODBURN, OREGON
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2024

	<u>Information Technology</u>	<u>Insurance</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Collected from customers	\$ 1,534,686	\$ 750,656	\$ 2,285,342
Paid to suppliers	(746,114)	(90,705)	(836,819)
Paid to employees	(213,244)	(869,210)	(1,082,454)
<i>Net Cash Provided by Operating Activities</i>	575,328	(209,259)	366,069
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers out	(128,032)	-	(128,032)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(516,915)	-	(516,915)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	11,413	17,666	29,079
<i>Increase in Cash and Investments</i>	(58,206)	(191,593)	(249,799)
CASH AND INVESTMENTS, Beginning of year	358,550	860,334	1,218,884
CASH AND INVESTMENTS, End of year	<u>\$ 300,344</u>	<u>\$ 668,741</u>	<u>\$ 969,085</u>
RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 51,548	\$ (204,666)	\$ (153,118)
Depreciation/amortization	86,152	-	86,152
<i>Change in assets and liabilities</i>			
Accounts receivable	4,880	(419)	4,461
Deferred outflows	21,892	3,217	25,109
Net OPEB asset - RHIA	(950)	(140)	(1,090)
Compensated absences payable	9,959	-	9,959
Accounts payable and accrued liabilities	(22,608)	(4,844)	(27,452)
Net pension liability - PERS	57,175	8,402	65,577
Total OPEB liability - Implicit rate subsidy	1,126	166	1,292
Deferred inflows	366,154	(10,975)	355,179
<i>Net Cash Provided by Operating Activities</i>	<u>\$ 575,328</u>	<u>\$ (209,259)</u>	<u>\$ 366,069</u>

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
- INFORMATION TECHNOLOGY FUND
YEAR ENDED JUNE 30, 2024**

	<u>Budget Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Charges for services	\$ 1,537,590	\$ 1,537,590	\$ 1,523,016	\$ (14,574)
Miscellaneous	200	200	6,789	6,589
Interest earnings	5,000	5,000	11,413	6,413
<i>Total Revenues</i>	<u>1,542,790</u>	<u>1,542,790</u>	<u>1,541,218</u>	<u>(1,572)</u>
EXPENDITURES				
Information technology	1,670,240	1,670,240	1,581,696	88,544
Contingency	216,550	216,550	-	216,550
<i>Total Expenditures</i>	<u>1,886,790</u>	<u>1,886,790</u>	<u>1,581,696</u>	<u>305,094</u>
NET CHANGE IN FUND BALANCE	<u>(344,000)</u>	<u>(344,000)</u>	<u>(40,478)</u>	<u>303,522</u>
FUND BALANCE, beginning of year	<u>464,000</u>	<u>464,000</u>	<u>395,115</u>	<u>(68,885)</u>
FUND BALANCE, end of year	<u>\$ 120,000</u>	<u>\$ 120,000</u>	<u>354,637</u>	<u>\$ 234,637</u>
RECONCILIATION TO NET POSITION - GAAP BASIS				
Net OPEB asset - RHIA			6,127	
SBITA, net			430,763	
Deferred outflows related to PERS			205,846	
Deferred outflows related to OPEB			4,876	
Accrued compensated absences			(53,457)	
Net pension liability - PERS			(490,201)	
Total OPEB liability - Implicit rate subsidy			(22,309)	
Deferred inflows related to PERS			(34,749)	
Deferred inflows related to OPEB			(4,411)	
Deferred inflows - SBITA			(440,843)	
NET POSITION, GAAP BASIS			<u>\$ (43,721)</u>	

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
- INSURANCE FUND
YEAR ENDED JUNE 30, 2024**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Charges for services	\$ 751,050	\$ 751,050	\$ 751,050	\$ -
Miscellaneous	1,000	1,000	25	(975)
Interest earnings	5,000	5,000	17,666	12,666
<i>Total Revenues</i>	<u>757,050</u>	<u>757,050</u>	<u>768,741</u>	<u>11,691</u>
EXPENDITURES				
Insurance	960,720	1,010,720	955,071	55,649
Contingency	549,730	549,730	-	549,730
<i>Total Expenditures</i>	<u>1,510,450</u>	<u>1,560,450</u>	<u>955,071</u>	<u>605,379</u>
NET CHANGE IN FUND BALANCE	(753,400)	(803,400)	(186,330)	617,070
FUND BALANCE, beginning of year	<u>753,400</u>	<u>803,400</u>	<u>852,369</u>	<u>48,969</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>666,039</u>	<u>\$ 666,039</u>
RECONCILIATION TO NET POSITION - GAAP BASIS				
Net OPEB asset - RHIA			1,079	
Deferred outflows related to PERS			26,654	
Deferred outflows related to OPEB			670	
Net pension liability - PERS			(56,253)	
Total OPEB liability - Implicit rate subsidy			(3,098)	
Deferred inflows related to PERS			(11,219)	
Deferred inflows related to OPEB			(680)	
NET POSITION, GAAP BASIS			<u>\$ 623,192</u>	

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Woodburn's annual comprehensive financial report presents detailed information as a context for understanding the information in the financial statements, note disclosures, required supplementary information, and other supplementary information says about the City's overall financial health.

CONTENTS

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the city's ability to issue additional debt in the future.

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.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the City's financial report relates to the services the City provides and the activities it performs.

SOURCES: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

FINANCIAL TRENDS

CITY OF WOODBURN, OREGON
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 59,266,063	\$ 58,326,049	\$ 57,813,459	\$ 57,789,283	\$ 58,807,325	\$ 64,447,990	\$ 66,566,868	\$ 70,723,048	\$ 75,088,828	\$ 75,245,605
Restricted	8,929,025	9,815,650	10,660,016	11,651,202	13,987,334	12,238,720	16,222,715	27,828,278	29,560,790	37,805,375
Unrestricted	4,583,134	923,456	766,265	1,979,126	2,085,955	3,127,228	2,749,034	10,813,820	15,252,225	17,262,221
Total governmental activities net position	\$ 72,778,222	\$ 69,065,155	\$ 69,239,740	\$ 71,419,611	\$ 74,880,614	\$ 79,813,938	\$ 85,538,617	\$ 109,365,146	\$ 119,901,843	\$ 130,313,201
Business-type activities										
Net investment in capital assets	\$ 21,979,780	\$ 23,737,493	\$ 37,312,451	\$ 42,991,874	\$ 43,073,472	\$ 46,922,723	\$ 48,842,505	\$ 51,418,406	\$ 56,333,884	\$ 57,933,116
Restricted for: Construction	16,841,111	16,735,267	16,635,580	17,004,861	17,081,733	17,249,531	6,751,461	8,547,823	7,401,431	7,413,953
Unrestricted	7,163,564	6,909,942	(4,020,472)	(6,694,060)	(3,417,951)	(3,690,855)	11,167,278	14,586,422	17,443,059	24,399,241
Total business-type activities net position	\$ 45,984,455	\$ 47,382,702	\$ 49,927,559	\$ 53,302,675	\$ 56,737,254	\$ 60,481,399	\$ 66,761,244	\$ 74,552,651	\$ 81,178,374	\$ 89,746,310
Primary government										
Net investment in capital assets	\$ 81,245,843	\$ 82,063,542	\$ 95,125,910	\$ 100,781,157	\$ 101,880,797	\$ 111,370,713	\$ 115,409,373	\$ 122,141,454	\$ 131,422,712	\$ 133,178,721
Restricted	25,770,136	26,550,917	27,295,596	28,656,063	31,069,067	29,488,251	22,974,176	36,376,101	36,962,221	45,219,328
Unrestricted	11,746,698	7,833,398	(3,254,207)	(4,714,934)	(1,331,996)	(563,627)	13,916,312	25,400,242	32,695,284	41,661,462
Total primary government net position	\$ 118,762,677	\$ 116,447,857	\$ 119,167,299	\$ 124,722,286	\$ 131,617,868	\$ 140,295,337	\$ 152,299,861	\$ 183,917,797	\$ 201,080,217	\$ 220,059,511

CITY OF WOODBURN, OREGON
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

<i>Expenses</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
Governmental activities:										
General government	\$ 3,058,648	\$ 5,114,971	\$ 2,676,477	\$ 2,740,778	\$ 1,162,602	\$ 4,673,660	\$ 2,547,469	\$ 3,737,926	\$ 12,173,246	\$ 8,765,482
Public safety	5,662,660	9,231,388	7,805,948	7,573,873	7,687,490	6,982,033	8,934,202	8,021,074	9,379,653	10,418,113
Highways and streets	1,976,022	2,691,040	2,426,489	2,551,662	2,787,782	2,113,284	2,525,497	2,419,718	2,854,368	2,754,816
Culture and recreation	2,784,248	3,481,264	2,980,178	2,799,066	4,226,653	4,139,885	3,753,726	6,670,443	2,746,469	5,537,829
Economic development	-	-	829,477	1,139,732	2,023,962	2,025,642	3,021,707	6,907,549	4,069,679	4,628,961
Interest on long-term debt	204,905	183,342	169,933	108,133	76,949	59,907	46,781	35,369	24,645	12,158
Total governmental activities expenses	13,686,483	20,702,005	16,888,502	16,913,244	17,965,438	19,994,411	20,829,382	27,792,079	31,248,060	32,117,359
Business-type activities:										
Water	2,478,694	3,303,526	2,885,827	3,117,740	3,012,632	2,679,610	3,316,914	3,291,960	3,720,280	3,885,894
Sewer	5,302,994	6,728,773	5,629,532	5,643,125	5,649,231	5,767,483	4,856,593	6,061,286	7,337,611	7,218,773
Total business-type activities expenses	7,781,688	10,032,299	8,515,359	8,760,865	8,661,863	8,447,093	8,173,507	9,353,246	11,057,891	11,104,667
Total primary government expenses	\$ 21,468,171	\$ 30,734,304	\$ 25,403,861	\$ 25,674,109	\$ 26,627,301	\$ 28,441,504	\$ 29,002,889	\$ 37,145,325	\$ 42,305,951	\$ 43,222,026
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 649,703	\$ 978,244	\$ 660,502	\$ 1,263,142	\$ 91,987	\$ 243,805	\$ 291,774	\$ 4,512,831	\$ 4,954,458	\$ 5,117,514
Public safety	716,467	93,443	113,331	120,152	272,432	243,369	137,642	154,239	270,547	236,875
Highways and streets	6,188	22,519	1,104	7,533	945	2,275	50,622	279,051	215,780	641,594
Culture and recreation	571,921	705,415	565,889	557,725	774,081	573,205	166,835	409,130	444,652	570,736
Economic development	-	-	457,432	403,044	1,307,278	1,579,828	2,349,952	12,125,795	3,883,136	3,683,312
Operating grants and contributions	1,993,925	1,962,709	2,052,681	2,156,971	2,582,883	4,346,664	2,682,578	2,935,200	3,957,325	6,172,090
Capital grants and contributions	1,286,163	350,449	266,679	502,857	934,723	2,506,331	5,372,006	11,819,278	6,143,604	5,230,866
Total governmental activities program revenues	5,224,367	4,112,779	4,117,618	5,011,424	5,964,329	9,495,477	11,051,409	32,235,524	19,869,502	21,652,987
Business-type activities:										
Charges for services:										
Water	3,277,605	3,415,661	3,293,342	3,399,943	3,804,029	3,990,442	4,330,970	4,707,562	5,057,977	5,448,834
Sewer	7,981,658	8,169,544	8,091,754	8,141,127	8,059,526	8,122,190	8,413,214	9,383,489	10,006,715	10,481,419
Capital grants and contributions	310,272	307,152	114,664	438,189	376,165	425,801	2,239,137	3,512,282	2,085,770	2,406,144
Total business-type activities program revenues	11,569,535	11,892,357	11,499,760	11,979,259	12,239,720	12,538,433	14,983,321	17,603,333	17,150,462	18,336,397
Total primary government program revenues	\$ 16,793,902	\$ 16,005,136	\$ 15,617,378	\$ 16,990,683	\$ 18,204,049	\$ 22,033,910	\$ 26,034,730	\$ 49,838,857	\$ 37,019,964	\$ 39,989,384

CITY OF WOODBURN, OREGON
CHANGES IN NET POSITION (Continued)
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net(expense)/revenue										
Governmental activities	\$ (8,462,116)	\$ (16,589,226)	\$ (12,770,884)	\$ (12,151,820)	\$ (12,001,109)	\$ (10,498,934)	\$ (9,777,973)	\$ 4,443,445	\$ (11,378,558)	\$ (10,464,372)
Business-type activities	3,787,847	1,860,058	2,984,401	3,218,394	3,577,857	4,091,340	6,809,814	8,250,087	6,092,571	7,231,730
Total primary government net expense	\$ (4,674,269)	\$ (14,729,168)	\$ (9,786,483)	\$ (8,933,426)	\$ (8,423,252)	\$ (6,407,594)	\$ (2,968,159)	\$ 12,693,532	\$ (5,285,987)	\$ (3,232,642)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 8,836,939	\$ 9,156,725	\$ 9,724,889	\$ 10,301,565	\$ 10,467,041	\$ 10,908,076	\$ 11,169,801	\$ 11,789,537	\$ 12,754,434	\$ 13,365,088
Franchise taxes	1,539,926	1,511,125	1,543,317	1,540,440	1,537,523	1,528,351	1,676,564	2,594,751	2,934,866	3,119,752
Other taxes	437,339	550,346	547,220	712,127	595,650	491,023	596,829	622,953	617,455	614,187
Unrestricted investment earnings	99,620	105,901	200,736	354,201	632,056	517,897	211,337	60,655	1,263,409	2,671,010
Intergovernmental	655,575	649,350	702,990	728,991	831,319	903,481	975,321	3,789,280	3,892,263	920,082
Miscellaneous	28,620	163,827	101,908	304,920	120,782	32,117	117,092	286,900	256,394	277,538
Gain on sale of capital assets	-	49,948	13,241	25,148	298,208	11,060	10,241	14,868	44,185	(224,286)
Transfers in (out)	680,212	688,937	650,141	364,299	979,533	1,040,253	745,467	231,350	152,249	132,359
Total governmental activities	12,278,231	12,876,159	13,484,442	14,331,691	15,462,112	15,432,258	15,502,652	19,390,294	21,915,255	20,875,730
Business-type activities:										
Unrestricted investment earnings	122,988	159,067	283,101	454,022	713,164	622,056	154,209	33,022	611,131	1,391,497
Miscellaneous	67,461	68,059	86,136	56,386	60,171	71,002	61,289	83,006	74,270	77,068
Gain on sale of capital assets	-	-	3,505	10,613	62,922	-	-	18,910	-	-
Transfers in (out)	(680,212)	(688,937)	(650,141)	(364,299)	(979,533)	(1,040,253)	(745,467)	(231,350)	(152,249)	(132,359)
Total business-type activities	(489,763)	(461,811)	(277,399)	156,722	(143,276)	(347,195)	(529,969)	(96,412)	533,152	1,336,206
Total primary government	\$ 11,788,468	\$ 12,414,348	\$ 13,207,043	\$ 14,488,413	\$ 15,318,836	\$ 15,085,063	\$ 14,972,683	\$ 19,293,882	\$ 22,448,407	\$ 22,211,936
Change in Net Position										
Governmental activities	\$ 3,816,115	\$ (3,713,067)	\$ 713,558	\$ 2,179,871	\$ 3,461,003	\$ 4,933,324	\$ 5,724,679	\$ 23,833,739	\$ 10,536,697	\$ 10,411,358
Business-type activities	3,298,084	1,398,247	2,707,002	3,375,116	3,434,581	3,744,145	6,279,845	8,153,675	6,625,723	8,567,936
Total primary government	\$ 7,114,199	\$ (2,314,820)	\$ 3,420,560	\$ 5,554,987	\$ 6,895,584	\$ 8,677,469	\$ 12,004,524	\$ 31,987,414	\$ 17,162,420	\$ 18,979,294

CITY OF WOODBURN, OREGON
FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General fund										
Nonspendable	\$ 1,467	\$ 936	\$ 3,064	\$ 18,230	\$ 31,972	\$ 23,390	\$ 24,888	\$ 22,319	\$ 22,860	\$ 22,990
Committed	-	-	-	-	1,678,280	-	-	183,120	391,120	391,120
Unassigned	4,159,081	4,889,982	6,249,717	7,472,054	6,246,115	6,812,532	8,521,253	11,611,678	13,553,320	14,970,369
Total general fund	<u>\$ 4,160,548</u>	<u>\$ 4,890,918</u>	<u>\$ 6,252,781</u>	<u>\$ 7,490,284</u>	<u>\$ 7,956,367</u>	<u>\$ 6,835,922</u>	<u>\$ 8,546,141</u>	<u>\$ 11,817,117</u>	<u>\$ 13,967,300</u>	<u>\$ 15,384,479</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,300	\$ 3,300	\$ 3,300	\$ 3,300	\$ 3,300
Restricted	8,092,696	9,091,956	9,984,428	11,013,955	13,387,817	12,493,682	15,719,615	27,338,441	28,880,800	37,022,405
Committed	1,347,789	1,414,631	1,540,863	1,787,763	1,904,955	1,934,257	2,290,851	7,465,349	8,310,351	9,635,312
Total other governmental funds	<u>\$ 9,440,485</u>	<u>\$ 10,506,587</u>	<u>\$ 11,525,291</u>	<u>\$ 12,801,718</u>	<u>\$ 15,292,772</u>	<u>\$ 14,431,239</u>	<u>\$ 18,013,766</u>	<u>\$ 34,807,090</u>	<u>\$ 37,194,451</u>	<u>\$ 46,661,017</u>

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes and assessments	\$ 9,329,720	\$ 9,748,024	\$ 10,325,164	\$ 10,780,981	\$ 11,282,658	\$ 11,384,659	\$ 11,774,892	\$ 12,421,675	\$ 13,355,078	\$ 13,912,077
Licenses and permits	3,124,804	2,748,872	2,509,315	3,198,381	3,667,362	3,896,131	5,673,817	21,600,302	8,785,371	9,539,096
Charges for services	1,351,102	1,364,684	1,260,038	1,153,372	1,422,284	930,786	477,163	1,556,238	993,478	972,408
Intergovernmental	3,371,886	2,733,371	2,930,985	3,178,254	3,513,833	6,420,257	7,312,012	8,406,007	9,096,498	7,495,220
Fines & forfeitures	673,377	426,867	420,305	395,164	343,790	352,400	667,444	2,507,611	1,765,081	1,985,999
Miscellaneous	454,140	683,371	562,957	784,799	1,193,261	1,306,767	822,465	965,400	3,149,786	4,009,449
Total revenues	18,305,029	17,705,189	18,008,764	19,490,951	21,423,188	24,291,000	26,727,793	47,457,233	37,145,292	37,914,249
Expenditures										
Current										
General government	3,164,615	3,790,736	3,257,197	3,447,310	1,361,472	4,397,582	2,317,327	2,080,966	3,049,438	2,991,937
Public safety	6,794,410	6,598,236	6,861,768	6,813,292	7,206,649	2,075,418	3,186,762	8,331,476	9,201,756	10,402,147
Highways and streets	2,005,328	1,777,030	1,529,569	1,808,443	1,994,020	7,574,867	7,708,918	1,647,546	2,500,405	2,350,038
Culture and recreation	4,280,701	2,874,788	2,997,742	3,063,827	3,883,640	1,654,523	1,499,613	3,762,378	4,836,202	5,318,254
Economic development	-	-	-	-	1,965,382	4,028,407	3,090,165	1,458,569	3,365,470	4,837,996
Capital outlay	5,073,930	277,571	473,208	1,309,506	6,578,234	5,540,458	2,347,640	3,893,361	6,818,685	903,043
Debt service										
Principal	584,429	436,479	400,399	456,675	516,000	1,303,000	1,348,000	6,999,864	3,058,664	882,000
Interest	206,832	185,327	169,937	117,094	70,208	174,881	148,437	108,074	83,254	63,164
Total expenditures	22,110,245	15,940,167	15,689,820	17,016,147	23,575,605	26,749,136	21,646,862	28,282,234	32,913,874	27,748,579
Excess of revenues over (under) expenditures	(3,805,216)	1,765,022	2,318,944	2,474,804	(2,152,417)	(2,458,136)	5,080,931	19,174,999	4,231,418	10,165,670
Other financing sources (uses)										
Proceeds from sale of capital assets	-	-	19,861	35,415	308,894	22,179	21,815	265,326	44,186	32,000
Proceeds from issuance of debt	-	-	-	-	4,600,000	-	-	-	-	-
Inception of lease	-	-	-	-	-	-	-	386,335	-	476,075
Refunding bonds issued	-	-	-	3,749,000	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	(3,699,114)	-	-	-	-	-	-
Transfers in	853,858	294,248	419,236	829,268	2,658,488	2,943,348	390,000	2,146,350	6,055,214	1,577,939
Transfers out	(823,259)	(252,378)	(374,656)	(875,443)	(2,457,828)	(2,489,369)	(200,000)	(1,908,710)	(5,793,274)	(1,367,939)
Total other financing sources (uses)	30,599	41,870	64,441	39,126	5,109,554	476,158	211,815	889,301	306,126	718,075
Net change in fund balances	(3,774,617)	1,806,892	2,383,385	2,513,930	2,957,137	(1,981,978)	5,292,746	20,064,300	4,537,544	10,883,745
Fund balances at beginning of year	17,362,412	13,587,795	15,394,687	17,778,072	20,292,002	23,249,139	21,267,161	26,559,907	46,624,207	51,161,751
Fund balances at end of year	\$ 13,587,795	\$ 15,394,687	\$ 17,778,072	\$ 20,292,002	\$ 23,249,139	\$ 21,267,161	\$ 26,559,907	\$ 46,624,207	\$ 51,161,751	\$ 62,045,496
Debt service as a percentage of noncapital expenditures	4.6%	4.0%	3.7%	3.7%	3.4%	7.1%	7.8%	29.1%	12.0%	3.5%

REVENUE CAPACITY

CITY OF WOODBURN, OREGON
MARKET AND ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Residential Property (AV)	Farm Property (AV)	Commercial Property (AV)	Industrial Property (AV)	Personal Property (AV)
2015	\$ 779,859,386	\$ 476,270	\$ 376,129,580	\$ 148,705,150	\$ 53,477,977
2016	830,915,110	878,310	387,086,020	149,051,530	56,599,979
2017	868,154,380	883,320	404,525,450	159,818,080	57,908,292
2018	902,999,410	689,300	415,565,670	148,807,610	62,107,308
2019	932,416,020	942,330	432,522,080	149,454,580	63,865,513
2020	973,117,650	1,842,700	451,512,140	151,172,270	69,785,848
2021	1,008,494,619	1,001,800	461,377,890	151,870,950	69,785,848
2022	1,062,850,539	2,446,550	478,159,800	157,218,590	74,332,770
2023	1,151,511,600	127,873	508,311,846	175,704,768	75,277,840
2024	1,231,338,094	834,429	507,524,957	181,023,347	77,906,190

Source: Marion County Assessor's Office (Schedule 5)

CITY OF WOODBURN, OREGON
MARKET AND ASSESSED VALUE OF TAXABLE PROPERTY (continued)
LAST TEN FISCAL YEARS

	Utility Property (AV)	Total Measure 50 Assessed Value	Total Direct Tax Rate/ Thousand	Measure 5 Taxable RMV	Real Market Value	Assessed Value as a Percentage of Actual Value
\$	38,981,380	\$ 1,397,629,743	\$ 6.0534	\$ 1,652,955,312	\$ 1,925,612,145	72.58%
	31,207,820	1,455,738,769	6.0534	1,778,119,364	2,056,463,271	70.79%
	33,592,820	1,524,882,342	6.0534	1,920,324,583	2,207,659,188	69.07%
	42,113,077	1,572,282,375	6.0534	2,136,350,540	2,429,890,960	64.71%
	52,194,300	1,631,394,823	6.0534	2,347,935,303	2,669,251,668	61.12%
	53,712,000	1,701,142,608	6.0534	2,582,277,844	2,921,850,774	58.22%
	51,814,596	1,744,345,703	6.0534	2,669,427,103	3,026,488,916	57.64%
	50,310,300	1,825,318,549	6.0534	3,229,605,701	3,231,252,761	56.49%
	56,481,300	1,967,415,227	6.0534	3,410,514,713	3,411,451,398	57.67%
	54,047,039	2,052,674,056	6.0534	3,670,353,541	3,671,335,292	55.91%

CITY OF WOODBURN, OREGON
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

<i>Fiscal Year Ended June 30</i>	<i>City of Woodburn (includes URA)</i>	<i>Marion County</i>	<i>Marion Soil & Water</i>	<i>Marion County Extension and 4-H</i>	<i>Woodburn Fire District</i>	<i>Woodburn School District</i>	<i>Willamette Regional ESD</i>	<i>Chemeketa Community College</i>	<i>Chemeketa Regional Library</i>	<i>Total</i>
2015	\$ 6.73	\$ 2.95	\$ 0.05	\$ -	\$ 1.73	\$ 6.34	\$ 0.29	\$ 0.88	\$ 0.08	\$ 19.04
2016	6.66	2.95	0.05	0.05	1.81	6.66	0.29	0.90	0.08	19.45
2017	6.66	2.95	0.05	0.05	1.75	6.76	0.29	0.89	0.08	19.46
2018	6.69	2.94	0.05	0.05	1.71	6.79	0.29	0.88	0.08	19.48
2019	6.71	2.94	0.04	0.05	1.73	6.77	0.29	0.88	0.08	19.48
2020	6.68	2.94	0.05	0.05	2.09	6.84	0.29	0.87	0.08	19.88
2021	6.68	2.94	0.05	0.05	2.07	6.87	0.29	0.88	0.08	19.90
2022	6.68	2.94	0.05	0.05	2.07	6.87	0.29	0.88	0.08	19.90
2023	6.68	2.93	0.05	0.05	2.06	6.89	0.29	0.87	0.08	19.90
2024	6.73	2.92	0.05	0.05	2.02	6.81	0.29	0.85	0.08	19.80

Source: Marion County Assessor's Office

Tax rates expressed in dollars and cents per \$1,000 of assessed value of taxable property

CITY OF WOODBURN, OREGON
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

<i>Taxpayer</i>	<i>2024</i>			<i>2015</i>		
	<i>Taxable Assessed Value</i>	<i>Rank</i>	<i>Percentage of Total Taxable Assessed Value</i>	<i>Taxable Assessed Value</i>	<i>Rank</i>	<i>Percentage of Total Taxable Assessed Value</i>
Amazon.com Services LLC	\$ 226,840,710	1	11.05%	\$ -		0.00%
Winco Foods LLC	89,129,060	2	4.34%	74,088,736	1	5.30%
Woodburn Premium Outlets LLC	79,016,140	3	3.85%	60,616,550	2	4.34%
Food Services of America Inc	35,014,780	4	1.71%	31,264,760	3	2.24%
Woodburn Place Apartments LLC	20,646,380	5	1.01%			0.00%
Portland General Electric Co	22,485,990	6	1.10%	8,695,308	11	0.62%
PVA Holding LLC	20,616,730	7	1.00%			0.00%
Hardware Wholesalers Inc	19,210,930	8	0.94%	15,247,390	5	1.09%
Wal-Mart Real Estate Business Tr	18,883,400	9	0.92%	15,632,080	4	1.12%
Northwest Natural Gas Co	19,502,000	10	0.95%	10,387,400	8	0.74%
Subtotal	551,346,120		26.86%	215,932,224		15.45%
All Other	1,501,327,936		73.14%	1,181,697,519		84.54%
Totals	\$ 2,052,674,056		100.0%	\$ 1,397,629,743		100.0%

Source: Marion County Assessor's Office

CITY OF WOODBURN, OREGON
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

<i>Fiscal Year Ended June 30</i>	<i>Taxes Levied by Assessor</i>	<i>Collected within the Fiscal Year of the Levy</i>		<i>Delinquent Taxes Collected</i>	<i>Total Collections to Date</i>	
		<i>Tax Collections</i>	<i>Percent of Levy</i>		<i>Total Tax Collections</i>	<i>Percent of Tax Levy</i>
2015	\$ 9,054,234	\$ 8,553,359	94.47%	\$ 292,387	\$ 8,845,746	97.70%
2016	9,421,624	8,943,387	94.92%	261,483	9,204,870	97.70%
2017	9,958,340	9,456,995	94.97%	263,301	9,720,296	97.61%
2018	10,323,495	9,832,811	95.25%	244,676	10,077,487	97.62%
2019	10,757,144	10,243,398	95.22%	469,484	10,712,882	99.59%
2020	11,214,218	10,624,844	94.74%	263,478	10,888,322	97.09%
2021	11,474,255	10,946,941	95.40%	354,624	11,301,565	98.49%
2022	12,064,723	11,503,030	95.34%	350,825	11,853,855	98.25%
2023	13,004,397	12,408,746	95.42%	384,500	12,793,246	98.38%
2024	13,638,711	12,984,929	95.21%	399,078	13,384,007	98.13%

Source: Marion County Assessor's Office and City Records

DEBT CAPACITY

CITY OF WOODBURN, OREGON
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

<i>Fiscal Year</i>	<i>Governmental Activities</i>			<i>Business-Type Activities</i>			<i>Total Outstanding Debt</i>	<i>Percentage of Personal Income (1)</i>	<i>Population (2)</i>	<i>Debt Per Capita</i>
	<i>Full Faith & Credit Bonds</i>	<i>Loans</i>	<i>Leases</i>	<i>Bonds</i>	<i>Loans</i>	<i>Bond Premiums</i>				
2015	\$ 4,410,000	\$ 152,553	\$ -	\$ 32,082,220	\$ 4,813,265	\$ 2,210,469	\$ 43,668,507	10.30%	24,455	\$ 1,786
2016	4,060,000	66,074	-	29,302,005	4,416,251	2,072,315	39,916,645	9.37%	24,670	1,618
2017	3,690,000	35,675	-	26,384,767	4,002,523	1,934,160	36,047,125	8.28%	24,795	1,454
2018	3,328,000	-	-	22,893,978	3,571,377	1,796,006	31,589,361	6.79%	24,685	1,280
2019	2,812,000	4,600,000	-	22,158,072	-	1,657,852	31,227,924	6.72%	24,760	1,261
2020	2,301,000	3,808,000	-	18,786,241	-	1,519,698	26,414,939	5.68%	25,135	1,051
2021	1,762,000	2,999,000	272,557	4,790,100	-	-	9,823,657	2.11%	26,250	374
2022	1,194,000	2,109,000	460,118	3,686,000	-	-	7,449,118	1.43%	26,468	281
2023	597,000	1,832,000	385,604	2,244,000	-	-	5,058,604	0.73%	26,664	190
2024	-	1,547,000	606,287	-	-	-	2,153,287	0.26%	28,861	75

(1) Personal income is disclosed on pg 110

(2) Source: Portland State University Population Research Center

CITY OF WOODBURN, OREGON
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

<i>Fiscal Year Ended June 30</i>	<i>Population(1)</i>	<i>Assessed Value(2)</i>	<i>Full Faith & Credit Bond</i>	<i>Less Debt Service Fund</i>	<i>Net Bonded Debt</i>	<i>Ratio of Net Bonded Debt to Assessed Value</i>	<i>Per Capita</i>
2015	24,455	\$ 1,397,629,743	\$ 4,410,000	\$ 50,771	\$ 4,359,229	0.31%	\$ 180
2016	24,670	1,455,738,769	4,060,000	25,117	4,034,883	0.28%	165
2017	24,795	1,524,882,342	3,690,000	1,758	3,688,242	0.24%	149
2018	24,685	1,572,282,375	3,328,000	22,777	3,305,223	0.21%	135
2019	24,760	1,631,394,823	2,812,000	19,373	2,792,627	0.17%	114
2020	25,135	1,701,142,608	2,301,000	32,604	2,268,396	0.13%	92
2021	26,250	1,744,345,703	1,762,000	23,929	1,738,071	0.10%	67
2022	26,468	1,825,318,549	1,194,000	14,768	1,179,232	0.06%	45
2023	26,664	1,967,415,227	597,000	17,550	579,450	0.03%	22
2024	28,861	2,052,674,056	-	-	-	0.00%	N/A

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements

(1) Source: Portland State University Population Research Center

(2) Marion County Assessor's Office

CITY OF WOODBURN, OREGON
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2024

<i>Jurisdiction</i>	<i>Total Net Debt</i>	<i>Percent Within City</i>	<i>City's Pro Rata Share</i>
Direct:			
City of Woodburn	\$ 2,153,287	* 100%	\$ 2,153,287
Overlapping:			
Chemeketa Community College	71,255,000	4.17%	2,970,193
Marion County	36,037,537	6.34%	2,286,474
Marion Cty SD 103 (Woodburn)	60,445,000	85.08%	51,425,276
Willamette ESD	<u>4,999,798</u>	3.80%	<u>190,092</u>
Total overlapping	172,737,335		56,872,035
 TOTAL	 <u>\$ 174,890,622</u>		 <u>\$ 59,025,322</u>

Source: Debt Management Division, Oregon State Treasury
Excluding Revenue Bonds and Urban Renewal Loan

Overlapping governments are those with taxing boundaries that intersect 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 Woodburn. 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.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

CITY OF WOODBURN, OREGON
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Debt Limit	\$ 57,768,364	\$ 61,693,898	\$ 66,229,776	\$ 72,896,729	\$ 80,077,550	\$ 87,655,523	\$ 90,794,667	\$ 96,937,583	\$ 102,343,542	\$ 110,140,059
Total net debt applicable to limit	<u>4,410,000</u>	<u>4,060,000</u>	<u>3,690,000</u>	<u>3,328,000</u>	<u>2,812,000</u>	<u>2,301,000</u>	<u>1,762,000</u>	<u>1,194,000</u>	<u>597,000</u>	<u>-</u>
Legal debt margin*	<u>\$ 53,358,364</u>	<u>\$ 57,633,898</u>	<u>\$ 62,539,776</u>	<u>\$ 69,568,729</u>	<u>\$ 77,265,550</u>	<u>\$ 85,354,523</u>	<u>\$ 89,032,667</u>	<u>\$ 95,743,583</u>	<u>\$ 101,746,542</u>	<u>\$ 110,140,059</u>
the limit as a percentage of debt limit	7.63%	6.58%	5.57%	4.57%	3.51%	2.63%	1.94%	1.23%	0.58%	0.00%

*ORS 287.004 provides a debt limit of 3% of the true cash value (market) of all taxable property within the City boundaries. The legal debt margin has

CITY OF WOODBURN, OREGON
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

<u>Water Revenue Bonds</u>								<u>Sewer Revenue Bonds</u>						
<i>Fiscal Year</i>	<i>Customer Accounts (1)</i>	<i>Water Charges Less: Operating</i>		<i>Net Available Revenue</i>	<i>Coverage Ratio</i>	<i>Debt Service (2)</i>		<i>Sewer Charges and Other</i>	<i>Less: Operating Expenses</i>		<i>Net Available Revenue</i>	<i>Coverage Ratio</i>	<i>Debt Service</i>	
		<i>and Other</i>	<i>Expenses</i>			<i>Principal</i>	<i>Interest</i>		<i>and Other</i>	<i>Expenses</i>			<i>Principal</i>	<i>Interest</i>
2015	6,770	\$ 3,498,255	\$ 2,003,865	\$ 1,494,390	129%	\$ 670,523	\$ 485,175	\$ 8,227,617	\$ 3,350,879	\$ 4,876,738	131%	\$ 2,755,000	\$ 972,713	
2016	6,843	3,610,982	2,057,945	1,553,037	134%	698,544	457,554	8,389,017	3,679,317	4,709,700	139%	2,478,685	901,378	
2017	6,942	3,450,925	2,159,366	1,291,559	112%	727,319	428,778	8,328,364	3,258,739	5,069,625	143%	2,603,647	930,166	
2018	7,116	3,746,609	2,306,840	1,439,769	125%	756,935	398,503	8,553,805	3,475,568	5,078,237	131%	3,165,000	724,563	
2019	7,024	4,202,849	2,559,996	1,642,853	142%	1,016,000	142,066 **	8,826,289	3,755,779	5,070,510	119%	3,615,000	629,620	
2020	7,070	4,445,819	2,429,005	2,016,814	124%	1,422,000	202,948 **	8,746,440	3,372,360	5,374,080	120%	3,469,529	999,334	
2021	7,267	5,469,975	2,749,290	2,720,685	174%	1,402,000	161,435 **	9,714,934	4,062,974	5,651,960	542%	-	1,042,861	
2022	7,597	6,266,433	2,797,026	3,469,407	282%	1,104,000	124,597 **	11,469,733	4,219,544	7,250,189	2724%	-	266,113	
2023	7,676	6,078,153	3,166,891	2,911,262	190%	1,442,000	87,171 **	11,842,289	4,610,595	7,231,694	660%	-	1,095,402	
2024	7,816	6,696,593	3,326,825	3,369,768	150%	2,244,000	7,514 **	13,097,252	5,333,184	7,764,068	N/A	-	-	

(1) City of Woodburn Financial System

(2) City of Woodburn Debt Service Schedules

**Debt service excludes principal and interest on refunded or defeased debt

DEMOGRAPHIC AND ECONOMIC INFORMATION

CITY OF WOODBURN, OREGON
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

<i>Fiscal Year</i>	<i>Population (1)</i>	<i>Total personal income</i>	<i>Per capita personal income (2)</i>	<i>Median age (2)</i>	<i>Unemployment rate (3)</i>
2015	24,455	\$ 424,049,700	\$ 17,340	32.8	6.1%
2016	24,670	426,124,910	17,273	33.6	5.3%
2017	24,795	435,226,635	17,553	33.4	4.5%
2018	24,685	465,040,715	18,839	32.9	4.0%
2019	24,760	466,082,240	18,824	33.5	4.2%
2020	25,135	520,797,200	20,720	33.9	4.2%
2021	26,250	585,663,750	22,311	38.1	5.4%
2022	26,468	614,507,556	23,217	38.6	4.4%
2023	26,664	690,597,600	25,900	39.2	3.5%
2024	28,861	821,586,087	28,467	38.5	4.1%

(1) Source: Portland State University Population Research Center

(2) United States Census Bureau American Community Survey 5-year Estimates

(3) Annual average (Source: State of Oregon Employment Department)

