



CITY OF SWEET HOME CITY COUNCIL AGENDA

July 09, 2024, 6:30 PM
Sweet Home City Hall, 3225 Main Street
Sweet Home, OR 97386

WIFI Passcode: guestwifi

PLEASE silence all cell phones – Anyone who wishes to speak, please sign in.

Mission Statement

The City of Sweet Home will work to build an economically strong community with an efficient and effective local government that will provide infrastructure and essential services to the citizens we serve. As efficient stewards of the valuable assets available, we will be responsive to the community while planning and preparing for the future.

Meeting Information

The City of Sweet Home is streaming the meeting via the Microsoft Teams platform and asks the public to consider this option. There will be opportunity for public input via the live stream. To view the meeting live, visit <http://live.sweethomeor.gov>. If you do not have access to the internet, you can call in to 541-367-5128, choose option #1, and enter the meeting ID to be logged in to the call. Meeting ID: 276 473 769 028

This video stream and call in options are allowed under Council Rules, meet the requirements for Oregon Public Meeting Law, and have been approved by the Mayor and Chairperson of the meeting.

I. Call to Order & Pledge of Allegiance

II. Roll Call

III. Consent Agenda

- a) Approval of Minutes:
 - i) [2024-06-25 City Council Work Session Minutes](#)
 - ii) [2024-06-25 City Council Executive Session Minutes](#)
 - iii) [2024-06-25 City Council Meeting Minutes](#)
 - iv) [2024-07-02 City Council Executive Session Minutes](#)

IV. Recognition of Visitors & Hearing of Petitions

- a) [Anti-Bullying Proclamation](#)

V. New Business

- a) [Request for Council Action – Acceptance of the Fiscal Year 2022 Annual Financial Report](#)
- b) [Request for Council Action – Resolution No. 16 for 2024 – Adopting Revised Personnel Policies for Employees, Interns, and Volunteers of the City of Home](#)
- c) [Request for Council Action – Resolution No. 17 for 2024 – Updating Non-Represented Management Salary Schedules](#)

VI. Reports of Committees

VII. Reports of City Officials

The location of the meeting is accessible to the disabled. If you have a disability that requires accommodation, advanced notice is requested by notifying the City Manager's Office at 541-367-8969.

City Manager's Report

Mayor's Report

VIII. Department Director Reports

Library Services Director

i) [Library Director Report - June 2024](#)

Community & Economic Development Director

i) [Community & Economic Development Director Report - June 2024](#)

Finance Director

i) [Finance Director Report - FY2024 Year-End Report](#)

IX. Council Business for Good of the Order

X. Adjournment



CITY OF SWEET HOME CITY COUNCIL MINUTES

June 25, 2024, 4:30 PM
Sweet Home City Hall, 3225 Main Street
Sweet Home, OR 97386

Mission Statement

The City of Sweet Home will work to build an economically strong community with an efficient and effective local government that will provide infrastructure and essential services to the citizens we serve. As efficient stewards of the valuable assets available, we will be responsive to the community while planning and preparing for the future.

Call to Order & Pledge of Allegiance

The meeting was called to order at 4:30 PM.

Roll Call

PRESENT

Mayor Susan Coleman
Councilor Lisa Gourley
Councilor Dylan Richards
Councilor Angelita Sanchez (4:41 PM)
Councilor Josh Thorstad
Councilor Dave Trask

ABSENT

President Pro Tem Greg Mahler

STAFF

Kelcey Young, City Manager
Angela Clegg, Tourism & Economic Development Coordinator
Adam Leisinger, Communications Manager
Cecily Hope Pretty, Administrative Services Director
Robert Snyder, City Attorney
Greg Springman, Interim Public Works Assistant Director

MEDIA

Sarah Brown, The New Era
Shayla Escudero, Albany Democrat-Herald

City Council Work Session - Council Rules

City Manager Young stated that a review of the Council Rules had been identified as a Council goal for the upcoming fiscal year and City Council had requested a workshop discussing same. She provided the Councilors with copies of rules, norms, and other supplemental materials from other cities and entities to review as examples.

Councilor Sanchez entered at this time.

City Manager Young asked City Council to identify their goals for Council Rules. Discussion ensued regarding potential topics such as conduct, ethics, and accountability. There was a consensus of support for additional Councilor training.

City Manager Young asked City Council to discuss potential norms for City Council. Discussion ensued regarding potential norms without consensus.

City Manager Young asked City Council to identify specific items for potential inclusion in Council Rules. Discussion ensued regarding potential conditions and penalties for absences without consensus. Discussion ensued regarding existing ethical standards in Council Rules.

Councilor Richards expressed support for keeping the Council Rules as they are.

The City Council requested City Manager Young to provide options for several potential items, including attendance rules and a code of conduct.

City Manager Young reminded the City Council that it was their prerogative to set standards for one another and enforce them if they wished to see changes in Council conduct.

Adjournment

There being no further discussion, the meeting was adjourned at 5:30 PM.

Mayor

ATTEST:

City Manager – Ex Officio City Recorder



CITY OF SWEET HOME CITY COUNCIL EXECUTIVE SESSION MINUTES

June 25, 2024, 6:00 PM
Sweet Home City Hall, 3225 Main Street
Sweet Home, OR 97386

Call to Order

The meeting was called to order at 6:00 PM.

Roll Call

PRESENT

Mayor Susan Coleman
President Pro Tem Greg Mahler (telephone)
Councilor Lisa Gourley
Councilor Dylan Richards
Councilor Angelita Sanchez
Councilor Josh Thorstad
Councilor Dave Trask

STAFF

Kelcey Young, City Manager
Matt Brown, Finance Director
Angela Clegg, Tourism & Economic Development Coordinator
Adam Leisinger, Communications Manager
Cecily Hope Pretty, Administrative Services Director

MEDIA

Sarah Brown, The New Era
Shayla Escudero, Albany Democrat-Herald

Executive Session

The Sweet Home City Council Executive Session is held pursuant to:

ORS 192.660(2)(e) to conduct deliberations with persons designated by the governing body to negotiate real property transactions.

Official representation of the news media and designated staff shall be allowed to attend the Executive Session. All other members of the audience are asked to remain outside during the Executive Session. Representatives of the news media are specifically directed not to report on any of the discussions during Executive Session, except to state the general subject of the session as previously announced. No formal actions may be taken in Executive Session.

Formal actions to be taken, if any, as a result of the Executive Session will be conducted during Council's regular session.

Adjournment

There being no further discussion, the meeting was adjourned at 6:28 PM.

Mayor

ATTEST:

City Manager – Ex Officio City Recorder

DRAFT



CITY OF SWEET HOME CITY COUNCIL MINUTES

June 25, 2024, 6:30 PM
Sweet Home City Hall, 3225 Main Street
Sweet Home, OR 97386

Mission Statement

The City of Sweet Home will work to build an economically strong community with an efficient and effective local government that will provide infrastructure and essential services to the citizens we serve. As efficient stewards of the valuable assets available, we will be responsive to the community while planning and preparing for the future.