CITY OF WOODBURN, OREGON
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO

<i>Employer</i>	<i>2024</i>			<i>2015</i>		
	<i>Employees</i>	<i>Rank</i>	<i>Percentage of total city employment</i>	<i>Employees</i>	<i>Rank</i>	<i>Percentage of total city employment</i>
Woodburn School District	650-675	1	5.69%	725-750	1	7.59%
Winco Foods	525-550	2	4.50%	425-450	3	4.38%
Bruce Packing Co., Inc.	525-550	3	4.50%	350-375	4	3.65%
US Foods Inc.	450-500	4	4.19%	475-500	2	5.04%
Wal Mart Associates Inc	325-350	5	2.82%	300-325	5	3.14%
Fleetwood Homes Inc.	200-225	6	1.88%	125-150	9	1.48%
City of Woodburn	150-175	7	1.48%	175-200	6	1.98%
Kerr Contractors Oregon Inc.	150-175	8	1.46%	150-175	8	1.55%
Do It Best Corp	125-150	9	1.26%	100-125	14	1.07%
Al's Garden Centers & Greenhouses	125-150	10	1.26%	100-125	13	1.09%
Safeway Stores, Inc.	125-150	11	1.17%	100-125	11	1.22%
Wolfers Heating and Air Conditioning	125-150	12	1.08%	25-50	46	0.41%
Salud Medical Center	100-125	13	0.99%	75-100	18	0.95%
RMZ Labor Contractor LLC	100-125	14	0.98%	-	-	-
Nike Retail Services, Inc.	100-125	15	0.97%	150-175	7	1.77%
Fjord LLC	100-125	16	0.97%	100-125	15	1.06%
Oregon Child Development Coalition	100-125	17	0.92%	125-150	10	1.33%
Wave	100-125	18	0.90%	75-100	20	0.87%
Universal Forest Products Woodburn LLC	75-100	19	0.83%	50-75	26	0.63%
Woodburn Health Center	75-100	20	0.82%	75-100	17	0.97%
Country Meadows Village LLC	75-100	21	0.71%	75-100	21	0.78%
B & E4 LLC	50-75	22	0.60%	-	-	-
McDonalds	50-75	23	0.58%	50-75	34	0.52%
Pacific Building Systems	50-75	24	0.56%	-	-	-
Ashland Brothers Landscaping Inc	50-75	25	0.54%	-	-	-
Sherwin-Williams Manufacturing Co.	50-75	26	0.54%	-	-	-
Gem Equipment of Oregon	50-75	27	0.54%	50-75	22	0.75%
TJ Maxx	50-75	28	0.49%	-	-	-
Winco Foods	50-75	29	0.48%	-	-	-
United Pacific Forest Products	50-75	30	0.48%	75-100	19	0.93%
Dominguez Labor Contractor Inc.	50-75	31	0.47%	-	-	-
Triplett Wellman Inc.	50-75	32	0.46%	-	-	-
McDonalds	50-75	33	0.46%	25-50	39	0.48%
Woodburn-Denn LLC	50-75	34	0.45%	-	-	-
EMA Construction LLC	50-75	35	0.44%	-	-	-
French Prairie Nursing & Rehab	50-75	36	0.43%	-	-	-
United Disposal Service Inc	50-75	37	0.43%	50-75	31	0.54%
Columbia Brands USA LLC	50-75	38	0.43%	-	-	-
Silver Creek Care Properties LLC	25-50	39	0.42%	-	-	-
Woodburn Ambulance Service Inc	25-50	40	0.40%	25-50	38	0.48%
Heartwood Place	25-50	41	0.40%	-	-	-
The North Face	25-50	42	0.39%	-	-	-
Darigold Inc.	25-50	43	0.38%	-	-	-
Red Robin Gourmet Burgers & Brews	25-50	44	0.37%	-	-	-
Tree Top Inc	25-50	45	0.37%	50-75	28	0.62%
Patrick Industries Oregon Division	25-50	46	0.37%	-	-	-
Panera Café	25-50	47	0.37%	-	-	-
The Cleaning Authority	25-50	48	0.36%	-	-	-
Under Armour Retail Inc	25-50	49	0.36%	25-50	36	0.50%
First Student Management LLC	25-50	50	0.35%	25-50	44	0.43%
Subtotal	6,143		52.30%	4,554		46.21%
All Other	5,602		47.70%	5,301		53.79%
Total	11,745		100.0%	9,855		100.0%

Source: City of Woodburn Economic Development Department and Oregon Employment Department

OPERATING INFORMATION

CITY OF WOODBURN, OREGON
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	Actual										Budgeted
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government	21.5	20.9	20.9	21.7	23.1	23.1	24.6	25.4	27.4	30.4	30.2
Public safety	41.1	42.6	42.7	43.6	43.6	43.6	45.8	44.5	44.5	45.5	51.8
Highways and streets	14.0	11.8	12.8	12.8	13.0	14	14	21.3	15.5	12.5	15.5
Culture and recreation	49.9	50.1	51.0	51.2	51.7	57.8	58.3	41.5	55.4	52.3	57.8
Economic development	-	1.0	0.5	1.0	1.0	0.9	0.9	2.0	2.0	1.0	1.0
Sewer	15.0	15.0	14.0	14.0	14.0	14	14	12.0	12.0	11.0	16.0
Water	11.0	11.0	11.0	11.0	11.0	10.5	10.5	10.0	10.0	10.5	10.5
Total	152.5	152.4	152.9	155.3	157.4	163.9	168.1	156.7	166.8	163.2	182.8

Source: Annual Adopted Budget Book and City Records

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

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Police calls	17,062	14,744	14,934	15,679	14,848	13,423	13,702	13,813	14,743	*
Authorized staffing	32	34	34	34	35	35	36	36	36	
Arrests	1,441	1,003	1,060	989	956	881	882	799	998	*
Offenses	3,119	2,871	3,408	3,534	2,952	3,257	2,572	2,685	3,464	*
Culture and recreation										
Park Acreage	110	110	128	128	128	128	128	128	128	*
Library attendance	132,575	135,317	125,153	114,987	116,223	82,066	18,206	35,562	64,381	*
Aquatics attendance	148,885	144,810	140,834	164,646	170,415	111,145	-	22,871	35,562	*
Sports, programs, and event attendance	12,200	29,424	30,578	32,701	36,521	29,779	-	15,092	40,007	*
Public transportation										
Fixed route rides	34,869	32,684	25,533	24,786	22,374	14,405	17,492	21,927	35,271	*
Dial-A-Ride trips	11,842	6,221	6,224	6,952	6,696	5,271	5,679	8,559	9,157	*
Out of town medical rides	2,441	1,321	1,473	1,445	2,368	1,850	1,377	925	1,974	*
Community development										
Building permits issued	230	386	171	226	160	161	322	406	187	*
Water										
Production capacity	2 mgd	2mgd	2mgd	2mgd	2mgd	2mgd	2.6mgd	2.5mgd	22.7mgd	*
Customers served	6,770	6,843	6,942	7,116	7,315	7,212	7,634	7,802	7,883	*
Wastewater										
Average daily treatment	2-3 mgd	2-3 mgd	2-3 mgd	2-3 mgd	2-3 mgd	2-3 mgd	2-3 mgd	2-3 mgd	2-3mgd	*

*Information unavailable at this time

Source: FY 2022-23 Budget: City Statistics - Services

CITY OF WOODBURN, OREGON
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

<i>Function</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Highways and streets										
Streets (center lane miles)	64	64	64	65	65	65	65	65	67	69
Culture and recreation										
Parks acreage	128	128	128	128	128	128	128	128	128	128
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	1	1	1	1	1	1	1	1	1	1
Community centers	0	0	0	0	0	0	0	0	0	0
Sewer										
Number of connections	6414	6479	6503	6558	6558	6642	6976	7120	7186	7308
Maximum daily treatment capacity (millions of gallons)	16	16	16	16	16	16	16	16	16	16

¹There are no traffic signals on city-owned streets, only on county and state roads.

Street lights are owned and maintained by PGE

Source: City Departments

OTHER INFORMATION

CITY OF WOODBURN, OREGON
WATER SYSTEM COVERAGE CALCULATION
LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Customer Accounts	4,844	5,393	5,950	6,579	6,760	6,617	7,197	7,250	7,676	7,816
Revenues:										
Charges for Services	\$ 3,277,605	\$ 3,415,661	\$ 3,293,342	\$ 3,399,943	\$ 3,804,029	\$ 3,990,472	\$ 4,330,970	\$ 4,707,562	\$ 5,059,119	\$ 5,448,834
Miscellaneous	60,055	67,290	58,922	79,062	120,234	61,379	56,410	80,579	75,939	77,432
Interest	9,078	12,425	22,231	39,618	62,422	59,579	24,401	15,658	66,335	72,189
SDC	151,517	115,606	76,430	227,986	216,164	334,389	1,058,194	1,462,634	876,760	1,098,138
<i>Total Gross Revenues</i>	<u>3,498,255</u>	<u>3,610,982</u>	<u>3,450,925</u>	<u>3,746,609</u>	<u>4,202,849</u>	<u>4,445,819</u>	<u>5,469,975</u>	<u>6,266,433</u>	<u>6,078,153</u>	<u>6,696,593</u>
Operating Expenditures										
Personal Services	1,168,912	1,172,688	1,284,183	1,382,962	1,349,044	1,463,652	1,574,854	1,533,505	1,846,915	1,940,098
Materials & Services	834,953	885,257	875,184	923,878	1,210,952	760,029	1,174,436	1,263,521	1,319,976	1,386,727
<i>Total Operating Expenses</i>	<u>2,003,865</u>	<u>2,057,945</u>	<u>2,159,367</u>	<u>2,306,840</u>	<u>2,559,996</u>	<u>2,223,681</u>	<u>2,749,290</u>	<u>2,797,026</u>	<u>3,166,891</u>	<u>3,326,825</u>
<i>Water Fund Balance, End of Year</i>	<u>\$ 5,358,699</u>	<u>\$ 5,755,638</u>	<u>\$ 3,473,585</u>	<u>\$ 3,757,916</u>	<u>\$ 4,242,704</u>	<u>\$ 5,042,842</u>	<u>\$ 6,200,092</u>	<u>\$ 7,283,652</u>	<u>\$ 7,582,183</u>	<u>\$ 8,401,906</u>
Net Revenues	\$ 1,494,390	\$ 1,553,037	\$ 1,291,558	\$ 1,439,769	\$ 1,642,853	\$ 2,222,138	\$ 2,720,685	\$ 3,469,407	\$ 2,911,262	\$ 3,369,768
Total Debt Service	1,155,698	1,156,098	1,156,097	1,155,438	1,158,065	1,422,000	1,563,435	1,228,597	1,529,171	2,251,514
<i>Debt Service Coverage</i>	129%	134%	112%	125%	142%	156%	174%	282%	190%	150%

CITY OF WOODBURN, OREGON
MAJOR WATER SYSTEM CUSTOMERS
YEAR ENDED JUNE 30, 2024

#	Customer Name	Industry	Charges	% of Total Charges
1	SPECIALTY POLYMER	Industrial	\$ 80,164	1.5%
2	CASCADE MEADOWS APARTMENTS	Multi Family	66,478	1.3%
3	STONEHEDGE COURT	Multi Family	65,829	1.3%
4	WOODBURN PREMIUM OUTLETS, LLC	Commercial	51,418	1.0%
5	HARVARD MEADOWS	Multi Family	39,911	0.8%
6	AMERICOLD LOGISTICS	Commercial	37,949	0.7%
7	WOODBURN WEST MOBILE ESTATES	Multi Family	33,670	0.6%
8	MARION CO HOUSING AUTHORITY	Multi Family	33,196	0.6%
9	WOODBURN PLACE APARTMENTS LLC	Multi Family	30,426	0.6%
10	COUNTRY MEADOWS VILLAGE	Multi Family	27,552	0.5%
		Subtotal	\$ 466,593	
		Total Water Charges	\$ 5,249,191	

COMPLIANCE SECTION



GROVE, MUELLER & SWANK

redw
Advisors & CPAs

***INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS***

Honorable Mayor and Council Members
City of Woodburn
270 Montgomery Street
Woodburn, Oregon 97071

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Woodburn as of and for the year ended June 30, 2024 and have issued our report thereon dated December 30, 2024.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Woodburn's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Highway revenues used for public highways, roads, and streets.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Accountability for collecting or receiving money by elected officials – no money was collected or received by elected officials.**

In connection with our testing nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations except for the City had expenditures in excess of appropriations in the Parks SDC fund.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting to determine the 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's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Restriction on Use

This report is intended solely for the information and use of the council members and management of the City of Woodburn and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



Ryan T. Pasquarella, Principal
For REDW LLC
Salem, Oregon
December 30, 2024

WOODBURN

O R E G O N
Incorporated 1889



Commercial



New Development Projects



Housing

Woodburn Urban Renewal Agency

(A Component Unit of the City of Woodburn, OR)

Annual Comprehensive Financial Report

For the Year Ended June 30, 2024

***WOODBURN URBAN RENEWAL AGENCY
(A COMPONENT UNIT OF THE
CITY OF WOODBURN, OREGON)
ANNUAL FINANCIAL REPORT
Year Ended June 30, 2024***

WOODBURN URBAN RENEWAL AGENCY
(A Component Unit of the City of Woodburn, Oregon)
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JUNE 30, 2024

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INTRODUCTORY SECTION

Introduction

Urban renewal agencies are required to prepare an annual report for the governing body and the public in accordance with Oregon Revised Statute 457.460 (ORS 457.460). The report includes a financial summary of the preceding year and the budget for the new fiscal year. It also includes an analysis of the financial impact of carrying out the urban plan on the tax collections for all taxing districts.

The following elements must be included as part of the financial summary:

- ♦ the amount of money received during the preceding fiscal year;
- ♦ the purposes and amounts for which any money received were expended during the preceding fiscal year;
- ♦ an estimate of moneys to be received during the current fiscal year;
- ♦ a budget setting forth the purposes and estimated amounts for moneys that are to be expended during the current fiscal year;
- ♦ an analysis of the impact, if any, of carrying out the urban renewal plan on the tax collections for the preceding year.

The Urban Renewal Concept

Urban renewal is a process authorized by Oregon law (ORS 457) to finance improvements in those neighborhoods and districts in need of revitalization with the intent to improve underdeveloped areas or areas that have declined resulting in stagnated private development or investment. More specifically, urban renewal is a funding method used to economically revitalize areas of “blight” through public investments that stimulate private development. Examples of blight include buildings that are unsafe or unfit for occupancy, inadequately maintained streets, or areas with environmental impacts. Due to these “blighted” conditions, private developers, property owners or business owners are unable to generate sufficient returns on potential development in the area. As a result, private investment stalls and the blighted conditions remain.

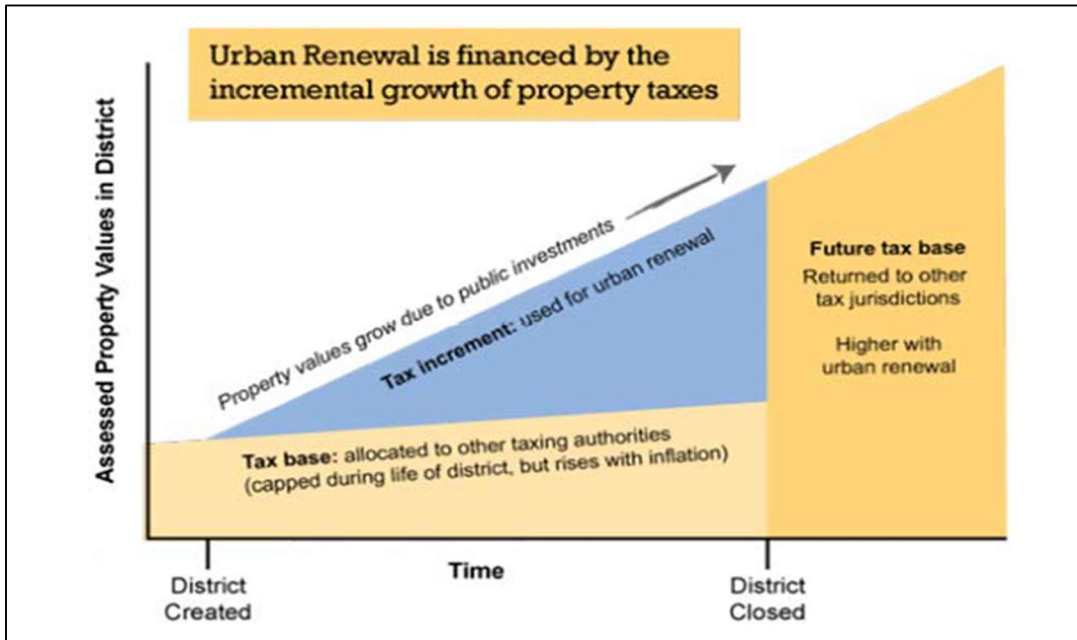
The types of urban renewal activities undertaken generally include development of infrastructure and public amenities (i.e., streetscape and infrastructure improvements, lighting, public open spaces, building improvements, parks, etc.) and with these publicly funded efforts, investment becomes achievable for private developers. Urban renewal allows a city to increase the level of public investment by providing funds that can be used to match regional, state or federal funds for specific projects.

The goal is encourage private sector investment for the majority of the redevelopment funding by selectively investing over a period of time. With the initial commitment of public funding the plan can achieve the goals to construct necessary streetscape infrastructure improvements and provide public amenities and to attract private investment.

Tax Increment Financing

The major source of funding for urban renewal projects has been tax increment financing. Once an urban renewal district is established, the tax valuation for the district is “frozen”. As properties appreciate, the increase in taxes (the “increment”) generated above the frozen base are used to pay for the outlay or debt on specific projects within the urban renewal plan.

This tax increment financing identifies an area where property values are not rising as rapidly as the rest of the community; drawing a line around it; planning for major public improvements like roadways, street lighting, parks, and other amenities; securing funds to finance the public costs; implementing the plans for public improvement; and encouraging private investment in the area. Then, as property values rise and bring an increase in tax revenues, that increase sets the limit for the property taxes levied to pay off urban renewal bonds.



During the 1990's, three Ballot Measures: Measure 5 (1990), Measure 47 (1996), and Measure 50 (1997) made significant changes to Oregon's system of property taxation influencing urban renewal programs and tax increment revenue calculations. Those provisions provide the basic framework for revenue calculations in this report.

To determine the amount of the taxes levied, the total assessed value within each urban renewal area is segregated by the County Assessor into two parts: (a) the total taxable assessed value in the district at the time the Urban Renewal Plan was adopted (the base or “frozen” value); and (b) the difference between the frozen base value and the current total assessed value (the incremental value or “excess”). The urban renewal agency is entitled to the amount of property taxes levied on the increase in property values within the urban renewal area. This revenue is used to pay for the projects designated in the Urban Renewal Plan or to repay indebtedness incurred in carrying out the projects.

Woodburn's Urban Renewal Plan

The City of Woodburn established the Woodburn Urban Renewal District pursuant to Oregon Revised Statutes (ORS) Chapter 457, the Oregon Constitution, and all applicable laws and ordinances on March 13, 2001, upon adoption of Ordinance 2283. On August 13, 2001, the City adopted Ordinance 2298 establishing the maximum indebtedness of the Plan of \$29.3 million. The City's urban renewal redevelopment area consists of approximately 260 acres, all within the Woodburn city limits. In general, the area includes the historic downtown, Front Street to Highway 214 and Highway 214 to redevelopment sites on Stacy Allison, Young Street to Highway 99 and Highway 99 to Highway 211. The Woodburn's urban renewal is governed by the Urban Renewal Agency, which consists of the City's Mayor and City Council members.

The Urban Renewal Plan states the following overall renewal goals:

- Public improvements
- Redevelopment through new construction
- Preservation, rehabilitation, development and redevelopment
- Property acquisition and disposition
- Plan administration

The Core Values created by the Urban Renewal Agency are as follows:

- Ensure positive return on investment
- Cultivate resources and investment in underutilized or blighted areas
- Job creation
- Economic vitality
- Establish downtown as a destination
- Historic preservation and cultural interpretation

Urban Renewal Impact

The Woodburn Urban Renewal program has played a key role in revitalization. Through public investments and business development partnerships, urban renewal will continue to be a catalyst for making Woodburn a more economically vital, livable and sustainable place. The number of significant public investments include Downtown Plaza, Historic Locomotive, Front Street, Fire Station, First Street, Downtown Alleyways, Downtown Public Restroom, Bungalow Theater, and Building Improvement Grant/Loan Program.

Major Project Costs by Year				
Capital Outlay Project Description	Actual 2021-22	Actual 2022-23	Actual 2023-24	Budget 2024-25
Police Department Peace Pole		5,669	60,000	55,000
Fire Department Monument		2,165		
Library Mural		1,383	8,619	
Engineering Building Mural		614	65,998	
Alleyway Beautification	47,967			
Historic City Hall Building	171,797	70,585	50,000	
Historic Locomotive Shelter	99,043	353		
First & Cleveland Public Parking Lot			796	
Downtown Plaza Water Fountain Rehab		14,474		
Bungalow Theater/Museum Restoration	262,278	109,315		
Bison Art Project		8,164	2,632	55,000
Downtown Banners & Lighting		22,633	13,683	
Other Improvements	17,799	75,445	73,299	14,000
Library Park Stage Cover		28,440	1,500	
Public Arts and Mural Program	4,459			
	603,343	348,475	276,527	124,000

Effect of Urban Renewal on Taxing Districts

Carrying out an urban renewal plan has an effect on the amount of property taxes received by the overlapping taxing districts of Woodburn’s urban renewal areas. A portion of property taxes that were to be received by the taxing bodies that levy property taxes within Woodburn’s urban renewal areas are redirected to Woodburn’s Urban Renewal Agency for the agency’s projects and programs.

Passage of Ballot Measure 50 (Article XI, Section 11 of the Oregon Constitution) resulted in converting most property taxes (i.e., tax bases) from a levy-based system to a rate-based system. Schedules provided later in this Report reflect the “post” Measure 50 financial impact by taxing district for Woodburn’s Urban Renewal. The following schedules show the impact of the division of taxes on the overlapping taxing jurisdictions for the prior fiscal year and the current fiscal year.

The schedules include each taxing entity’s:

- Permanent taxing rate is the levy imposed on every thousand dollars of assessed property value
- Adjusted district rate is the rate that the district will receive net of the URA calculation
- URA division of tax rate is the rate redirected from the taxing entity to the urban renewal agency
- Shared value is the common value of the underlying properties within the URA and the overlapping taxing entities
- Calculated property taxes from each taxing entity that is redirected to the urban renewal agency

Woodburn Urban Renewal Agency (URA)
 Financial Impact of the Division of Taxes on Overlapping Taxing Jurisdictions
 Fiscal Year Ended June 30, 2024

Taxing District	Permanent Rate	Adjusted District Rate	URA Division of Tax Rate	District Shared Value	Division of Tax
Marion County	\$ 3.025	2.919	0.106	2,052,674,056	\$ 218,309
City of Woodburn	6.053	5.841	0.213	2,052,674,056	436,834
Woodburn SD	4.525	4.366	0.159	2,052,674,056	326,517
Woodburn FD	1.601	1.545	0.056	2,051,348,386	115,526
Willamette Regional ESD	0.297	0.286	0.010	2,052,674,056	21,411
Chemeketa Community College	0.626	0.604	0.022	2,052,674,056	45,167
Regional Library	0.082	0.079	0.003	2,052,674,056	5,903
Marion Soil & Water	0.050	0.049	0.001	1,361,628,948	1,597
MC & 4-H Extension Service	0.050	0.048	0.002	2,052,674,056	3,608
Totals	\$ 16.309	\$ 15.736	\$ 0.572		1,174,872
% of Total Permanent Rate			3.51%		
Less: Truncation Loss					-
Less: Compression Loss					-
Total URA Levy					\$ 1,174,872

WOODBURN URBAN RENEWAL AGENCY
(A Component Unit of the City of Woodburn, Oregon)
AGENCY OFFICIALS
JUNE 30, 2024

<u><i>Name</i></u>	<u><i>Term Expires</i></u>
<i>Mayor</i>	
Frank Lonergan	December 31, 2024
<i>Council Members</i>	
Debbie Cabrales	December 31, 2024
Robert Carney	December 31, 2026
Mary Beth Cornwell	December 31, 2026
Eric Morris	December 31, 2024
Sharon Schaub	December 31, 2026
Mark Wilk	December 31, 2024

The above individuals may be contacted at the address below.

Staff

Scott Derickson, City Administrator
N. Robert Shields, City Attorney
Anthony Turley, Finance Director

City of Woodburn, Oregon
270 Montgomery Street
Woodburn, Oregon 97071

FINANCIAL SECTION



GROVE, MUELLER & SWANK

redw
Advisors & CPAs

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Woodburn Urban Renewal Agency
Woodburn, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Woodburn Urban Renewal Agency (the Agency) (a component unit of the City of Woodburn, Oregon) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Woodburn Urban Renewal Agency, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Agency'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 Agency'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 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, 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 Agency'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 Agency'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 management's discussion and analysis (MD&A) and the schedule of revenues, expenditures and changes in fund balances - budget to actual (budgetary schedule) be presented to supplement the basic financial statements. Such information is the responsibility of management, 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 management's discussion and analysis 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 (except as mentioned in the following paragraph) because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The budgetary schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The budgetary schedule 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 budgetary schedule 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. The other information includes the introductory 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 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.

Report on Other Legal and Regulatory Requirements

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 30, 2024, on our consideration of the Agency'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.



Ryan T. Pasquarella, Principal
For REDW LLC
Salem, Oregon
December 30, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

**WOODBURN URBAN RENEWAL AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the Woodburn Urban Renewal Agency (the Agency), we offer readers of the Agency's basic financial statements this narrative overview and analysis of the financial activities of the Agency as of June 30, 2024 and for the fiscal year then ended. We encourage readers to consider the information presented here in conjunction with the Agency's basic financial statements in the financial section of this report.

Financial Highlights

Following are the financial highlights of the Agency for the year ended:

	<i>June 30,</i>		<i>Change</i>
	<i>2024</i>	<i>2023</i>	
Net position (deficit)	\$ (575,845)	\$ (689,369)	\$ 113,524
Change in net position	113,524	146,730	(33,206)

Overview of the Basic Financial Statements

The Agency's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements. The government-wide financial statements are comprised of the Statement of Net Position and the Statement of Activities. These two statements are designed to provide readers with a broad overview of the Agency's finances utilizing the full accrual method of accounting, in a manner similar to a private-sector business. Under the full accrual method of accounting, transactions are reported as soon as the underlying event(s) giving rise to the change occurs, regardless of the timing of related cash flows. Thus, assets, liabilities, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (i.e. uncollected revenues and accrued but unpaid interest).

The Statement of Net Position presents information on all of the Agency's assets and liabilities, including capital assets and long-term liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency as a whole is improving or deteriorating.

The Statement of Activities presents information showing how the Agency's net position changed during the most recent fiscal year.

Fund financial statements. The fund financial statements focus on current available resources and are organized on the basis of funds, each of which is defined as a fiscal and accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12-17.

Required Supplementary Information

The required supplementary information includes the schedule of revenues, expenditures, and changes in fund balances – budget and actual for the Urban Renewal fund.

Statement of Net Position

The following table reflects the condensed statement of net position compared to the prior year.

	<i>June 30,</i>	
	<u>2024</u>	<u>2023</u>
<i>ASSETS</i>		
Cash and investments	\$ 1,034,346	\$ 1,222,057
Accounts receivable	1,336	24,374
Property taxes receivable	41,659	32,900
<i>Total Assets</i>	<u>1,077,341</u>	<u>1,279,331</u>
<i>LIABILITIES</i>		
Other liabilities	106,186	136,700
Long-term liabilities	1,547,000	1,832,000
<i>Total Liabilities</i>	<u>1,653,186</u>	<u>1,968,700</u>
<i>NET POSITION (DEFICIT)</i>		
Restricted for economic development	<u>\$ (575,845)</u>	<u>\$ (689,369)</u>

The Agency's liabilities exceeded assets by \$575,845.

The Agency has recorded the following assets as of June 30, 2024: Cash and investments of \$1,034,346, accounts receivable of \$1,336 and property taxes receivable of \$41,659.

Liabilities are comprised of accounts payable and amounts due to the City for personnel and other costs of \$106,186, and long-term debt of \$1,547,000 at June 30, 2024.

Statement of Activities

The following table reflects the condensed statement of net position compared to the prior year.

	<i>Year Ended June 30,</i>	
	<u>2024</u>	<u>2023</u>
<i>REVENUES</i>		
Property taxes	\$ 1,127,571	\$ 929,884
Intergovernmental	-	103,720
Miscellaneous	64,694	39,465
<i>Total Revenues</i>	<u>1,192,265</u>	<u>1,073,069</u>
<i>EXPENSES</i>		
Economic development	751,467	525,819
Interest on long-term debt	50,746	58,419
<i>Total Expenses</i>	<u>802,213</u>	<u>584,238</u>
<i>REVENUES OVER EXPENSES</i>	390,052	488,831
<i>TRANSFER TO CITY OF WOODBURN</i>	<u>(276,528)</u>	<u>(342,101)</u>
<i>CHANGE IN NET POSITION</i>	113,524	146,730
<i>NET POSITION (DEFICIT), beginning of year</i>	<u>(689,369)</u>	<u>(836,099)</u>
<i>NET POSITION (DEFICIT), end of year</i>	<u><u>\$ (575,845)</u></u>	<u><u>\$ (689,369)</u></u>

Property taxes totaling \$1,127,571 comprise 95% of the Agency’s revenue and are derived from the tax increment assessment within the Agency’s boundaries. The remaining revenue is comprised of \$64,694 in other miscellaneous earnings. Economic development expenses for the year ended June 30, 2024 consisted of \$751,467 in reimbursements for materials and services and \$50,746 in interest on long-term debt.

Financial Analysis of the Fund

The Agency maintains a single fund used to account for activities supported by the property tax increment.

As of June 30, 2024 the Agency’s governmental fund reported a fund balance of \$932,695 or a decrease of \$179,983 over the prior year. This is due mainly to an increase in spending on the Agency’s building improvement program.

Budgetary Highlights

There were no changes to the budget during the year.

Capital Assets and Debt Administration

The Agency has no capital assets. All assets constructed with urban renewal funds are property of the City (see the City of Woodburn financial statements).

At June 30, 2024, the Agency had \$1,547,000 in long-term debt outstanding compared with \$1,832,000 in the prior year. The decrease is due to scheduled debt repayment.

	<i>June 30,</i>	
	<u>2024</u>	<u>2023</u>
Note payable	<u>\$ 1,547,000</u>	<u>\$ 1,832,000</u>

Additional information about the Agency’s debt is presented on page 17 in the notes to the basic financial statements.

Financial Contact

The Agency’s financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the Agency’s finances and to demonstrate the Agency’s accountability.

Any questions or request for additional information should be directed to the City of Woodburn at 270 Montgomery Street, Woodburn, Oregon.

BASIC FINANCIAL STATEMENTS

WOODBURN URBAN RENEWAL AGENCY
(A Component Unit of the City of Woodburn, Oregon)
STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES
JUNE 30, 2024

ASSETS

Current assets	
Cash and investments	\$ 1,034,346
Accounts receivable	1,336
Property taxes receivable	41,659
	<hr/>
<i>Total Assets</i>	1,077,341

LIABILITIES

Current liabilities	
Accounts payable	106,186
Noncurrent liabilities - long-term debt	
Due within one year	293,000
Due in more than one year	1,254,000
	<hr/>
<i>Total Liabilities</i>	1,653,186

NET POSITION (DEFICIT)

Restricted for economic development	\$ (575,845)
	<hr/> <hr/>

The accompanying notes are an integral part of the financial statements.

WOODBURN URBAN RENEWAL AGENCY
(A Component Unit of the City of Woodburn, Oregon)
STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2024

REVENUES

Taxes and assessments	\$ 1,127,571
Miscellaneous	64,694
	<hr/>
<i>Total Revenues</i>	1,192,265

EXPENSES

Economic development	751,467
Interest on long-term debt	50,746
	<hr/>
<i>Total Expenses</i>	802,213

REVENUES OVER EXPENSES 390,052

TRANSFER TO CITY OF WOODBURN

(276,528)

CHANGE IN NET POSITION 113,524

NET POSITION, beginning of year

(689,369)

NET POSITION (DEFICIT), end of year

\$ (575,845)

The accompanying notes are an integral part of the financial statements.

WOODBURN URBAN RENEWAL AGENCY
(A Component Unit of the City of Woodburn, Oregon)
BALANCE SHEET – GOVERNMENTAL FUND
JUNE 30, 2024

	<u><i>Urban Renewal Fund</i></u>
ASSETS	
Cash and investments	\$ 1,034,346
Accounts receivable	1,336
Property taxes receivable	41,659
	<hr/>
<i>Total Assets</i>	<u><u>\$ 1,077,341</u></u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 106,186
Deferred Inflows	
Unavailable revenue	38,460
Fund Balance	
Restricted for economic development	932,695
	<hr/>
<i>Total Liabilities, Deferred Inflows, and Fund Balance</i>	<u><u>\$ 1,077,341</u></u>
 RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION	
<i>Fund Balance</i>	\$ 932,695
The Statement of Net Position reports receivables at their net realizable value. However, receivables not available to pay for current-period expenditures are reported as unavailable revenue in governmental funds.	38,460
All liabilities are reported in the Statement of Net Position. However, if they are not due and payable in the current period, they are not recorded in governmental funds.	
Long-term debt	<u>(1,547,000)</u>
<i>Net Position (Deficit) of Governmental Activities</i>	<u><u>\$ (575,845)</u></u>

The accompanying notes are an integral part of the financial statements.

WOODBURN URBAN RENEWAL AGENCY

(A Component Unit of the City of Woodburn, Oregon)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –

GOVERNMENTAL FUND

YEAR ENDED JUNE 30, 2024

	<u><i>Urban Renewal Fund</i></u>
REVENUES	
Taxes and assessments	\$ 1,119,066
Miscellaneous	64,694
<i>Total Revenues</i>	<u>1,183,760</u>
EXPENDITURES	
Current	
Community development	751,469
Debt service	
Principal	285,000
Interest	50,746
Capital outlay	276,528
<i>Total Expenditures</i>	<u>1,363,743</u>
NET CHANGE IN FUND BALANCE	(179,983)
FUND BALANCE, Beginning of year	<u>1,112,678</u>
FUND BALANCE, End of year	<u><u>\$ 932,695</u></u>

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

<i>Net Change in Fund Balance</i>	\$ (179,983)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund financial statements.	
Property taxes	8,507
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt obligation principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the statement of net position.	
Principal payments on long-term debt	285,000
<i>Change in Net Position</i>	<u><u>\$ 113,524</u></u>

The accompanying notes are an integral part of the financial statements.

WOODBURN URBAN RENEWAL AGENCY
(A Component Unit of the City of Woodburn, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Woodburn Urban Renewal Agency (the Agency) was created to provide for rehabilitation of blighted and deteriorated areas within the City’s designated urban renewal areas. Through the Downtown Grant and Loan program the Agency enables property owners to rehabilitate properties. The Agency is governed by a seven-member board of directors that include the City’s mayor and other council members and is included as a component unit in the City’s financial statements.

Urban Renewal Areas

Tax Allocation bonds for urban renewal plan areas are authorized by state law to 1) “...eliminate and prevent the development or spread of urban blight and deterioration; and 2) encourage needed urban conservation and rehabilitation and provide for redevelopment of blighted or deteriorated areas.”

Projects are financed in urban renewal plan areas as follows:

- The Agency (City Council) selects an urban renewal plan area and defines its boundaries.
- The County Assessor “freezes” the assessed value of property within the urban renewal area. This is referred to as the “frozen” value.
- Any increase in assessed value above the frozen value is called the “incremental value.” The tax revenue generated by the tax rate times the incremental value is provided for use in paying the principal and interest on any indebtedness incurred to finance the Urban Renewal project.
- Urban renewal tax increment revenues are used to repay the indebtedness of the Agency. The proceeds of the indebtedness finance the Agency’s activities.

As required by ORS 457.190(3)(a), the Agency has included in its current plan the maximum amount of indebtedness that may be issued or incurred under the plan in the amount of \$29,300,000.

Measurement Focus and Basis of Accounting

Basic Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Governmental activities are normally supported by taxes and intergovernmental revenues.

Government-wide financial statements display information about the reporting government as a whole. These statements focus on the sustainability of the Agency 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 Assets and the Statement of Activities.

The Statement of Net Position presents all the assets and liabilities of the Agency, including related debt, if any. Net position, representing assets less liabilities, is shown as unrestricted.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

Basic Financial Statements (Continued)

The Statement of Activities indicates how net position changed during the current period.

Fund financial statements display information about the Agency's fund. The single major fund, Urban Renewal fund, accounts for general administration of the Agency's urban renewal areas, for acquisition and rehabilitation of blighted and deteriorated areas within the designated urban renewal areas, and repayment of debt incurred for these activities.

Basis of Presentation

The financial transactions of the Agency are recorded in a single fund. The fund's activity is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures.

Accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board, define principles that should be used to report financial transactions. The government-wide financial statements are reported using the economic resources and accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when the liability is incurred.

Fund Balance

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Agency is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Although not a major impact on the financial statements, Governmental Fund type fund balances are now reported in the following classifications.

Fund balance is reported as non-spendable when the resources cannot be spent because they are either in a non-spendable form or legally or contractually required to be maintained intact. Resources in non-spendable form include inventories, prepaid amounts, deposits, and assets held for sale.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the Agency takes formal action that places specific constraints on how the resources may be used. The Agency can modify or rescind the commitment at any time through taking a similar formal action.

Resources that are constrained by the Agency's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the Agency approves which resources should be "reserved" during the adoption of the annual budget.

WOODBURN URBAN RENEWAL AGENCY
(A Component Unit of the City of Woodburn, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

Fund Balance (Continued)

Unassigned fund balance is the residual classification. This classification represents fund balance that has not been restricted, committed or assigned.

Governmental Fund Financial Statements

The governmental fund financial statements are reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recorded when they become both measurable and available, while expenditures are recorded when the related liability is incurred.

Cash and Investments

The City of Woodburn maintains the Agency's cash and investments in a common pool.

Oregon Revised Statutes and the City of Woodburn investment policy authorize the City to invest in certificates of deposit, savings accounts, bank repurchase agreements, bankers' acceptances, general obligations of U.S. Government and its agencies, certain bonded obligations of Oregon Municipalities and the State Treasurer's Local Government Investment Pool, among others.