Call to Order & Pledge of Allegiance

The meeting was called to order at 6:32 PM.

Roll Call

PRESENT

Mayor Susan Coleman
Councilor Lisa Gourley
Councilor Dylan Richards
Councilor Angelita Sanchez
Councilor Josh Thorstad
Councilor Dave Trask

ABSENT

President Pro Tem Greg Mahler

STAFF

Kelcey Young, City Manager
Garritt Bolkcom, Police Officer
Matt Brown, Finance Director
Ryan Cummings, Police Captain
Angela Clegg, Tourism & Economic Development Coordinator
Adam Leisinger, Communications Manager
Cecily Hope Pretty, Administrative Services Director
Robert Snyder, City Attorney
Greg Springman, Interim Public Works Assistant Director

MEDIA

Sarah Brown, The New Era
Shayla Escudero, Albany Democrat-Herald

GUESTS

Robert Egner, 28628 Ridgeway Road, Sweet Home, OR 97386
Karla Hogan, 28948 Liberty Road, Sweet Home, OR 97386
Patrick Rogers, 1995 Grape Loop, Sweet Home, OR 97386

Mayor Coleman stated that President Pro Tem Mahler was on a planned vacation. Councilor Trask moved to approve President Pro Tem Mahler's absence. Councilor Richards seconded the motion. The motion carried unanimously by those present.

Consent Agenda

- a) Request for Council Action – Downtown Lounge Public Address System Application

Approval of Minutes:

- a) 2024-05-28 City Council Work Session Minutes
- b) 2024-05-28 City Council Meeting Minutes
- c) 2024-06-18 City Council Work Session Minutes

Councilor Richards moved to approve the consent agenda. Councilor Gourley seconded the motion. The motion carried unanimously by those present.

Recognition of Visitors & Hearing of Petitions

- a) Special Recognition - Life Saving Award

Captain Cummings presented a Life Saving Award to Garritt Bolkom for saving the life of a community member in distress. City Manager Young thanked Officer Bolkom for his compassion and integrity. A friend of the community member read a statement from their spouse thanking them for their service in a difficult situation.

Mayor Coleman invited public comment.

Robert Egner expressed his disappointment with the discussion regarding Council rules in the previous City Council Work Session. He requested that City Council continue to work on rules specifically related to councilor conduct to ensure accountability.

Old Business

There was no old business to be heard.

New Business

- a) Request for Council Action - Resolution No. 11 for 2024 - Appointing a City Budget Officer

Director Brown stated that appointing a budget officer was required by Oregon law.

Councilor Thorstad moved to approve Resolution No. 11 for 2024. Councilor Richards seconded the motion. The motion carried unanimously by those present.

- b) Request for Council Action - Resolution No. 12 for 2024 - Appropriating Funds for FY 2024

Director Brown stated that each fiscal year, he reviewed expenditures to ensure appropriations were correct for the fiscal year's budget in accordance with Oregon budget law.

Councilor Thorstad moved to approve Resolution No. 12 for 2024. Councilor Richards seconded the motion. The motion carried unanimously by those present.

- c) Public Hearing & Request for Council Action - To Receive Comment on the Use of State Revenue Sharing Funds - Resolution No. 13 for 2024 - Declaring the City's Election to Receive State Revenues

Mayor Coleman opened the public hearing at 6:43 PM. Mayor Coleman asked Councilor to declare any bias, conflict of interest, or ex parte information. None were declared.

Director Brown stated that Oregon budget law required an annual resolution to elect to receive shared state revenue and the public hearing was the opportunity for citizens to discuss where they would like to see the shared revenues applied in the budget.

There being no public comment, the public hearing was closed at 6:45 PM.

Councilor Gourley moved to approve Resolution No. 13 for 2024. Councilor Richards seconded the motion. The motion carried unanimously by those present.

- d) Request for Council Action - Resolution No. 14 for 2024 - Certifying the City Provides Four or More Services in Order to Receive State Revenues

Director Brown stated that the City was required to certify services in a minimum of four categories selected by the state in order to receive shared revenues. He noted that the city offered all services except for fire services, qualifying it to receive the revenue.

Councilor Gourley moved to approve Resolution No. 14 for 2024. Councilor Trask seconded the motion. The motion carried unanimously by those present.

- e) Request for Council Action - Resolution No. 15 for 2024 - Adopting the Fiscal Year 2024-2025 Budget

Director Brown stated that this resolution allowed the appropriation of funds for the next fiscal year and no monies could be spent after July 1, 2025 unless it was approved by the City Council according to Oregon budget law.

City Manager Young added that the budget as presented in the packet was unanimously approved by the Budget Committee.

Councilor Gourley moved to approve Resolution No. 15 for 2024. Councilor Richards seconded the motion. The motion carried unanimously by those present.

Item g – City Hall Lease Negotiation Authority was heard at this time.

- g) Request for Council Action – City Hall Lease Negotiation Authority

City Manager Young stated that the City had historically partnered with the Community Services Consortium (CSC) and CSC was interested in leasing the unfinished portion of Sweet Home City Hall. She noted that the draft lease offer would generate revenue for the City as well as offering in-kind services to the City. She stated that approval of the lease would support job creation and workforce development in Sweet Home, including support for fire management in the area.

Councilor Sanchez moved to approve the authorization of the City Manager to negotiate and approve lease agreements for City Hall. Councilor Richards seconded the motion. The motion carried unanimously by those present.

Item f – Old City Hall Lease Negotiation Authority was heard at this time.

- f) Request for Council Action – Old City Hall Lease Negotiation Authority

City Manager Young stated that the Sweet Home Fire District was currently utilizing a portion of the old City Hall but that they were open to relocation. She noted that Ridgeway Health was interested in leasing a portion of the building and approval of the item would authorize the City Manager to negotiate additional leases for the creation of a potential wellness center.

Councilor Gourley moved to approve the authorization of the City Manager to negotiate and approve current and future lease agreements for the building. Councilor Richards seconded the motion. The motion carried unanimously by those present.

- h) Request for Council Action – Downtown Property Purchase Authority

City Manager Young stated that Council goals included the acquisition of property and reducing downtown vacancies. She noted that the former Santiam feed store had been vacant for some time and the City was interested in preserving the historical nature of the property while offering space for new businesses, including potential artisan and musician space. She stated that the City was proposing an offer of \$260,000 for the purchase to be paid in two equal installments in 2024 and 2025.

Director Pretty read a submitted written statement from Josh Victor into the record expressing opposition to the City's purchase of downtown property.

Councilor Gourley noted the importance of property investments to ensure the health of the community and to provide services within Sweet Home.

Karla Hogan expressed opposition to the City's acquisition of downtown property and noted concern with expenses related to renovations.

Patrick Rogers expressed concern with the City taking on property management duties.

City Manager Young stated that public investment in property was a common economic development tool to provide access for private business to enter the market. She added that the City would be open to reselling the property at a later date.

Mayor Coleman stated that the City Council had toured the City of Independence which had also purchased a building to provide as a business incubator. She noted that the City had no desire to compete with private owners who were demonstrating investment in their buildings and businesses, but rather to provide spaces for additional business owners in need of operational space.

Councilor Gourley moved to approve the authorization of the City Manager to negotiate and approve a property transaction for the property discussed. Councilor Trask seconded the motion. The motion carried by the following vote:

AYE: Coleman, Gourley, Sanchez, Thorstad, Trask

NAY: Richards

ABSENT: Mahler

Reports of Committees

There were no reports to be heard.

Reports of City Officials

City Manager's Report

City Manager Young stated that there was a new dais in Council Chambers that had been made by the Sweet Home Public Works Department with wood donated by the Linn County Parks Department. She noted that there were also new microphones in Chambers. She stated that the repaving of Juniper Street was recently completed and Ironwood would be completed next and staff was exploring various methods to reduce repaving costs.

Mayor's Report

Mayor Coleman highlighted various accomplishment of the City over the previous year and a half including: Family Assistance and Resource Center opening, Paint the Town, successful management of the Wiley Creek fire, installation of LED lights, paving of Juniper Street, installation of fiber service, completion of bank reconciliations, public opening of Quarry Park, Sankey Park improvements, a funding plan for the wastewater treatment plant, a new dais and microphones, substantial completion of the Parks Master Plan, opening of Samaritan Urgent Care, opening of Wiley Creek Memory Care, new flashing crosswalks, and the revival of the Sweet Home Active Revitalization Effort (SHARE). She noted that the City's finances were solid and being well-managed and expressed support for the direction the community was taking.

Department Director Reports

Library Services Director

- a) Library Director Report - May 2024

Community & Economic Development Director

- a) Community & Economic Development Director Report - May 2024

Police Chief

- a) Police Chief Report - May 2024

Captain Cummings reported that the Safety Fair at Sankey Park was very well attended.

Council Business for Good of the Order

There was Council consensus of support for community and staff efforts to support Sweet Home.

Adjournment

There being no further discussion, the meeting was adjourned at 7:31 PM.

Mayor

ATTEST:

City Manager – Ex Officio City Recorder

DRAFT



CITY OF SWEET HOME CITY COUNCIL EXECUTIVE SESSION MINUTES

July 02, 2024, 4:30 PM
Sweet Home City Hall, 3225 Main Street
Sweet Home, OR 97386

Call to Order

The meeting was called to order at 4:30 PM.

Roll Call

PRESENT

Mayor Susan Coleman
President Pro Tem Greg Mahler
Councilor Lisa Gourley
Councilor Dylan Richards
Councilor Angelita Sanchez
Councilor Josh Thorstad
Councilor Dave Trask

STAFF

Kelcey Young, City Manager
Cecily Hope Pretty, Administrative Services Director
Robert Snyder, City Attorney

MEDIA

Sarah Brown, The New Era

Mayor Coleman expressed disappointment in treatment directed toward City Manager Young and asked for a moment of silence to consider the weight of the planned discussion.

Executive Session

The Sweet Home City Council Executive Session is held pursuant to:

ORS 192.660(2)(i) to review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee, or staff member who does not request an open hearing.

Official representation of the news media and designated staff shall be allowed to attend the Executive Session. All other members of the audience are asked to remain outside the room during the Executive Session. Representatives of the news media are specifically directed not to report on any of the discussions during Executive Session, except to state the general subject of the session as previously announced. No formal actions may be taken in Executive Session.

Formal actions to be taken, if any, as a result of the Executive Session will be conducted during the Council's regular session.

Adjournment

There being no further discussion, the meeting was adjourned at 5:05 PM.

Mayor

ATTEST:

City Manager – Ex Officio City Recorder

DRAFT

Proclamation Against Bullying 2024

WHEREAS, the City of Sweet Home and its leadership do not condone bullying. Bullying in all its forms leads to lasting negative impacts on the mental, emotional, and physical well-being of victims. Whether physical, verbal, or cyber, it harms individuals and communities; and

WHEREAS, everyone deserves to feel safe, respected, and valued in all environments, including schools, workplaces, online platforms, and public spaces; and

WHEREAS, promoting kindness, empathy, and understanding is essential for fostering inclusive and supportive communities and therefore, we celebrate diversity and respect differences; and

WHEREAS, addressing bullying requires a collective effort from individuals, families, educators, employers, and policymakers to create effective prevention and intervention strategies.

NOW, THEREFORE, BE IT RESOLVED, that we, the City of Sweet Home and its leadership, as a united community, firmly stand against all forms of bullying and commit to:

1. **Raise Awareness:** Educating ourselves and others about the detrimental effects of bullying and the importance of taking a stand against it.
2. **Support Victims:** Providing a safe and supportive environment for those affected by bullying, offering them the necessary resources and assistance to heal and recover.
3. **Promote Respect:** Encouraging a culture of respect and kindness by modeling positive behavior and fostering an environment where everyone feels valued and included.
4. **Implement Policies:** Supporting and advocating for policies and programs that effectively prevent bullying and address incidents promptly and fairly.
5. **Take Action:** Empowering individuals to speak out against bullying and intervene safely and appropriately when witnessing bullying behavior.

PROCLAIMED this 9th day of July 2024, declaring our unwavering commitment to creating a world free from bullying, where every person can thrive without fear of harassment or discrimination. Let us join in making Sweet Home a truly sweet place for all.

Mayor Coleman

President Pro Tem Mahler

Councilor Gourley

Councilor Richards

Councilor Sanchez

Councilor Thorstad

Councilor Trask

ATTEST:

City Manager – Ex Officio City Recorder



REQUEST FOR COUNCIL ACTION

Title: Request for Council Action – Acceptance of the Fiscal Year 2022 Annual Financial Report

Preferred Agenda: June 11, 2024

Submitted By: Cecily Hope Pretty, Administrative Services Director

Reviewed By: Kelcey Young, City Manager

Type of Action: Resolution Motion Roll Call Other

Relevant Code/Policy: Oregon Municipal Audit Law, City of Sweet Home Financial Policies

Towards Council Goal: Be an Effective and Efficient Government, Economic Strength, Image Building

Attachments: Draft City of Sweet Home, Oregon Annual Financial Report for the Fiscal Year Ended June 30, 2022

Purpose of this RCA:

To seek City Council acceptance of the Fiscal Year 2022 Annual Financial Report for review.

Background/Context:

An audit was completed on the City’s financial records for the fiscal year ended June 30, 2022 as per Oregon law.

The Challenge/Problem:

City Council needs to review and accept the report.

Stakeholders:

1. **Citizens:** Citizens deserve to know that the City’s financial records are complete and accurate.
2. **City Council:** City Council has a responsibility to review financial records to ensure they are complete and accurate and identify any potential policy issues.
3. **City Staff:** Staff will know the status of the City’s financial records and be able to address any potential issues to improve financial operations.