Investments are stated at cost, which approximates fair value.

Receivables and Deferred Inflows

Property taxes are levied by the County Assessor and collected by the County Tax Collector. The taxes are levied and become a lien as of July 1. They may be paid in three installments payable in equal payments due November 15, February 15, and May 15. Uncollected property taxes levied for the current and prior years are recorded as receivable at year-end. The Agency's property tax collection records show that most of the property taxes due are collected during the year of levy and delinquent taxes are collected in the next few years.

Property tax receivables not available are recognized as deferred inflows in the governmental funds balance sheet.

Long-term Debt

Long-term debt is reported in the Statement of Net Position as noncurrent liabilities. The governmental fund financial statements do not report long-term debt because it does not require the use of current financial resources.

Budget and Budgetary Accounting

The Agency budgets in accordance with requirements of State law. Annual appropriated budgets are adopted in accordance with the modified accrual basis of accounting.

WOODBURN URBAN RENEWAL AGENCY
(A Component Unit of the City of Woodburn, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget and Budgetary Accounting (Continued)

The Agency begins its budgeting process by appointing budget committee members. The budget officer prepares a budget, which is reviewed by the Budget Committee. The budget is then published in proposed form and is presented for public hearings to obtain taxpayer comments and approval from the Budget Committee. The budget is legally adopted by the Agency's Board by resolution prior to the beginning of the Agency's fiscal year.

The Board resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Appropriations are made at the program level. Appropriations lapse at year end.

Appropriation authority may be transferred from one level of control to another by Board resolution. Supplemental appropriations may occur if the Board approves them due to a need which exists which was not determined at the time the budget was adopted.

Use of Estimates

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

CASH AND INVESTMENTS

The Agency's deposits with financial institutions and investments are pooled with the City of Woodburn. Cash and investments for the City of Woodburn are disclosed in the City's financial statements. Other disclosures about the City's cash and investment that are applicable to the Agency are as follows.

Deposits

Bank deposits are secured to legal limits by federal deposit insurance. The remaining amount is secured in accordance with ORS 295 under a collateral program administered by the Oregon State Treasurer.

Investments

The State Treasurer of the State of Oregon maintains the Oregon Short Term Fund, of which the Local Government Investment Pool is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill, and caution. The Oregon Short Term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). The carrying value of the City's position in the pool is the same as the value of the pool shares; fair value was 99.63% of the value of the pool shares as of June 30, 2024. The investment in the Oregon Short Term Fund is not subject to classification. Separate financial statements for the Oregon Short Term Fund are available from the Oregon State Treasurer.

WOODBURN URBAN RENEWAL AGENCY
(A Component Unit of the City of Woodburn, Oregon)
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2024

CASH AND INVESTMENTS (Continued)

Interest Rate Risk

In accordance with its investment policy, the City manages its exposure to declines in fair value of its investments by limiting the weighted average maturity of its investments.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) and the National Credit Union Administration (NCUA) provide insurance for the City's deposits up to \$250,000 for the aggregate of all demand deposits and the aggregate of time deposit and savings accounts at each financial institution and credit union. Deposits in excess of FDIC and NCUA coverage are with institutions participating in the Oregon Public Funds Collateralization Program (PFCP). The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. At June 30, 2024, none of the Agency's bank balances were exposed to custodial credit risk as part of the Public Funds Collateralization Program

Custodial Risk - Investments

For an investment, this is the risk that, in the event of a failure of the counterparty, the City will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The City's investment policy limits the types of investments that may be held and does not allow securities to be held by the counterparty.

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of or has control of any fund. 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, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill, and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP. The LGIP is not rated for credit quality.

WOODBURN URBAN RENEWAL AGENCY
(A Component Unit of the City of Woodburn, Oregon)
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2024

LONG-TERM DEBT

Long-term debt transactions for the fiscal year ended June 30, 2024 were as follows:

	<i>Outstanding July 1, 2023</i>	<i>Issued</i>	<i>Matured/ Redeemed During Year</i>	<i>Outstanding June 30, 2024</i>	<i>Due Within One Year</i>
Direct borrowing	\$ 1,832,000	\$ -	\$ (285,000)	\$ 1,547,000	\$ 293,000

2019 Urban Renewal Note Payable: In June 2019, the Agency entered into a note payable agreement in the amount of \$2,900,000 at 2.77% interest, to fund urban renewal projects. Interest is payable semiannually, while principal is due annually through June 2029. The loan is secured by the tax increment revenues and amounts due are not subject to acceleration in the event of default.

Future maturities of long-term debt are as follows:

<i>Fiscal Year Ending June 30,</i>	<i>Urban Renewal Agency Note, Series 2019</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2025	\$ 293,000	\$ 42,852	\$ 335,852
2026	301,000	34,736	335,736
2027	309,000	26,398	335,398
2028	318,000	17,839	335,839
2029	326,000	9,030	335,030
	<u>\$ 1,547,000</u>	<u>\$ 130,855</u>	<u>\$ 1,677,855</u>

DEFICIT NET POSITION

The Agency reported a deficit net position of \$575,845 at June 30, 2024 due to the note payable issued in 2019.

CONTINGENCIES

The Agency purchases commercial insurance to cover all commonly insurable risks, which includes property damage, liability, and employee bonds. Most policies carry a small deductible amount. No insurance claims settled in each of the prior three years have exceeded policy coverage.

REQUIRED SUPPLEMENTARY INFORMATION

WOODBURN URBAN RENEWAL AGENCY

(A Component Unit of the City of Woodburn, Oregon)

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –

BUDGET AND ACTUAL - URBAN RENEWAL FUND

YEAR ENDED JUNE 30, 2024

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Taxes and assessments	\$ 1,104,000	\$ 1,104,000	\$ 1,119,066	\$ 15,066
Miscellaneous	20,000	20,000	64,694	44,694
<i>Total Revenues</i>	1,124,000	1,124,000	1,183,760	59,760
EXPENDITURES				
Administration				
Personnel services	292,200	292,200	291,343	857
Materials and services	553,550	553,550	460,126	93,424
Capital outlay	736,000	736,000	276,528	459,472
Debt service				
Principal	285,000	285,000	285,000	-
Interest	50,750	50,750	50,746	4
Contingency	60,000	60,000	-	60,000
<i>Total Expenditures</i>	1,977,500	1,977,500	1,363,743	613,757
NET CHANGE IN FUND BALANCE	(853,500)	(853,500)	(179,983)	673,517
FUND BALANCE, Beginning of year	1,187,230	1,187,230	1,112,678	(74,552)
FUND BALANCE, End of year	\$ 333,730	\$ 333,730	\$ 932,695	\$ 598,965

COMPLIANCE SECTION



GROVE, MUELLER & SWANK

redw
Advisors & CPAs

***INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS***

Board of Directors
Woodburn Urban Renewal Agency
Woodburn, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Woodburn Urban Renewal Agency (the Agency) as of and for the year ended June 30, 2024, and have issued our report thereon dated December 30, 2024.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Woodburn Urban Renewal Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

In connection with our testing nothing came to our attention that caused us to believe the Agency was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except a deficit net position as disclosed in the notes to the financial statements.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting to determine the 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 Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

Restriction on Use

This report is intended solely for the information and use of the board of directors and management of the Woodburn Urban Renewal Agency and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



Ryan T. Pasquarella, Principal
For REDW LLC
Salem, Oregon
December 30, 2024

COUNCIL MEETING MINUTES DECEMBER 9, 2024

DATE **COUNCIL CHAMBERS, CITY HALL, CITY OF WOODBURN, COUNTY OF MARION, STATE OF OREGON, DECEMBER 9, 2024**

CONVENED The meeting convened at 7:00 p.m. with Mayor Lonergan presiding.

ROLL CALL

Mayor Lonergan	Present
Councilor Cantu	Present
Councilor Cornwell	Present
Councilor Schaub	Present
Councilor Morris	Absent
Councilor Cabrales	Present
Councilor Wilk	Present

Staff Present: City Administrator Derickson, City Attorney Granum, Assistant City Administrator Row, Economic Development Director Johnk, Police Chief Millican, Special Projects Director Wakeley, Community Services Director Cuomo, Community Development Director Kerr, Human Resources Director Gregg, Public Works Director Stultz, Public Affairs and Communications Manager Guerrero, Finance Director Turley, Community Relations Manager Herrera, City Recorder Pierson

OATH OF OFFICE

City Recorder Pierson administered the Oath of Office to Councilor Mark Wilk (Ward II), Councilor Alma Grijalva (Ward VI) and Mayor Frank Lonergan.

OUTGOING CITY COUNCILOR PRESENTATION

Mayor Lonergan thanked outgoing Councilors Debbie Cabrales and Eric Morris for their service to the City of Woodburn.

Mayor Lonergan called for a 10-minute recess.

ELECTION OF COUNCIL PRESIDENT

Mayor Lonergan stated that the Council President is elected by ballot. Ballot forms were distributed to the Council to vote for a councilor to serve as Council President. The City Recorder read the ballots and announced that Councilors Wilk, Cantu, Schaub, Cornwell voted for Councilor Schaub for Council President and Councilor Grijalva voted for Councilor Wilk for Council President. Mayor Lonergan announced that the Council President is Sharon Schaub.

ANNOUNCEMENTS:

Mayor Lonergan announced the following:

- **Holiday Closures:**
Christmas: City Hall will be closed beginning at noon on December 24 and will reopen for regular business hours on December 26. The Library will be open 10:00 a.m.-1:00 p.m. on December 24 and reopen for regular business hours on December 26. The Aquatic Center will be open 6:00 a.m. – 10:00 a.m. on December 24 and Closed on December 25. Transit Services will be closed December 25.

COUNCIL MEETING MINUTES DECEMBER 9, 2024

New Year: City Hall, the Library, and Transit Services will be closed January 1. The Aquatic Center will be open 6:00 a.m. – 10:00 a.m. on December 31 and Closed on January 1.

- The City Council meeting scheduled for December 23, 2024, has been cancelled. The next City Council meeting will take place on January 13, 2025, at 7:00 p.m.

APPOINTMENTS:

Motion: Schaub/Cornwell... approve the listed applicants for the Recreation and Parks Board, the Planning Commission, and the Public Art Mural Committee.

The Motion passed with the following vote: Councilors Schaub, Cornwell, Wilk, Cantu, and Grijalva voting “aye.” [5-0]

CONSENT AGENDA

- A. Woodburn City Council Meeting minutes of November 12, 2024,
- B. Woodburn City Council Executive Session Meeting minutes of November 12, 2024,
- C. Certified Election Results – November 5, 2024, General Election,
- D. Monthly Financial Report (October),
- E. Redflex Report – August through October 2024,
- F. Building Activity for November 2024.

Motion: Schaub/Cornwell... approve the consent agenda as presented.

The Motion passed with the following vote: Councilors Schaub, Cornwell, Wilk, Cantu, and Grijalva voting “aye.” [5-0]

RECIPROCAL REAL PROPERTY LEASE AND WATER TOWER COMMUNICATIONS LEASE AGREEMENTS BETWEEN UNION PACIFIC RAILROAD AND THE CITY OF WOODBURN

Public Works Director Stultz provided a staff report.

Motion: Schaub/Cornwell... authorize the City Administrator to execute on behalf of the City two reciprocal lease agreements with Union Pacific Railroad (UPRR); one providing for the City’s lease of certain UPRR-owned land along Front Street at no cost to the City, offset by UPRR’s lease of space on the City-owned water tower for placement of communications equipment.

The Motion passed with the following vote: Councilors Schaub, Cornwell, Wilk, Cantu, and Grijalva voting “aye.” [5-0]

FLOCK SAFETY LICENSE PLATE READER CONTRACT

Police Chief Millican provided a staff report. Councilor Wilk asked what the accessibility of this system by folks outside of the city of Woodburn is. Chief Millican answered that the City can provide limited access to law enforcement partners as needed. He also noted that officers can use it for criminal purposes only. Councilor Grijalva asked if these cameras will work together with the cameras currently set up on 214. Chief Millican answered that these are a different system, and they will be placed strategically throughout the city. City Administrator Derickson noted that the camera system on 214 captures people's identities and it captures people's license plates, whereas the readers only capture the

COUNCIL MEETING MINUTES DECEMBER 9, 2024

rear license plate and not people's identities.

Motion: Schaub/Cantu... award a Sole Source Contract to and Authorize the City Administrator to sign the contract with Flock Safety for license plate reader services, on the basis of the attached findings.

The Motion passed with the following vote: Councilors Schaub, Cornwell, Wilk, Cantu, and Grijalva voting “aye.” [5-0]

AWARD A CONTRACT FOR DESIGN & BID PACKAGE FOR THE WOODBURN HIGH SCHOOL FRONT STREET SAFE ROUTES TO SCHOOL PROJECT TO HARPER HOUF PETERSON RIGHELLIS INC (HHPR).

Special Projects Director Wakely and Public Works Director Stultz provided a staff report. Mayor Lonergan asked what the Engineer’s estimate was for this project. Director Wakely answered that the city engineer negotiated the scope of work with ODOT and we are basing the proposed improvements as summarized in the staff report from ODOT engineers who scoped the project.

Motion: Schaub/Wilk... award a contract for design and bid package work for the High School Front Street Safe Routes to School project to Harper Houf Peterson Righellis Inc. (HHPR) in the amount of \$230,420.71 and authorize the City Administrator to sign the contract.

The Motion passed with the following vote: Councilors Schaub, Cornwell, Wilk, Cantu, and Grijalva voting “aye.” [5-0]

CITY ADMINISTRATOR’S REPORT

The City Administrator reported the following:

- **Young Street Property Acquisition:** The City has successfully acquired the Young Street Property for \$1.3 million, with an appraisal value of \$3.2 million. Plans include a 98-unit project, which will be managed by an affordable housing nonprofit organization to support affordable housing availability in Woodburn.
- **Retail Theft Program Success:** The City Council approved a grant for a retail theft program for the Woodburn Police Department. In its first operation last weekend, the retail theft team arrested seven individuals and recovered a stolen vehicle.
- **Washington, D.C. Trip:** A successful trip to Washington, D.C. was made by the mayor, staff, and City Councilors. They met with Senator Merkley, Representative Salinas, and staff from Senator Wyden’s office to discuss federal funding for projects like Settlemeier Park and other local issues, such as immigration and wastewater requirements.
- **Portland State University Boot Camp:** City Council members, including Councilor Schaub, Councilor Wilk, and new council member Lilia Brizuela attended a boot camp for elected officials, gaining valuable insights.
- **New Council Member Orientation:** A new council orientation program is available for new council members and other members of the Council who would like to participate, featuring a city tour, discussions on current issues, the city charter, roles, responsibilities, land use, and budget training.
- **League of Oregon Cities Training:** The League of Oregon Cities offers training for new or current council members, focusing on legal aspects of being an elected official in Oregon. The City will sponsor participation for interested members.

COUNCIL MEETING MINUTES DECEMBER 9, 2024

- **Governor’s Solutions Team Meeting:** A meeting was held with the Governor's Solutions team at City Hall, involving various state agencies. Discussions focused on collaboration, addressing issues in Woodburn, and how state agencies can support or facilitate progress on local matters.
- **Ethics Training Reminder:** City Attorney Granum stated that she will send a reminder for mandatory Oregon Government Ethics Commission training, which must be completed by all city councilors and the mayor during their term in office.

MAYOR AND COUNCIL REPORTS

Councilor Cornwell expressed excitement about the educational opportunity in Washington, D.C., with other council members, the mayor, and the city administrator. She is optimistic about the new City Council team and looks forward to the upcoming year's training and work. She wished everyone a happy holiday and hoped they would enjoy time with loved ones.

Councilor Schaub shared her appreciation for the boot camp experience, emphasizing how outstanding the City staff is. She reflected on the challenges faced by other cities and expressed gratitude for Woodburn's resources. She added that she attended the Chick-fil-A opening. She welcomed new city councilors and wished everyone a wonderful holiday.

Councilor Wilk agreed with Councilor Schaub’s comments on the boot camp, noting the respect Woodburn receives from other elected officials in the state. He thanked voters for allowing him to continue serving the city and looked forward to collaborating with the new council on important issues.

Councilor Cantu shared her positive experience in Washington, D.C., where they received recognition and support for Woodburn from every office they visited. She stated that she is excited about the opportunities and developments happening in the city.

Councilor Grijalva thanked the voters for the opportunity to serve and expressed her long-term connection to Woodburn. She wished everyone safe and joyful holidays and looked forward to starting work in January.

Mayor Lonergan reflected on the success of the Washington D.C. trip and the positive outcomes expected from it. He also thanked the staff for their efforts during the tree lighting and library workshop events. He added that the Chick-fil-A has opened up and he attended 2 ribbon cuttings and that this highlights the growth of new businesses in Woodburn.

ADJOURNMENT

Motion: Cornwell/Schaub... move to adjourn.

The Motion passed with the following vote: Councilors Schaub, Cornwell, Wilk, Cantu, and Grijalva voting “aye.” [5-0]

Mayor Lonergan adjourned the meeting at 8:00 p.m.

APPROVED _____
FRANK LONERGAN, MAYOR

**COUNCIL MEETING MINUTES
DECEMBER 9, 2024**

ATTEST

Heather Pierson, City Recorder
City of Woodburn, Oregon

Traffic Enforcement Camera Report - N. Pacific Highway at Mt. Hood Avenue

Red Light Enforcement

New software integration live as of Nov 2024 with new categorizations for event violation rejections.

	September 2024	October 2024	November 2024	Sept-Nov 2024 (Combined)
Total Events Captured	487	375	266	376
Non-Event	NA	NA	118	NA
Controllable	NA	NA	43	NA
Not Controllable	NA	NA	62	NA
Unprocessed/Misc	NA	NA	7	NA
Total Rejections	370	296	230	299
Citations Issued	117	79	36	77

Speed Enforcement (46 mph+)

New software integration live as of Nov 2024 with new categorizations for event violation rejections.

	September 2024	October 2024	November 2024	Sept-Nov 2024 (Combined)
Total Events Captured	321	357	232	303
Non-Event	NA	NA	37	NA
Controllable	NA	NA	16	NA
Not Controllable	NA	NA	44	NA
Unprocessed/Misc	NA	NA	5	NA
Total Rejections	120	167	102	130
Citations Issued	201	190	130	174
Average Speed	NA	NA	30.8	31

EVENT REJECTION [NON-CITATION] KEY

Non-Event: No citation issued due to no violation - event triggered due to cross traffic or slow roll; driver does not match reg owner; public safety response, etc.

Controllable: No citation issued due to poor or malfunctioning camera/video quality [these are typically rejected prior to being sent to City/PD for review].

Not Controllable: No citation issued due to driver and/or vehicle registration issues, driver face obstructions, and poor weather conditions.

Unprocessed/Misc: The program was unable to provide info on rejections for events and/or event was not within enforceable time period.

CITY OF WOODBURN
Community Development Department

MEMORANDUM

270 Montgomery Street Woodburn, Oregon 97071

(503) 982-5246

Date: January 6, 2025
To: Chris Kerr, Community Development Director
From: Melissa Gitt, Building Official
Subject: Building Activity for December 2024

	2022		2023		2024	
	No.	Dollar Amount	No.	Dollar Amount	No.	Dollar Amount
Single-Family Residential	0	\$0	12	\$4,146,853	34	\$12,286,639
Multi-Family Residential	2	\$5,241,000	0	\$0	0	\$0
Assisted Living Facilities	0	\$0	0	\$0	0	\$0
Residential Adds & Alts	29	\$261,733	7	\$171,216	8	\$335,678
Industrial	0	\$0	0	\$0	0	\$0
Commercial	6	\$1,689,990	5	\$147,050	6	\$5,007,460
Signs and Fences	0	\$0	1	\$3,000	0	\$0
Manufactured Homes	0	\$0	0	\$0	0	\$0
TOTALS	37	\$7,192,723	15	\$4,468,119	48	\$17,629,777
Fiscal Year to Date (July 1 – June 30)		\$60,359,019		\$69,244,911		\$125,020,763

Totals Reflect Permit Valuation



Agenda Item

January 13, 2025

TO: Honorable Mayor and City Council
FROM: Jim Row, Assistant City Administrator
SUBJECT: **Solid Waste Franchise Extension**

RECOMMENDATION:

After providing notice and opportunity for public comment, adopt an Ordinance extending the term of the existing Solid Waste Franchise agreement with United Disposal Services, In. dba Republic Services of Marion County-Woodburn until February 26, 2026.

BACKGROUND/DISCUSSION:

The City's Solid Waste Franchise Agreement with Republic Services was approved by the City Council in February 2018 and is set to expire on February 26, 2025. Staff began meeting with Republic Services this past summer to begin the process of negotiating a renewal of the franchise.

During these discussions, staff decided to explore the possibility of making significant updates to the franchise and began reviewing examples from other jurisdictions. Since the process of re-writing the franchise will be quite time-consuming, staff determined that it would be necessary to extend the term of the existing franchise with Republic Services for an additional year.

With the consent of Republic Services, this Ordinance extends the Solid Waste Franchise until February 26, 2026, which should provide staff sufficient time to work with Republic Services on what is likely to be a significant update to the Solid Waste Franchise.

FINANCIAL IMPACT:

None.

Agenda Item Review: City Administrator City Attorney Finance

COUNCIL BILL NO. 3269

ORDINANCE NO. 2635

AN ORDINANCE AMENDING ORDINANCE 2554, THE SOLID WASTE MANAGEMENT FRANCHISE, TO EXTEND SAID ORDINANCE UNTIL FEBRUARY 26, 2026

WHEREAS, Ordinance 2554 grants an exclusive franchise ("the Existing Franchise") to United Disposal Services, Inc. dba Republic Services of Marion County-Woodburn to collect, transport, and convey solid waste in the City; and

WHEREAS, the Existing Franchise expires on February 26, 2025, and both parties need additional time to negotiate a new and updated franchise; and

WHEREAS, consistent with Section 2.3 of Ordinance 2554, granting the Existing Franchise, both the City and the Franchisee have agreed to extend the Existing Franchise from February 26, 2025, until February 26, 2026, **NOW, THEREFORE,**

THE CITY OF WOODBURN ORDAINS AS FOLLOWS:

Section 1. The City Council finds that the Franchisee has consented to this franchise extension.

Section 2. Ordinance 2554 is amended to add a new section, Section 2.3A, which shall read as follows:

2.3A Extension. Notwithstanding any language to the contrary contained in Section 2.3 Term, this franchise ordinance and the rights and privileges granted herein shall remain in effect until February 26, 2026.

Approved as to form: _____
City Attorney Date

Approved: _____
Frank Lonergan, Mayor

Passed by the Council _____

Submitted to the Mayor _____

Approved by the Mayor _____

Filed in the Office of the Recorder

ATTEST: _____
Heather Pierson, City Recorder
City of Woodburn, Oregon



January 13, 2025

TO: Honorable Mayor and Council through City Administrator
FROM: Anthony Turley, Finance Director
SUBJECT: **FY 2024-25 Supplemental Budget Request**

RECOMMENDATION:

Adopt the resolution authorizing a \$153,000 spending appropriation increase in the General Fund.

BACKGROUND:

Every year after Council's budget adoption, circumstances arise that were either unforeseen, unquantifiable, or discovered as errors. Oregon Budget Law, ORS 294.471(1), provides for changes to adopted budgets through a transfer resolution or supplemental budget process that notices the proposed changes. Contingency transfers in excess of 15 percent of any fund's total appropriations, or supplemental budget changes in excess of 10 percent of any fund's total expenditures, require a public hearing to accept public testimony on the item under consideration.

Like the adopted budget, supplemental budget requests must be balanced; in other words, net revenue and net expense for the request must be equal. This can be accomplished by budgeting additional revenue or by reducing another expenditure category (such as contingencies).

DISCUSSION:

City staff applied for and was awarded two grants for Economic Development. The first grant for \$87,000 is from the Ford Family Foundation and will be used to develop a North Marion County Regional Economic Development Strategic Plan. The second grant for \$66,000 was awarded by Marion County to support tourism development and marketing in North Marion County.

Because the proposed appropriation increase is less than 10 percent of fund expenditures, no public hearing is required.

FINANCIAL IMPACT:

If approved, the proposed adjustment includes authorizing \$153,000 in

additional grant revenue, and appropriation authority to operating expenses in the General Fund in the same amount. Specifically, the following changes will be made:

SUMMARY OF PROPOSED BUDGET CHANGES							
AMOUNTS SHOWN ARE REVISED TOTALS IN THOSE FUNDS BEING MODIFIED							
General Fund - 001							
Resource	Original	Change	Revised	Requirement	Original	Change	Revised
1 Beg. Fund Balance	13,450,490		13,450,490	Operating Expenses	21,829,650	153,000	21,982,650
2 Revenues	22,195,500	153,000	22,348,500	Transfers Out	3,322,600		3,322,600
				Contingency & Reserves	10,493,740		10,493,740
Revised Total Fund Resources			35,798,990	Revised Total Fund Requirements			35,798,990
<i>Comments: Economic Development Division's Strategic Planning and Tourism-based Grant Revenue and Expenditures</i>							

COUNCIL BILL NO. 3270

RESOLUTION NO. 2242

A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET AND MAKING APPROPRIATIONS FOR THE GENERAL FUND FOR FY 2024-25

WHEREAS, on June 10, 2024, the Woodburn City Council approved Resolution No. 2232 adopting a budget for the fiscal year 2024-25, wherein funds were appropriated; and

WHEREAS, ORS 294.471(1)(a) permits supplemental budgets when “an occurrence or condition which had not been ascertained at the time of the preparation of a budget for the current year or current budget period which requires a change in financial planning”; and

WHEREAS, ORS 294.471(1)(c) permits supplemental budgets when “funds that are made available by another unit of federal, state or local government and the availability of which could not reasonably be foreseen when preparing the original budget or a previous supplemental budget for the current year or current budget period”; and

WHEREAS, Under ORS 294.471(3), a supplemental budget in which no fund changes more than 10% can be adopted at a regularly scheduled meeting of the governing body without a public hearing; and

WHEREAS, the supplemental budget contained herein and made pursuant to ORS 294.471, authorizes \$153,000 in additional grant revenue, and appropriation authority to operating expenses in the General Fund; and

WHEREAS, a regularly scheduled City Council meeting was held January 13, 2025, on the supplemental budget changes and notice of the meeting was published at least five days prior to the meeting, **NOW, THEREFORE**,

THE CITY OF WOODBURN RESOLVES AS FOLLOWS:

Section 1. That pursuant to the applicable ORS provisions cited above, the City Council hereby approves the supplemental budget for FY 2024-25 in the amounts shown in the summary below:

SUMMARY OF PROPOSED BUDGET CHANGES								
AMOUNTS SHOWN ARE REVISED TOTALS IN THOSE FUNDS BEING MODIFIED								
General Fund - 001								
Resource	Original	Change	Revised	Requirement	Original	Change	Revised	
1 Beg. Fund Balance	13,450,490		13,450,490	Operating Expenses	21,829,650	153,000	21,982,650	
2 Revenues	22,195,500	153,000	22,348,500	Transfers Out	3,322,600		3,322,600	
				Contingency & Reserves	10,493,740		10,493,740	
Revised Total Fund Resources			35,798,990	Revised Total Fund Requirements			35,798,990	
<i>Comments: Economic Development Division's Strategic Planning and Tourism-based Grant Revenue and Expenditures</i>								

Approved as to Form: _____
City Attorney _____ Date _____

APPROVED: _____
Frank Lonergan, Mayor

Passed by the Council _____
Submitted to the Mayor _____
Approved by the Mayor _____
Filed in the Office of the Recorder _____

ATTEST: _____
Heather Pierson, City Recorder
City of Woodburn, Oregon



January 13, 2025

TO: Honorable Mayor and City Council through City Administrator

FROM: Jamie Johnk, Economic Development Director
McKenzie Granum, City Attorney

**SUBJECT: A Resolution Ratifying an Amendment to the Woodburn Urban
Renewal Plan for the Acquisition of Property for an Affordable
Housing Project**

RECOMMENDATION:

Adopt the resolution ratifying the minor Plan amendment to Section 700.C, Property to be Acquired, and Part Two of the Plan, to identify and approve the acquisition of property located at 1030 Young Street (the "Property") for an affordable housing project, as defined in the Woodburn Urban Renewal Plan.

BACKGROUND:

At the October 28, 2024, Urban Renewal Agency meeting, the Agency adopted a minor amendment to the Woodburn Urban Renewal Plan Section 700.C, Property to be Acquired, and Part Two of the Plan, to identify and approve of the acquisition of the Property, which is located within the Urban Renewal Boundary.

In accordance with the Woodburn Urban Renewal Plan, minor amendments for property acquisition are processed through the adoption of a Resolution by the Urban Renewal Agency, followed by Ratification by the City Council.

DISCUSSION:

Last year the City identified a parcel of property within the Urban Renewal Boundary, located at 1030 Young Street, in Woodburn, Marion County, Oregon (Marion County Assessor's Tax Lot # 051W17BC06800) for an affordable housing project.

Agenda Item Review: City Administrator City Attorney Finance

Pursuant to URA direction and approval, the City undertook the acquisition of this property, which included buying the larger 2.85-acre vacant parcel located within the URA boundary for the \$1,315,000. The second, smaller 0.66-acre parcel was then donated to the City by the Seller. The purchase arrangement also included the Seller providing the City with all development plans and approvals, drawings, and architectural/engineering designs already completed for the development and build out of the property.

Following acquisition of the property, the City, through the Urban Renewal Agency, would then be in a position to partner with a nonprofit or community housing corporation to construct and provide low- to moderate-income housing (affordable housing) opportunities on the site. At a minimum, the City would hold ownership of the properties for at least three years.

FINANCIAL IMPACT:

Closing for purchase of the property occurred in December 2024, with costs already approved through a Supplemental Budget process. Costs included the following: The purchase price of the primary 2.85-acre property at 1030 Young Street was in the amount of \$1,315,000 with additional closing, brokerage, and appraisal costs for a total urban renewal investment of \$1,350,000. Since the smaller 0.66-acre adjacent property is located outside of the City's URA boundary, it was donated by Seller.

In order to accomplish the purchase of the identified property, the City's general fund provided the Renewal Agency with an interfund loan for the amount of the purchase price, which included a 10-year repayment plan schedule secured by the URA's Tax Increment Financing (TIF).

COUNCIL BILL NO. 3271

RESOLUTION NO. 2243

A RESOLUTION RATIFYING AN AMENDMENT TO THE WOODBURN URBAN RENEWAL PLAN FOR THE ACQUISITION OF PROPERTY FOR AN AFFORDABLE HOUSING PROJECT

WHEREAS, the Woodburn Urban Renewal Agency (“Agency”) adopted the Woodburn Urban Renewal Plan (“Plan”) in July 2001; and

WHEREAS, the Agency under Section 600, Description of Projects to be Undertaken, of the Urban Renewal Plan adopted in July 2001 and amended in June 2024 (“Plan”), authorizes the Agency to acquire property within the Urban Renewal Area for affordable housing project(s); and

WHEREAS, the Agency desired to acquire Property located at 1030 Young Street, in the City of Woodburn, Marion County, Oregon, Marion County Assessor’s Tax Lot # 051W17BC06800 (“Property”) for an affordable housing project in accordance with the Plan; and

WHEREAS, the Agency has determined that the Property will assist the City in meeting the goals of the Plan and that it is in the best interest of the public to acquire the Property; and

WHEREAS, at its October 28, 2024, meeting, the Agency adopted a minor amendment to Plan Section 700.C, Property to be Acquired, and Part Two of the Plan, to identify and approve of the acquisition of the Property, which is located within the Urban Renewal Boundary; and

WHEREAS, minor amendments for property acquisition are processed through the adoption of a Resolution by the Agency and Ratification by the City Council; **NOW, THEREFORE**,

THE CITY OF WOODBURN RESOLVES AS FOLLOWS:

Section 1. The Woodburn City Council hereby ratifies the Woodburn Urban Renewal Plan Amendment to add the Acquisition of Identified Property as shown in Exhibit A.

Section 2. This Resolution is and shall be effective immediately upon its adoption.

Approved as to Form: _____
City Attorney Date

APPROVED: _____
Mayor

Passed by the Council _____

Submitted to the Mayor _____

Approved by the Mayor _____

Filed in the Office of the Recorder _____

ATTEST: _____
Heather Pierson City Recorder
City of Woodburn, Oregon

EXHIBIT A. 2024 WOODBURN URBAN RENEWAL PLAN AMENDMENT

Additions are shown in *italics*, deletions are shown in ~~crossout~~

SECTION 700. PROPERTY ACQUISITION PROCEDURES IS AMENDED AS FOLLOWS:

ACQUISITION OF REAL PROPERTY MAY BE NECESSARY TO CARRY OUT THE OBJECTIVES OF THIS PLAN. PROPERTY FOR PUBLIC OR PRIVATE PRESERVATION, REHABILITATION, DEVELOPMENT, OR REDEVELOPMENT ACQUIRED BY GIFT, EMINENT DOMAIN OR ANY OTHER LAWFUL METHOD FOR THE PURPOSE OF DEVELOPMENT. THE PURPOSES AND PROCEDURES FOR ACQUISITION UNDER THIS PLAN ARE:

The Renewal Agency is authorized to acquire property within the Area, if necessary, by any legal means to achieve the objectives of this Plan. Property acquisition, including limited interest acquisition, is hereby made a part of this Plan and may be used to achieve the objectives of this Plan. All acquisition of property will require ~~will require~~ an amendment to the plan as set forth in Section 900 of this Plan.

A. Acquisition requiring City Council ratification.

City Council ratification is required for Renewal Agency acquisitions for the following purposes:

1. Assembling land for development by the public or private sector. Such acquisition shall be undertaken only following completion of a minor amendment to this Plan as set forth in Section 900C1 of this Plan. The City Council shall ratify the minor amendment to this Plan by resolution.
2. Where conditions exist that may affect the health, safety and welfare of the Area and it is determined that acquisition of such properties and demolition of the improvements thereon are necessary to remove substandard and blighting conditions, acquisition shall be undertaken only following completion of a minor amendment to this Plan as set forth in Section 900C1 of this Plan. The City Council shall ratify the minor amendment to this Plan by resolution.
3. Acquisition for any purpose that requires the use of the Agency's powers of eminent domain. Such acquisition shall be undertaken only following completion of a minor amendment to this Plan as set forth in Section 900C1 of this Plan. The City Council shall ratify

the minor amendment to this Plan by resolution.

B. Acquisition not requiring City Council ratification.

Land acquisition not requiring City Council ratification requires a minor amendment to this Plan as set forth in Section 900D2 of this Plan. The minor amendment to the Renewal Plan may be adopted by the Renewal Agency by Resolution. The Agency may acquire land without Council ratification where the following conditions exist:

1. Where it is determined that the property is needed to provide public improvements and facilities as follows:
 - a. Right-of-way acquisition for streets, alleys or pedestrian ways;
 - b. Right of way and easement acquisition for water, sewer, and other utilities
 - c. Property acquisition for public use, or for public buildings and facilities

2. Where the owner of real property within the boundaries of the Area wishes to convey title of such property by any means, including by gift.

C. Properties to be acquired

At the time this plan is prepared, no properties are identified for acquisition. If plan amendments to acquire property are approved, a map exhibit shall be prepared showing the properties to be acquired and the property will be added to the list of properties to be acquired. The list of properties acquired will be shown in this section of the Plan. The map exhibit shall be appropriately numbered and shall be included in Part Two as an official part of this Urban Renewal Plan.

SECTION 700 C - PART 2
CITY OF WOODBURN URBAN RENEWAL PLAN
LIST OF PROPERTIES TO BE ACQUIRED

<i>Property Address</i>	<i>Marion County Tax Lot #</i>	<i>Acres</i>
1030 Young Street	051W17BC06800	2.85

**Property Description: 1030 Young Street
Marion County Assessor's Tax Lot # 051W17BC06800**





Agenda Item

January 13, 2025

TO: Honorable Mayor and City Council

FROM: Scott Derickson, City Administrator
McKenzie Granum, City Attorney

SUBJECT: **Collective Bargaining Agreement with Woodburn Police Association – Sergeants (WPA-SL1)**

RECOMMENDATION:

Adopt the attached Resolution authorizing the execution of a new Collective Bargaining Agreement with the Woodburn Police Association - Sergeants ("WPA-SL1"), which has been tentatively agreed to by the City negotiating team and ratified by the WPA - Sergeants membership.

BACKGROUND:

In Spring 2024, the Oregon Legislature passed House Bill 4115, which established a right for police sergeants to form unions and engage in collective bargaining even when they have certain supervisory duties. Under the new law, police sergeant bargaining units must be separate and apart from that of rank-and-file subordinate employees. This new legislation also does not extend to- or permit higher ranks of employees to unionize (e.g. Lieutenants, Captains, etc.).

Following passage of HB 4115, the Woodburn Police Association, filed a petition with the State Employment Relations Board ("ERB") to certify the Woodburn Police Association – SGT (WPA-SL1) as the exclusive representative of a standalone unit of all Sergeants employed at the City of Woodburn. A majority of eligible employees in the proposed bargaining unit then signed valid authorization cards designating WPA-SL1 as the exclusive representative of the proposed bargaining unit. On May 7, 2024, ERB issued an order certifying the WPA-SL1 bargaining unit.

Following certification, the City and representatives for the Sergeants' bargaining unit agreed to first complete bargaining on the expiring rank-and-file WPA contract before starting in on a new Sergeants Contract. Understandably,

Agenda Item Review: City Administrator City Attorney Finance

the Sergeants contract would then be structured on the same outline and conditions of the prior WPA-ratified agreement.

Representatives from the City and WPA-SL1 met once in November and once in December to bargain towards a tentative agreement on a two-year contract, running July 1, 2024 – June 30, 2026. On December 29th, WPA-SL1 notified the City that its members had met and voted to ratify the contract.

DISCUSSION:

Just as with the rank-and-file contract bargaining process, the City and representatives from the Sergeants' unit engaged in a professional bargaining process that was highly efficient due to the preparedness and goodwill of the members of each bargaining team. The City Attorney acted as the City's lead negotiator with Human Resources Director Mel Gregg, and Lieutenant, Andy Shadrin, also participating on the City's negotiating team. The City Administrator, Police Chief, Finance Director, Senior HR Analyst, and Senior Finance Management Analyst were also instrumental in reaching the new agreement.