Issues and Financial Impacts:

There are no additional issues or financial impacts identified.

Elements of a Stable Solution:

Compliance with state law.

Options:

1. **Do Nothing:** The City Council will not accept the financial report and the City will not be in compliance with state law.

2. Accept the report: Move to accept the City of Sweet Home, Oregon Annual Financial Report for the Fiscal Year Ended June 30, 2022.

Recommendation:

Staff recommends Option 2: Move to accept the City of Sweet Home, Oregon Annual Financial Report for the Fiscal Year Ended June 30, 2022.



City of
Sweet Home, Oregon
Annual Financial Report
For the Fiscal Year Ended
June 30, 2022

CITY OF SWEET HOME, OREGON

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022



BRANDON NEISH, FINANCE DIRECTOR

Prepared by:

The Finance Department
City of Sweet Home, Oregon

CITY OF SWEET HOME
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CITY OF SWEET HOME
CITY OFFICIALS
JUNE 30, 2022

MAYOR

Term Expires

Greg Mahler, Mayor

December 31, 2022

CITY COUNCIL MEMBERS

Diane Gerson, President Pro-Tem

December 31, 2022

Susan Coleman

December 31, 2022

Dylan Richards

December 31, 2022

Lisa Gourley

December 31, 2024

Angelita Sanchez

December 31, 2024

Dave Trask

December 31, 2024

The above individuals may be contacted at the address below

CITY ADMINISTRATION

Christy Wurster, City Manager Pro Tem

Robert Snyder, City Attorney

Brandon Neish, Finance Director/City Treasurer

W. Blair Larsen, Community and Economic Development Director

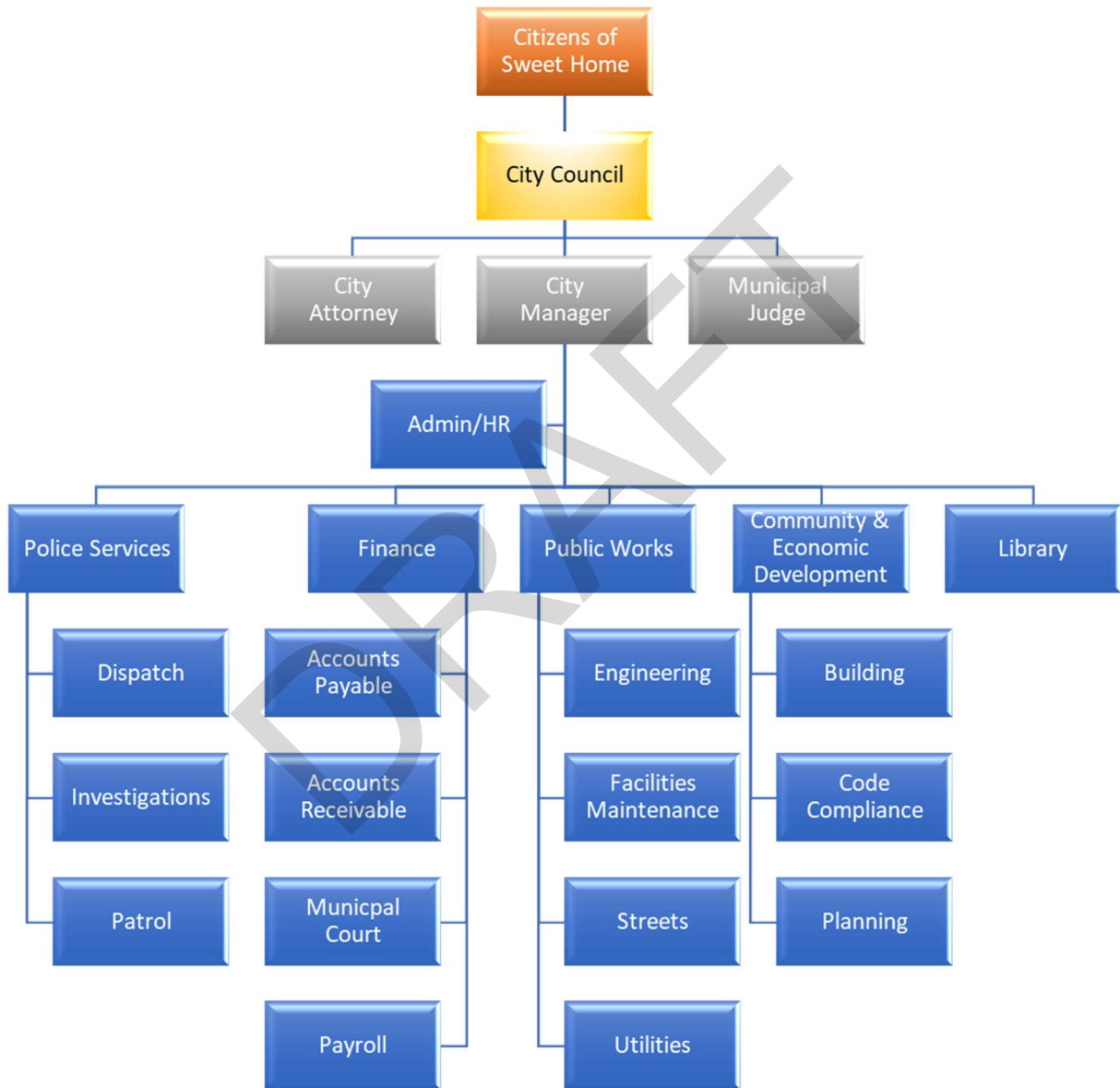
Jeff Lynn, Police Chief

Rose Peda, Library Director

Greg Springman, Public Works Director

MAILING ADDRESS

City Hall
3225 Main Street
Sweet Home, Oregon 97386
(541) 367-5128





GROVE, MUELLER & SWANK

redw
Advisors & CPAs

INDEPENDENT AUDITOR'S REPORT

The Honorable Greg Mahler, Mayor
and Members of the City Council
3225 Main Street
Sweet Home, Oregon 97386

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sweet Home, Oregon as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sweet Home, Oregon as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A), the schedules of revenues, expenditures and changes in fund balance – budget to actual for the General, Public Levy and State Gas Tax funds (“the budgetary schedules”), the schedule of the City's proportionate share of the net pension liability – Oregon public employees retirement system, and the schedule of the City's contributions – Oregon public employees retirement system (PERS schedules), the schedule of the changes in total other post-employment benefits liability and related ratios, the schedule of the City's proportionate share of the net OPEB liability (asset) – Oregon public employees retirement system retiree health insurance account, and the schedule of the City's contributions – Oregon public employees retirement system retiree health insurance account (OPEB schedules) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the management 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 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 City's basic financial statements. The budgetary schedules described above 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 subject 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 supplementary information and other financial schedules (collectively, the supplementary information) are presented for purposes of additional analysis and are 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly presented, in all material respects, in relation to the basic financial statements as a whole.

Other 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 introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated ***, 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 the results of that testing and not to provide an opinion on compliance.

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

DRAFT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2022

This discussion and analysis presents the highlights of financial activities and financial position for the City of Sweet Home. The analysis focuses on significant financial issues, major financial activities and resulting changes in financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the City.

Management's Discussion and Analysis (MD&A) focuses on current year activities and resulting changes. Please read it in conjunction with the City's financial statements (beginning on page 16).

FINANCIAL HIGHLIGHTS

**City of Sweet Home
Statement of Net Position (GAAP Basis)
June 30,
(in thousands)**

| | <i>June 30,</i> | | <i>change</i> |
|---------------------------------------|-----------------|-------------|---------------|
| | <i>2022</i> | <i>2021</i> | |
| Net position | \$ 42,880 | \$ 37,724 | \$ 5,156 |
| Change in net position | 5,156 | 2,855 | 2,301 |
| Governmental activities net position | 19,596 | 18,138 | 1,458 |
| Business-type activities net position | 23,284 | 19,586 | 3,698 |
| Change in governmental net assets | 1,458 | 63 | 1,395 |
| Change in proprietary net assets | 3,698 | 2,792 | 906 |

The City's net position increased by \$2,584 thousand (or 8%). The increase is due to revenues exceeding expenses.

Governmental activities revenues increased by \$2,379 thousand (or 34%) due to increases in charges for services, operating grants, and taxes and assessments.

Governmental activities program costs increased by \$1,460 thousand and business-type activities program costs increased by \$73 thousand.

Charges for services in the business-type activities increased \$340 thousand (6%) due to an increase in billing rates.

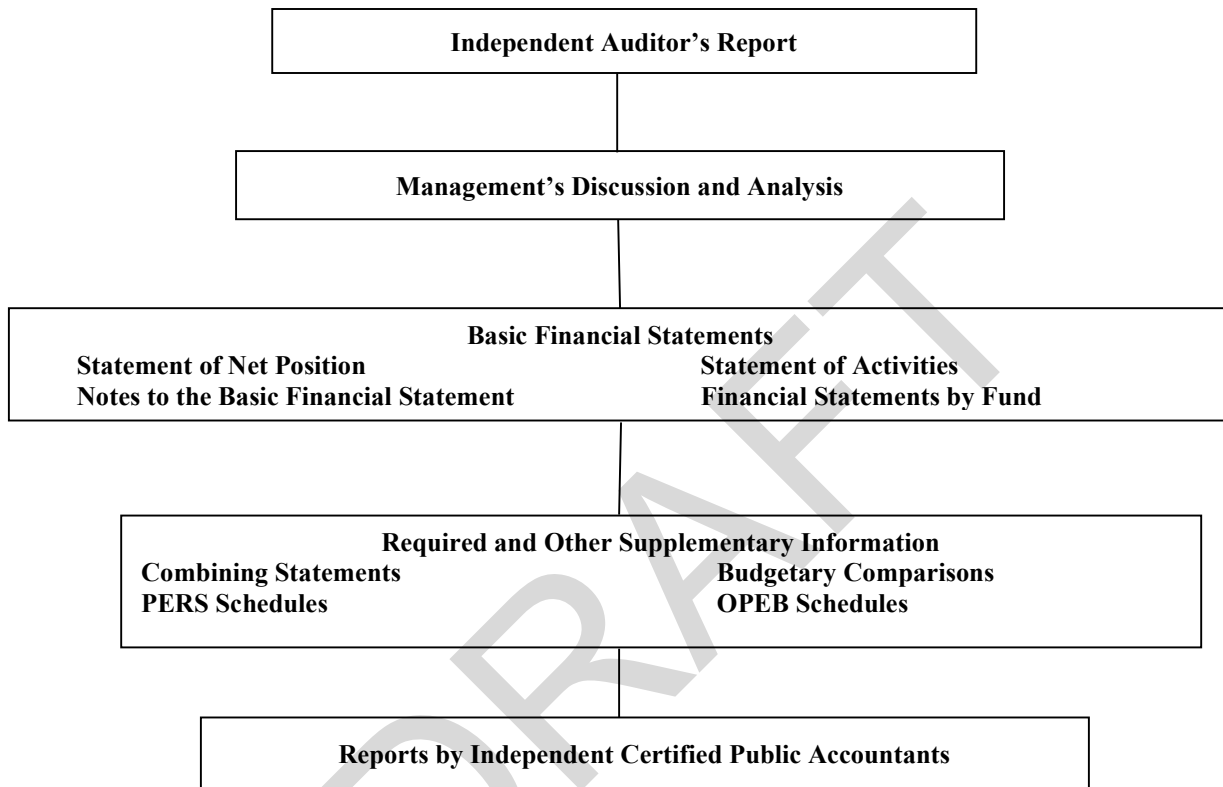
Water Operations represent 45% of all utility revenues for the City. These revenues went towards operation of the water treatment plant located off 47th Avenue.

Wastewater Operation represents 54% of all utility revenues for the City. Sweet Home is serviced by a sanitary sewer system that feeds into several mainlines which meet at the wastewater treatment facility located off Pleasant Valley Road.

REPORT LAYOUT

The City's annual financial report consists of several sections. Taken together they provide a financial look at the City. The components of the report include the following:

Components of the Annual Financial Report



Independent Auditor's Report - Auditor's opinion regarding the fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis - This section of the report provides financial highlights, overview and economic factors affecting the City.

Basic Financial Statements - Includes Statement of Net Position, Statement of Activities, fund financial statements and the notes to the financial statements. The Statements of Net Position and Activities focus on an entity-wide presentation using the accrual basis of accounting. They are designed to be more corporate-like in that all activities are consolidated into a total for the City.

- The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snap-shot view of the assets the community owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts.
- The Statement of Activities focuses on gross and net costs of city programs and the extent to which such programs rely upon general tax and other revenues. This Statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
- The Fund Financial Statements focus separately on major governmental funds and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The City's major governmental funds are presented in their own column and the remaining funds are combined into a column titled "Other Governmental Funds." Statements for the City's proprietary funds follow the governmental funds and include net position, revenues, expenses and changes in fund net position, and cash flows. The City's major governmental funds are presented in their own column and the remaining funds are combined into a column titled "Other Governmental Funds." Statements for the City's proprietary funds follow the governmental funds and include net position, revenues, expenses, and changes in fund net position, and cash flows. The City's major proprietary funds are presented in their own column and the remaining funds are combined into a column titled "Non-Major."
- The Notes to the Financial Statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the City's financial condition.

Required Supplementary and Other Supplementary Information - Required Supplementary Information includes budgetary comparison statements for the General, Public Safety, and State Gas Tax.