Ratification of this new contract will ensure that both parties can continue to work together in a reliable fashion and thereby avoid the mandatory arbitration process that would otherwise be available to the WPA-SL1 should the parties have failed to reach an agreement. Ratification of the contract also confirms an understanding by the parties that the wages and benefits included in this new contract are "comparable" to other jurisdictions within the state, something required to be met under state law.

While the new Agreement includes most of the same benefits and conditions found in the rank-and-file contract, as well as memorializes benefits already extended to Sergeants under the City's current practices/policies, highlights of the new Agreement include the following:

1. Contract Term. A two-year term, effective July 1, 2024 – June 30, 2026. This term will follow the same two-year cycle as the rank-and-file WPA contract and the expectation is that future negotiations with the two bargaining units will either occur concurrently or sequentially given the parties' preferences and availability at the time.

2. Wages. Effective and retroactive to June 23, 2024, a new wage schedule will be implemented that modifies the prior FY23/24 wage schedule for Sergeants as follows: (i) eliminates certain “pre-certification” steps in the wage schedule and starts all newly promoted Sergeants at either Step 1, 2, or 3 given their DPSST certification level at the time of promotion—which helps reduce wage compression between rank-and-file officers and newly promoted sergeants; (ii) adds a Step 6 to the prior wage schedule—which aligns with other union contracts in the City; and (iii) adds a 3% COLA to the FY23/24 wage schedule starting at Step 1.

Effective June 29, 2025, a two and one-half percent (2.5%) COLA will be applied to the wage schedule starting at Step 1.

3. Other Premiums & Incentive Pay Adjustments. Percentage-based premiums noted below are added to an employees’ base wages based on duty assignments and/or eligibility as designated under the contract.
 - a. A longevity premium is included in the contract as follows:
 - i. For FY24/25, the premium will follow current policy, with: 10 years = 3%; 15 years = 4.5%; and 20+ years = 6%
 - ii. For FY25/26, the premium will increase to align with the longevity premiums included in the rank-and-file contract, with: 10 years = 4%; 15 years = 6%; and 20+ years = 8%.
 - iii. The average longevity for the City’s current Sergeants is over eighteen years.
 - b. Similar to the rank-and-file contract, the Sergeants’ contract incorporates other existing premium incentives such as:
 - i. Education Incentive: two percent (2%) premium for an employee holding an Associate’s degree from an accredited college or university (or at least 90 credit hours) and four percent (4%) for an employee holding a Bachelor’s degree from an accredited college or university.
 - ii. Marion County SWAT Team: three percent (3%) premium while assigned to SWAT.
 - iii. Detective Sergeant Premium: seven percent (7%) premium for sergeants regularly assigned as detectives.
 - iv. Language Incentive: seven percent (7%) premium for employees with an oral proficiency in Spanish or Russian, or three percent (3%) for those with a street-level proficiency.

- v. Physical Fitness Premium: Based on an employees' passage of the Texas Department of Public Safety 4-minute row evaluation (administered by the City during the first quarter of each year). Employees who score 60-69% will receive \$150, employees who score 70-74% will receive \$300, and employees who score 75% or higher will receive \$450 as a physical fitness incentive for the calendar year during which the 4-Minute Row Evaluation was administered.
4. Health Insurance & Benefits.
- a. The contract memorializes the current premium share split of 95% employer-paid/5% employee-paid for health insurance premiums, but the City did agree to change the plan options available to Sergeants beginning January 1, 2026, which will align with the two health insurance plans available to the rank-and-file police officers.
 - b. The new contract also memorializes the deferred compensation match that the City already provides to Sergeants, set at up to a five percent (5%) match.

A copy of the new agreement as tentatively agreed to by the parties, is attached to the ratification resolution for the Council's review.

FINANCIAL IMPACT:

The proposed new agreement ensures that Woodburn Sergeants "overall total compensation" is at least equal to the compensation of sergeants in "comparable" jurisdictions, as is required by state law. The financial impact of the new agreement is supported by the current budget and five-year forecast. Finally, the new agreement meets the City Council's financial objectives set out through the budget policy.

COUNCIL BILL NO. 3272

RESOLUTION NO. 2244

A RESOLUTION AUTHORIZING EXECUTION OF A COLLECTIVE BARGAINING AGREEMENT BETWEEN THE CITY OF WOODBURN AND THE WOODBURN POLICE - SERGEANTS UNIT (WPA-SL1) FOR A CONTRACT BEGINNING JULY 1, 2024, AND ENDING JUNE 30, 2026

WHEREAS, the purpose of labor negotiations is to reach an agreement on matters relating to wages, hours, working conditions, and fringe benefits for certain represented employees; and

WHEREAS, on May 7, 2024, the Oregon State Employment Relations Board issued an order certifying the Woodburn Police Association – SGT (WPA-SL1) as the exclusive representative of a standalone unit of all Sergeants employed at the City of Woodburn; and

WHEREAS, the City of Woodburn (the “City”) and the WPA-SL1 have engaged in a number of good faith bargaining sessions in order to reach an understanding on provisions to be included in a new Collective Bargaining Agreement (the “Agreement”);

WHEREAS, the negotiating teams for the City and WPA-SL1 have tentatively agreed to the contractual terms of the Agreement, and WPA-SL1 unit members ratified the Agreement through a ballot process with its members that concluded on December 29, 2024; **NOW, THEREFORE**,

THE CITY RESOLVES AS FOLLOWS:

Section 1. That the Agreement tentatively agreed to by the parties and ratified by the WPA-SL1 membership, attached to this Resolution as Exhibit A, is approved.

Section 2. That the City Administrator is authorized to execute the Agreement on behalf of the City.

Approved as to form: _____
City Attorney Date

Approved: _____
Frank Lonergan, Mayor

Passed by the Council

Submitted to the Mayor

Approved by the Mayor

Filed in the Office of the Recorder

ATTEST:

Heather Pierson, City Recorder

EXHIBIT A

Collective Bargaining Agreement

Between

The City of Woodburn

And

**The Woodburn Police Association
Sergeants**

Term:

Effective 2024-2026

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PREAMBLE

This Agreement is agreed to between the City of Woodburn, Oregon, hereinafter called the City, and the Woodburn Police Association, hereinafter called the Association. This Agreement is entered into for the purpose of fixing the wage scale, schedule of hours, and conditions of employment affecting members of the bargaining unit.

The purpose of this Agreement is to set forth the full agreement between the parties on matters relating to employment relations.

ARTICLE 1 – RECOGNITION

The City recognizes the Association as the sole collective bargaining agent for all regular and probationary employees employed in job classification of Sergeant, covered by this Agreement, as listed in Appendix A.

The parties further agree that the classifications of regular and probationary employees employed in job classifications of sworn police officer, non-sworn community service officer, court bailiff, Lieutenant, Deputy Chief, Chief and Executive Assistant are specifically excluded from the bargaining unit.

Part-time employees shall have all such benefits prorated based FTE status (e.g., 0.50 FTE will have benefits prorated by 50%); however, part-time employees who are less than 0.50 FTE shall not be eligible for benefits under Articles 13, 14, 15 and 22.

ARTICLE 2 - ASSOCIATION SECURITY

A. Association Dues: The City agrees to deduct twice each month from the pay of employees covered by this Agreement as applicable:

1. The Association membership dues, charges, fees and assessments of those Association members who individually authorize such deductions in writing. Such authorization shall be terminable upon such notice as is specified in the authorization.
2. The amounts to be deducted shall be certified to the City by the Treasurer of the Association, and the aggregate biweekly deductions (not to exceed two pay periods during any calendar month) for all employees shall be remitted, by Automatic Clearing House (ACH) transfer as requested by the Association, together with an itemized statement, to the Treasurer of the Association for the succeeding month after such deductions are made. Such itemized statement shall also include annotation as to any new hires or terminations. Notification of new hires shall take place at the time the first dues payment is to be paid and shall include the employee's name, Social Security number, mailing address, and job title.

3. Provided the City acts in compliance with the provisions of this Article, the Association will indemnify, defend, and hold the City harmless against any claims made and against any suit instituted against the City as a result of the City's enforcement of the above provisions or as a result of any check-off errors. The City will make proper adjustments with the employee and the Association for errors as soon as practicable upon notification from the Association.

B. Bulletin Boards and Use of City Facilities: The City agrees to furnish and maintain a bulletin board within the Police Department to be used by the Association for the posting of notices and bulletins related to the Association. The City also agrees to permit the Association to utilize available City facilities for meetings with employees conducted in accordance with established City rules applicable to other groups within the community. All requests for use of meeting rooms within the Police Department must be approved by the Chief of Police or his designee.

C. Association Activities: Except as otherwise provided in the Agreement, during their working hours, Association members shall not engage in solicitation for membership in the Association, the collection of fees or dues for the Association, or carry on other business activities of the Association, provided that this provision shall not prohibit conversations concerning Association matters which do not interfere with the work and duties of any City employee.

ARTICLE 3 - NON-DISCRIMINATION

The provisions of this Agreement shall be applied equally to all employees in the bargaining unit without discrimination as to age, marital status, race, color, sex, creed, religion, national origin, political affiliation or other protected status or activities, in accordance with applicable law.

ARTICLE 4 - MANAGEMENT RIGHTS

The City shall retain the exclusive right to exercise the customary rights and functions of management, including, but not limited to, directing the activities of the Department, determining the levels of service and methods of operations, including subcontracting and the introduction of new equipment; the right to hire, layoff, transfer, and promote; to discipline or discharge probationary employees without limitation and non-probationary employees for just cause; to determine work schedules and assign work, and any other such right (and function) not specifically referred to in this Agreement. Management rights, except where abridged by specific provisions of this Agreement, are not subject to the grievance procedure.

It is further understood and agreed that if the City does not exercise a management right reserved to it or if the City exercises a management right reserved to it a particular way, such conduct shall not be deemed a waiver of its right to begin exercising such a right in the future or to exercise such a right differently in the future. However, nothing in this paragraph shall be considered to be a waiver by the Association of bargaining rights afforded under the Public Employees Collective Bargaining Act (PECBA).

ARTICLE 5 - STRIKES AND LOCKOUTS

In as much as there are other means, both by law and through this Agreement for the resolution of disagreements that may from time to time arise, the parties agree as follows:

A. Lockout: During the term of this Agreement, the City shall not, as a result of a dispute with the Association, deny employment to any employee covered by the terms of this Agreement.

B. Strike: During the term of this Agreement, the Association or its members will not participate in any strike, slowdown, or work stoppage, including the observance of the picket line of another labor organization. In the event of a violation of the above by the Association or members of the bargaining unit, the City may discipline, including discharge, any employee involved in such prohibited activity on a uniform or selective basis.

ARTICLE 6 - ASSOCIATION BUSINESS

A. Association Representatives: The Association agrees to notify the City in writing of all members selected to serve as official representatives. Employees designated as Association representatives shall be allowed time off with regular pay for the purpose of representing employees in disciplinary interviews and attending grievance procedure meetings, when such meetings occur during the employee's scheduled work hours. In addition, a maximum of two (2) representatives of the Association will be allowed time off with regular pay to attend negotiation and mediation sessions that occur during their scheduled work hours.

B. Special Conferences: Special conferences for important matters may be arranged between the Association and the City upon mutual agreement of the parties. Such meetings shall be arranged in advance, and an agenda of matters to be discussed at the meeting shall be presented at the time the agreement to confer is made. Two (2) official Association members shall be permitted to attend such conferences without loss of pay to the extent such meetings are scheduled during on-duty hours of the members so attending.

C. Association Meetings: On duty employees may attend Association Meetings held at Department facilities no more than six (6) per year and no longer than one (1) hour in duration. The Association shall give the Department reasonable notice, unless a shorter notice period is agreed upon, so that an appropriate meeting room can be scheduled. On duty employees attending Association Meetings shall respond to all calls as directed by a supervisor.

ARTICLE 7 - PERSONNEL MANUAL/CONTRACT

The City agrees to furnish each employee of the bargaining unit with written or electronic copy of the City HR Rules, Administrative Policies and Procedures, Department Rules and Regulations and a copy of this contract. The cost of printing and assembling copies of this contract will be borne by the Association. New employees shall be provided with the above at the time of their hire. All updates, additions, and/or modifications to the City HR Rules, Administrative Policies and Procedures, and Department Rules and Regulations shall also be supplied to the Association in writing at least 14 days prior to implementation. In the event of any conflict between the City

HR Rules, Administrative Policies and Procedures, Department Rules and Regulations and the contract, the contract governs.

ARTICLE 8 – SENIORITY

A. Definition of Seniority: Seniority, for the purposes of layoff and recall and calculations for the purposes of incentive/premium/longevity, shall be defined as the length of an employee's unbroken employment as a sworn employee with the City of Woodburn. For other purposes, such as shift bidding and vacation bidding, seniority shall be defined as the length of an employee's unbroken employment within a classification in the bargaining unit, i.e. the Sergeant Classification. When two or more employees begin employment on the same day in a job classification represented by the bargaining unit, seniority is established upon the order of the first badge issuance based upon the final ranking in the recruitment process. Probationary employees shall not be considered to have seniority, but shall be credited with seniority to their first day of employment in the bargaining unit immediately upon completion of probation.

B. Breaks in Seniority: Except as stated in Section C, below, employees will continue to accrue seniority unless and until their seniority is broken. Seniority will be broken and the employment relationship will be severed if any of the following events occur:

1. Voluntary resignation or retirement;
2. Discharge of a regular employee for just cause or a probationary employee "at will;"
3. Layoff or continuous absence from work due to off-the-job injury/illness for more than twenty-four (24) month's duration;
3. Failure to notify the Chief of Police or his designee of intent to return to work pursuant to a recall notice sent by certified mail, return receipt requested, to the last address provided to the City through personnel records within seven (7) calendar days of receipt of such notification or ten (10) days of mailing, whichever occurs later;
4. Failure to report for work immediately upon expiration of an authorized leave of absence or, in the case of an absence due to off or on-the-job injury/ illness, failure to report for available work within seven (7) days of receipt of notice of a limited or full medical release to return to work;
6. Absence from work due to an on-the-job injury/illness in accordance with ORS Chapter 659 – Workers' Compensation and Return to Work; *or*
7. Job abandonment.

Employees who are serving in the military will continue to receive seniority and reinstatement according to applicable law.C. Adjustments in Seniority Dates

Employee seniority dates will be adjusted in the following circumstances:

1. Promotions to Positions outside the Bargaining Unit

Employees who are promoted to positions within the Police Department that are excluded from the bargaining unit, but are returned to bargaining unit positions by the City return with the seniority they would have accrued had they remained in the bargaining unit.

2. Leaves of Absence

Employees who are absent from work on a leave of absence will continue to accrue seniority, provided they are drawing pay (e.g. vacation, holiday or sick leave) and for up to thirty (30) days following depletion of their paid leave banks. Thereafter, seniority will no longer accrue. This provision will not be applied to employees who are designated as being on FMLA, OFLA, Paid Leave Oregon/Paid Family and Medical Leave Insurance program (PFMLI), military or jury duty leave.

D. Application of Seniority

Seniority shall apply to the following employment decisions:

1. Layoff: In the event of a layoff for any reason, bargaining unit employees shall be laid off as follows: First, probationary employees shall be laid off. If there are no probationary employees and/or the layoff of regular employees becomes necessary, such layoffs shall be in the order of lowest seniority first as defined in A and C above.

2. Recall: Regular employees shall be called back from layoff in inverse order of layoff. Recall notices shall specify a minimum of ten (10) days from the date of mailing for the employee to return to work. The City may, however, specify a later reporting date.

Employees who wish to waive re-employment rights may do so by written notification to the City.

3. Shift Scheduling: Employees are entitled to use their seniority to bid for shift preferences in accordance with Article 11.

4. Vacation Preferences: Employees are entitled to use their seniority to bid for vacation time off in accordance with Article 14.

E. General Provisions

1. Seniority Lists: The City shall provide the Association with a seniority list upon request.
2. Reinstatement of Seniority: If an employee is discharged, grieves the discharge at arbitration or civil court, prevails and is reinstated, he/she shall receive seniority credit for the period from discharge to reinstatement. Also, employees returning from layoff or leave of absence which does not result in a break in seniority as set forth in Section B, above shall have all previously accrued seniority reinstated and/or adjusted in accordance with Sections B and C, above.
3. Restoration and Accrual of Benefits: Employees returning from layoff or leave of absence that does not result in a break in seniority as set forth in Section B, above shall have all previously accrued unused sick leave, holiday and vacation benefits restored, but shall not accrue benefits for the period of the layoff or leave of absence, except for continuation of health insurance premiums as required by applicable law. In the event an employee suffers a break in seniority before drawing all accrued sick leave, holiday and vacation benefits, any unused holiday and vacation benefits will be paid to the employee at the time his/her seniority is broken and employment is severed, consistent with applicable law.

ARTICLE 9 - OUTSIDE EMPLOYMENT

Employees wishing to engage in off-duty employment with another employer must obtain approval from the Chief by submission of a request in writing for such approval. Likewise, employees wishing to make a material change in the nature or hours of outside employment currently approved by the City must obtain approval by submission of a written request for such approval. Such written requests shall specify the name of the prospective employer, the job title of the position, a description of the nature of the work to be performed. Upon receipt of such request, the City shall have the right to contact the prospective employer to independently determine the nature of the employment being considered. The City shall normally approve or deny a request for outside employment within seven (7) business days of its receipt.

The Chief may deny a request for approval of outside employment if there is a conflict of interest or the nature or hours of work required for such employment would interfere with the ability of the employee to perform required duties, including duties required to be performed outside the employee's regular working hours. For purposes of this Article, a conflict of interest shall include any circumstance where the employee's or overall department effectiveness would or might be impaired as a result of the public's knowledge of the nature of the outside employment or where such employment presents legal or other conflicts of interest which could or might interfere with the employee's effectiveness as a law enforcement officer. When permission to engage in outside employment is granted, it shall not be construed to in any manner compromise the employee's obligation to the City to be available for overtime, call-out, and shift change on the same basis as other employees who work in the same classification. In addition, the employee shall schedule the outside employment in such a manner so as to have at least eight (8) hours off for rest prior to the start of each regularly scheduled City shift.

ARTICLE 10 – WORKING OUT OF CLASSIFICATION, ACTING IN CAPACITY

A. Working out of classification: An employee is working out of classification when the employee is assigned to fulfill the duties and responsibilities of a classification higher than the classification the employee currently holds. An employee working out of classification shall receive a five percent (5%) pay increase to base pay for all hours worked in such assignment.

B. Acting in Capacity: An employee is acting in capacity when the Chief of Police assigns the duties of a higher classification on a full time continuous basis. Acting in capacity assignments are typically used when a position is vacant and the assignment will last longer than two (2) weeks. Acting in capacity assignments are temporary and not intended to be permanent. An employee formally designated as acting in capacity shall be paid for the duration of the assignment at their regular rate of pay plus five percent (5%), or at the Step 1 of the higher classification, whichever is greater. In no case shall the compensation exceed the top step of the higher paid classification.

ARTICLE 11 - HOURS OF WORK

A. Workday: A day is defined as a twenty-four-hour (24-hour) period commencing with the employee's scheduled shift. A regular workweek for sworn employees shall consist of either eight (8) consecutive hours per day on a five-day schedule (5-8 schedule) or compressed schedule. A compressed schedule shall be defined as any workweek which is not a 5-8 schedule. Whether regular or compressed schedule, workdays shall be consecutive. All sworn employees shall be assigned a work schedule that complies with the Fair Labor Standards Act (FLSA) requirements, and as implemented at the sole discretion of the City of Woodburn.

When a twelve hour workday is implemented the parties agree to the adoption of a regular and recurring 28 day work period (beginning January 1st of each year) pursuant to Section 7 (k) of the Fair Labor Standards Act, 29 U.S.C. § 207 (k) and the implementation of a twelve (12) hour workday. Under the existing patrol schedule as of the ratification of this contract, the Workday and Workweek shall be amended to consist of a consecutive twelve (12) hour workday, and will provide for a twelve (12) hour work schedule: This schedule shall consist of two (2) consecutive twelve (12) hour work days followed by two (2) consecutive days off, three (3) consecutive twelve (12) hour work days followed by two (2) consecutive days off, two (2) consecutive twelve (12) hour work days followed by three (3) consecutive days off. Day Shift shall generally be 0600 to 1800 followed by Night Shift which shall be generally from 1700 to 0500. Patrol Sergeants shall ensure that supervision of patrol shifts between 1500 to 0300 shall be maintained according to minimum staffing requirements, with either a Sergeant or a Corporal working the shift. OIC assignments shall not be made between 1500 to 0300 without Lieutenant or above approval.

When a nine-hour workday is implemented, the parties agree to a work schedule consisting of a total of eight nine-hour days, one eight-hour day, and one day off spread over a two-workweek period. Employees under this schedule work a total of 80 hours over nine days.

The provisions of this section shall not apply during the week when a shift rotation occurs.

The City reserves the right to implement or discontinue a compressed workweek schedule and re-establish a 5-8 work schedule as currently provided after providing fourteen (14) days written notice, without any further need to bargain concerning the decision or the impacts of the decision to do so.

B. Meals and Breaks: Except for court days, training days, and days when traveling outside the City, employees shall be entitled to two (2) ten (10) minute breaks per workday, and one (1) thirty (30)-minute meal period per workday. These breaks and meal periods shall be paid time. Employees working a twelve (12) hour shift shall receive three (3) fifteen (15) minute breaks and one (1) thirty (30) minute meal period per workday. Employees may combine their daily breaks at their discretion, subject to operating needs. During the employee's break and meal period, the employee shall remain on on-duty status and shall be subject to call-out in cases of immediate need.

C. Detectives: Detective Sergeants may work the 9/80 schedule referenced in Section A above.

D. Workweek: A normal workweek shall consist of forty (40) hours of work during a seven-day (7-day) calendar period commencing 0001 Sunday and ending midnight of the following Saturday. When working a four-twelve (4-12) plan, a normal workweek shall consist of up to one hundred seventy-one (171) hours worked in a twenty-eight (28) day work period. When working an alternate twelve (12) hour shift, the normal workweek shall be as established by the given schedule and in compliance with the FLSA. For employees assigned to work a four-twelve (4-12) plan or an alternate twelve (12) hour plan on a regular basis, the City hereby adopts and establishes a regular, recurring period of work which shall consist of twenty eight (28) days for the police officers so assigned, in accordance with the Fair Labor Standards Act, Section 7(k). It is understood, that in earlier negotiations for working 12's, the employees will receive additional holiday pay as established in Article 13. (Note: Overtime training hours will be paid as per FLSA, 29 USC § 207 (k).

E. Shift Changes: The Department reserves the right to make shift change with seven (7) calendar days advance notice. Shift changes, including changes due to mandatory training that occur without seven (7) calendar day prior notification will be subject to the overtime requirements of Article 12 for the hours worked or in training except for those hours worked, which overlap with the regularly scheduled shift. If a shift change without seven (7) calendar days prior notification is the result of another employee's use of sick leave, bereavement leave, administrative leave, holiday leave taken as a result of a personal emergency, resignation with less than seven (7) calendar days (actually worked) notice, or absence from work due to a workers' compensation injury (except for scheduled medical appointments with sufficient notice given to the City), the

schedule change shall, for purposes of overtime payment, be treated as though seven (7) calendar days prior notification had been given. Employees may voluntarily waive the seven (7) calendar day notice requirement.

F. Safety Release: Any employee who works sixteen (16) or more hours in a twenty-four (24) hour period shall receive no less than eight (8) hours off before returning to work. When an employee who has worked sixteen (16) or more continuous hours and those hours have reached the employee's next regularly scheduled shift, the employee shall receive pay at his/her overtime rate until the employee can be relieved of duty.

In the event that an employee is released from duty as a result of the Safety Release during normally scheduled hours, the employee must make up those hours by utilizing holiday time, vacation time or during non-scheduled hours at the employee's discretion and the provisions of Article 12 and Article 11 Section D do not apply.

G. Shift Trades: Shift trades, which are voluntary between employees, will be allowed subject to the following:

1. The shift trade shall be recorded in the appropriate scheduling system.
2. No employee will work two shifts without at least eight (8) hours off between said shifts.
3. City operations and employee safety will not be adversely affected by the shift trade. When a shift trade occurs, each employee will for pay purposes, be treated as though he/she worked his/her scheduled shift. However, in the event of a shift extension, the employee working the extra time off receives the pay for same at his/her established overtime rate.
4. The employee initiating the trade is responsible to ensure the trade is fulfilled. If the trade is not fulfilled, it will be considered an unexcused absence.

H. Shift Rotation:

1. Shift Scheduling: When operating under a 5-8 plan the regular shift rotation shall occur approximately every three (3) months on the Monday of the first full week of that month beginning in January. The shift scheduling process shall allow the employee to select two (2) of the four (4) shift schedules (after seven years with the Department, an employee may select all four shift schedules he or she is to work during the year), as follows:
 - a. On or around September 15 of each year, the City shall first post a master schedule of the anticipated available shifts for each quarter of the year and the first quarter of the following year, which shall include days and hours to be worked for each position.

- b. Sergeants shall coordinate and collaborate to select the shift schedule assignment for Sergeants. In the event the Sergeants are unable to coordinate the shift schedule, each employee, starting with the employee who has the most seniority, within the Sergeant classification, shall in turn indicate their preference as to any two (2) of the four (4) shift tours that he or she wishes to work among those indicated on the master schedule that have not been previously selected by more senior employees, provided they remain on the same team; A/B or C/D for shift bidding purposes without cross over.

2. Compressed Workweek Schedule:

- a. When operating under a compressed workweek schedule, shift bidding shall occur on or about September 15th and employees shall have seven (7) days in which to complete the shift bidding process.
- b. Shift rotation while working a compressed workweek schedule will occur on a quarterly basis as near as possible to the first of the months of January, April, July, and October. It is understood that this compressed workweek schedule is based on a no overtime expense to the City by virtue of rotation.
- c. Shift scheduling shall occur as follows: Shifts schedules will be posted along with the vacation bidding schedule under Article 14.b. The City shall first post a master schedule of the anticipated available shifts for each quarter of the year, which shall include days and hours to be worked for each position.

- 1. Sergeants shall coordinate and collaborate to select the shift schedule assignment for Sergeants. In the event the Sergeants are unable to coordinate the shift schedule, each employee, starting with the employee who has the most seniority, within the Sergeant classification, shall in turn indicate their preference as to any two (2) of the four (4) shift tours that he or she wishes to work among those indicated on the master schedule that have not been previously selected by more senior employees, provided they remain on the same team; A/B or C/D for shift bidding purposes without cross over.

- 2. Once each member has bid, the city shall construct the patrol teams based upon the quarterly seniority bid and operational needs.

- 3. Exceptions: With regard to the above procedure, it is recognized that the scheduling of shifts on the basis of employee preference will not be allowed to interfere with the City's ability to provide the best and most cost-effective service

to the public. By way of example therefore, the following exceptions to the above shift scheduling procedures are made:

- a. Employees assigned to a particular activity that is traditionally associated with specific work schedules shall not be subject to the provisions of this Section.

Examples of such assignments include the following:

- (1) Investigations/Detectives
- (2) Inter-Agency Task Force Assignment
- (3) Traffic Detail – Motorcycle Patrol

- (4) Canine Unit

It is further understood and agreed that in the event an employee requests or is transferred from a specialty assignment to patrol duties during a shift schedule period, such a change will not trigger an obligation to conduct new shift rotations or alter current shift preferences made pursuant to Section G1, above. The City shall assign any such employee a shift for the remainder of the current shift schedule which is based on operational needs. Sergeants scheduled to end an assignment may shift bid with other Sergeants during the normal shift bid process in anticipation of the end of the assignment.

4. Discontinuance of compressed workweek shifts: Shift rotation in Section G will not apply to a compressed workweek schedule. Should the Chief of Police direct that a compressed workweek schedule be discontinued at any time during the year, a shift bidding process by seniority shall be conducted. The shift bidding shall be for the remainder of the current calendar year and the balance of the next calendar year, prior to the annual shift bidding process. The shift bidding shall be accomplished in accordance with the Section G1 and G3, except that the initial posting of the schedule for bid shall be not more than sixty (60) days after the discontinuance of the compressed workweek shift. All non-priority vacations and time off will be cancelled; the Department will then analyze the impact of shift bidding on the scheduled priority vacations that are in conflict with a more senior Sergeant's priority vacation and allowing the re-bidding of that priority vacation at

another time, this will be followed by requests for Vacations and Holidays as outlined more specifically under Article 14B1 of the agreement. The parties agree that seniority bid priority vacations, and vacations cancelled under such a circumstance, are the result of shift re-bidding selections by employees and are not under the control of the City, it is therefore agreed that Article 14 Section C is waived in this situation.

I. Off-Duty Contacts: All employees, who receive telephone calls or other contacts from the Department regarding work-related matters while off-duty shall be compensated as follows: If the contact exceeds seven (7) minutes in duration, the employee shall be compensated a minimum of one-half (1/2) hour or actual time spent on such call at his/her regular overtime rate of pay, whichever is greater. If the contact takes seven (7) minutes or less, it will be considered minor and will not be compensated. Employees are responsible for reporting all contacts of more than seven (7) minutes as time worked.

ARTICLE 12 – OVERTIME

A. Overtime Work: As used in this Agreement, overtime shall mean that time an employee is authorized and directed to work in excess of eight (8) ten (10) hours or twelve (12) hours, as appropriate, in one or on any day, or in addition to a scheduled forty-hour (40-hour) shift week. Overtime shall be computed to the nearest quarter (1/4) hour, rounded up. The City has the unqualified right to require employees to work overtime. If an employee is assigned to a twelve (12) hour shift, the employee shall receive overtime pay if the employee works more than twelve (12) hours per day or more than one hundred seventy-one (171) hours in a twenty-eight (28) day work period.

An employee may elect to be compensated for overtime worked in cash, or by accruing compensatory time off. Compensatory time shall be earned at one and one-half (1 ½) times the overtime hours worked, converted in 1-hour increments, and shall not exceed a maximum of sixty (60) total hours during the year (January-November 30th) (non-replenishable). The City will pay out to each applicable employee any accrued and remaining unused compensatory time with the second pay check in December. No compensatory time may be carried forward into the following calendar year.

B. Call-Outs and Holdovers:

1. Selection: The City reserves the right to call out any and all employees based on Department need or emergency. Shift holdover shall be offered on the basis of seniority.
2. Exclusions: Exemptions from Section 1, above shall be the same as those listed in Article 11, Section G3b.
3. Payment: For sworn employees, time worked that is not in conjunction with a shift shall be paid at a minimum four (4) hours pay at time and one and one-half (1 ½)

the employee's regular rate of pay. However, call-out will not be paid for scheduled Departmental meetings/trainings, and Chief's forum meetings, if the employee is given seven (7) days written notice of the meetings. Such notice may be delivered to an employee's Departmental mail box or electronically. If an employee is called out to work and that call-out is subsequently canceled, the employee shall receive a call-out, unless such cancellation occurs within ten (10) minutes of the first notification to report to work.

C. Duty-Connected Court Appearance: A court or administrative appearance in conjunction with services performed as a Woodburn Police Officer, Sergeant, CSO, or Baillif shall be considered time worked, and any expenses associated with such appearances shall be reimbursed. Pay for court or administrative appearances in conjunction with law enforcement services performed prior to an officer's employment as a Woodburn Police Officer, Sergeant will be determined by the City on a case-by-case basis. All witness fees, mileage allowance, and related remuneration paid to the employee for such appearances shall be turned over to the City.

ARTICLE 13 - TIME OFF IN LIEU OF HOLIDAYS AND HOLIDAY PAY

A. Sworn Employee Accrual: Sworn employees will except as provided below for twelve (12) hour shifts accrue 8.67 hours per month for time off in lieu of holidays. For the purposes of accrual of time off in lieu of holidays, a "month" shall be defined as including any month during which a sworn employee is actively working or is on vacation, holiday or other leaves of absence paid by the City. Time off in lieu of holiday benefits do not accrue during periods that a sworn employee is on layoff or unpaid leaves of absence, except for FMLA/OFLA/Military Leave. In the event a sworn employee is on layoff or unpaid leave for part of a month, his/her holiday pay accrual will be credited for a full month, provided the sworn employee has worked during that month.

B. Sworn Employee Time Off in Lieu of Holidays: Time off in lieu of holiday, which is taken by sworn employee, will be charged to the nearest quarter (1/4) hour, to the sworn employee's accumulated holiday time account. Effective January 1, 2025, sworn employees may only accrue a maximum of one hundred eighty (180) hours of time off in lieu of holidays. Sworn employees will be allowed to carry over time off in lieu of holidays to a maximum of one hundred eighty (180) hours from one fiscal year to another. During any month in which a twelve (12) hour shift is implemented, all sworn employees shall receive thirteen (13) hours of time off in lieu of holiday for that month. All sworn employees actually working twelve (12) hour shifts shall receive fifteen (15) hours of time off in lieu of holiday for that month. The sworn employee shall be compensated in cash for all holiday time that is in excess of their allotted maximum annual accrual at the conclusion of a three (3) month period ending quarterly.

C. Sworn Officer Utilization: Holiday time off that is taken in conjunction with a vacation pursuant to Article 14 shall not be subjected to the following provisions: Requests for accrued holiday time off shall be in writing and submitted to the on duty supervisor. Such requests shall

be approved or denied within one (1) business day of the date that the request is received by a supervisor. Holiday time off requests shall not be accepted by the City during the vacation bidding process under Article 14. The City shall not be required to approve a holiday time-off request if doing so would require or result in inadequate coverage or the payment of overtime to another employee.

D. Termination of Sworn Officer Employment: Upon the termination, resignation or other break in seniority of a regular, non-probationary employee, all earned but unused holiday time shall be paid at his/her current wage rate.

ARTICLE 14 – VACATIONS

A. Accrual Rate: The accrual of vacation for sworn and non-sworn employees shall be as follows:

Length of Service	Monthly Accrual	Number of hours Accrued Annually	Maximum Accrual
0-59 months (0-4 years)	8 hours	96 hours	192 hours
60-119 months (5-9 years)	11 hours	132 hours	264 hours
120-179 months (10-14 years)	13 hours	156 hours	312 hours
180-239 months (15-19 years)	14 hours	168 hours	336 hours
240-299 months (20-24 years)	16 hours	192 hours	384 hours
300 + months (25 + years)	17 hours	204 hours	408 hours

Vacation benefits shall be credited as earned for each month of service, in accordance with A, above, except that vacation accrued during the first six (6) months of continuous service shall not be credited as earned vacation until the employee completes the first six (6) months of continuous service. For the purpose of vacation accrual “month of service” shall be defined as including any month during which an employee is actively working or is on vacation, holiday or other leaves of absence paid by the City. Vacation benefits do not accrue during periods that an employee is on layoff or unpaid leaves of absence. In the event an employee is on layoff or unpaid leave for part of a month, his/her vacation will be credited for a full month, provided the employee has worked during that month. For purposes of vacation accrual, the City may credit laterally hired officers for their years of service worked at their prior agency.

B. Utilization: Any vacation accrued in excess of two (2) times an employee's annual accrual will be forfeited, provided that in the event an employee is unable due to departmental operational needs to take a vacation, he or she may request and be granted a waiver in writing so as to allow for the accrual beyond the above maximum for a specified period. Such waiver period shall normally not exceed four (4) months in duration.

1. Priority Vacation Bidding. Pursuant to the procedures outlined below, each employee shall be allowed to bid and sign up for two (2) continuous vacation periods for the ensuing shift bid year, with the duration of each vacation period not to exceed a total of three (3) weeks ("priority vacation"). With the approval of the Chief, or designee, a fourth (4th) week of priority vacation during the first round of bidding will be allowed. The second round of priority vacation bidding will be limited to three (3) weeks.

On or around October 1st of each year, Sergeants shall coordinate Priority vacation bidding among the Sergeant classification and ensure the supervision of the shifts comply with minimum staffing requirements. In the event, the Sergeants are unable to schedule priority vacation bidding amongst the Sergeant classification, bidding will be conducted by each Sergeant in two successive rounds on the basis of seniority, with the most senior employee having the first vacation choice in each selection round.

C. Cancellation of Vacation/Holiday: In the event an employee is involuntarily required to work during his/ her vacation/holiday, he/she shall receive overtime at the applicable rate for all time worked during the scheduled vacation and shall have the option of receiving vacation pay for the time involved (for a total of two-and-one-half times the regular hourly rate) or having the vacation time reinstated to his/her vacation account for use at a later time.

In addition, if an employee's priority vacation is canceled by the City for reasons that are not beyond the control of the City, and if the employee has made non-refundable deposits that must thereby be forfeited, he/she shall be eligible for reimbursement subject to the following. At the time of notification of vacation cancellation, which must be hand-delivered to the employee, the employee must advise the City of the fact that certain non-refundable deposits may have been made and the nature of those deposits. Within seventy-two (72) hours of receipt of the notice of vacation cancellation, the employee must submit appropriate documentation to verify any non-refundable deposits. The provisions of this section shall not prevent an employee from voluntarily canceling and/or rescheduling a vacation without the payment of a premium for the time involved.

D. Conversion of Vacation: An employee may make a written request to convert vacation into sick leave or bereavement leave in circumstances where this is justified. With the Chief's approval, authorized vacation time may be converted to sick leave or bereavement leave when the employee experiences a major illness or injury while on vacation or; while on vacation, an event occurs in the employee's family where the employee would qualify for bereavement leave.

E. Termination of Employment: Upon the termination, resignation or other break in seniority of a regular, non-probationary employee, earned but unused vacation time shall be paid at his/her current wage rate.

ARTICLE 15 - SICK LEAVE

A. Accrual: Sick leave with pay shall accrue at the rate of eight (8) hours, per month of employment, to a maximum accrual of nine hundred sixty (960) hours. For the purpose of accrual of paid sick leave benefits, a “month” shall be defined as including any month during which an employee is actively working or is on vacation, holiday or other leaves of absence paid by the City. Paid sick leave benefits do not accrue during periods that an employee is on layoff or unpaid leaves of absence, except FMLA/OFLA/Military Leave. While an employee is on PFMLI leave, their sick leave benefits will only continue to accrue if the employee remains under a paid status with the City. If the employee elects to only receive wages through PFMLI benefits while on a protected leave, they will not receive ongoing accruals, but instead will have their sick leave bank restored fully at the time they return to work. In the event an employee is on layoff or unpaid leave for part of a month, his/her sick leave accrual will be credited for a full month, provided the employee has worked during that month.