Readers desiring additional information on non-major funds can find it in the Combining Statements of Non-major Funds and/or the Supplementary Information-Budgetary Comparison sections of this report. Components within this section include:

- Combining Statements. Major funds are included within the Basic Financial Statements, whereas non-major funds are presented here. These statements include balance sheets and statements of revenues, expenditures, and changes in fund balances.
- Budgetary Comparisons. Budgetary information for all funds, except those previously presented as required supplementary information.
- PERS Schedules. Schedules that reflect the City's proportionate share of the net pension liability and the City's contributions are presented as required supplementary information.
- OPEB Schedules. Schedules that reflect the City's proportionate share of the OPEB liability, changes in the OPEB liability and the City's contributions are presented as required supplementary information.

Reports by Independent Certified Public Accountants - Supplemental communication on City compliance and internal controls as required by Oregon statutes.

CITY AS A WHOLE

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The following table reflects a statement of net position of governmental and business-type funds compared to the prior year. Detail of this summary is presented on page 16.

| | Statements of Net Position | | | | | |
|----------------------------------|------------------------------------|-------------------------------------|------------------|------------------------------------|-------------------------------------|------------------|
| | 2022 | | | 2021 | | |
| | <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 | \$ 9,933 | \$ 8,383 | \$ 18,316 | \$ 7,687 | \$ 6,800 | \$ 14,487 |
| Other assets | 184 | 1,345 | 1,529 | 153 | 1,375 | 1,528 |
| Capital assets | 12,191 | 27,714 | 39,905 | 12,254 | 25,588 | 37,842 |
| <i>Total Assets</i> | <u>22,308</u> | <u>37,442</u> | <u>59,750</u> | <u>20,094</u> | <u>33,763</u> | <u>53,857</u> |
| Deferred outflows | 913 | 7 | 920 | 1,035 | 5 | 1,040 |
| Other liabilities | 643 | 1,046 | 1,689 | 141 | 475 | 616 |
| Long-term liabilities | 1,766 | 13,111 | 14,877 | 2,634 | 13,702 | 16,336 |
| <i>Total Liabilities</i> | <u>2,409</u> | <u>14,157</u> | <u>16,566</u> | <u>2,775</u> | <u>14,177</u> | <u>16,952</u> |
| Deferred Inflows | 1,216 | 8 | 1,224 | 216 | 5 | 221 |
| Net position: | | | | | | |
| Net investment in capital assets | 12,160 | 14,668 | 26,828 | 12,217 | 17,727 | 29,944 |
| Restricted | 7,071 | 1,181 | 8,252 | 5,896 | 1,181 | 7,077 |
| Unrestricted | 365 | 7,435 | 7,800 | 25 | 678 | 703 |
| <i>Total Net Position</i> | <u>\$ 19,596</u> | <u>\$ 23,284</u> | <u>\$ 42,880</u> | <u>\$ 18,138</u> | <u>\$ 19,586</u> | <u>\$ 37,724</u> |

The following table reflects a change in activities for governmental and proprietary funds compared to the prior year. Detail of this summary is presented on page 17.

| Statements of Activities | | | | | | |
|------------------------------------|------------------------------------|--|------------------|------------------------------------|--|------------------|
| June 30, | | | | | | |
| (in thousands) | | | | | | |
| | 2022 | | | 2021 | | |
| | Governmental Activities | Business- type Activities | Total | Governmental Activities | Business- type Activities | Total |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for service | \$ 2,168 | \$ 6,208 | \$ 8,376 | \$ 1,855 | \$ 5,732 | \$ 7,587 |
| Operating grants and contributions | 259 | - | 259 | 1,568 | 1 | 1,569 |
| Capital grants and contributions | - | 950 | 950 | - | 1,029 | 1,029 |
| General Revenues | | | | | | |
| Taxes and assessments | 4,882 | - | 4,882 | 4,510 | - | 4,510 |
| Other | 4,034 | 1,143 | 5,177 | 1,478 | 77 | 1,555 |
| Total Revenues | 11,343 | 8,301 | 19,644 | 9,411 | 6,839 | 16,250 |
| Expenses | | | | | | |
| Programs | 9,671 | 4,817 | 14,488 | 9,360 | 4,035 | 13,395 |
| Transfers | | | | | | |
| | (214) | 214 | - | 12 | (12) | - |
| Change in Net Position | | | | | | |
| | 1,458 | 3,698 | 5,156 | 63 | 2,792 | 2,855 |
| Beginning Net Position | | | | | | |
| | 18,138 | 19,586 | 37,724 | 18,075 | 16,794 | 34,869 |
| Ending Net Position | | | | | | |
| | \$ 19,596 | \$ 23,284 | \$ 42,880 | \$ 18,138 | \$ 19,586 | \$ 37,724 |

FUND FINANCIAL ANALYSIS: GOVERNMENTAL FUNDS

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

General Fund. The General Fund is the primary operating fund of the City. The fund balance was \$1,523 thousand at year end. The fund balance increased by \$207 thousand during the current fiscal year. The fund had revenues in excess of expenditures of \$306 thousand, and net transfers out of \$100 thousand. As a measure of the fund's liquidity, it may be useful to compare total fund balances to total fund expenditures. Fund balance represents 76% of total General Fund expenditures.

Police Levy Fund. The Police Levy Fund is used to account for the local option property tax levy approved by voters every five years to finance police and dispatch services. The fund balance was \$2,320 thousand at year end. The fund balance increased by \$547 thousand during the current fiscal year primarily due to an increase in taxes and assessments.

State Gas Tax Fund. The State Gas Tax Fund is used to account for the City's share of state gasoline tax revenues which are restricted for use in the maintenance of streets. The fund balance was \$117 thousand at year end. The fund balance decreased by \$94 thousand during the year primarily due to an increase in capital outlay expenditures.

FUND FINANCIAL ANALYSIS: PROPRIETARY FUNDS

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent is that the costs for providing services to the general public on a continuing basis be financed primarily through user charges. These funds represent three segments of operations: Water Operations, Wastewater Operations and Storm Water Operations (non-major).

Water Operations. Water Operations accounts for the operation of the City’s water department and facilities. The fund’s combined net position was \$4,498 thousand at year end, an increase of \$499 thousand during the current fiscal year due to charges for services in excess of materials and services. The fund had \$538 thousand of operating revenues in excess of operating expenses, interest expense of roughly \$113 thousand, and net transfers out to other funds of \$10 thousand.

Wastewater Operations. Wastewater Operations accounts for the operation of the City’s sewer utility and related facilities. The fund’s combined net position was \$12,528 thousand at year end, an increase of \$1,366 thousand during the current fiscal year, primarily due to operating revenues in excess of operating expenses of \$1,424 as a result of an increase in charges for services in conjunction with a decrease in personal services and materials and services expenses.

FUND BALANCES

The following table reflects a summary of ending fund balances for governmental funds compared to the prior year. Detail of this summary is presented on page 18.