B. Utilization: Sick leave shall be available for the following:

1. Employees may use sick leave when unable to perform their work duties by reason of illness, off-the-job injury, pregnancy, necessity for medical or dental care, or by serious illness in their immediate families requiring the presence of the employee, or any other purpose provided by FMLA, OFLA, (with the exception for time off to care for a child during school closures for public health emergencies), PFMLI, or Oregon Sick Leave Law (SB 454).
2. Personal Illness or Injury that is Job Related/Workers’ Compensation: Sick leave payments will be made for the three (3) day waiting period before Worker’s Compensation time-loss benefits begin.

C. Sick Leave Verification: The City may require an employee to submit verification of eligibility for sick leave from an employee’s doctor or health care professional as whenever the employee’s sick leave usage exceeds three (3) consecutive workdays or whenever the City has a reasonable belief based upon objective and articulable facts that a misuse of sick leave has occurred. Receipt of verification may be required as a condition of payment. In the event verification is required, out-of-pocket costs billed by the doctor or health care professional to obtain the necessary verification shall be paid by the City to the extent such costs are not covered by insurance. Verification may be required for absences due to illnesses and injuries of the employee and/or members of his/her immediate family, consistent with applicable law

D. Limitations and General Conditions:

1. New Employees: Sick leave shall not be available for utilization until after the first ninety (90) days of employment have been completed.
2. Notification: The employee shall notify his or her immediate supervisor in accordance with procedures that may be established by such supervisor of the need for sick leave as, soon as possible after his or her knowledge of the need.
3. Appearance in Court: If an employee is required to appear in court during their scheduled shift on a day that the employee is off on sick leave, the employee shall, notwithstanding the requirements of Article 11, Hours of Work, and Article 12, Overtime, not be eligible for extra pay for the first eight (8) hours of the court appearance. An employee shall not be charged sick leave for the hours worked pursuant to this section. If an employee is required to appear in court outside of their scheduled shift, they will be paid at the overtime rate in accordance with Article 12.
4. Verification of Medical Limitations: Employees must be able to resume their normal work duties upon return to work. A doctor's certificate verifying that the employee is able to resume his or her essential work duties in a manner that does not threaten his/her safety or the safety of others may be required. The City reserves the right to require employees to submit verification of medical ability to safely perform their job duties, as well as confirmation of the precise nature of any limitations on an employee's ability to safely perform his/her job duties as a condition of returning the employee to work.

E. Catastrophic Leave: An employee may donate sick leave under the Catastrophic Leave Program as provided in the City Catastrophic Leave Policy and Procedures. If, during the term of this Agreement, the City Catastrophic Leave Policy changes to allow employees additional options for the donation of sick leave or other types of leave, these new provisions of the policy shall also be applied by the City to Association members.

F. Injury Leave: Employees who sustain an injury or illness compensable under Oregon's Worker's Compensation laws, and are eligible to receive time loss payments will be paid the difference between their regular gross wages and injury time loss payments for up to one thousand forty (1,040) hours per claim, unless state or federal law provides otherwise. These payments made by the City will be counted as injury leave on payroll records. The employee shall continue to accrue paid leave and health insurance during this period. PERS will be paid on injury leave as allowed by PERS. Employees will be allowed to use injury leave to attend health care provider appointments related to a workers' compensation claim.

After Injury Leave is exhausted, employees shall use available leave for the differential between the employees' time loss payments and their regular gross wages. Whether employees have available leave or not an occupationally disabled employee provided they pay their share of the premium, shall continue to receive health insurance benefits for a period of twenty-four (24) months from the date of disability, or for the duration of employment, whichever is less. After the twenty-four (24) month period, employees will be eligible to purchase continued coverage

under the City's health insurance program in accordance with federal and state laws until the employee returns to work or is terminated. Leave accruals will be pro-rated based on leave hours used. Employee shall use accrued leave for the purpose of attending health care provider appointments related to a workers' compensation claim.

If an employee's worker's compensation claim is disputed, and a final decision is issued through the Workers' Compensation Board or Oregon courts reversing previous determination that an employee's injury or illness was not compensable, injury leave benefit will be paid and all prior time charged against an employee's accrued leaves shall be restored to the employee.

If an employee qualifies for Worker's Compensation time loss benefits and is given a light-duty assignment, the employee shall suffer no loss of pay or benefits and will be paid his/her regular pay while on light duty without deduction from his/her sick leave bank in accordance with Article 16 Section E.

ARTICLE 16 - OTHER LEAVES AND LIGHT-DUTY ASSIGNMENTS

A. Jury Duty: An employee shall continue to receive his/her regular salary for the period of required services as a juror. All monies received for jury duty, except personal vehicle mileage, will be surrendered to the City. Employees on jury duty shall be changed to a duty assignment commencing at 8:00 a.m. and ending at 5:00 p.m. and shall not receive a paid lunch period for the time served on jury duty. In addition, if the deliberations of the jury extend beyond 5:00 p.m., the employee shall not be entitled to any overtime pay. Employees will report for work when less than a normal workday is required by such duty.

B. Voting Leave: When an employee's work schedule is such that he/she would not be able to vote prior to or after his/her normally scheduled working hours, he/she may be granted a reasonable time off duty to vote without loss of pay or accrued vacation or sick leave.

C. Leave of Absence Without Pay: It is the expectation of the City that employees will be judicious in their use of paid leave and that the need for leave without pay will be a rare occurrence. In the event of exhaustion of vacation, holiday, and sick leave time, the Chief of Police may authorize leave without pay due to unavoidable absence from work up to thirty (30) days. Requests for such leaves must be in writing and must establish reasonable justification for the approval by the City. Leaves of absence without pay for longer than thirty (30) days must be approved by the City Administrator. Such leave shall not be approved for the purpose of accepting employment outside the City.

D. Family Medical Leave: The City will comply with the Family Medical Leave Act (FMLA) and Oregon Family Leave Act (OFLA), and Paid Leave Oregon/Paid Family and Medical Leave Insurance program (PFMLI). Employees who are absent from work for FMLA or OFLA qualifying reasons, but who are not eligible to receive sick leave benefits will be paid accrued holiday pay and/or vacation pay for their absences. In the event an employee does not specify whether he/she prefers to utilize holiday or vacation pay, holiday pay shall be utilized first, then vacation pay.

The employee shall continue to receive health, long-term disability and life insurance benefits during the time the employee is on designated leave under the Family Medical Leave Act (FMLA). Following the expiration of the FMLA entitlement period, health, long-term disability, and life insurance benefits will continue to be paid by the City, provided that the employee continues to have leave hours charged against their leave bank (sick, vacation, holiday).

If an employee is on State-approved PFMLI leave, the City will continue the employee's medical and dental, life, and long-term disability coverage, on the same terms as when the employee began their leave. Employees remain responsible for paying their share of benefit premiums while on State-approved PFMLI leave. If the City pays (directly or indirectly, voluntarily or as required by state or federal law) any part of the employee's share of health or other insurance premium while the employee is on leave, it is agreed that the City may later deduct from an employee's pay the employee's share of premiums paid by the City. Once the employee returns from PFMLI leave, deductions may be made up to 10 percent of the employee's gross pay each pay period until the health or other insurance premium amounts paid by the City are repaid.

For purposes of calculating FMLA, OFLA, and/or PFMLI leave, the PFMLI rules for “forward-looking” benefit year calculations will apply. Under this method, the benefit year will be the 12-month period beginning on the Sunday immediately before the date on which the leave commences. For purposes of aligning the FMLA benefit year with OFLA and PFMLI rules, the City will reset the FMLA benefit year on January 1, 2024, so that three leave programs will follow a “rolling” calculation method.

E. Limited Duty Assignments: When an officer who is recovering from an injury or illness compensable under Workers’ Compensation is certified as fit for limited or light-duty but not full duty, the City shall provide light-duty employment subject to the following limitations and conditions:

1. The maximum duration of such employment shall be six (6) months from date of release unless the parties agree to extend the assignment.
2. Pay for such position shall be as follows:
 - a. The employee shall receive one hundred percent (100%) of his or her regular rate including incentive pay, but not including pay for premium assignments.
 - b. There shall be no charge to the employee’s sick leave, holiday or vacation pay banks for the time spent working in a limited-duty capacity. Paid leave time, including sick leave, shall however, continue to accrue and be available to employees while on a limited-duty assignment. During the time an employee is on light-duty, sick leave, holiday in lieu of pay and vacation pay will accrue at the employee’s regular rate. However, employees who utilize sick leave, holiday or vacation pay during a light-duty assignment will be paid at the rate applicable under Section E 2(a), above.
3. The City may assign an employee who is on a light-duty assignment to a different shift without regard to seniority or shift bidding preferences. When it is practical to do so, the City shall also modify the work schedule of limited-duty employees so as to allow the employee to participate in physical therapy and attend medical appointments.
4. The officer must be able to work in the evidence room, take phone inquiries, and conduct background checks/investigations by phone, do filing and perform various other office tasks in order to qualify for the light-duty position.
5. The City may require a medical verification of the employee’s ability to safely perform the light-duty duties described in subsection 4, above, as a condition to placing an employee in a light duty assignment. The City shall have the right to

obtain a second medical opinion at its own expense in order to verify any medical opinion it has received from the employee's physician.

6. Light-duty work shall not be offered to an officer who is unable to perform his/her regular job duties as a result of his/her misconduct.
7. Light-duty work may be offered to officers injured off-the-job or for medical conditions, subject to Department approval.

F. Bereavement Leave:

1. In the event of a death in the employee's immediate family, an employee shall be granted a leave of absence of up to five (5) shifts per occurrence without loss of pay. The amount of bereavement leave granted (not to exceed five (5) shifts per occurrence) shall be reasonably appropriate and necessary under all the circumstances.
2. Immediate family is defined as spouse, domestic partner, parent, grandparents, child(ren), step-child(ren), brother, sister, father-in-law, mother-in-law, or other relative living in the employee's household.
3. This leave shall be separate from sick leave and shall not accumulate from year to year. Additional unpaid bereavement leave may be available to qualifying employees under the Oregon Family Medical Leave Act (OFLA). Employees may use accrued leave while using bereavement leave that is not City-paid. City-paid bereavement leave runs concurrently with OFLA.
4. In the event of a death of a co-worker, employees may request and be granted vacation leave or other mutually agreeable time off to attend the funeral. In instances where the essential work of the City would be seriously handicapped by the temporary absence of a group of employees in a division, the City may set a reasonable limit on the number of employees that are to receive such leave.
5. In the event that the City of Woodburn revises the Bereavement Leave section of the City HR Rules during the term of this Agreement so that the bereavement benefits to employees are increased, the increase bereavement benefits shall also be given by the City to Association members.

G. Military Leave: Military leave shall be granted in accordance with federal and state law.

ARTICLE 17- WAGES

A. Appendix A: Wages covered by this Agreement shall be in accordance with the schedule set forth in Appendix A.

Longevity: Sergeants are eligible for a longevity incentive as follows:

10 years	3%
15 years	4.5%
20 years	6%

Effective June 22, 2025, the City shall increase the wages of all Sergeant members as reflected in Appendix A by two and one half percent (2.5%). Longevity for Sergeants shall be as follows:

10 years	4%
15 years	6%
20 years	8%

Longevity incentive shall be calculated based upon completion of years of service with the City of Woodburn, in a sworn position, as referenced above.

B. Starting Step: Employees may be placed at a higher starting step in the wage schedule as follows:

- Sergeants holding the DPSST Law Enforcement Advanced certificate at the time of promotion will start at Step 2 in the wage schedule.
- Lateral/Promoted Sergeants holding the DPSST Supervisory Certification at the time of hire/promotion will start no lower than Step 3 in the wage schedule and laterals may be started at a higher pay step commensurate with their lateral experience.

All step placements for promoted and newly hired employees in the Sergeant wage schedule will comply with Oregon's pay equity law.

C. Step Advancement: Employees are eligible for Step advancement following completion of twelve (12) months of service at the prior Step, subject to Department approval and the salary schedule.

D. Denial of Step: If a Step advancement as provided for in this Article is to be denied, the employee shall be given notice of such denial in writing. The notice of denial must also state the reason for the step denial and, where applicable, specify the standards that must be achieved before the step increase will be granted.

ARTICLE 18 -PREMIUM AND INCENTIVE PAY

Employees are eligible for the following premium and incentive pay:

A. Marion County Interagency SWAT Team Premium: Any officer assigned to the Marion County Interagency SWAT Team shall receive premium pay in an amount equal to three percent (3%) of hourly base pay while assigned to the Marion County Interagency SWAT Team.

B. **Sergeant Training Premium:** Effective January 1, 2025, Sergeants assigned by the Chief or designee to provide training to newly promoted/hired Sergeants shall receive a five percent (5%) hourly base pay premium for all hours actively engaged in programmed training duties.

C. **Language Incentive:** Any sworn officer, Community Service Officer or Court Bailiff (henceforth “officers” for purposes of this Language Incentive) demonstrating oral proficiency in the Spanish or Russian languages shall receive a seven percent (7%) base pay hourly language incentive. The City is to determine the level of proficiency required and the manner of testing that proficiency. Newly hired officers shall be eligible to receive language incentive pay upon successful completion of testing administered by the City Human Resources Department. Any officer whose oral skills are not sufficient to pass the language testing exam but whose skills are deemed sufficient to utilize on the street shall receive three percent (3%) base pay hourly incentive. Sufficiency shall be determined by the Chief or his designee. Maximum language incentive shall be limited to seven percent (7%) for employees who have been certified to have multiple language proficiencies.

Testing for language skills shall not be unreasonably delayed and the City reserves the right to expand the language incentive program to include other languages as operational needs of the City change over time. Recertification for officers who are receiving the three percent (3%) base pay hourly incentive will occur every two (2) years.

D. **Detective Sergeants, Premium:** Sergeants regularly assigned as Detectives, shall receive an additional seven percent (7%) of hourly base pay for the duration of the assignment.

E. **Physical Fitness Incentive & Wellness:**

1. **Wellness Plan:** Employees are eligible and may choose to participate in any Wellness Plan offered by the City. Upon ratification, employees may participate in on-duty workouts/exercise during their shift with supervisor approval and without incurring a loss in pay. On-duty workouts/exercise will be approved upon request with supervisor discretion subject to staffing levels and shift needs. Report writing, calls for service, and meal breaks will have priority over any on-duty workout/exercise time. The City has drafted Policy 1032, which the City intends to implement by year-end, 2024.
2. **Establishment of Fitness Incentive:** Recognizing that physical fitness is beneficial to the health and well-being of employees, in addition to lowering the potential cost of health care and work related injuries, a physical fitness incentive is established by this Article.
3. **Opportunity to Take the 4-Minute Row Evaluation:** Employees will be provided the opportunity to participate in the 4-Minute Row Evaluation. The department

will provide four (4) opportunities during the first quarter of each calendar year. A member of the sworn command staff must be present during the test. Participation in the 4-Minute Row Evaluation is voluntary and will be conducted during the employee's "off duty" time. If on protected leave during testing period, the employee will be given one opportunity to take the test upon return from protected leave. If the employee passes, the employee will receive the incentive for the calendar year.

4. **Physical Fitness Incentive:** The following percentage scores will be calculated utilizing the Texas Department of Public Safety 4-Minute Fitness Test Chart found online. Employees who score 60-69% will receive \$150, employees who score 70-74% will receive \$300, and employees who score 75% or higher will receive \$450 as a physical fitness incentive for the calendar year during which the 4-Minute Row Evaluation was administered. Employees are eligible to receive the physical fitness incentive in future calendar years when they meet the listed standard in future 4-Minute Row Evaluations.
5. **Employees Who Do Not Qualify:** Employees who take the 4-Minute Row Evaluation, but do not meet the above standards, will not be deemed "physically unfit for duty" or be negatively treated by the Department.
6. **Employees Who Fail to Participate:** Employees who do not take the 4-Minute Row Evaluation shall not be negatively treated by the Department.

F. Education Incentive: Effective on the second pay period after ratification, the City shall pay an incentive of two percent (2%) of an employee's base hourly rate for hours worked in the pay period for an employee holding an Associate's degree from an accredited college or university, or at least 90 credit hours. The City shall pay an incentive of four percent (4%) of an employee's base hourly rate for hours worked in the pay period to an employee holding a Bachelor's degree from an accredited college or university. Education incentives are not cumulative. If an employee holds both an Associate's degree and a Bachelor's degree, the employee will receive a total education incentive of four percent (4%). To obtain this incentive employees must provide Human Resources with proof of degree or certified transcripts.

G. Aquatic Center: Employees shall receive free access to Woodburn Aquatic Center.

ARTICLE 19 – EXPENSES

Employees will be allowed use of a City vehicle, if available, as needed, to conduct City business or for approved trainings. When an employee is permitted by the Chief of Police or designee to use a personal vehicle to travel for City business or approved trainings, the employee shall be reimbursed at the then-effective IRS rate. When an employee's duties require the employee to travel outside of City limits, the City will reimburse the employee for the cost of lodging and meals in accordance with City travel policy. Employees traveling to conduct City business or for approved training shall be considered on-duty and time spent traveling will be considered hours worked and all travel time shall be paid by the City. When two or more employees travel together by car to drive to conduct City business or for approved training, all occupants in the vehicle will be considered on-duty and time spent traveling will be considered hours worked and shall be paid by the City.

ARTICLE 19A - TUITION REIMBURSEMENT

The City of Woodburn may reimburse an employee for up to 50% of the amount of tuition for courses approved by the City Administrator which are deemed directly applicable and beneficial to City goals and objectives. The tuition reimbursement policy will be limited by budgetary resources within the Department and will follow the following guidelines:

1. The City may reimburse an employee for the amount of tuition for approved courses conducted outside the employee's regular working hours, provided the employee has made application for approval to the City Administrator at least ten days prior to the registration for such course.
2. Course work eligible for reimbursement must be completed at a college or university holding statewide accreditation.
3. Attendance at job-related courses which are only offered during regular working hours may be approved by the Department Director and the City Administrator subject to the operating requirements of the Department. If the course is approved, leave of absences without pay or vacation time, or other paid leave time other than sick leave may be used by the employee.
4. Reimbursement will not include the cost of travel, books, materials, or other ancillary costs. Reimbursement will be limited to a maximum of six (6) units per semester.

5. Reimbursement will be provided upon showing of a successful completion of course-work- (i.e., a copy of report card or transcript, and a receipt, cancelled check, or other proof that registration has been paid by the employee).
6. Employee will be reimbursed 50% of tuition cost when course-work is completed with an “A” or “B” grade. Tuition will be reimbursed at only 40 % for course-work completed with a “C” grade. There will be no reimbursement for courses completed with a “D” or for failed courses. Tuition reimbursement is subject to all IRS rules.
7. Employees will be obligated, when deemed applicable, to share the benefit of their education and training with other City employees.

ARTICLE 20 – CLOTHING AND UNIFORM

If an employee is required to wear a uniform, the City shall furnish such uniform to the employee. The City shall pay the cost of the uniform. For sworn employees, the uniform shall include body armor, leather, weapon and other such equipment as issued by the Department. The City may approve alternative weapons and leather, or equivalent, which the employee shall provide at his/her own expense. Effective July 1, 2024 through June 30, 2026, the City will provide a patrol gear allowance to sworn uniformed employees, on an actual reimbursement basis, up to the amount of \$200. Body armor shall be replaced in accordance with the manufacture’s recommendation. The City shall replace all irreparably damaged or stolen equipment issued to employees.

The City will provide to all non-probationary patrol officers a winter jacket with a liner option for uniforms with appropriate waist-length rain jackets for patrol.

The City will provide a boot allowance to uniformed employees, both sworn and non-sworn, in the amount of \$250 per year.

The City will provide a clothing allowance for employees for approved clothing while assigned to plain clothes duty, on an actual reimbursement basis, not to exceed \$750 per year. Approved clothing is limited to professional business attire as specified by the Chief of Police, such as suits, sport coats, dress trousers/pants, dress shirts/blouses, ties, dress belts and dress shoes. are eligible for the plain clothes allowance.

The Chief of Police may expand the assignments eligible for the plain clothes allowance. In December of each calendar year, eligible sworn employees will be paid a cash clothing allowance prorated for the number of full months served in said assignment during that calendar year. The City will follow IRS Regulations regarding clothing allowance as a taxable fringe benefit.

If through no negligence or their own, an employee loses or damages lenses, frames or hearing aids in the course of their on-duty conduct, the City shall reimburse the employee for the cost of replacement frames, lenses and/or hearing aids.

ARTICLE 20A – LIABILITY INSURANCE

- A. The City shall continue to cover employees during the term of this Agreement with no less on-the-job liability protection than is currently in effect.
- B. A copy of the liability insurance policy will be provided to the Association by the City at the beginning of each fiscal year, or whenever any change occurs in the coverage or the carrier.
- C. Legal Defense Plan: The City will contribute towards the PORAC Legal Defense Plan that provides each employee with an attorney as a direct result of criminal charges or a criminal investigation arising out of the employee's performance of his/her duties as an employee.
- a. Upon ratification, the City will contribute the current contribution for Plan II coverage not to exceed \$7.00 per month for each employee, paid by quarterly reimbursement of invoice provided by the Association for the "PORAC" Plan.
 - b. The Association will provide a complete legal defense plan description to the City and written notice to the City of any changes to the plan description. Substantive changes in plan benefits may be subject to notice and bargaining under ORS 243.698.
 - c. The City recognizes that it is not entitled to the work product of the attorneys involved in this program. The City recognizes there exists an attorney client privilege between the attorney and employee.

ARTICLE 21 - MANDATORY OR APPROVED TRAINING

- A. Training Defined: The kinds of training that may be conducted pursuant to the provisions of this Article shall include such activities as DPSST approved classes, college-level instruction, firearms qualification, and instruction as to departmental methods or procedures or training opportunities approved by the Chief of Police.

The City agrees to meet and confer with the Association with respect to the selection and scheduling of mandatory training activities.

- B. Cost of Training: The City shall pay all costs of mandatory training.
- C. Pay for Training: Notwithstanding other provisions of this Agreement and to the extent permitted by law, the City shall have the right to pay employees at their straight-time hourly rate for training activities that the employee is required to attend which do not fall within the employee's regularly scheduled hours of work. This equates to eleven (11) hours per month on a forty (40) hour work week, three (3) hours per month on a one-hundred-seventy-one (171) hour per twenty-eight (28) day work cycle or as allowed by FLSA.
- D. Scheduling of Training: The City may alter the regular shift schedules to enable an employee to attend non-mandatory training outside his/her regular work schedule without incurring overtime obligations for that employee, as a condition of approving attendance at such

training. Shift changes for that employee are not subject to advance notice of shift scheduling. Employees attending non-mandatory training will, however, be given at least eight (8) hours off duty between shifts.

Also, when a particular class or training activity is to be offered at two or more different times, and when there is a choice between scheduling an employee to attend the training during his/her regular work hours or outside his/her regular work hours, the employee shall, to the extent permitted by the City's reasonable operating needs, be scheduled to participate in the training during his/her regular work hours.

Whenever possible, in-service training, will occur on Tuesdays of the employee's short week and begin after 0800 hours. This provision excludes training associated with specialty positions, such as K9, TSU, and CNU.

E. Firearms Qualification: The City shall schedule not less than six (6) opportunities for each office to practice shooting his/her firearm each year. Included within the above-specified six (6) opportunities shall be not less than four (4) qualifications. The City shall provide adequate ammunition to complete all course of fires including tactical and qualifying training regiments. The City shall also provide training ammunition for officers who wish to qualify with an off duty or backup weapon, so long as the ammunition is of the caliber stocked by the City.

F, Pay for Travel to/from Training: Employees traveling by any means to conduct City business or for approved training shall be considered on-duty and time spent traveling will be considered hours worked and all travel time shall be paid by the City. When two or more employees travel together by car to drive to conduct City business or for approved training, all occupants in the vehicle will be considered on-duty and time spent traveling will be considered hours worked and shall be paid by the City.

ARTICLE 22 – HEALTH INSURANCE AND OTHER BENEFITS

A. Medical:

Effective January 1, 2025

The City agrees to offer two Health plans from which employees may choose: The Kaiser Plan or the Regence Blue Cross High Deductible Health Plan (with a Health Savings Account (HSA). Kaiser participants will not be eligible for the HSA account.

HSA Contributions: The City will provide HSA contributions for all employees enrolled in the Regence Blue Cross High Deductible Plan, with annual funding at 100% of the employee's deductible amount. HSA funding contributions will be prorated throughout the year, with the total contribution amount based on an employee's time in service during the year (i.e. based on start/end dates of employment with the City).

Employees eligible to receive City contributions to their HSA account, will receive payments from the City on a bimonthly basis on schedule with the employee's pay period. The amount of the bimonthly contribution will equal the deductible total, based on the employee's health plan level,

divided by twenty-four (24) pay periods over the year. As with the employee health coverage premium, there will be two (2) pay periods annually for which no contributions will be made.

It is also noted that the insurance coverage runs on a calendar year and therefore funding to the HSA will also be as per calendar year in concurrence with the insurance plan duration.

HRAVEBA: For any employee regularly scheduled to work over 30 hours per week who is ineligible to participate in the HSA program because of Federal rules, an HRA (Health Reimbursement Account) funded through a VEBA (Voluntary Employee Beneficiary Association) Plan with an equivalent contribution from the Employer may be made on behalf of the employee. Contributions on behalf of each eligible employee shall be based on the following selected funding sources/formulas:

1. Contributions for employees who are HSA ineligible. Eligibility is limited to employees who are ineligible to receive and/or make contributions into a health savings account due to other first dollar / non-high deductible health plan coverage or Medicare. Such employees will receive a contribution into an HRA VEBA account instead of an HSA.
2. If an employee becomes HSA eligible in subsequent plan years (e.g. is no longer covered under another non-high deductible health plan), the city will establish and make contributions into an HSA and cease contributing to the employee's HRA VEBA account. If the employee has a balance in their HRA VEBA account, they will be required to fill out an "election of limited plan coverage" form for their HRA VEBA account so that they are eligible to receive and/or make contributions into their HAS.

Effective January 1, 2026

The City shall provide to both sworn and non-sworn employees medical and prescription coverage through City County Insurance Services (CIS) the Regence Plan -Copay ERx 7 or the Kaiser Medical Plan B w/Rx care.

B. Vision: The City shall provide vision coverage to both sworn and non-sworn employees the VSP for Regence participants and Kaiser Vision for Kaiser participants.

C. Dental: The City shall provide dental coverage to both sworn and non-sworn employees through CIS ODS II, Willamette Dental, or the Kaiser Dental Plan.

D. Funding:

1. (a) The premium insurance share for both sworn and non-sworn employees shall be ninety-five percent (95%) employer paid and five percent (5%) employee paid for the participant's medical/vision/dental benefits package.

(b) If an employee splits participation in medical and dental plans (i.e., Regence Medical with Kaiser Dental or Kaiser Medical with Regence Dental), the City will determine which premium share is applicable based upon the employee's medical plan choice (i.e., Regence Medical with Kaiser Dental yields the Regence

premium share; Kaiser Medical with Regence Dental yields the Kaiser premium share).

Monthly premiums and cost coverage level for the health insurance for January 1, 2025 to December 31, 2025 can be found in Appendix C.

2. Opt-Out: All employees regularly scheduled to work 20 or more hours per week are required to participate in the health insurance program unless the employee can prove they have attained medical insurance coverage via an alternative means. In which case, employees may opt out of the Plan and receive a \$100.00/month taxable incentive from the City (starting January 1, 2025). In order for the City to offer the opt-out incentive, the following must apply:
 - (a) The employee and dependents must be enrolled in another employer's group health plan (e.g. a spouse's employer group plan) that provides minimum essential health coverage as required by the Affordable Care Act, and the employee shall provide documentation of such enrollment upon each annual opt-out election and upon City request. Minimum essential coverage does not include coverage through Oregon Health Plan, a Student Health Plan, or coverage bought on the individual market. This option also does not apply if the City-sponsored medical plan would otherwise be primary to Medicare, TRICARE, or other federal, state, or tribal subsidized health insurance program (federal rules do not allow employers to provide financial or other benefits incentives to Medicare or TRICARE beneficiaries to opt-out of an employer-sponsored medical plan that would otherwise be primary to Medicare or TRICARE).
 - (b) The City will randomly audit employees who opt out of the City medical insurance program. Any employee who has opted out of the program and does not have and/or maintain group coverage will be required to pay back any incentive pay they have received for the entire contract period regardless of when their coverage ceased.

E. Life Insurance: For the duration of this Agreement, the City shall provide the following:

1. A life insurance policy equivalent to current base wage with twenty-four (24) hour term life and accidental death and dismemberment policy.
2. A \$10,000 on-duty life policy is in addition to the above.
3. A \$1,000 twenty-four (24) hour life double-indemnity accidental death and dismemberment policy.

F. Domestic Partners: For purposes of this Article, where insurance benefits are extended to "spouses," domestic partner shall be considered a spouse. A domestic partner is defined as an

individual of the same sex as the employee who lives with the employee and has fulfilled the requirements contained in and completed the “Affidavit of Domestic Partnership” form which is available from Human resources. Domestic partners that have fulfilled the requirements set forth in this form will be eligible for all benefit insurance options available to “spouses” as limited by carrier contracts. Employees are obligated to promptly notify the Chief of Police when domestic relationships begin and end.

G. Retirement: PERS – During the life of this Agreement, the City agrees to continue to participate in the Public Employees’ Retirement System, which includes crediting of accumulated sick leave toward improved retirement benefits. Effective October 1, 2008, the City shall pick up, assume, or pay the employee’s contribution required by law to PERS subject to the Oregon Administrative Rules pursuant to PERS statutes.

OPSRP – During the life of this Agreement, the City agrees to continue to participate in the Oregon Public Services Retirement Plan (OPSRP) for eligible employees. Effective October 1, 2008, the City shall pick up, assume, or pay the employee’s contribution required by law to OPSRP statutes.

To the extent permitted by Section 414(H-2) of the Internal Revenue Service Code, employee payroll deductions towards the cost of retirement shall be made on a pre-taxable income basis.

H. Long Term Disability Insurance: The employer will pay LTD to equate to 2/3 base salary, like current practice for Sergeants. Plan description to be provided to employees upon request.

I. Deferred Compensation: The City shall provide a deferred plan contribution match in an amount not to exceed 5% of Employee’s base rate of pay. In the event of a financial downturn, the City Administrator may reduce the amount or value of the contribution match by giving subject employees at least 30-days’ notice.

ARTICLE 23 - PERSONNEL FILE

A. File Review: Each employee shall have the right, upon request, to review and obtain at his/her own expense, copies of the contents of his/her personnel file, exclusive of materials received prior to the date of his/her employment by the City.

B. Removal: Written reprimands, upon request of the employee, shall be removed from an employee’s personnel file at the end of three (3) years from the date the written reprimand was issued, provided there are not subsequent concerns of a similar nature or disciplinary action related to similar conduct during the intervening period of time. All other disciplinary documents shall become a permanent record in the personnel file.

Documents removed from an employee's personnel file as a result of an employee request will be placed in a confidential file maintained by the HR Director. Such documents will not be used against an employee for the purpose of establishing progressive discipline, but may, for a period of ten (10) years after the document was created, be used in any arbitration and civil proceeding for the purpose of establishing consistency of disciplinary action, lack of discrimination, the existence of mitigating circumstances and compliance with legal obligations.

For police officers, all personnel records including but not limited to the personnel file, records of complaints, and disciplinary actions, shall be retained for ten (10) years after the police officer leaves the City's employment and provided to other law enforcement agencies that make a request in accordance with HB 4207, regardless of whether the records have been removed from the police officer's personnel file.

C. File Additions: Each employee shall have the right to read and sign any written material of an evaluative nature that is placed in his/her personnel file. This includes merit ratings, written reprimands, demotions, suspensions, or discharge. Any employee may respond in writing to any item placed in such personnel file, and said response shall become a part of said file.

Nothing in this Article shall restrict the ability of the Department to evaluate employees based upon performance.

ARTICLE 24 - PROBATIONARY PERIODS

Probationary periods shall apply to both new employees and employees having received a promotion. The probationary period shall be twelve (12) months for all employees new to the Department; Employees promoted into the Sergeant classification shall serve a six (6) month probationary period. At or prior to the completion of the probationary period, a new employee may be discharged and a promoted employee may be restored to his/her former classification without any reason, justification, or cause being shown.

New employees who are certified and have prior experience may be hired above the Step I rate. An employee so hired shall be eligible for advancement to the next step on the salary schedule after completion of probation. Probation may be extended for a maximum period of six months.

The City reserves the right to negotiate directly with potential lateral hires as to expenses to cover the costs of changing agencies.

ARTICLE 25 – DISCIPLINARY ACTIONS AND PROCEDURES

No regular employee shall be disciplined without just cause and due process. For purposes of this Article, "just cause" shall require that no employee shall receive a written reprimand, be suspended without pay or terminated without just cause. If a question as to just cause exists, it may be resolved by submission to binding arbitration pursuant to the provision of Article 27.

The City acknowledges the right of the employee to request a representative of the Association to be present at any interview where the employee reasonably believes that discipline may result from the interview.

A. Forms of Discipline Include: Written reprimand, suspension, reassignments or demotions (which would result in a reduction of wage rate and are attributable to misconduct, violation of policies or procedures or noncompliance with standards) and termination. Discipline for regular employees will normally be progressive, however, any level of discipline may be imposed based on the totality of circumstances and just cause.

Employee evaluations and Command Counseling are not considered to be discipline and are not subject to the grievance and arbitration procedures set forth in Article 28. Command Counseling is a less formal means of addressing concerns related to performance, daily operations and compliance with departmental standards and expectations. Command Counseling is intended to correct an employee's behavior and provide notice to the employee that the employee's uncorrected behavior could lead to discipline. Command Counseling will not be placed in an employee's personnel file, but will be maintained in the supervisory files for review for yearly evaluations. Command Counseling, including any employee rebuttal, will be purged from the supervisory file after a period of one (1) year from the date of Command Counseling. Nothing in this Article shall be construed to prevent or inhibit the Chief of Police or superior officers from discussing and addressing matters pertaining to the operational needs and standards of the department with employees.

B. Due Process: In the event an employee is under investigation for potential violation of policy or procedures, noncompliance with Departmental Standards or misconduct which could reasonably lead to "discipline" as defined in Section A, above, the employee will be granted the following procedural rights:

1. Disciplinary Interviews and Notice: The employee and a member of the Association's Executive Board will be given forty-eight (48) hours advance written notice of intent to interview, except in situations where exigent circumstances exist to justify lack of notice (such as controlled substance concerns, etc.) Notice to the employee will generally be hand delivered. Notice to a member of the Executive Board may be made electronically. The notice will include: the general nature of the allegation(s) or concern(s) prompting the interview; the policies and/or standards potentially violated; and a reminder of his/her right to consult with an Association representative and to have such a representative present during the interview. This notice is not, however, required under circumstances of an investigation involving alleged criminal conduct.
2. Interviews shall take place on City premises or elsewhere upon mutual agreement, unless an emergency, or special circumstances, exist to justify conducting the interview elsewhere.

3. The City shall make a reasonable good faith effort to conduct employee interviews during the employee's regular working hours, except for emergencies or where interviews can be conducted by telephone.
4. In a non-criminal investigation, the employee may be required to answer any questions reasonably related to the subject matter under investigation. The employee may be disciplined for refusing to answer such questions. In an investigation involving potential criminal conduct, employees who are required to answer questions related to the potential criminal conduct will be issued a "Garrity" notice in writing. Such notice will advise the employee that he/she is required to answer questions related to the potential criminal conduct and will be subject to discipline for failure to do so. The notice will further advise the employee that the answers provided in response to this directive will not be used in a subsequent criminal proceeding.
5. In situations involving the use of deadly force, the employee shall be afforded reasonable opportunity to consult with an Association representative or attorney prior to being required to give an oral or written statement about the use of such deadly force.
6. The employee shall be entitled to such reasonable intermissions as the employee shall request for personal necessities.
7. All interviews shall be limited in scope to activities, circumstances, events, conduct or acts which pertain to the incident(s) which are the subject of the investigation. Nothing in this Section shall prohibit the City from questioning the employee about information which is developed during the course of the interview or information related to the employee's understanding of the rule or standard in question and mitigating or aggravating factors.
8. If the City or Association tape records the interview, a copy of the complete interview of the employee, noting all recess periods, shall be furnished, upon request, to either party. If the interviewed employee is subsequently notified of potential discipline and any part of any recording is transcribed by the City, the employee shall be given a copy of the tape prior to his/her due process hearing.
9. Investigations shall be conducted with no unreasonable delay. Disciplinary interviews and grievance procedure meetings will not be delayed to assure an employee's choice of a particular Association representative, unless the City has agreed.
10. Lie Detector Tests: No employee will be compelled to provide polygraph or voice stress tests.

Command Counseling shall not be considered disciplinary action and shall not be subject to the provisions of this Article.

C. Pre-Disciplinary Loudermill Hearings: Prior to any discipline being imposed, the employee shall be given the opportunity to meet with the Chief of Police or his designee, personally or through an Association representative or attorney, to provide additional evidence and/or mitigating circumstances related to the disciplinary action being considered. The City will provide reasonable advance notice of the meeting and will respond to requests for information related to the conduct leading to the proposed disciplinary action, including requests for copies of investigation documents, witness statements, tape recordings and other information relied upon as a basis for the proposed disciplinary action within a reasonable period prior to the meeting, consistent with PECBA and due process obligations. The City agrees not to decide on the discipline to be imposed on the employee until after such a meeting.

D. Imposing Discipline: Any employee being disciplined will be given official written notice of the discipline being imposed, including a summary of the factual conclusions; the policy, procedures, standards violated and/or misconduct that occurred.

The employee and/or Association representative shall, upon request, be furnished with a copy of the investigation including all witness statements, tape recordings and other materials collected by the City to impose the discipline.

The City shall complete its investigation into an allegation of misconduct by an employer no later than six (6) months from the date of the first interview of the subject employee. The City may extend the completion date for the investigation to a maximum of twelve (12) months from the date of the first interview of the subject employee, provided that before the extension begins, the City provides written notice explaining the reason for the extension to the employee and the employee's association representative.

E. Personnel Files: Disciplinary actions will be placed in employee personnel files and removed from such files in accordance with Article 23 of this Agreement.

F. Officer Involved Shootings: The Department agrees to comply with the procedure for officer involved shootings, attached to this Agreement as Appendix B.

G. Paid Administrative Leave: The Department reserves the right to place an employee on paid administrative leave pending an administrative and/or criminal investigation. In such a case, the employee placed on paid administrative leave shall not experience any reduction in pay including but not limited to incentives or premium pay. Nothing in this section shall be interpreted to limit or restrict the right of the Department to place the employee on an alternate shift and/or make a different employee work assignment.

ARTICLE 26 – FUNDING

The parties to this Agreement recognize that revenue needed to fund this Agreement must be approved annually by established budget procedures and, in certain circumstances, by a vote of the citizens of the City of Woodburn. All compensation provided for by this Agreement is therefore contingent upon sources of revenue, and where applicable, budget committee and voter

approval. The City will not reduce the compensation specified in this Agreement, because of budgetary limitations. The City agrees to include in its annual budget request amounts sufficient to fund the compensation provided in this Agreement. In the event that the City does not receive the required budget committee or voter approval needed to fund the annual budget, the parties agree to meet to seek possible alternatives to layoff and service reductions.

ARTICLE 26A - DEPARTMENT SEARCHES

A. The City may conduct searches of City owned lockers, desks or other City property for the purpose of locating City equipment or City owned property that may be stored therein. In doing so the City will not be required to have reasonable suspicion or probable cause that the property or equipment will be found therein, provided that:

1. Section D below does not apply when the City is seeking to retrieve needed equipment, such as Tasers, Radios and Radio Equipment, Firearms, and Current Patrol Notebooks.
2. Upon opening the locker, desk or other City owned property, the City shall only retrieve the item needed, and will not conduct a search of the locker, desk, or other City property, once the item sought has been located, and the City shall not open any personally owned containers found in the locker, desk or other City owned property.

B. An investigative search of City owned lockers, desks or other City property will only be conducted with the approval of the Chief or designee upon reasonable suspicion that a violation of policy or procedure has occurred in accordance with applicable law. All other non-assigned areas (e.g., shared desks, common office space, department vehicles) may be searched by the City at any time for any reason.

C. Searches under Article 27, Substance Abuse Policy, may also be conducted. Personal property, such as brief cases, lunch boxes, etc. brought onto City property, as well as lockers, may be searched when the City has reasonable suspicion that alcohol or probable cause that drugs or drug-related paraphernalia may be found.

D. Prior to the search under this Article, notice will be given to the employee who may elect to be present with an Association representative, provided that the presence does not delay the search in excess of 45 minutes. In the event the employee is unable to attend or declines to attend the search, a search will still be conducted in the presence of an Association representative.

ARTICLE 27- SUBSTANCE ABUSE POLICY

The Woodburn Police Department implements the following Substance Abuse Policy to become effective upon execution of the Agreement:

A. Purpose:

1. It is the policy of this Department that the critical mission of law enforcement services justifies maintenance of an alcohol and drug-free work environment through the use of a reasonable employee drug testing program and the enforcement of rules prohibiting the consumption of alcohol or use of drugs which interferes with this mission.
2. The law enforcement profession has several uniquely compelling interests that justify the use of employee alcohol and drug testing and other reasonable restrictions designed to produce an alcohol and drug-free working environment. The public has a right to expect that those who are sworn to protect them are at all times both physically and mentally prepared to assume these duties.
3. Therefore, in order to ensure the integrity of the Department and to preserve public trust and confidence in a fit and alcohol/drug-free law enforcement profession, this Department has adopted the following rules and procedures:

B. Applicant Drug Testing:

1. Applicants for employment in the Department shall be required to take a drug test as a condition of employment during a post-offer/pre-work medical examination.
2. Applicants shall be disqualified from further consideration for employment under the following circumstances:
 - a. Refusal to submit to a required drug test, or
 - b. A confirmed positive drug test indicating drug use prohibited by this policy.

C. Prohibited Conduct:

The following conduct is strictly prohibited:

1. Buying, selling, consuming, distributing or possessing drugs or alcohol, including marijuana, during working hours, including rest and meal periods, except in conjunction with the performance of work duties (confiscated evidence, approved undercover operations, etc.)
2. Reporting for work or returning to duty under the influence of alcohol or drugs. For the purposes of this policy, an employee is considered to be “under the influence” of alcohol if his/her alcohol concentration is .02 BAC or more. Alcohol concentration levels measuring less than .02 BAC are considered a negative test result. An employee is considered to be “under the influence” of drugs, if the employee tests positive for having such substances present in his/her body.

In no event will an employee consume any kind of alcoholic beverages within four (4) hours of the time he/she is scheduled to report for work. Where an employee is subject to call-out and he/she has consumed alcoholic beverages within the preceding eight-hour period, the employee shall be required to advise his or her supervisor of that fact, the amount and when the alcohol was consumed.

3. Failing to promptly report arrests, convictions and/or plea-bargains for an alcohol or drug-related criminal offense to the Chief of Police or his/her designee, irrespective of the jurisdiction where such action was taken.
4. Failing to comply with Department directives regarding enforcement of this Policy, including but not limited to refusing to promptly submit to required testing; giving false, diluted or altered samples; obstructing the testing process; failing to comply with rehabilitation conditions imposed by the Department or rehabilitation counselors pursuant to Article 7 of this Policy.
5. Failure to disclose use of over-the-counter or prescribed medication containing controlled substance, as required by Section D, below.

For the purpose of this Policy, “drugs” includes, but is not limited to the following controlled substances: opiates, cocaine, marijuana (THC), phencyclidine (PCP), amphetamines/methamphetamines and barbiturates. However, “drugs” does not include prescription and over-the-counter medications that are lawfully prescribed and used in a manner consistent with a physician’s instructions and/or medication warnings. Marijuana is defined as a controlled substance for the purpose of this policy, regardless of whether or not the marijuana was distributed for medical purposes.

Employees who engage in any prohibited conduct will be subject to discipline, including discharge.

D Disclosure of Medications:

Employees are responsible for consulting with their physicians and carefully reviewing medication warnings, including any warnings pertinent to the effects of use of a combination of medications. Employees who are using over-the-counter or prescribed medications which have any reported side effects that could reasonably affect their ability to safely perform all essential job duties must notify their supervisor of the substance taken and its side effects before reporting for work. Medical verification of ability to safely perform job duties may be required before the employee is allowed to continue his/her job assignment. Employees are eligible to utilize sick leave benefits pending receipt of acceptable verification.

Although the use of prescribed and over-the-counter medication as part of a medical treatment program is not grounds for disciplinary action, failure to fully disclose the use of substances which could reasonably impair the safe performance of essential job duties; illegally obtaining the substance or use which is inconsistent with prescriptions or labels will subject an employee to disciplinary action.

E. Employee Testing:

Employees will be required to undergo drug and/or alcohol testing as a condition of continued employment in order to ascertain prohibited drug use, as provided below:

1. Reasonable Suspicion. A supervisor may order an employee to immediately submit to a urinalysis test for drugs and/or a breathalyzer test for alcohol whenever the City has reasonable suspicion to believe that the employee has violated the provisions of this Policy concerning reporting to work or being at work “under the influence” of drugs or alcohol.

“Reasonable suspicion” shall be defined as suspicion based on articulated observations concerning the appearance, unusual behavior, speech, breath odor, body symptoms or other reliable indicators that an employee has consumed drugs and/or alcohol in violation of this Policy.

2. Special Assignments. A drug test shall be considered as a condition of placement in special assignments within the Department and shall be administered prior to such assignment where testing is required by the District Attorney. Such assignments will not be used as a pretense for other types of drug testing.
3. Random. During the one year period, 25% of all persons covered by this Policy shall be randomly tested for drugs during unannounced times. (The Sergeant bargaining unit is included in the overall 25% of all sworn employees, and not to be considered a separate group for the purpose of random testing of 25% of employees.)
 - a. The Human Resources Director shall determine the timing of such tests.
 - b. All employees shall have a number controlled by a testing service with SAMHSA/NIDA certified lab, testing and Medical Review Officer (MRO) capabilities, which shall be placed in a pool for anonymous random electronic selection. Each employee shall have an equal chance of being selected in each random selection. The City shall conduct up to four (4) random tests per year.
 - c. Individuals selected for random testing shall be notified the day the test is scheduled, preferably within two hours of the scheduled testing.
 - d. In the event the random testing of any employee is deferred because that employee is in a leave status (sick, vacation, parental leave, etc.) or on duty related travel status away from the City, that employee’s test may be deferred. However, any individual whose test is deferred shall be subject to an unannounced test at any time within the following ninety (90) days.

4. Rehabilitation Treatment: Where testing is required pursuant to Rehabilitation and Return to Work Agreement imposed by the City or an employee's rehabilitation counselors, individualized testing may be required as outlined in that Agreement.

Urinalysis testing will be conducted for all types of drug testing and breathalyzer testing will be conducted for all types of alcohol testing.

F. Testing Procedures:

1. All testing will be conducted at a laboratory certified by the federal DOT and shall be conducted in accordance with the standards for procedural safeguards and testing integrity disseminated by the NIDA. All drug tests will be conducted through collection of a split sample. All positive drug tests will be confirmed by a second cross confirmatory test from the same sample using GCMS testing methodology and reviewed by a Medical Review Officer before the test result is reported as positive.
2. The other sample shall remain at the testing facility in frozen storage for a minimum of 90 days from the date the test was conducted. This sample shall be made available to the employee or his attorney, should the original sample result in a legal dispute or the chain of custody be broken.
3. Whenever there is a reason to believe that the employee may have altered or substituted the specimen to be provided or the initial test was not determinative, a second specimen may be obtained immediately, using testing procedures deemed appropriate by the testing laboratory personnel.
4. If the confirmatory test is positive for the presence of a controlled substance, the employee will have the option of submitting the split untested sample to a qualified and certified laboratory of the employee's own choosing.
5. All records pertaining to department required drug and alcohol tests, as well as compliance with rehabilitation terms shall remain confidential, and shall not be released, except on a need to know basis, in accordance with applicable law. All documents pertaining to testing and test results will be maintained in employee medical, not personnel, files.

G. Consequences of Violations:

1. Employees who Report Dependencies and Seek Assistance before Committing Policy Violation – Rehabilitation.

The City encourages employees who have drug and/or alcohol dependencies or think they may have such dependencies to seek assistance voluntarily. When an employee voluntarily reports a drug or alcohol dependency to the Chief or his/her designee and seeks assistance before violating this Policy, that employee will be placed on a leave of absence or adjusted working

hours to allow for in-patient or out-patient rehabilitation treatment as recommended by a Substance Abuse Professional (SAP).

The employee will not be permitted to work until such time as a Substance Abuse Professional agrees the employee:

- a. Has been evaluated by a Substance Abuse Professional (SAP);
- b. If recommended by the SAP, has complied with all rehabilitation/after-care prescribed; and
- c. Has a verified negative drug or alcohol test (as applicable).

In order to return to work for the City, an employee seeking assistance must agree to all treatment, rehabilitation, after-care and follow-up testing as set forth in a written Rehabilitation and Return to Work Agreement required by the City. Any employee who violates the terms of the Agreement is subject to immediate termination.

The time an employee is off work undergoing rehabilitation is unpaid. However, employees may draw their unused, accumulated sick leave, and/or vacation pay, holiday and compensatory time. Also, employees who are receiving health insurance coverage will be eligible for continuation of health insurance benefits with standard City contributions as required by the Family Medical Leave Act.

2. Employees who Report Dependencies and Seek Treatment after Committing a Policy Violation.

Employees who notify the City of drug or alcohol dependencies *after* violating this Policy are subject to discharge, irrespective of such dependencies.

The City may however, at its discretion, allow an employee to undergo evaluation and rehabilitation in lieu of discharge, provided the employee promptly complies with the terms and conditions set forth in Section H1, above. The City will consider the following factors in exercising its discretion: the employee's length of service; the employee's work record, in particular, whether the employee has committed a previous alcohol or drug policy infraction; the consequences of the violation; any other circumstances offered by the employee that mitigates against discharge.

It is understood and agreed that the references to discipline and discharge set forth in this Policy and the Rehabilitation and Return to Work Agreement are not intended to supersede "just cause" requirements.

ARTICLE 28 - GRIEVANCE PROCEDURE

A. Definition: A grievance for the purpose of this Agreement is defined as an alleged violation of this Agreement.

B. Time Limits: The time limits set forth in this Article shall be modified only by written agreement signed by the Association and the City. Failure by the City to respond within a specified time limit shall constitute rejection of the grievance at that step and thereby allow the Association to proceed to the next step within the applicable time limit. Failure by the Association to file a grievance or proceed to the next step within the time limit specified in each step shall constitute termination of the grievance.

For the purpose of this Article, all references to “day” or “days” shall mean business days (Monday through Friday, excluding holidays).

C. Procedure: In an effort to provide for a peaceful procedure for resolution of disputes, the parties agree to the following grievance procedure:

Step 1 - Immediate Supervisor: The employee or the Association shall submit the grievance in writing to the most immediate supervisor outside the bargaining unit within fifteen (15) days from the occurrence thereof or the employee's knowledge thereof. The written grievance shall include: 1) a statement of the specific City action or lack of action which is the cause of the grievance; 2) specific provision(s) of the contract by Article and Section(s) violated; and 3) remedy sought. The supervisor shall make a written response to the grievance within ten (10) days.

Step 2 - Chief of Police: If the grievance is not resolved in Step 1, the grievance shall be appealed to the Chief within ten (10) days of the date the response was received from the employee's immediate supervisor or within ten (10) days of the date that the response was due if no timely response was received. All appeals must be made in writing. The immediate supervisor shall forward to the Chief all materials submitted and received regarding the grievance. The Chief or his designee shall review the materials, conduct interviews and/or meet with Association representatives as deemed necessary and shall issue a written response no later than ten (10) days from the date of receipt of the written appeal.

Step 3 - City Administrator: If the grievance remains unresolved, the Association may submit the grievance in writing within ten (10) days of the date of the response was received, or within ten (10) days of the date that the response was due if no timely response is received, to the City Administrator by forwarding a copy of all materials submitted or received at all prior steps to the City Administrator with a cover letter specifying that the matter is being pursued to the third step. The City Administrator and his/her designee shall meet with the Association within ten (10) days of receipt of the grievance and shall make a written response to the grievance within ten (10) days of the meeting.

Step 4 - Arbitration: If the grievance is not resolved and it has been submitted to the City Administrator in a timely manner, the Association may submit the grievance within fifteen (15) days of the date the response was received, or within fifteen (15) days of the date that the response was due if no timely response was received, to the arbitrator in the following manner.

1. The Association shall serve written notice to the City Administrator of intent to arbitrate and on the same date request a list of five (5) names from the Employment Relations Board (ERB). Within seven (7) days of receipt of the list, the parties shall alternately strike one (1) name from the list, until only one (1) is left. The one (1) remaining shall be the arbitrator. If the grievance involves police officer misconduct, the notice will so indicate and the parties will follow the rules announced pursuant to HB 2930, for selection of arbitrator.
2. The arbitrator shall render a written decision within a reasonable time. The powers of the arbitrator shall be limited to interpreting this Agreement and determining if it has been violated. The arbitrator shall not have the authority to alter, modify, add to, or detract from the terms of this Agreement. The decision of the arbitrator, provided it is within the scope of this Agreement, shall be final and binding on both parties.

Expenses for the arbitrator's services and the proceedings shall be borne equally by the parties. However, each party shall be completely responsible for the cost of preparing and presenting its own case, including compensating its own representatives and witnesses. If either party desires a record of the proceedings, it shall solely bear the cost of producing such a record.

ARTICLE 29 - SAVINGS CLAUSE

Should any Article, or portion thereof, of this Agreement be held unlawful or unenforceable by any court of competent jurisdiction, by ruling by the Employment Relations Board, by statute, or by constitutional amendment, such ruling shall apply only to the specific Article or portion thereof, directly specified in the ruling. If such event occurs, the parties will enter into negotiations, consistent with ORS 243.702, for the purpose of renegotiating the unlawful or unenforceable provision.

ARTICLE 30 – TERM OF AGREEMENT

This Agreement shall be effective upon the date of ratification, unless otherwise stated herein. The terms and conditions of the Agreement shall remain in full force and effect through June 30, 2026, and shall also remain in effect through any negotiations for a successor Agreement. This Agreement shall not be modified in whole or in part by the parties except by instrument, in writing, duly executed by both parties.

Executed this _____ day of _____, 2024.

FOR THE CITY

FOR THE WPA-SL1

Signature

Signature

Title

Title

**WPA-SL1
APPENDIX A**

SERGEANT PAY SCALE						
Effective June 23, 2024						
annual hours	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
2,184	\$ 55.62	\$ 57.29	\$ 59.01	\$ 60.78	\$ 62.60	\$ 64.48
2,080	\$ 58.40	\$ 60.15	\$ 61.96	\$ 63.82	\$ 65.73	\$ 67.70
SERGEANT PAY SCALE						
Effective June 22, 2025						
2.5% cola						
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
2,184	\$ 57.01	\$ 58.72	\$ 60.48	\$ 62.30	\$ 64.17	\$ 66.09
2,080	\$ 59.86	\$ 61.66	\$ 63.51	\$ 65.41	\$ 67.37	\$ 69.40

APPENDIX B

OFFICER INVOLVED SHOOTING

For officer convenience, the Law Enforcement Use of Deadly Physical Force Response Plan adopted by the Marion County Use of Deadly Physical Force Planning Authority pursuant to Senate Bill 111, Oregon Laws 2007 is appended to this Agreement. Because of the existence of other remedies, the Association and the City agree that Appendix B shall not be subject to arbitration under the grievance procedure or serve as the basis for any other claim of a violation of this Agreement.

APPENDIX C

APPENDIX C

Police Sergeants
 Monthly Premium
 Health Insurance Cost By Coverage Level
 January 1, 2025 - December 31, 2025

	Employee Only	Employee + 1 Child	Employee + Children	Employee + Spouse	Employee + Family
HDHP-4 + VSP-A + Willamette Dental-A					
HDHP-4 w/HSA	\$ 654.21	\$ 1,224.54	\$ 1,669.24	\$ 1,399.50	\$ 1,925.32
VSP A (12/12/24)	\$ 10.53	\$ 12.85	\$ 22.91	\$ 14.71	\$ 26.49
Willamette Dental-A	\$ 58.68	\$ 89.65	\$ 156.40	\$ 102.47	\$ 180.40
Total Cost	723.42	1327.04	1848.55	1516.68	2132.21
Employee Cost	\$36.17	\$66.35	\$92.43	\$75.83	\$106.61
Cost to City	\$687.25	\$1,260.69	\$1,756.12	\$1,440.85	\$2,025.60
HDHP-4 + VSP-A + CIS Dental II (Delta Dental)					
HDHP-4	\$ 654.21	\$ 1,224.54	\$ 1,669.24	\$ 1,399.50	\$ 1,925.32
VSP A (12/12/24)	\$ 10.53	\$ 12.85	\$ 22.91	\$ 14.71	\$ 26.49
CIS Dental II (Delta Dental)	\$ 51.19	\$ 77.97	\$ 135.72	\$ 89.11	\$ 156.55
Total Cost	715.93	1315.36	1827.87	1503.32	2108.36
Employee Cost	\$35.80	\$65.77	\$91.39	\$75.17	\$105.42
Cost to City	\$680.13	\$1,249.59	\$1,736.48	\$1,428.15	\$2,002.94
HDHP-4 + VSP-A + Kaiser Dental II					
HDHP-4	\$ 654.21	\$ 1,224.54	\$ 1,669.24	\$ 1,399.50	\$ 1,925.32
VSP A (12/12/24)	\$ 10.53	\$ 12.85	\$ 22.91	\$ 14.71	\$ 26.49
Kaiser Dental-II	\$ 67.23	\$ 103.59	\$ 195.25	\$ 118.37	\$ 225.17
Total Cost	731.97	1340.98	1887.4	1532.58	2176.98
Employee Cost	\$36.60	\$67.05	\$94.37	\$76.63	\$108.85
Cost to City	\$695.37	\$1,273.93	\$1,793.03	\$1,455.95	\$2,068.13
	Employee Only	Employee + 1 Child	Employee + Children	Employee + Spouse	Employee + Family
Kaiser Copay B + Kaiser Vision + Willamette Dental-A					
Kaiser Copay B	\$ 887.55	\$ 1,627.65	\$ 2,195.31	\$ 1,859.43	\$ 2,531.06
Kaiser Vision	\$ 6.76	\$ 12.47	\$ 16.81	\$ 14.26	\$ 19.39
Willamette Dental-A	\$ 58.68	\$ 89.65	\$ 156.40	\$ 102.47	\$ 180.40
Total Cost	952.99	1729.77	2368.52	1976.16	2730.85
Employee Cost	\$47.65	\$86.49	\$118.43	\$98.81	\$136.54
Cost to City	\$905.34	\$1,643.28	\$2,250.09	\$1,877.35	\$2,594.31
Kaiser Copay B + Kaiser Vision + ODS Delta Dental II					
Kaiser Copay B	\$ 887.55	\$ 1,627.65	\$ 2,195.31	\$ 1,859.43	\$ 2,531.06
Kaiser Vision	\$ 6.76	\$ 12.47	\$ 16.81	\$ 14.26	\$ 19.39
CIS Dental II (Delta Dental)	\$ 51.19	\$ 77.97	\$ 135.72	\$ 89.11	\$ 156.55
Total Cost	945.5	1718.09	2347.84	1962.8	2707
Employee Cost	\$47.28	\$85.90	\$117.39	\$98.14	\$135.35
Cost to City	\$898.23	\$1,632.19	\$2,230.45	\$1,864.66	\$2,571.65
Kaiser Copay B + Kaiser Vision + Kaiser Dental II					
Kaiser Copay B	\$ 887.55	\$ 1,627.65	\$ 2,195.31	\$ 1,859.43	\$ 2,531.06
Kaiser Vision	\$ 6.76	\$ 12.47	\$ 16.81	\$ 14.26	\$ 19.39
Kaiser Dental II	\$ 67.23	\$ 103.59	\$ 195.25	\$ 118.37	\$ 225.17
Total Cost	961.54	1743.71	2407.37	1992.06	\$2,775.62
Employee Cost	\$48.08	\$87.19	\$120.37	\$99.60	\$138.78
Cost to City	\$913.46	\$1,656.52	\$2,287.00	\$1,892.46	\$2,636.84

January 13, 2025

TO: Honorable Mayor and City Council

FROM: Scott C. Derickson, City Administrator
Tony Turley, Finance Director

SUBJECT: **FY 2025-26 Financial Plan**

RECOMMENDATION:

Adopt the attached FY 2025-26 Financial Plan (Budget Policies and Fiscal Strategy) via a motion.

BACKGROUND:

Although the City still projects revenue over expense shortfalls within the five-year planning period, despite unprecedented residential and industrial development, we have successfully utilized the Budget Policies and Financial Plan, as a best practice strategy to effectively manage and plan accordingly for large capital projects and lessen any shortfall impact. Barring any unforeseen crisis, the 5- Year Forecast (see attached) does predict financial stability at current levels of spending through FY 2025/26 fiscal year.

Based on the forecast, the City Council should approach General Fund spending with caution. There are some reasons to be optimistic given regional economic conditions and the strength of the housing markets, along with potential industrial development that remains strong. We experienced the benefits of this growth in FY 2024-25; however, the full impact is still an estimate and until two years of actuals have been realized, we will remain cautious in our approach to next year's budget.

BACKGROUND:

In the interest of sound financial management, the City Council directed that a comprehensive set of financial planning documents be developed and implemented for the purposes of improving the City's financial sustainability. Since the 2011 policy implementation, the City has prepared the Financial Plan as a

Agenda Item Review: City Administrator ___x___ City Attorney ___x___ Finance ___X___

means of managing the City's current year budget and inform the FY 2025-26 budget development process.

In past years, the City Council has been commended by the City Auditor and recognized by the Government Finance Officers Association for the use of comprehensive budget policies and quality presentation, clarity, and transparency of Woodburn's budget documents.

The Financial Plan intends to help predict cost and revenue trends from year to year and make better decisions via the memorializing of sound financial practices and budget administration. If necessary, the Financial Plan informs the need to reduce the City's budget to remain consistent with the City Council goals and meet community needs within available resources.

FY 2025-26 POLICY:

The proposed FY 2025-26 Financial Plan: Budget Policies & Fiscal Strategy is attached and largely unchanged from the previous year. Changes to the Plan's debt policy have been made to clearly outline the City's inter-agency loan process and parameters.

FINANCIAL IMPACT:

There is no immediate monetary impact on the City. The Financial Plan draft will help make stronger financial decisions that are in the best interests of the community and the City organization.

City of Woodburn

FY 2025/26 Financial Plan **Budget Policies, Fiscal Strategy, & Five-Year Forecast**

FY 2025/2026 Budget Goal. Woodburn’s challenge will be associated with development related service demands, maintaining a sound financial position in the face of changing community dynamics, and working within the constraints of limited General Fund resources. It should also be noted that in the prior year American Rescue Plan ACT (ARPA) funding has been expended.

As residential and industrial development continues at an aggressive rate, additional property tax revenue will lag behind the demands for service. Consequently, the financial challenge for the City will be maintaining current levels of service while accommodating demand without jeopardizing the City’s cash reserves and contingencies. These factors will result in a 2025/26 proposed budget that conservatively allocates projected resources.

1. Working in the framework of the City Council’s FY 2025/26 Financial Plan and Oregon Budget Law, the City Administrator will present a balanced FY 2025/26 Budget, working to prevent General Fund revenue shortfalls over time while protecting cash balances to the greatest extent possible. It is acknowledged that future revenues and service costs are difficult to predict in the face of unprecedented growth.
2. When possible, the City will seek to build cash reserves with the understanding that growth in future service levels may lag behind the actual revenue forecast.
3. In addition, it is also the goal of the City to prioritize existing resources on and services such as public safety funding, economic aid, planning, parks and recreation programming, including aquatics and library services, and maintaining current service levels as resources allow.
4. As a primary economic goal, the City is continuing to pursue an Urban Growth Boundary Adjustment, which will incorporate the Urban Reserve Area to meet the strong demand for additional employment lands.

BUDGET POLICY

- SECTION 1. ANNUAL REVIEW & POLICY

- A. **Fiscal Responsibility.** The policy of the City of Woodburn is to return the highest level (or sustain the current levels) of service with the least amount of taxpayer investment and to plan accordingly.
- B. **Balanced Budget.** The City's budget shall be balanced. For each fund, ongoing costs are not to exceed ongoing revenues plus available fund balances used in accordance with reserve policies. The budget resolution will be adopted by the fund at a summary level.
- C. **Budget Process.** The annual budget process is intended to weigh all competing requests for City resources within expected fiscal constraints. Levels of service will increase or decrease based on the availability of resources. Requests for new programs made outside the annual budget process will be discouraged. New initiatives will be funded by reallocating existing City resources to services with the highest priorities.
- D. **Fiscal Recommendations.** Consistent with the administrative responsibilities outlined in the Charter, the City Administrator will make fiscal recommendations to the City Council on all measures necessary to sustain current levels of service and avoid reductions in City programs, including the consideration by the City Council of new revenue sources if this is determined to be in the best interest of the community.
- E. **Budget Policy Updates.** The City Council will review and adopt the Fiscal Year Budget Policies on an as-needed basis as determined by the City Administrator or as circumstances require.
- F. **Annual Five-Year Forecast.** The City Council will review and approve the Five-Year Forecast as needed. The forecast is an estimate of future revenues and expenses intended to serve as an estimate and a guideline for making sound financial decisions in the current fiscal year and budget preparation. The Five-Year Forecast and the Budget Policies together will constitute the City's annual Financial Plan.
- G. **Policy Direction.** Consistent with the role outlined in the Woodburn City Charter, the City Council is responsible for providing policy direction to determine the City's overall financial health. In response to the fiscal recommendations made by the City Administrator, the City Council shall consider all measures necessary to sustain current levels of service. In addition, the City may avoid reductions in City programs by considering new revenue sources if this is determined to be in the best interest of the community.
- H. **Budget.** Under the Woodburn City Charter, the City Administrator serves as Woodburn's Budget Officer. The Finance Director assists the City Administrator with the preparation and presentation of the annual budget, budget administration, and the day-to-day finance operations. The Budget Officer is responsible for the administration of the annual budget

and may approve or disapprove the expenditures contained in the adopted budget if deemed in the best financial interest of the City.

- I. **Budget Administration**. As authorized by the City Charter, the City Administrator is responsible for taking actions necessary to keep expenditures within anticipated revenues, including initiating layoffs, reorganizations, downsizing, program reductions, and adjustments to service levels. The City Administrator will keep the City Council informed as to any steps taken to reduce expenditures, and whenever possible, the Council will review the decisions and consider options during a mid-year budget review.

- **SECTION 2. DISCRETIONARY & DEDICATED RESOURCES**

- A. **Recognizing Financial Limits**. Woodburn will make a distinction between two different types of services; 1) those funded primarily from City discretionary resources, and 2) those funded primarily from dedicated resources.
- B. **Discretionary Resources**. The General Fund collects resources to provide discretionary programs and services as recommended by the Budget Officer and approved as part of the City's cycle. The City will continue to fund these programs primarily from General Fund discretionary resources. These include police, park and recreation, economic development, land use, financial services, and other programs.
- C. **Dedicated Resources**. Dedicated resources are normally subject to restrictions via state and federal law, grant agreements and contracts, City policy, and ordinances. City services funded primarily through dedicated funds include such items as speed and safety belt enforcement, grant-funded transportation, utility services, etc.

- **SECTION 3. GENERAL FUND BUDGET (DISCRETIONARY)**

- A. **Annual Budget Goal**. The goal shall be to prepare a budget that maintains existing high priority programs supported by the General Fund while at the same time seek savings and alternative revenue sources wherever possible. Funding for lower priority programs will be reduced or eliminated to ensure that expenditures remain in balance with resources.
- B. **General Fund Emphasis**. The highest priority shall be to conserve General Fund discretionary resources to fund high priority programs as defined by the City Council and City Administrator.
- C. **Maximize City Council's Discretion**. Wherever legally possible, revenues are to be treated as discretionary resources, rather than as dedicated to a particular program or service. The goal is to give the City Council flexibility in allocating resources to local priorities.
- D. **New Revenues**. In order to sustain current levels of service, avoid reductions in public safety programs, or increase services needed to meet community demands, the City

Council may consider new discretionary revenues if it is determined to be in the best interest of the community.

- E. **Use of Dedicated Funding Sources**. Whenever legally possible, funding responsibility for existing programs or activities should be transferred to appropriate dedicated funding sources, freeing up scarce discretionary resources to fund City Council priorities.
- F. **Cost Efficiency**. Staff will prepare fiscally conservative budgets and will seek savings wherever a balance between cost efficiency and the quality of public service can be achieved.
- G. **Materials & Services**. Departments are to prepare “base budgets” with a goal of holding General Fund or other discretionary resources for materials and services expenditures to no more than prior year budget levels.
- H. **No General Fund Street Maintenance Support**. No discretionary General Fund revenues will be used to support street maintenance activities. General Fund street lighting transfers are exempted from this policy.
- I. **Revenue Estimates**. Departments should budget for revenues based on the best information available during the annual process. If additional information becomes available during the budget process, it should be provided to the Finance Director’s Office. Accuracy in revenue/expenditure estimates is critical. Subsequent annual estimates should also take into consideration the actual receipts from the previous year.
- J. **Pursuit of New Departmental Revenues**. Departments shall pursue revenue sources to the fullest extent possible for all services as well as total cost identification (including indirect costs) for fee-setting purposes, grants, or other funding opportunities. Any new revenue sources should be used to offset the cost of existing staff and programs, rather than funding new staff or programs. Fee schedules will be reviewed annually to ensure costs are recovered. Fee schedules will be updated as part of the annual budget process.
- K. **Expenditure Reductions**. Reductions in revenues may require expenditure reductions from the “base budget” level. If reductions are required, the City Administrator will be guided by the City Council’s adopted Resource Reduction Strategy (See Section 19).
- L. **New Discretionary Programs**. New discretionary programs, deemed a high priority activity, may be included in the Proposed Budget with the prior approval of the City Administrator. If programs are added/expanded, an evaluation will be made on the impact to supporting services (e.g. information, finance, facilities, human resource, budget, etc.). Any increases in overhead services attributed to additional programs shall be included in the analysis of the total cost of new programs.

Should outside funding for a program expire, the program may be terminated by the City Administrator or the City Council.

M. **Full Cost Recovery**. City staff shall make every effort to assign costs where they occur through the use of interdepartmental/interfund charges and indirect cost percentage assignments. The intent is to clearly define the actual cost of each direct service the City provides internally or externally. The first priority is the recovery of overhead costs from all funds and grant programs.

N. **Annual Budget Savings**. To the extent General Fund supported departments experience savings during the year (due to position vacancies, etc.) that money shall be designated first to meeting the established contingency and reserve levels. Should the contingency and reserve levels be met, any remaining savings may be allocated towards the PERS Reserve and/or one time projects as determined by the City Administrator.

• **SECTION 4. NON-GENERAL FUND / UTILITY BUDGETS (DEDICATED)**

A. **Bottom-Line Emphasis**. For activities or programs funded primarily from non-General Fund sources, departments are to prepare “base budgets” with a goal of holding any General Fund contribution to no more than the amount provided in the current fiscal year, subject to the availability of funds. Whenever possible, reductions in General Fund contributions should be achieved.

B. **No Backfilling**. General Fund discretionary dollars will not be used to backfill any loss in water and/or sewer City utility revenue, state-shared or federal revenues, grants, or dedicated funding programs (for further information, see the Resource Reduction Strategy).

C. **Revenue Estimates**. Departments should budget for revenues based on the best information available at the time the budgets are prepared. If additional information becomes available during the budget process, it shall be provided to the Finance Department. New revenues should be estimated based on available information for the first year. Subsequent annual estimates should also take into consideration actual receipts from the previous year.

D. **Overhead Cost Allocation Charges**. All non-General Fund departments should budget the amount allocated to that department.

E. **Cost Efficiency**. As with the General Fund, staff responsible for non-General Fund budgets will prepare fiscally conservative budgets, and will seek savings wherever a balance between cost efficiency and the quality of public service can be achieved.

F. **Utility Revenue Allocations**. It is the policy of the City of Woodburn that revenue generated by City-owned utilities will first be used to meet operational expenses, and subsequently fund capital projects in a manner consistent with Woodburn’s Capital improvement plans and operating requirements.

G. **Utility Rates**. The City will maintain utility rates at a level that ensures that all debt service, operating, and capital costs, are adequately recovered and debt covenant requirements are

met. Capital costs identified in the approved capital improvement plan will be used as the basis for forming the capital costs recovery portion of utility rates.

H. **System Development Charges.** As permissible under state law, the City will pursue the recovery of infrastructure-related development costs relating to water, sewer, street, storm, and parks. These costs will be delineated via a defensible methodology, which will be revised from time to time to ensure accuracy. In order to ensure that the cost of providing infrastructure required to support new development does not burden existing residents, the City will not waive or reduce system development charges, except as required by state law.

- **SECTION 5. FUND RESERVES & CONTINGENCIES**

A. **PERS Side Account Savings.** In 2019, the City Council goal of establishing a PERS side account was achieved with a City contribution of \$2,823,043, which received a PERS match. The City will continue to add resources to the City's PERS Fund as resources allow, but will direct any PERS savings to help maintain current service levels. It is the overall goal of the City to continue to increase the balance in the City's PERS Reserve Fund in order to make future Side Account contributions.

B. **General Fund Contingency.** Consistent with Government Finance Officers Association (GFOA) best practices, at least 25 percent of the General Fund's operating appropriation shall be placed into the operating contingency in order to meet cash flow needs. In addition, it is the goal of the City to preserve the contingency balance to the greatest extent possible. No new General Fund program or service will be created that diminishes the General Fund Contingency below established minimum levels.

C. **Contingency Replenishment.** If contingency funds are expended, an effort will be made to reduce expenses to retain a minimum of 25 percent General Fund contingency.

D. **Shortfall Management Reserve (SMR).** The SMR is intended to subsidize future shortfalls estimated in the Five-Year Forecast. If SMR funds are expended, an effort will be made to replenish funds as savings are identified in the annual budget process.

E. **Water & Sewer Fund Contingencies.** The Water and Sewer Funds will maintain annual contingencies of not less than 10%.

F. **Equipment Replacement.** This fund is for the replacement of vehicles and equipment. The goal is for City departments to transfer one-tenth the value of its fixed asset inventory every year as budget allows to ensure future replacement funding is available. Replacement fund transfers may be limited or delayed in order to preserve operational budgets.

- **SECTION 6. GRANT APPLICATIONS (ALL FUNDS)**

A. **Policy.** The City's Grant Policy is attached as Exhibit C.

- **SECTION 7. NEW POSITIONS, PROGRAMS, AND OVERTIME (ALL FUNDS)**

- A. **Base Budget & New Positions.** Departments are to prepare “base budgets” with no new regular positions unless specifically authorized by the City Administrator in advance of budget preparations. Reorganizations of departments or programs resulting in changes in staffing or positions may be considered if the change is cost-neutral or cost savings from the current costs. No position compensation or increase will be provided beyond the amounts budgeted for the position without prior approval from the City Administrator.
- B. **Considerations of New Positions/Programs.** Unless otherwise authorized by the City Administrator, consideration of new programs and positions will occur only if the cost of the position or program is offset by non-General Fund sources legally tied to the new position or if the cost of the position is offset by new external revenues, reductions within existing funds and/or the position is required to generate those revenues. Cost estimates for new positions will include office facility space, equipment, rent, utilities, supplies, related increases in overhead services, etc.

Additional personnel or programs shall be requested only after service needs have been thoroughly documented or after it is substantiated that the new employees will result in increased revenue or enhanced operating efficiencies.

- C. **Annual Overtime Budgets.** Departments will anticipate their annual overtime costs to be included in the proposed budget. Once the budget is adopted, overtime costs are to be managed within adopted levels. No overtime costs can exceed budgeted levels without first obtaining the authorization of the City Administrator.

- **SECTION 8. MID-YEAR BUDGET REDUCTIONS**

- A. **Revised Revenue or Expense Estimates.** If additional information concerning revenue reductions or significant expense increases becomes available after the start of the fiscal year, it may be necessary to make budget adjustments. These adjustments will be made in accordance with the City Council’s adopted Resource Reduction Strategy.