Governmental Funds - Fund Balances
June 30,
(in thousands)

| <u>Major Funds</u> | <u>2022</u> | | <u>2021</u> | | <u>Compared to</u> <u>Prior Year</u> | |
|--------------------------|-----------------|-------------|-----------------|-------------|---|------------|
| | <u>Amount</u> | <u>%</u> | <u>Amount</u> | <u>%</u> | <u>Change</u> | <u>%</u> |
| General | \$ 1,308 | 15% | \$ 1,523 | 22% | \$ (215) | -14% |
| Police Levy | 3,198 | 36% | 2,320 | 33% | 878 | 38% |
| State Gas Tax | 547 | 6% | 117 | 2% | 430 | 368% |
| Other Governmental Funds | 3,891 | 43% | 3,087 | 45% | 804 | 26% |
| Total fund balances | <u>\$ 8,944</u> | <u>100%</u> | <u>\$ 7,047</u> | <u>102%</u> | <u>\$ 1,897</u> | <u>27%</u> |

The following table reflects a summary of ending fund net position for business-types activities compared to the prior year. Detail of this summary begins on page 22.

Proprietary Funds - Fund Balances
June 30,
(in thousands)

| <u>Major Funds</u> | <u>2022</u> | | <u>2021</u> | | <u>Compared to</u> <u>Prior Year</u> | |
|---------------------------|------------------|-------------|------------------|------------|---|------------|
| | <u>Amount</u> | <u>%</u> | <u>Amount</u> | <u>%</u> | <u>Change</u> | <u>%</u> |
| Water Operations | \$ 5,747 | 25% | \$ 4,498 | 23% | \$ 1,249 | 28% |
| Wastewater Operations | 17,116 | 74% | 14,801 | 76% | 2,315 | 16% |
| Other Business-type Funds | 422 | 2% | 287 | 0% | 135 | 47% |
| Total fund net position | <u>\$ 23,284</u> | <u>101%</u> | <u>\$ 19,586</u> | <u>99%</u> | <u>\$ 3,698</u> | <u>19%</u> |

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based 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.

The City Council and Budget Committee have maintained a desire for fund balances in the General Fund, Police Levy and Library Services funds to contain six months of expenditure reserves throughout a five-year forecast. Maintaining these reserves ensures the funds remain on a solid footing until the first property tax receipts in November each year and the directive also maintains a small fail safe in the event of a nonrenewal of one or more of the tax levies. The \$1.5 million fund balance in the General Fund and \$2.3 million in the Police Levy Fund represents nine months of reserves while the Library Services Fund ended 2021 with three months of reserves.

For all other funds, revenue receipts are consistent. Water and wastewater funds for example generate revenue through utility payments from customers. These payments are made monthly. In these funds, efforts are made to retain a small balance for mitigation needs but fund balances are lower than the property tax funds. In capital funds, balances may vary depending on capital plans and ongoing projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were no changes to the General Fund adopted budget during the 2021-2022 fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business activities as of year-end was \$38 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, equipment, and infrastructure. The total decrease in the City's investment in capital assets for the current fiscal year was \$78 thousand (a \$289 thousand decrease for governmental activities and a \$211 thousand increase for business-type activities).

Capital Assets at June 30, (in thousands)

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------|----------------------------|------------------|-----------------------------|------------------|------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Land and improvements | \$ 3,534 | \$ 3,534 | \$ - | \$ - | \$ 3,534 | \$ 3,534 |
| Buildings | 10,716 | 10,716 | 24,246 | 21,953 | 34,962 | 32,669 |
| Equipment | 2,860 | 2,670 | 881 | 693 | 3,741 | 3,363 |
| Infrastructure | 26,734 | 25,880 | 10,297 | 10,297 | 37,031 | 36,177 |
| Construction in progress | 488 | 488 | 16,616 | 16,566 | 17,104 | 17,054 |
| Accumulated depreciation | (32,188) | (31,034) | (24,465) | (23,920) | (56,653) | (54,954) |
| Net capital assets | <u>\$ 12,144</u> | <u>\$ 12,254</u> | <u>\$ 27,575</u> | <u>\$ 25,589</u> | <u>\$ 39,719</u> | <u>\$ 37,843</u> |

The following table reconciles the change in capital assets. Included within additions is the continuing work on the wastewater inflow and infiltration project in business-type activities. Detail of this summary is presented on pages 35-36 of the notes.

| Changes in Capital Assets | | | |
|----------------------------------|---------------------|----------------------|------------------|
| (in thousands) | | | |
| | Governmental | Business-type | |
| | Activities | Activities | Total |
| Beginning balance | \$ 12,254 | \$ 25,589 | \$ 37,843 |
| Additions | 1,080 | 2,566 | 3,646 |
| Retirements | (35) | (35) | (70) |
| Depreciation | (1,155) | (545) | (1,700) |
| Ending balance | <u>\$ 12,144</u> | <u>\$ 27,575</u> | <u>\$ 39,719</u> |

The City is focused on replacing aging equipment. Many capital assets have reached a point where maintenance and repairs are frequent, making cost of ownership high. The Police Department has put off purchasing of patrol vehicles in the past to build reserves necessary for financial stability and Public Works has been working with vehicles and equipment that, in some cases, are 30 years old. Maintaining a healthy fleet is critical to keeping operational costs as low as possible. As such, in 2021, the Police Department began leasing two new Ford F-350 vehicles. Additionally, a plan is in place ensure that funds are set aside annually to begin a smart, regular replacement cycle. As the City continues to replace aged assets, reserves will ensure timely replacements once the equipment has reached its peak efficiency.

Long-term Debt

The City's long-term debt at June 30, 2022 and 2021 is summarized below.

| City of Sweet Home | | | | | | |
|--------------------------------|---------------------|--------------|----------------------|------------------|------------------|------------------|
| General Obligation Debt | | | | | | |
| June 30, | | | | | | |
| (in thousands) | | | | | | |
| | Governmental | | Business-type | | Total | |
| | Activities | | Activities | | Total | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Loans/leases | \$ 61 | \$ 37 | \$ 7,107 | \$ 7,627 | \$ 7,168 | \$ 7,664 |
| Bonds payable | - | - | 5,270 | 5,505 | 5,270 | 5,505 |
| <i>Total</i> | <u>\$ 61</u> | <u>\$ 37</u> | <u>\$ 12,377</u> | <u>\$ 13,132</u> | <u>\$ 12,438</u> | <u>\$ 13,169</u> |

For more detailed information on the City's debt and amortization terms refer to pages 37-39 of the notes.

The City's long-term debt, incurred to pay for the Water Treatment Plant and the Infiltration and Inflow work related to the sewer system, accounts for approximately 2.44% of the City's Real Market Value (RMV) of property in the city. City policy allows for total debt of \$28.9 million based on today's RMV. For the existing loans, final payments range between fiscal years 2022 with the last payment slated for 2040.

Looking forward, the City has continued working with the engineering services firm, Murraysmith, who has continued design work on a refurbished Wastewater Treatment Plant. The Wastewater Treatment Rehabilitation Project is estimated to cost between \$28-31 million. Final design work is expected to be completed in the early months of the 2022 fiscal year with construction beginning shortly thereafter.