- **SECTION 9. MID-YEAR REQUESTS, CONTINGENCY (ALL FUNDS)**

- A. **Non-Emergency Requests.** In those cases where a department is required to absorb an unanticipated cost beyond its control of a non-emergency nature, departmental resources must first be exhausted prior to a transfer from General Fund contingencies. Upon conducting a final financial review of departmental budgets towards the end of the year, a transfer from contingency will be presented to the City Council through a budget resolution or supplemental budget.
- B. **Emergency Requests.** Emergency requests during the fiscal year will be submitted to the City Administrator for recommendation and forwarded to the City Council for consideration.

- **SECTION 10. COMPENSATION & BENEFITS (ALL FUNDS)**

- A. **Wage Policy**. Historically, the biggest factors forcing budget growth are increases in employee compensation and increased benefit costs. The City will have a compensation and benefits program that: 1) reflects the value of work performed by our employees, 2) compares favorably with the compensation and benefits paid for similar work in both the private and public sectors, and 3); considers the community's ability to pay. Both our employees and the public must understand the mutual respect that such a policy warrants.
- B. **Health Care & PERS Costs**. Continue the City's policy on wage increases which evaluate the cost of health insurance and PERS contributions as part of the total compensation package. It is the goal of the City to reduce annual escalations of health insurance, and other benefit costs by getting the employees to bear an equitable portion of the annual premium increases and/or selecting lower cost-benefit programs.
- C. **Cost of Living Adjustments (COLA)**. The City Administrator will make a recommendation either to include, or not include, a COLA for non-represented employees in the Proposed Budget. COLAs included in the Proposed Budget are considered and approved by the Budget Committee and City Council as part of the budget process. COLAs or other compensation provided for in collective bargaining agreements will be provided for in the annual Proposed Budget.
- D. **Step Adjustments**. Budgeted personnel services expenditures will include an amount to account for annual step adjustments for all employees who are not currently at the top of their range. Annual employee step adjustments will not exceed 5% without the expressed permission of the City Administrator.

- **SECTION 11. BUDGET CONTROLS**

- A. **Legal Compliance**. The City Administrator and Finance Director will continue to review and control departmental budgets at the appropriation level.
- B. **Personnel Services & Benefits**. With the exception of overtime pay and temporary help accounts, which shall be developed by Department Heads with the advice of the Finance Director and the approval of the City Administrator, personnel services and benefits cost calculations will be provided by the City Administrator and the Finance Director and will be used as provided. The City Administrator and the Finance Director will also provide estimates for insurance and internal service expenses. These amounts will not be altered by Department Heads.
- C. **Wages & Benefit Control**. Positions not entitled to receive benefits will be managed in a manner that keeps them below mandatory benefit thresholds (such as PERS, health insurance, etc.). Positions will only be eligible for benefits if approved by the City Administrator and/or designated in Job Descriptions. All benefit costs must be anticipated and included in the annual Budget.

D. **One-Time Revenues.** One-time revenues will be used only for one-time expenses.

- **SECTION 12. UNAPPROPRIATED ENDING FUND BALANCES (ALL FUNDS)**

A. **Limit Unappropriated Ending Fund Balances.** To provide the most budget flexibility during the year, the City will limit the use of unappropriated ending fund balances to circumstances where they are required by law. Rather than use unappropriated fund balances, the goal should be to place any monies not needed for current expenditures in the relevant funds' operating contingencies or a City Council approved reserve.

- **SECTION 13. CAPITAL IMPROVEMENT GUIDELINES**

A. **Capital Improvement Program.** A 6-year Capital Improvement Program will be adopted as part of the annual budget process. It will include all projects anticipated to be initiated and/or delivered in the 6-year planning period. The Capital Improvement Program will be consistent with the City's adopted Capital Improvement Master Plans. Funding availability will determine the rate at which Capital Improvement Program projects are initiated or completed.

B. **Exceptions.** The City will fund dedicated programs and services with dedicated funding sources. Exceptions may be made, on a case-by-case basis, by the Budget Committee, City Council, or by the City Administrator if appropriate. One criterion will be whether the City would incur more costs elsewhere as a result of the reduction.

C. **Capital Planning Consideration.** Recognizing that it does not necessarily make sense to fund current operations at the expense of long-term capital or planning programs, every effort will be made to continue capital and planning programs geared to the City's long-term needs.

- **SECTION 14. DEBT ISSUANCE (ALL FUNDS)**

A. The City of Woodburn's Debt Policy is attached as Exhibit B.

- **SECTION 15. INVESTMENTS**

A. **Administration.** The City of Woodburn's Investment Policy is attached as Exhibit A.

- **SECTION 16. ANNUAL FINANCIAL AUDITS**

A. **Annual Audit Required.** The Oregon Municipal Audit Law (ORS 297.405 – 297.555) requires a financial audit and examination be made of the accounts and financial affairs of the City at least once a year. Consistent with State law, the City of Woodburn will conduct an annual independent audit of the preceding fiscal year.

B. **Audit Standards.** Woodburn's annual financial audits will be conducted in accordance with auditing standards generally accepted in the United States. Those standards require

that an independent auditor plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. The audit will examine, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. The audit will also assess accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. The audit will contain an assessment of the City's internal financial controls and procedures to make any necessary recommendations for improvement.

- C. **Finance Director and City Administrator Oversight.** It will be the responsibility of the Finance Director and the City Administrator to oversee the annual audit process.
- D. **Preparation of Financial Statements.** When feasible, City staff will prepare and provide annual financial statements to the auditor's satisfaction. If staffing levels or other barriers exist to internal preparations of financial statements, the City Administrator may authorize the auditor's preparation of financial statements for the purposes of completing the annual audit on time.
- E. **Audit Deadlines & Extensions.** Per Section 17 (F), the annual audit will be provided to the City Council no later than December 31. Consistent with State law, the annual audit will also be filed with the Oregon Secretary of State's Audit Division no later than December 31. Any and all requests for audit filing or presentation extensions must be approved by both the City Administrator and the auditor. In the event that an audit filing extension is requested and/or granted, the City Administrator will inform the City Council of the reason for the extension request and an estimated time line for completing, presenting, and filing the audit.
- F. **Audit Presentation to Council.** The annual audit findings will be presented to the Woodburn City Council during a regularly scheduled City Council meeting by a representative of the audit firm. All audits presented to the City Council must be complete and signed by a representative of the audit firm.
- G. **Budget Committee Review.** A copy of the annual financial report will be provided to the Woodburn Budget Committee for their review.

- **SECTION 17. PROGRAMS**

- A. **Discretionary Programs.** To the extent discretionary resources are available, high priority services areas will be slated for growth. Lower priority service areas will receive constant or decreasing discretionary support. Based on the direction of the City Council, discretionary programs are identified, and prioritized, as follows:

- ✓ Police Patrol & Public Safety
- ✓ Police Support Services
- ✓ Financial Services
- ✓ Legal Services
- ✓ Land Use Planning

- ✓ Economic Development
- ✓ Code Enforcement
- ✓ General Administration
- ✓ Library
- ✓ Aquatic Center
- ✓ Recreation Programming
- ✓ Parks and Park/Tree Maintenance
- ✓ Other General Fund Supported Non-Essential Program & Services
- ✓ Computer/Network transfers (new and replacements of equipment and servers)
- ✓ Discretionary Transfers (i.e. Transit, Streets, RSVP, etc.)
- ✓ Community Services (i.e. flower baskets, TOT Grants – where permissible, etc.)
- ✓ Intergovernmental Agreements that provide no direct offsetting revenues

• **SECTION 18. RESOURCE REDUCTION STRATEGY (ALL FUNDS)**

- A. **Goal & Reduction Approach.** When faced with a potential reduction in resources, the City’s goal is to continue to provide services in a professional, effective and efficient manner. Consequently, to the extent possible, across-the-board reductions in expenditures will be avoided.
- B. **Case-by-Case Consideration.** Reductions will be made on a case-by-case basis, focusing on each individual program or service. If possible, the reduction will be made proportional to the programs and services identified by the City Council.
- C. **Moderation When Possible.** If, as a result of a loss of a significant amount of discretionary resources, expenditure reductions become necessary they will be made on a moderate case-by-case basis to discretionary supported programs and services.
- D. **Discretionary Contributions.** If further reductions are required, any discretionary funding that supplements or supports services mostly supported with dedicated resources will be reduced or eliminated. This may apply to programs or activities expanded or started with discretionary resources within the last few years. Exceptions may be made on a case-by-case basis by the City Council.
- E. **Furlough Days.** If personnel budget/salary savings are required, the City may consider a reduced workweek or furlough days prior to laying off staff.
- F. **Consideration List.** Programs funded by discretionary resources will be reduced or eliminated as needed. Legal restrictions or the City’s ability to maintain minimal service levels will be considered. The City Administrator can determine the appropriate level of consideration at his/her sole discretion when making mid-year reductions or comprising the annual budget proposal. Based on the direction of the City Council, the order of City service areas to be considered for reductions are:
- ✓ Intergovernmental Agreements that provide no direct offsetting revenues
 - ✓ Community Services (i.e. flower baskets, TOT Grants – where permissible, etc.)

- ✓ Discretionary Transfers (i.e. Transit, Streets, RSVP, etc.)
- ✓ Computer/Network transfers (addition or replacement of computers and servers)
- ✓ Other General Fund Supported Non-Essential Program & Services
- ✓ Parks and Park/Tree Maintenance
- ✓ Recreation Programming
- ✓ Aquatic Center
- ✓ Library
- ✓ General Administration
- ✓ Code Enforcement
- ✓ Economic Development
- ✓ Land Use Planning
- ✓ Legal Services
- ✓ Financial Services
- ✓ Police Support Services
- ✓ Police Patrol & Public Safety

G. **Indirect Costs.** The City's overhead programs will not be prioritized but will be sized to the need and size of the overall organization. Generally, wherever possible, the City's goal is to make fee-supported programs self-sufficient. This includes recovering those programs' appropriate share of the City's overhead costs. If reductions occur, then indirect costs will be sized to the needs and size of the rest of the organization.

The Transit Fund indirect costs will be per the federally allowed de minimis overhead rate of 10 percent.

H. **Dedicated Funding for Programs.** Where legally possible, the City will consider using dedicated resources to fund high priority programs related to the purpose for which the dedicated funds are received.

WOODBURN

O R E G O N
Incorporated 1889



City of Woodburn, Oregon and Woodburn Urban Renewal Agency



Five Year Forecast FY 2025-26 to 2029-30

City of Woodburn

Five-Year Forecast

FY 2025-26 - FY 2029-30

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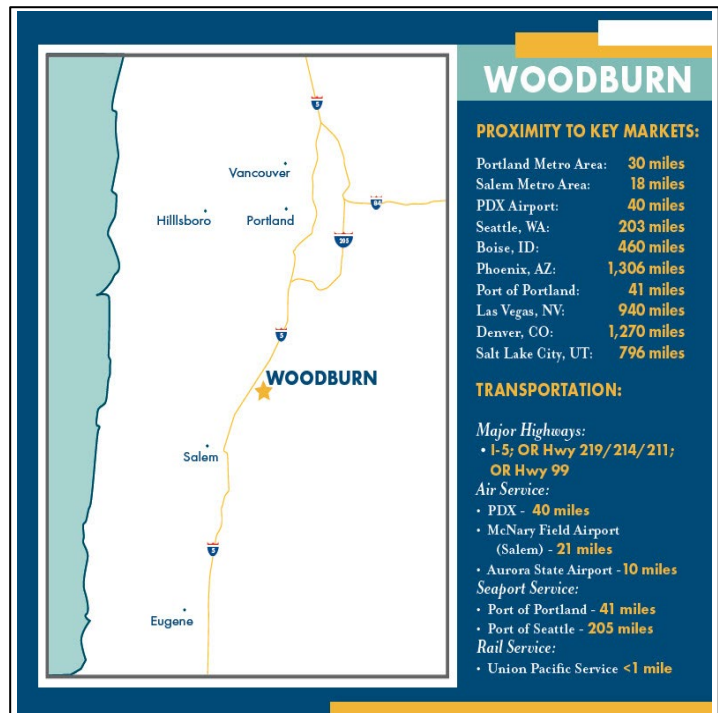
Introduction

City of Woodburn Background

The City of Woodburn is a municipal corporation, which operates under a Council-Manager form of government. Policymaking and legislative authority are vested in the City Council, which consists of an elected Mayor (two-year term position) and six councilors (four-year term positions). The City Administrator is responsible for carrying out Council ordinances and policies, managing the daily operations, and appointing department heads. The City provides a full range of services, including but not limited to: police, water, wastewater, public works, library, parks, recreation, aquatics, municipal court, community planning and building inspections, and economic development.

Woodburn, incorporated in 1889, is located in the Willamette Valley halfway between the larger urban areas of Portland and Salem.

The City of Woodburn, with a population of 29,455¹, is Oregon's 21st most populated city, and third most populated city in Marion County². The population of the region within a 30-mile drive of Woodburn is 2.1 million, according to the American Community Survey. The US Census data shows Woodburn per capita income was \$28,467 (compared to \$44,063 for the state), and the median income for a household was \$67,469, or 15.8 percent less than the state median household income of \$80,160³.



Historically, the Woodburn economy centered around agricultural and forest products, with the City serving as the manufacturing and services hub for these two sectors. As nearby urban populations have grown, Woodburn has attracted a variety of new businesses ranging from advanced manufacturing, distribution and warehousing, agricultural and food processing, wood products manufacturing, regional retail and a wide range of service-providing businesses. Amazon has built a 3.8 million square foot fulfillment center in Woodburn that is the largest current construction project in the state. Amazon will begin the hiring process in early 2025 for an operational opening in the spring of 2025.

¹ Alkitkat, H. (2024). Portland State University Population Research Centr (2024, December 15). *2024 Certified Population Estimates*. PSU Population Research Centre Population Estimate Reports. Retrieved December 19, 2024, from <https://www.pdx.edu/population-research/population-estimate-reports>

² LOC (2024). 2024 State Shared Revenue Report Provided By Location With Estimates. League of Oregon Cities. Retrieved December 19, 2024, from <https://www.orcities.org/application/files/7317/0726/5239/2024SSRFullReport.pdf>

³ United States Census Bureau (2024). Oregon; Woodburn city, Oregon. Quick Facts. Retrieved December 19, 2024, from <https://www.census.gov/quickfacts/fact/chart/OR.woodburncityoregon/INC910223>

Woodburn is an attractive community with new single and multi-family housing subdivisions already in the development queue. Metro area transportation issues and affordable housing shortages are creating population shifts into Woodburn. Marion County's adopted population projections indicate Woodburn will grow to 34,158 6 by 2030.

Purpose of the Forecast

The intent of this forecast is to project the financial position of primary operating funds, based on current service levels and conservative assumptions. The forecast sets the stage for the annual budget process, aiding both the City Administrator and City Council in establishing policies and priorities to allocate resources appropriately. Forecasting is one of the most powerful tools the City has available to help make informed financial decisions that will ensure the City's future vitality and economic stability.

Forecast Methodology

Economic forecasting is not an exact science; rather, it is dependent upon the best professional judgment of the forecasters. The City of Woodburn's approach to forecasting is to apply a conservative philosophy that neither overstates revenues nor understates expenditures. To enhance the accuracy of projections, the City identifies factors that contribute to the changes in revenues and expenditures, such as development, inflation, interest rates and known future events that will affect operations. Forecasting of operating costs embraces the concept of the status quo. This concept assumes that the current level of service will continue for the next five years with cost changes based on inflationary increases. This provides a baseline economic estimate from which reductions or increases in service levels can be determined. To the extent certain reductions or additions are anticipated, they are noted within the fund section of this report. Exceptions to the status quo assumptions are noted at the beginning of each fund.

Capital improvement projects are prioritized according to master plans for Water, Sewer, Transportation, Storm Water, and Parks, but are scheduled based on available resources. To the extent possible, operations are funded first, and remaining resources are allocated to fund capital improvement projects. This frequently means that improvements are delayed until the needed funding has been set aside. Improvements too expensive to be paid from net resources are assumed to be funded via bonded debt, although in practice, this is a rare occurrence. For these reasons, capital construction funds, and the related special revenue funds, are not included in this forecast.

Utilizing general ledger reports, audited financial statements, water and sewer master plans/rate studies, and published City budgets, each of the funds listed below were examined to identify patterns in revenues, expenditures and cash balances that may indicate financial instability or threats to the sustainability of current operations.

We look forward to feedback from the City Council and other interested parties on identified issues. Because the fund section provides detailed information, the executive summary will focus on the most significant issues facing the City.

Executive Summary

The forecast is based on the combined effort of City staff and predicts that most operating funds will have sufficient resources to meet expenses over the five-year period. A few of the fund graphs depict a declining undesignated balance of resources. While this may seem alarming, it is just an indicator. In reality, the City would not submit a proposed budget where costs exceed all available resources. The forecast allows the City to identify where problems might occur and provides the adequate time to take corrective action before the situation becomes a crisis. The goal in assembling this report is to reveal trends, highlight financial issues and provide suggestions and options.

Economic and Demographic Assumptions

Oregon and the City of Woodburn's economic condition will be heavily influenced by population growth. Woodburn's economy determines the ability to retain the local workforce as well as attract new job seekers. These factors will weigh heavily upon the City's ability to continue to provide a high-level service to the public.

Issues in the Coming Year

- Continued focus on stabilizing finances across all funds in light of rising wages, increased retirement costs and medical insurance costs, and the need to grow the work force to sustain a growing community
- The 2016 Urban Growth Boundary (UGB) expansion has permitted opportunities for development, which will increase future demands on safety/security, water, sewers, streets, building activities, and recreational opportunities. Supplying the demand is expected from an estimated 3,000 housing units (a mixture of both single-family and multi-family) over the next five years. Employment needs will be met by the nearly completed Amazon facility and development of the newly annexed industrial areas (expected to provide an estimated 1 million additional square feet during this time.) The City has begun the process of expanding the UGB to include the Urban Reserve Area identified in the last expansion

Citywide Issues Beyond One Year

Public Employees Retirement System (PERS): The City participates in the Oregon PERS State and Local Government Rate Pool employee pension program. The City's liability in PERS was \$15,288,174⁴ as of June 30, 2024. This liability will be paid through a combination of interest earnings and rate increases. Annual interest earnings that meet or exceed 6.9 percent will reduce the liability and subsequent biennial PERS rates, while earnings below 6.9 percent will increase the liability and increase subsequent biennial PERS rates. Currently, the unfunded liability of \$9.55 million has been amortized for repayment

⁴ The \$15,288,174 is the City of Woodburn's net proportionate share of the Unfunded Actuarial Liability as of June 30, 2024. Oregon PERS' independently audited financial statement can be found at <http://www.oregon.gov/pers>

through FY 2037-38. Therefore, each biennium includes an increase due to normal cost increases for the current employees, plus an amortization payment for the unfunded liability. Rate relief is projected to begin in the FY 2038-39 biennium.

In May 2017, Gov. Kate Brown appointed a PERS task force to identify potential funding sources to address the statewide \$5 billion PERS liability. The findings resulted in the approval of Senate Bill (SB) 1566 establishing an Employer Incentive Fund (EIF), which provides up to 25.0 percent matching funds for qualifying employers who make an additional one-time lump sum payment to pay down their PERS unfunded actuarial liabilities (UAL). The PERS board is developing the program, inclusive of procedures to request matching funds and develop a strategy to reduce the unfunded liability.

The City participated in a PERS side account and in December 2019 paid PERS \$2,823,043. With the state contribution, the total Side Account as of December 31, 2023, was \$3,338,924. This reduced the City's PERS contribution rates by 2.09 percentage points.

Health Insurance

Though the City implemented a high-deductible medical plan and attempted to control health insurance costs, the growth rates on some policies have continued to increase. Due to the uncertainty in health care premiums and an increase in the City's portion of employee health care costs negotiated in new bargaining agreements, the forecast's first year includes a 9 percent growth assumption and an average 5 percent growth assumption in each year that follows.

Infrastructure Cost Escalation

The engineering cost estimates for needed infrastructure improvements have increased over the last year. The increased estimates are included in the graphical representations of the Funds as 'Capital Expenses' to indicate the sustainability of current service levels.

Fund Summaries:

General Fund

Service demands in Police and Community Services (i.e., Library, Aquatic Center, Recreation, and Parks) will increase as Woodburn's population grows. Meeting the service demands will require new/additional revenue or cuts to existing programs. Property tax revenue will assist in meeting the community needs, and the 3 percent annual growth allowed by law has been included in each of the forecast years. In addition, FY 2025-26 has an estimated 4 percent increase to account for the impact of Amazon's personal property assessment, and 2 percent for single family housing construction (9 percent total). FY 2026-27 has an additional 2 percent housing growth for the same reason and is lowered in the following years as current projects slow. Anticipated property development will be included in the tax forecast as they are added on the county assessor tax rolls. While inflation is trending downward from its high in 2022, it has not returned to the pre-pandemic levels. Inflation in the forecast matches the Consumer Price Index and is factored into personnel and materials and service cost assumptions.

Water

A rate study was presented in spring of 2018, which resulted in City Council approving ten years of rate increases beginning July 2018: 10 percent increases in 2018-19 and 2019-20, followed by annual increases of 4 percent each July through FY 27-28. Fund balance reductions are forecast over the next few years as capital projects are completed ahead of growth needs. To maintain a positive ending fund balance, the City will prioritize capital improvement projects and may defer less critical projects and/or leverage bond proceeds to spread the cost over multiple years.

Transit

Over the past four years, the Transit Fund has slowly accumulated a healthy fund balance due to a combination of state formula and competitive funds from the Oregon Department of Transportation (ODOT), federal funds from the Federal Transit Administration (FTA) and American Rescue Plan (ARPA), and an annual subsidy from the General Fund (GF). Transit aggressively seeks state and federal grants to fund operations, update the vehicle fleet, and maintain and/or increase current levels of service. Revenue from the statewide transit tax of 0.1 percent, implemented in July 2018 and charged to all Oregon employees through payroll, helps increase annual revenues and subsidizes fares currently. ARPA funds helped smooth pandemic-related operational disruptions and higher than average operational and capital costs, impacted by increasing inflation and supply shortages, have begun to level off.

Wastewater

The Sewer Fund reflects the utility rate revenue and operational costs. Major expansion at the Wastewater Treatment Plant (WWTP) originally planned in FY 2011-12 had been on hold awaiting a decision from DEQ regarding the water quality limits for temperature. With that lawsuit finally resolved, work is now underway on the project to update the Wastewater Facilities Plan and Rate Study, which will inform necessary facilities upgrades and the financial resources required to complete them. To maintain a positive ending fund balance, the City will prioritize capital improvement projects according to needs and funding availability and may defer less critical projects and/or leverage bond proceeds to spread the cost over multiple years.

Streets

The City has allowed the fund balance to grow in preparation of priority capital projects. However, the current funding level is insufficient to cover the escalating cost of infrastructure maintenance. This is due to limited revenue sources including a state and city gas tax, utility privilege taxes, and ODOT funds which do not fully keep pace with necessary streets repair and new infrastructure projects.

General Fund

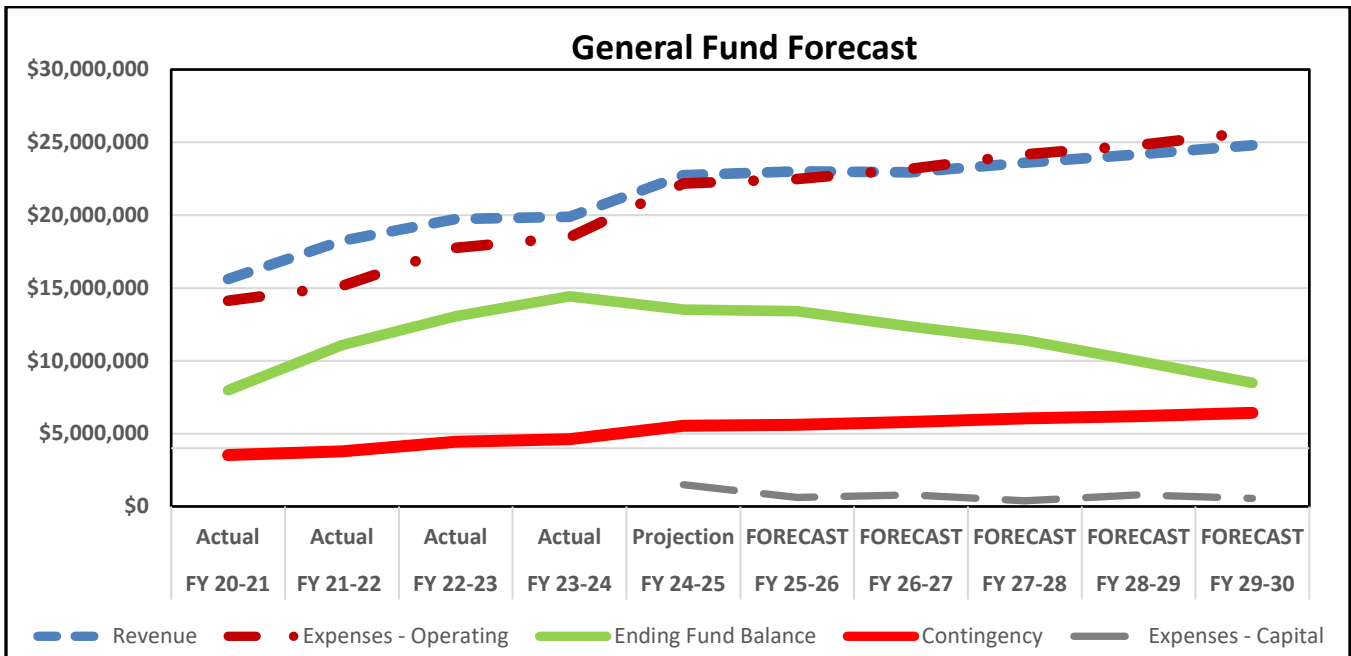
Variations from Status Quo Assumptions

- Wage growth in the first three years will exceed inflation as new union contracts begin
- Health insurance premiums are projected at 9% growth in the first year and 5% per year thereafter
- As large utility rate increases begin to slow, franchise fee increases are estimated to come down from an 8% growth rate over the past two years to 3% growth in FY 2025-26 and 2% for the next few years.

Key Assumptions

- Property tax revenue increase of 9% in FY 2025-26, 5% in FY 2026-27, 4% in FY 2027-28, and 3% in FY 2028-29 and 2029-30
- Average PERS rate was 22% in FY 2023-24 and FY 2024-25, increasing to 24.5% in FY 2025-26 and FY 2026-27, 26.5% in FY 2027-28 and FY 2028-29, and to 28.5% in FY 2029-30
- ARPA reimbursements for COVID-related expenses concluded in FY 2024-2025
- General Fund Right-of-Way 5% charge on Water and Sewer continues
- Grant revenue, often competitive and received once, is not assumed to replenish future revenue

Operating Position



G.F.	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
	Actual	Actual	Actual	Actual	Projection	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
Rev	15,613,700	18,238,109	19,746,447	19,895,404	22,755,500	23,004,050	22,936,770	23,602,630	24,174,740	24,798,560
Exp	14,127,125	15,150,253	17,765,551	18,477,279	22,179,650	22,473,011	23,195,442	24,164,826	24,813,519	25,715,857
Diff	1,486,576	3,087,856	1,980,896	1,418,125	575,850	531,039	(258,672)	(562,196)	(638,779)	(917,297)

Property taxes account for about 60 percent of annual revenues in the General Fund forecast. Property taxes will increase as new developments occur within city limits, but it takes several years to see the revenue increase. The forecast assumes a 9 percent property tax increase in FY 2025-26 from the continued housing construction activity over the last few fiscal years and a one-time increase from Amazon's assessed personal property. A more conservative 5 percent and then 3 percent growth in the remaining fiscal years of the forecast is anticipated as the construction of new housing units flattens out.

Franchise fees, the second largest revenue in this fund, are based on the gross revenues collected in Woodburn for utilities that use the City's right-of-way. Forecast revenues are projected to increase by 3 percent in FY 2025-26 and then 2 percent in the following years. Factors include a mixture of utility rates increases and a slowing of new commercial and residential development.

Potential Impacts and Issues

There are potential future demands that could increase costs in this fund, causing expenditures to outpace revenue and result in operational imbalances. This will require close monitoring. These include:

Staffing Recruitment and Retention: to remain competitive in the regional job market, the City will continue to evaluate salary rates and plan accordingly.

Police Staffing: As the community grows, there will be an increase in demand for police services. The addition of two police officers in FY 2024-2025 helped address this need; however, additional officers may be needed in the future.

Parks & Recreation: As demand grows for use of City parks, additional burden is placed on the City's General Fund to provide enhanced services.

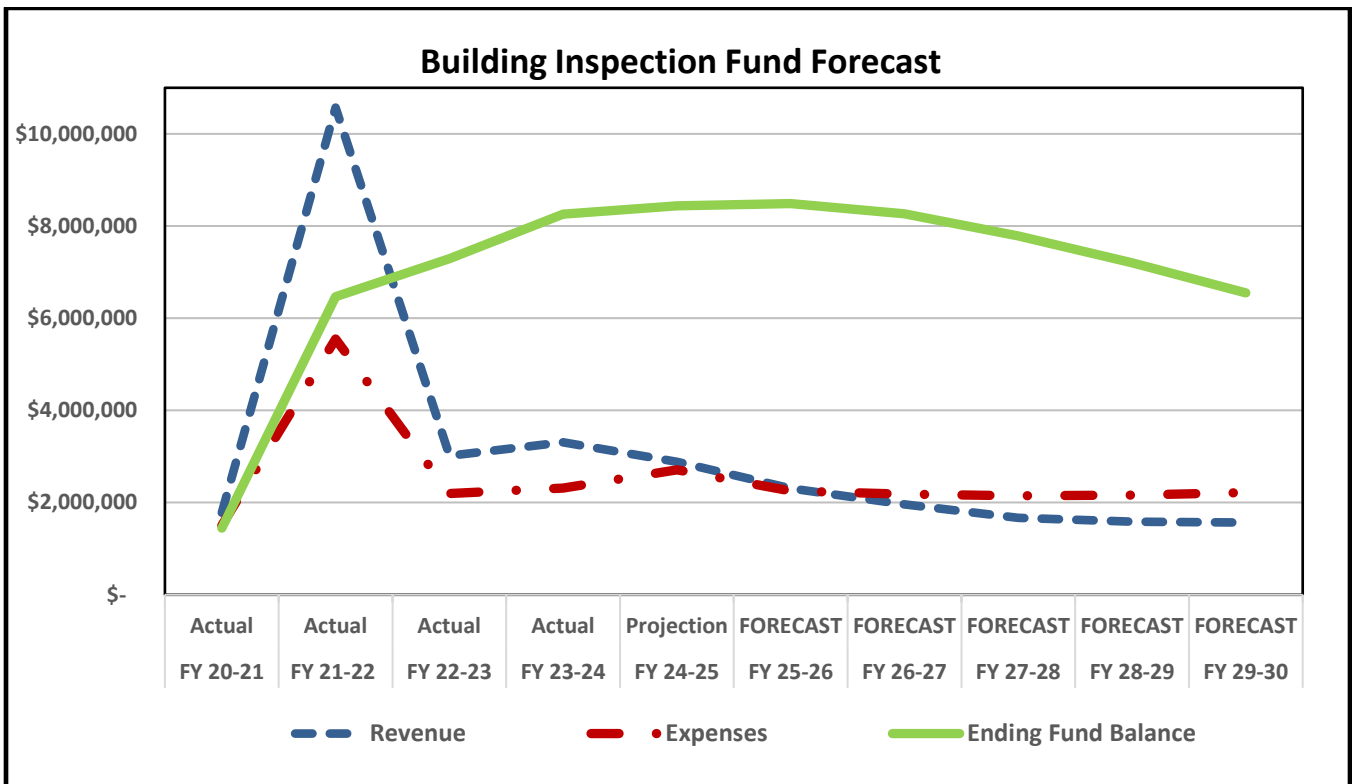
Engineering & Planning: Engineering & Planning division expenditures has been significantly impacted by new development within the expanded Urban Growth Boundary, and by the City as a whole. The City will closely monitor the actual revenues and operational needs against the forecast and will take corrective action if necessary.

Building Inspection Fund

Variations from Status Quo Assumptions

- Permit revenue continues to be strong due to large residential and commercial developments currently in the pipeline. Revenues are based on permits issued for new development and redevelopment that historically ebbs and flows. A conservative forecast reflects a future revenue decline from a FY 2021-22 high point of new housing and Amazon construction permit revenue and a potential build out of developable land within the UGB. FY 24-25 revenue is projected to decrease by 12% from the year prior. Assumptions include a 20 percent revenue decrease in FY 2025-26, a 15 percent decrease in FY 2026-27 and 2027-28, followed by a 5 and 1 percent decrease in revenue in FY 2028-29 and 2029-30 respectively.

Operating Position



Potential Impacts and Issues

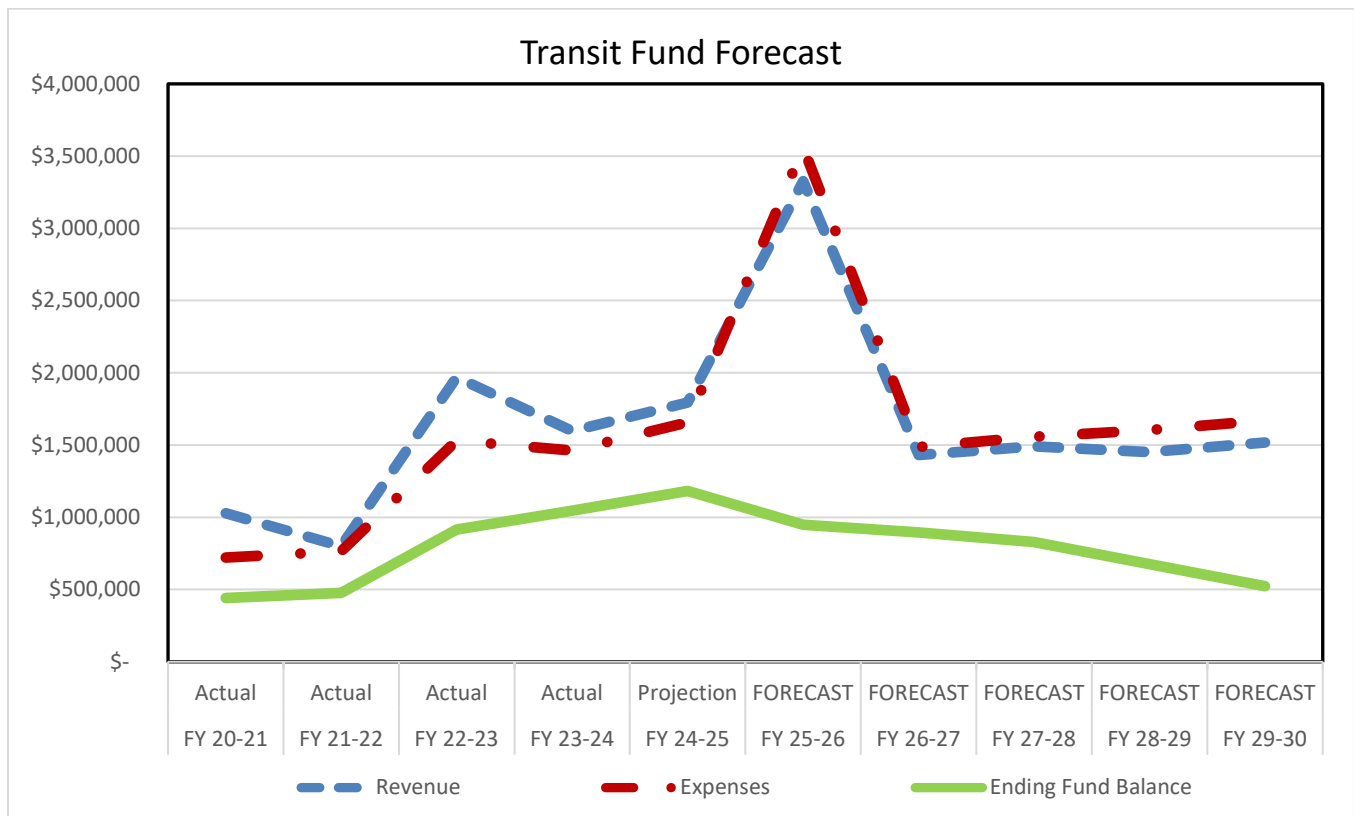
The Building Fund will be significantly impacted by the pace of current development activity and the upcoming addition of the Urban Reserve Area to the Urban Growth Boundary. Delays in developers submitting plans or starting construction will impact the bottom line. As building activity is forecast to decrease over the next few years from a high point of development in FY 2021-22, the City will closely monitor actual revenues against forecasted revenues and take corrective action if necessary.

Transit Fund

Variations from Status Quo Assumptions

- FY 2025-26 includes full staffing estimates for existing routes and staffing and operational costs for a new Industrial Route serving workers in west Woodburn employment centers. Actual expenditures may be lower than forecast.
- The spike in FY 2025-26 revenue and expenditures includes planned purchases of two new passenger vehicles with grant revenue, including an electric bus and charging infrastructure
- COVID-relief funds have sunset and are not included in the revenue forecast

Operating Position



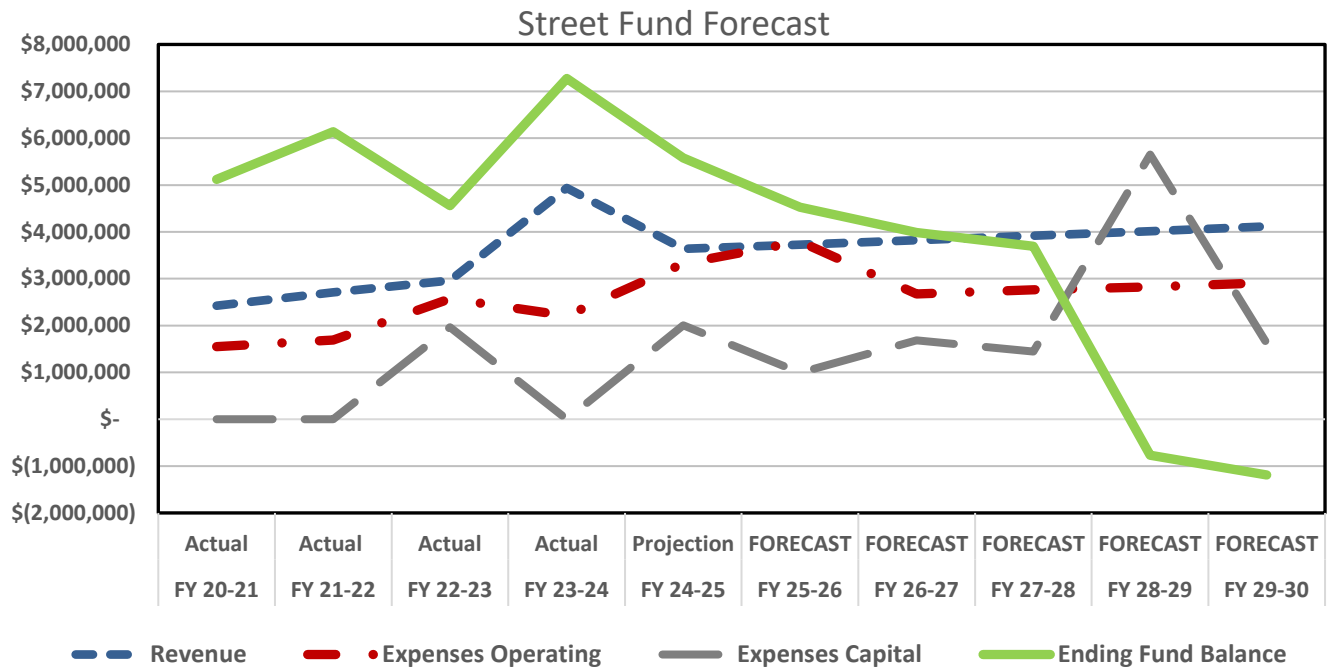
Transit provides Dial-a-Ride services for passengers with limited mobility and fixed route bus operations. Routes run city-wide seven days a week and connect with commuter routes to Salem and Wilsonville. Rides have been fareless since the pandemic, subsidized with state transportation tax revenue. City transit services are funded through a combination of State and federal formula funds and competitive grant revenue. In recent years, these sources have supported an increase in Transit’s fund balance. The City also contributes \$150,000 annually from the General Fund.

Potential Issues

The City will monitor actual revenue against operating expenditures as COVID-relief funds expire and take corrective action if necessary.

Street Fund

Operating Position



State gas taxes are the largest source of revenue followed by a City gas tax and privilege taxes paid by PGE and NW Natural. Revenue is allowed to accumulate over time to fund major street improvements. As improvements are underway, the capital expense budget (grey dashed line) spikes and the fund balance decreases. While the forecast shows the fund balance decreasing to zero, in reality, future capital projects will be staggered or delayed in a manner that preserves the Street Fund balance.

Capital Projects — From Operating Revenues

The major capital projects shown in the forecast period include improvements on Front Street from the overpass to the northern city limits, on 5th Street between Lincoln to Harrison, and on Christiansen, Oswald, Church and Elm streets.

Potential Impacts and Issues

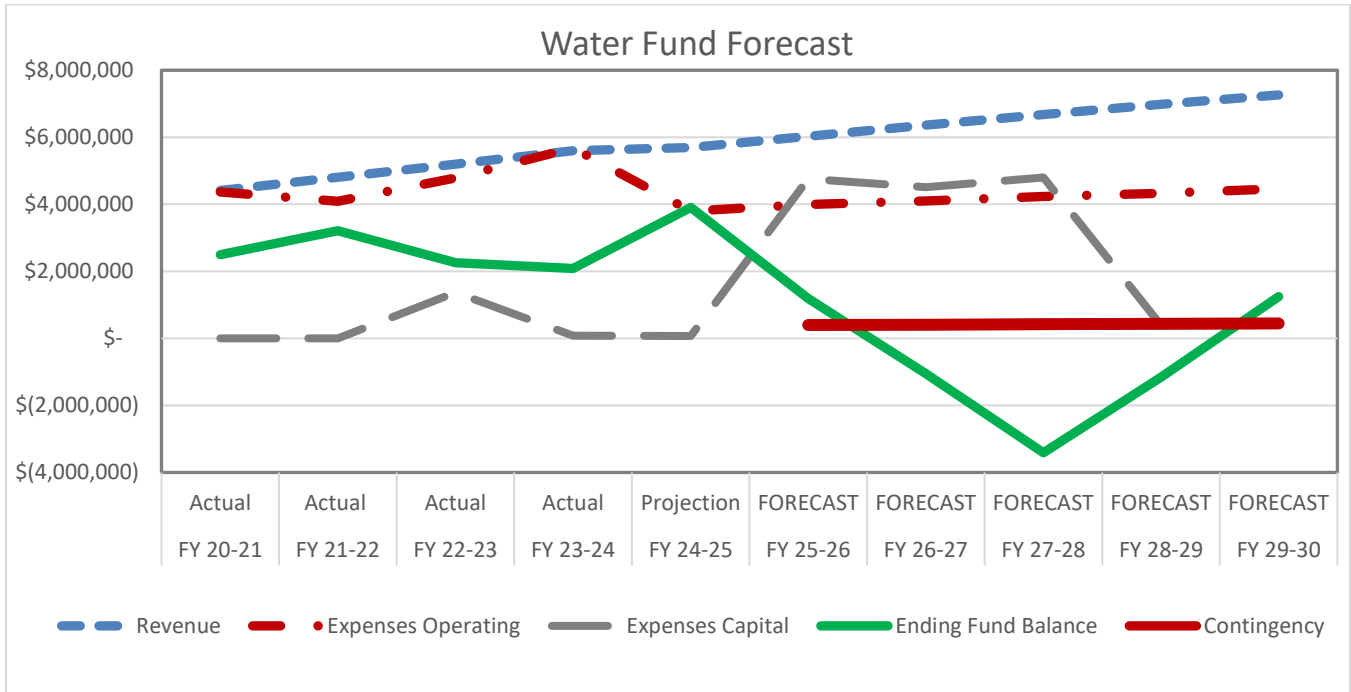
Due to stable gas tax/registration/other fees, and revenue from ODOT, the Street Fund’s operational financial outlook remains relatively stable. However, because revenue is not increasing to fully keep pace with maintenance and new infrastructure needs, new sources of revenue should be considered to support future capital improvement costs.

Water Fund

Variations from Status Quo Assumptions

- The City’s water bond was paid off in FY 2023-24 and new bonded debt may be a future consideration
- Contingency funds increased to 10% for unanticipated operational emergencies
- Capital cost estimates for needed infrastructure are impacting the fund balance

Operating Position



Water revenues are primarily driven by consumption. The funds costs are a mix of fixed expenses for the systems and infrastructure required to provide water, plus variable operating expenses.

Potential Impacts and Issues

City-wide residential and commercial growth over the past three years is currently impacting capital improvement and expansion needs and will impact future capital needs. With current water rate increases expiring in FY 2027-28, a new rate study will need to be conducted to analyze future needs.

Capital Projects — From Operating Revenues

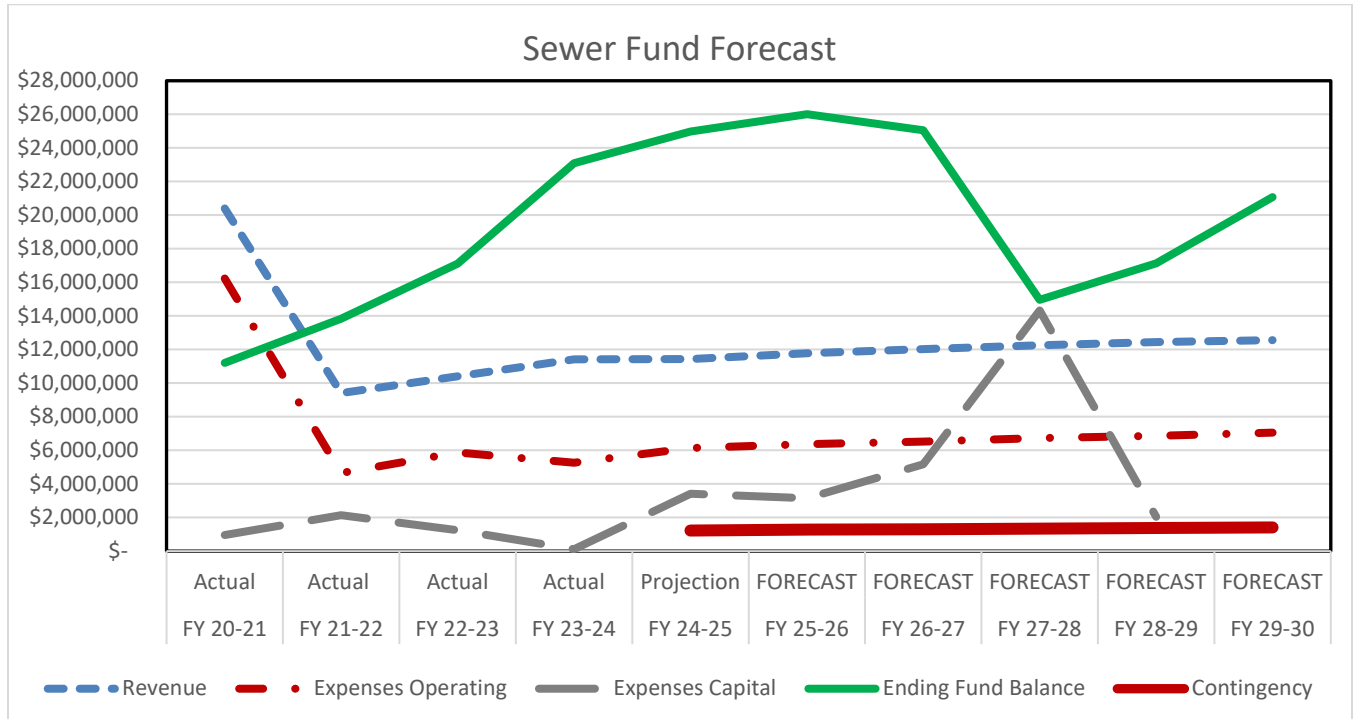
The Water Construction Fund carries a balance to cover a portion of proposed FY 2025-26 projects. While the forecast shows the Water Fund’s balance decreasing to zero in FY 26-27, in reality, capital projects will be staggered or delayed to preserves the fund balance. A new water bond should be considered in the near future to close the gap between existing revenue sources and needed capital improvements.

Sewer Fund

Variations from Status Quo Assumptions

- Contingency funds increased to 20% percent in all forecast years to better prepare for emergency repairs
- Capital cost estimates for needed infrastructure are impacting the fund balance

Operating Position



Potential Impacts and Issues

In January 2012, the final design plan for required wastewater treatment plant upgrades were submitted to DEQ based on their previously approved evaluation report. In August 2013, EPA provided notice to DEQ disapproving of Oregon Water Quality Standards, including Natural Conditions Criteria for Temperature, and Statewide Narrative Natural Conditions Criteria, in general. The Pudding River TMDL for temperature, established in 2008 using natural criteria, could no longer be used for permitting.

Recently, the legal challenges to TMDL standards have been resolved, which will allow DEQ to establish a water quality standard for the Pudding River and the development of the City’s updated National Pollutant Discharge Elimination System (NPDES) permit. To initiate this process, the City is undertaking an update to the Wastewater Facilities Master Plan & Rate Study, which will inform necessary upgrades to the treatment plant and collection systems, as well as the financial resources required to accomplish them.

Remaining Funds

Capital Construction Funds

Capital Construction Funds are not included in this forecast because their activity is limited by funds available. A more robust capital construction plan and reporting mechanisms were implemented for development during the FY 2020-21 budget cycle.

Remaining Funds

The remaining 13 funds have dedicated revenue sources, are for a specific purpose, or have nominal activity. These funds have not been included as part of the Five-Year Forecast.

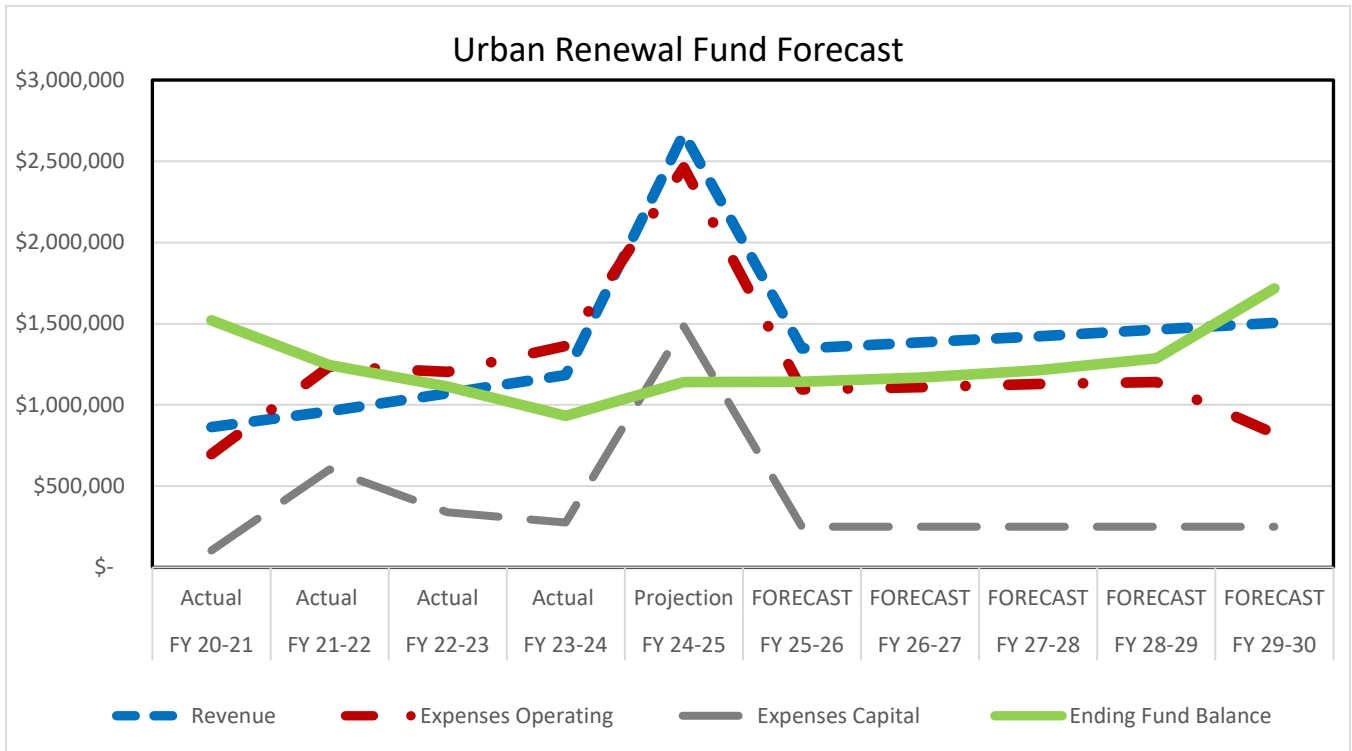
Urban Renewal Forecast is shown below.

Urban Renewal Fund

Variations from Status Quo Assumptions

- Peak in FY 2024-25: the City purchased land in the URA for future affordable housing projects. The 10-year loan will be repaid to the City’s General Fund and is reflected in revenue and operating expenditures.

Operating Position



Potential Impacts and Issues

Future projects may be impacted by funding, although many grants are available, and staff have been successful in acquiring these funds.

Capital Projects — From Operating Revenues

Capital project needs will be identified by staff on an annual basis and remain within the statutory requirements for maximum indebtedness.

Major Assumptions – Revenues

The assumptions for this forecast are based on historical trends and expected growth. Most revenues will be improved as the City's boundary grows, but there will be pressure on staffing levels or other expenses that may generate offsetting expenses in the short run.

Revenue Assumptions

Property Taxes — General Fund

The Marion County Assessor determines the taxable assessed value of each property. In Oregon, there is no correlation between real market value and assessed value. Generally, assessed values grow by 3 percent per year as allowed by the state constitution, but have been impacted by compression. Reduced property tax revenue due to compression reached a peak during the recession and has steadily improved in the last three years. The City's tax rate is permanently set at \$6.0534 per \$1,000 of assessed value and is subject to limitation under Ballot Measures 5 and 50.

Franchise Fees — General Fund

These fees are assessments on the utility companies' gross receipts for using the City's right-of-way. Rates vary by type of utility ranging from 3 percent to 8 percent. Franchise fees are assessed on telecommunication, cable television, natural gas, electric utilities, ambulance, and garbage. These revenues are expected to grow at a rate of 2-3 percent for the forecast period. A new Right-of-Way Franchise Fee was implemented in December 2020 for small utilities using the City's right-of-way.

Charges for Goods & Services — Utility User Charges

Water: The forecast assumes a 4 percent rate increase in each of the forecast years as adopted by City Council through 2028.

Sewer: With no rate increases currently in the plan, revenue growth must come from strong residential building activity in the city. As building activity declines, other revenue sources will be considered for necessary infrastructure improvements.

Gas Taxes

The State Gas Tax is estimated to have a small growth rate of 1-2 percent per year, with a combined Street revenue increase of 2.5 percent per year.

Building, Planning and Engineering Permits

Permit revenue forecasts are based on specific building developments and assumptions about which fiscal year the development is likely to begin. Building revenue assumptions include a decline in revenue over the five-year forecast, declining more steeply in the near future and leveling off in the last year.

Major Assumptions – Expenditures

Personnel Services

- Wages: A blended COLA and merit increase raises wage assumptions by 4.5 percent between FY 2025-26 and FY 2027-28, with a 1 percent decrease in subsequent years that assumes a slightly lower COLA. This estimate takes bargaining agreements into account.
- Insurance: With steep medical insurance rate increases over the past two years, a growth rate of 9 percent is assumed in FY 2025-26 and drops to a 5 percent increase in the four years that follow.
- PERS: Rate assumptions include 2.5 percentage point increases every two years through the 5-year cycle and is sourced from the State PERS Board annual report. General Fund PERS assumptions tend to be slightly higher than other funds due to higher PERS rates for Police service employees.

Material and Services

Management has been aggressive in managing costs in this category to help offset growth in personnel services. In consideration of this, along with possible inflationary increases and the need to preserve fund balance for operations, the Material and Services expenditure category assumes no increases to overall spending. Possible building material costs, repairs, and rising utility rates may cause this category to exceed management targets, but flat spending should help offset these increases.

Capital Equipment

Public Works departments maintain a replacement reserve fund for capital equipment replacement, with annual fund contributions from the Water, Streets and Sewer funds. The General Fund replaces equipment on an as-needed basis or emergency basis, with emphasis on whether funding is available. Equipment and vehicle costs have been impacted by record high levels of inflation over the past few years, but with inflation as a whole coming down, cost estimates in this forecast are anticipated to increase by less than in recent forecasts.

Debt Service

Estimates are based on amortization schedules for outstanding debt issues. In this forecast, new debt is assumed only in the URA Fund.

Glossary

Capital Projects

New construction and major repairs to the City's fixed assets

Operating Position

Recurring revenues and recurring expenditures

Potential Impacts

Refers to issues and challenges that are in addition to the status quo. The intent is to inform the reader of economic matters that might occur during the forecast period.

Recurring Expenditures

The expense portion of status quo, predictable and on-going costs

Recurring Revenues

The resource portion of status quo, predictable and ongoing revenues

Revenues

Includes both recurring revenues and transfers in

Status Quo

The current level of services

Transfers In

Internal charges by General Fund for services provided to other funds

Urban Growth Boundary (UGB)

A regional boundary around the City's perimeter used by local governments as a guide to zoning and land use decisions to control urban expansion onto farm and forestlands

EXHIBIT B
DEBT ISSUANCE & MANAGEMENT POLICY

A. Purpose

To establish policies for debt financing that will provide needed facilities, land, capital equipment, and infrastructure improvements while minimizing the impact of debt payments on current and future tax and rate payers. The City is given authority to borrow under various provisions in Oregon law and the City Charter. A debt, except certain lease/purchase agreements, must be authorized pursuant to a resolution of the City Council.

B. Use of Debt Financing

Debt financing may be considered when purchase or construction of assets cannot be prudently acquired from current revenues or accumulated committed fund balances. Debt types are limited by Oregon statutes and may include general obligation bonds, limited tax obligation bonds, local improvement district bonds, bond anticipation notes, certificates of participation, lease/purchase agreements, full faith and credit bonds and revenue backed bonds. Any combination of debt may be used to finance an asset. Debt will not be used to fund current operating expenditures.

The City will pay cash for capital improvements within the financial affordability of each fund versus issuing debt. Cash resources may include system development charges, developer fees, interagency agreements, grants and accumulation of resources within operating funds.

The City will issue debt in accordance with the adopted Master Debt Resolutions for Sewer and Water. General Obligation debt will only be issued in compliance with state statutes. Debt will only be issued (for all fund types) when a dedicated resource is available to meet the required debt service and reserve.

The Finance Director shall perform a cost benefit analysis with the goal of minimizing the cost of financing to the City prior to presenting debt recommendations to the City Council. No debt will be issued without the approval of the City Administrator and authorization of the City Council.

C. Debt Margins

The legal debt margin is 3% of the true cash-value limitation as set forth in ORS 223.295. It shall be the City's policy to not exceed a debt margin limit of 1.5%.

D. **Debt Compliance**

On an annual basis the Finance Director shall ensure that annual reporting requirements have been met and will review the condition of the corresponding debt funds to ensure compliance with existing financing agreements.

E. **Debt Structures**

The City may issue long term or short-term debt. Long term debt life shall normally not exceed 20 years for general obligation bonds and 25 years for revenue bonds but in no case longer than the useful life of the asset. Shorter repayment terms shall be considered when financially prudent.

Balloon or term payments may be considered provided financial analysis indicates such terms may be met financially without further rate or tax increases to satisfy the future large payments and without refinancing the balloon amount. Sinking funds (a committed fund balance) shall be established as necessary to provide for timely retirement of debt.

The City shall strive to begin principal reduction within a year after issuance but in no event shall a repayment structure contain more than three years of interest-only payments. Interest only years shall not extend the maximum debt life as noted above.

Short-term or interim financing are exceptions to this policy. These debt instruments are issued in anticipation of future long-term debt and may be interest only and refinanced as is prudent and required for the construction of the asset. Nevertheless, the City shall issue debt based on a fixed rate and strive to minimize the use and life of such debt.

F. **Internal and Inter-Governmental Financing**

The City may meet internal financing needs through intra- or intergovernmental loans if the City Council determines it is in the City's best financial interest to do so. The City may also enter into an inter-governmental agreement (IGA) between the City of Woodburn and the Urban Renewal Agency (URA) for the City of Woodburn to provide financing for urban renewal activity, when the City Council determines it is in the City's best interest to do so. In analyzing whether such financing is appropriate, consideration will be given to:

- Length of the borrowing term: The maximum term for a capital loan is limited to ten years, and the maximum term for an operating loan is limited to one year. *See* ORS 294.468(2)(a-d) and (3).
- Cost-benefit analysis: The rate of interest and borrowing costs from external sources must be weighed against the current and anticipated interest earnings for internal funds.

- The borrowing fund's ability to repay the loan.
 - Budget authority.
1. Interest Rate on Internal and Inter-governmental Financings (a.k.a. government-to-government Financings: Financings shall bear an annually fixed interest rate consistent with the City's combined portfolio rate based on the City's prior year's combined portfolio rate.

Internal and inter-governmental transfers will be managed consistent with state law.

G. Debt Refunding/Refinancing

1. Purpose.
 - a. From time to time, the City Council and/or the City Administrator may direct the Finance Director to determine the feasibility of refinancing/refunding existing debt. Refinancing may include restructuring to meet unanticipated revenue expectations, achieve cost savings, mitigate irregular debt service payments, release reserve funds, or remove unduly restrictive bond covenants.
 - b. The City will evaluate each refinancing/refunding candidate on a case-by-case basis. The decision to refinance/refund existing debt shall comply with all limitations set forth in ORS 287A, the state statutes pertaining to authority to issue debt. At a minimum, the net present value savings of a refunding should exceed 3.0% of the refunded maturities unless (1) a debt restructuring is necessary or (2) bond covenant revisions are necessary to facilitate the ability to provide services or to issue additional debt or (3) the refunding is combined with a new debt issuance. The City may issue current refunding bonds (as defined for federal tax purposes) when financially advantageous, legally permissible, and net present value saving equal or exceed \$100,000 inclusive of all related issuance costs.
2. Responsibility.
 - a. The Finance Director, with the assistance of consultants as needed, shall have the sole responsibility for conducting the analysis of outstanding bond debt for refinancing/refunding opportunities that may be presented by underwriting and/or financial advisory firms and making a recommendation to the City Administrator.
3. Term.
 - a. The City may refund bonds within the term of the originally issued debt. However, the City may consider maturity extension, when necessary to

achieve a desired outcome, provided that such extension is legally permissible. The City may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful life of the financed facility and the concept of intergenerational equity should guide this decision.

4. Report.

- a. The Finance Director will make a full report to the City Administrator on the potential saving generated and any financial risk associated with refinancing/refunding the debt.

H. **Interest Earnings on Debt Proceeds**

Bond proceeds shall be promptly invested in accordance with the Investment Policy. Focus shall be on safety and maturity of investments to coincide with expected cash flow needs of the bonded projects.

Use of investment interest on bond proceeds will be limited to funding changes to the bond financed project, as approved by City Council, or be applied to debt service payment on the bonds issued for such project.

I. **Sale Process**

The City shall use a competitive bidding process in the sale of debt unless the nature of the issue warrants a negotiated or private placement sale. The City will utilize a negotiated process when the issue is, or contains, a refinancing that is dependent on market/interest rate timing, if the interest rate environment or market/ economic factors may affect the bond issue or if the nature of the debt is unique and requires particular skills from the underwriters involved. Private placement (debt sold directly to a commercial bank) may be used when anticipated to result in cost savings or provide other advantages when compared to other methods of sale, or if it is determined that access to the public market is unavailable. The City shall award the bonds based on a true interest costs (TIC) basis. However, the City may award bonds based on a net interest cost (NIC) basis as long as the financial advisor agrees that the NIC basis can satisfactorily determine the lowest and best bid.

J. **Financial Advisor**

The City shall employ an independent financial advisor registered with the Municipal Securities Rulemaking Board (MSRB) for all competitive and negotiated issuances. The advisor shall attempt to involve qualified and experienced firms, which consistently submit competitive bids on local government bond underwritings. For negotiated issuances the advisor shall review the offered amortization schedule, interest scale and

TIC/NIC and provide guidance on the competitiveness compared to similar issues traded currently. The advisor may also be involved with preparation of bond prospectus, rating presentations, communication with legal counsel and other services necessary for the timely and prudent issuance of debt.

K. **Bond Ratings**

Full disclosure of operations and open lines of communications shall be maintained with the rating agencies. Credit ratings on publicly traded issues will be sought from one or more of the nationally recognized municipal bond rating agencies as recommended by the City's financial advisor.

The City will continually strive to maintain or increase the City's current bond ratings by prudently managing its funds and by reviewing and monitoring financial policies, budgets, forecasts and the financial health of the City.

L. **Bond Counsel**

Bond Counsel to the City has the role of an independent expert who provides an objective legal opinion concerning the issuance and sale of bonds and other debt instruments. As bond counsel are specialized attorneys who have developed necessary expertise in a broad range of practice areas, the City will always use a consultant for these services. Generally, bonds are not marketable without an opinion of a nationally recognized bond counsel stating that the bonds are valid and binding obligations stating the sources of payment and security for the bonds and that the bonds are exempt from federal and state income taxes.

Due to the complexity of the City's financial structure and the benefits that come with the history and knowledge of the City and prior debt issuances, there is no requirement for rotation.

M. **Covenant Compliance and Annual Disclosure**

The City will comply with all covenants stated in the bond ordinance, including providing for annual disclosure information and providing for material event notices. The Finance Director shall be responsible for maintaining the City's relationship with the rating agencies and investors. In consultation with Bond Counsel and the City Attorney, the Finance Director shall oversee the preparation of official statements, disclosure documents, annual filing under MSRB, and any special notices of certain "material events," in connection with its borrowings.

N. **Debt Security**

Debt may be secured by various funding sources including:

1. General Obligation Bonds: secured by property taxes
2. Revenue Bonds: secured by specified revenue(s)
3. Limited Tax General Obligation: secured by resources within the General Fund
4. Local Improvement District Bonds: secured by liens on affected property
5. Other types of debt approved by the City Council including bank line of credit and leases

O. **Arbitrage Rebate Monitoring and Reporting**

The Finance Department has a written procedure/policy pertaining to maintaining a system of recordkeeping and reporting to meet the arbitrage rebate compliance requirement of the IRS regulation. The recordkeeping includes the tracking of project expenditures, interest earned on the bonds, calculating rebate payments and remitting any rebatable earnings to the federal government in a timely manner in order to preserve the tax-exempt status of the outstanding debt. Arbitrage rebate calculations will be performed periodically on all debt issues but no less frequent than required to satisfy IRS reporting requirements. Due to the specialized nature of the calculations, this function will typically be outsourced.

P. **Lease/Purchase Agreements**

The City may use lease/purchase agreements for the acquisition of equipment and vehicles when it is cost-effective and provides for attractive terms. All lease/purchase agreements will be reviewed by the Finance Director who shall determine whether a lease/purchase is appropriate given the circumstances. Agreements will be approved by either the City Administrator or City Council given the purchasing authorization thresholds set out under the City's public contracting policy in place at the time of lease. City purchasing policy rules are to be followed for the selection of the purchase.

Q. **Selection of Auditors**

At least every five years, the City shall request proposals from qualified firms, including the current auditors if their past performance has been satisfactory. The City Council shall select an independent firm of certified public accountants to perform an annual audit of the accounts and records and render an opinion on the financial statements of the City.

EXHIBIT C

GRANTS POLICY

A. Purpose

The City will seek, apply for, and effectively administer federal, state and local grants which support the City's current priorities and policy objectives. The City should take advantage of opportunities to enhance service delivery through intergovernmental cooperation, shared revenues, and grants. However, grants shall not be pursued if the administrative and program burden is determined to exceed the benefit of outside resources.

B. Grant Policies

1. The City shall apply and facilitate the application for only those grants that are consistent with the objectives and high priorities identified by Council and management.
2. Determination shall be made prior to application if the City has sufficient available resources for cash match requirements.
3. Grant funding will be considered to leverage City funds. Inconsistent and/or fluctuating grants should not be used to fund ongoing programs and services.
4. The potential for incurring ongoing costs to include assumptions of support for grant-funded positions from local revenues will be considered prior to applying for a grant.

C. Approval to Pursue.

The City Administrator's approval is necessary before an employee pursues lobbying efforts on matters having budget implications, and before grant applications are submitted to the granting agency. Department Heads should advise the City Administrator before official positions are taken on matters that might have budget implications.

D. Grant Review Process

1. A uniform grants pre-application process will be utilized to assure the City has all the information necessary to make a decision regarding a potential grant. Information to be provided should include, but not be limited to:
 - a. The grant being pursued and the use to which it would be placed.
 - b. The objectives or goals of the City which will be achieved through the use of the grant.
 - c. The local match required, if any, plus the source of the local match.
 - d. The increased cost to be locally funded upon termination of the grant.

2. All grant agreements will be reviewed by the appropriate City staff, including Finance, Legal, Human Resources, and the sponsoring department, to ensure compliance with state, federal, and City regulations.
3. The City Administrator shall approve all grant submissions on behalf of the City and the City Council shall approve all grant acceptances requiring expenditures not included in the City's adopted budget or where the awarding organization requires the authorization of the governing body.

E. **Budgeting for Grant Expenditures**

Departments seeking or receiving grant proceeds shall be responsible for including the proper amount in the budget. Only known grant awards or pending requests with a high level of assurance of award shall be budgeted. Budget amendments may be processed for grants not included in the budget but awarded and received during the fiscal year.

F. **Grant Termination and/or Reduced Grant Funding**

The City shall terminate grant-funded programs and associated positions when grant funds are no longer available and it is determined that the program no longer supports City goals and/or is no longer in the best interest of the City, unless the City has obligated itself through the terms of the grant to maintain the positions, services, or equipment. Exceptions may be made when it is not in the City's best interest to terminate a program of service.



Agenda Item

January 13, 2025

TO: Honorable Mayor and City Council through City Administrator

FROM: Chris Kerr, Community Development Director *ck*,
Dan Handel, Planner

SUBJECT: **Council Briefing of Planning Commission approval of a Design Review and Variance application for “Siamak’s Car Company” at 1221 & 1241 Evergreen Road (DR 24-04 & VAR 24-01)**

RECOMMENDATION:

Staff recommends that the City Council take no action on this item and provides this summary pursuant to Woodburn Development Ordinance (WDO) Section 4.02.02. The Council may call up this item if desired and, by majority vote, initiate a review of the Planning Commission decision.

PROPOSED DEVELOPMENT:

The subject properties are 1221 and 1241 Evergreen Road, encompassing a 3.57-acre site in the Commercial General (CG) zoning district and Interchange Management Area (IMA) overlay district. The site is already developed as an auto dealership and occupied by Siamak’s Car Company.

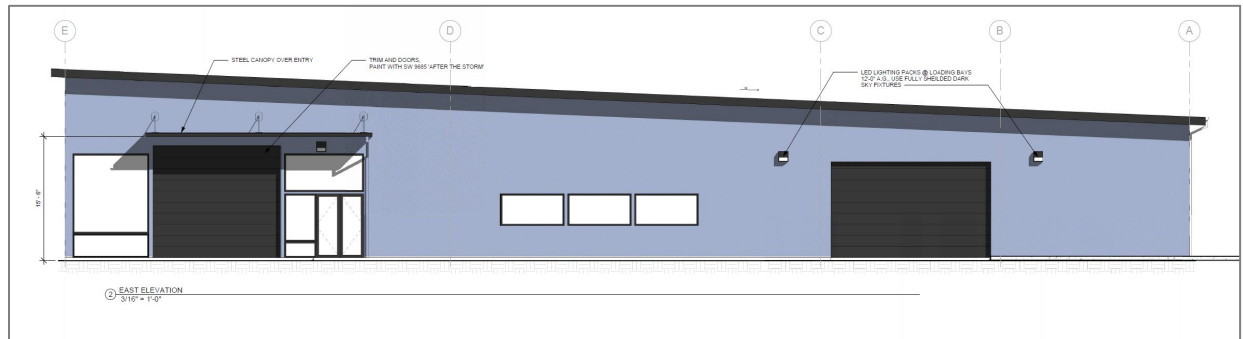
The proposal was a Design Review application to redevelop the property with a new 13,113 square foot auto dealership building and associated site improvements including parking lot, vehicle display/storage areas, and landscaping. A Variance application was included with requests to deviate from the following development requirements:

1. Minimum street improvements for Evergreen Road and Tom Tennant Drive,
2. Cross access between neighboring commercial-zoned properties,
3. Pedestrian access from the Tom Tennant Drive sidewalk, and
4. Street trees along Evergreen Road

Agenda Item Review: City Administrator ___x___ City Attorney ___x___ Finance ___x___



Site Plan



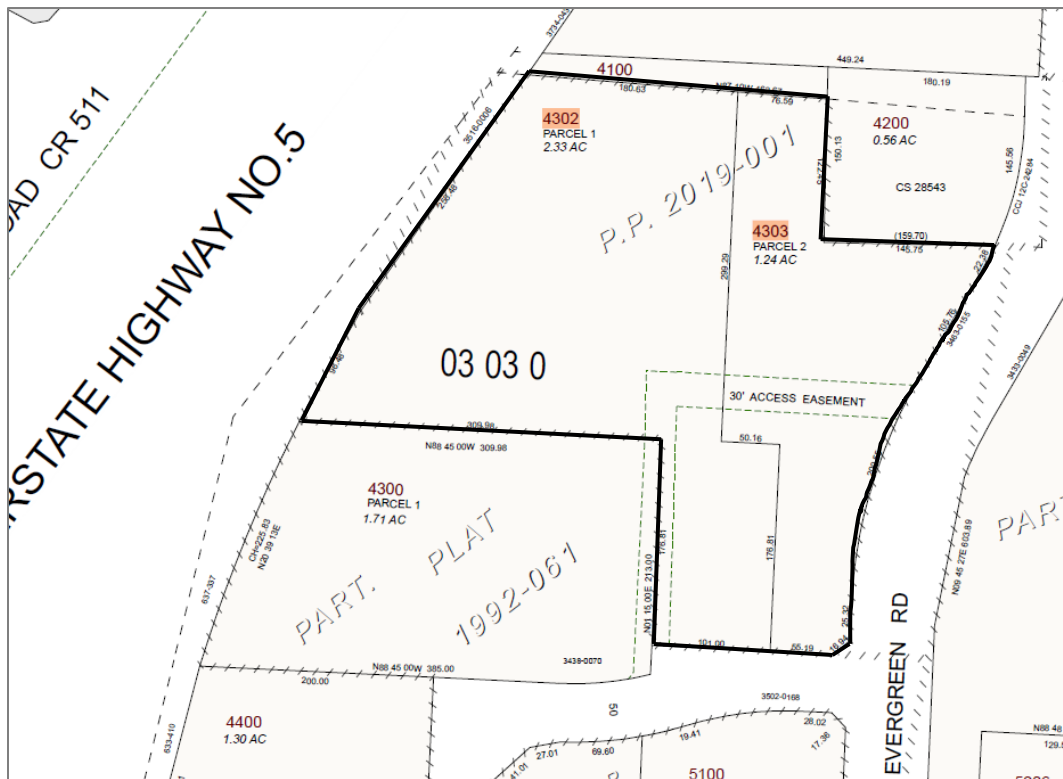
Building East Elevation (view from Evergreen Road)

PUBLIC HEARING SUMMARY:

On December 12, 2024, the Planning Commission held a public hearing for this Type III application package. Staff recommended approval with conditions, except to deny variance requests #2 (cross-access) and #3 (pedestrian access). During the hearing, the property owner shared concerns about impacts to his property and his business if those two variance requests were denied. His concerns primarily focused on security, with the biggest concern being the pedestrian access requirement from Tom Tennant Drive encouraging trespassing on his property and vandalism or theft of vehicles for sale. Regarding the cross-access requirements, he shared safety concerns and general doubts about effectiveness for providing cross-access to the strip mall property to the northeast (Tax Lot 4200, see image below).

No testimony was received in opposition to the project.

After closure of the record, the Commission deliberated, discussed the concerns brought up by the owner, and ultimately voted unanimously to approve the application package with the conditions recommended by staff, except to grant the applicant's cross-access variance request to Tax Lot 4200 (the strip mall).



Marion County Assessor's Tax Map (site outlined in black)