MAJOR INITIATIVES

Fiscal Stability

The City's General Fund is the most "flexible" fund with revenue receipts being generally unrestricted and can be spent on any piece of the City's operations (water, sewer, police, etc.). Existing expenditures in the General Fund include the operational expenses for the Sweet Home Municipal Court, Community & Economic Development and city parks. Revenues are generated through a very small permanent tax rate of \$1.42 per \$1,000 of assessed value, state revenue sharing, franchise fees from utilities and service fees such as building permits, court fines and fees, and more. The General Fund also previously received transfers from all of the operational funds to cover administrative costs. Administrative costs include the costs to run the Finance Department which produces payroll and other financial services for each of the City's departments, the City's Managers office which provides human resource and management support, and costs for City-wide services such as the website, auditing, City Attorney and more. The transfers from the Library and Police Department ceased in the early 2000s as concerns over diminishing resources (primarily property taxes) but the services provided by the aforementioned operations continued to support these departments.

To enhance transparency surrounding administrative charges and keep General Fund monies open for meeting Council goals, the City proposed during the 2020 budget development the creation of an Internal Services Fund with distributions from City departments. An internal service fund, allowed by Oregon Administrative Rules, is a fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit on a cost-reimbursement basis. The City chose to place the expenditures listed above in the internal service fund and created a reimbursement calculation based on expenditure type (i.e. by person employed for payroll costs and other HR support, split evenly for the City website expenses, etc.). The internal services fund is included in the audit of fiscal year 2022 and more information can be found on page 96.

Wastewater Treatment

At the end of fiscal year 2017, the Wastewater Fund was carrying a deficit fund balance after expenses outpaced revenues for several years. To rectify the situation, the City Council reviewed the sewer utility rates. In November 2017, Council revised the sewer commodity charge by \$3.66 to \$9.78 per 100 cubic feet for consumption over 300 cubic feet (originally 400 cubic feet). This increase resulted in an average bill increase of \$17.10 per month. The additional utility revenue was effective in paying off the deficit while continuing to build a reserve for this audited fiscal year. With the fund no longer operating in a deficit, staff proposed the next budget year to leave the sewer rate at the November change. For the 2022 fiscal year, it is projected that these rates will produce nearly \$760k toward reaching \$7.0 million in available funds with no change in sewer rates. This projected influx to the Wastewater Fund will be used to cover a portion of the charges for the rehabilitation project at the Wastewater Treatment Plant which is slated to be completed in 2024.

FINANCIAL CONTACT

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact the Finance Director/City Treasurer at 3225 Main Street, Sweet Home, Oregon 97386.

BASIC FINANCIAL STATEMENTS

DRAFT

CITY OF SWEET HOME, OREGON
STATEMENT OF NET POSITION
JUNE 30, 2022

| | <i>Governmental Activities</i> | <i>Business-type Activities</i> | <i>Totals</i> |
|---|------------------------------------|-------------------------------------|----------------------|
| ASSETS | | | |
| Cash and investments | \$ 9,932,648 | \$ 8,382,895 | \$ 18,315,543 |
| Accounts receivable | 263,095 | 574,319 | 837,414 |
| Property taxes receivable | 182,615 | - | 182,615 |
| Assessment liens receivable | 5,342 | 64,711 | 70,053 |
| Loans receivable | 244,399 | - | 244,399 |
| Prepaid items | 57,681 | 24,116 | 81,797 |
| Internal balances | (600,794) | 600,794 | - |
| Inventories | - | 80,503 | 80,503 |
| Net OPEB asset | 32,653 | - | 32,653 |
| Non-depreciable capital assets | 4,023,062 | 16,615,920 | 20,638,982 |
| Other capital assets, net of depreciation | 8,121,817 | 10,958,437 | 19,080,254 |
| Right of use assets, net of amortization | 45,801 | 140,130 | 185,931 |
| <i>Total Assets</i> | <u>22,308,319</u> | <u>37,441,825</u> | <u>59,750,144</u> |
| DEFERRED OUTFLOWS | | | |
| Deferred outflows related to pensions | 875,433 | - | 875,433 |
| Deferred outflows related to OPEB | 37,829 | 6,852 | 44,681 |
| <i>Total Deferred Outflows</i> | <u>913,262</u> | <u>6,852</u> | <u>920,114</u> |
| LIABILITIES | | | |
| Accounts payable | 643,016 | 800,405 | 1,443,421 |
| Deposits payable | - | 205,844 | 205,844 |
| Accrued interest payable | - | 39,367 | 39,367 |
| Due within one year: | | | |
| Long-term debt | 6,498 | 954,857 | 961,355 |
| Accrued compensated absences | 203,339 | 26,793 | 230,132 |
| Due in more than one year: | | | |
| Long-term debt | 23,993 | 6,652,682 | 6,676,675 |
| Long-term bonds payable | - | 4,800,000 | 4,800,000 |
| Long-term bonds premiums | - | 498,619 | 498,619 |
| OPEB Liability | 203,247 | 38,034 | 241,281 |
| Net pension liability | 1,283,567 | - | 1,283,567 |
| Lease liability | 45,801 | 140,130 | 185,931 |
| <i>Total Liabilities</i> | <u>2,409,461</u> | <u>14,156,731</u> | <u>16,566,192</u> |
| DEFERRED INFLOWS | | | |
| Deferred inflows related to pensions | 1,166,356 | - | 1,166,356 |
| Deferred inflows related to OPEB | 50,093 | 7,589 | 57,682 |
| <i>Total Deferred Inflows</i> | <u>1,216,449</u> | <u>7,589</u> | <u>1,224,038</u> |
| NET POSITION | | | |
| Net investment in capital assets | 12,160,189 | 14,668,199 | 26,828,388 |
| Restricted for: | | | |
| Public safety | 3,389,924 | - | 3,389,924 |
| Construction | - | 592,014 | 592,014 |
| Community development | 3,172,665 | - | 3,172,665 |
| Library | 508,063 | - | 508,063 |
| Debt service | - | 589,633 | 589,633 |
| Unrestricted | 364,830 | 7,434,511 | 7,799,341 |
| <i>Total Net Position</i> | <u>\$ 19,595,671</u> | <u>\$ 23,284,357</u> | <u>\$ 42,880,028</u> |

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

CITY OF SWEET HOME, OREGON
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

| FUNCTIONS/PROGRAMS | Expenses | Program Revenues | | |
|---|----------------------|---|---|---|
| | | Fees, Fines and Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental activities: | | | | |
| General government | \$ 2,511,700 | \$ 1,804,206 | \$ 6,260 | \$ - |
| Library | 408,014 | 4,317 | 3,995 | - |
| Parks | 1,217,854 | 45,047 | 3,856 | - |
| Community development | 2,374,385 | 116,637 | 145,125 | 334,434 |
| Public safety | 3,135,167 | 169,490 | 99,485 | 500,000 |
| Community center | 23,622 | 27,823 | - | - |
| <i>Total Governmental activities</i> | <u>9,670,742</u> | <u>2,167,520</u> | <u>258,721</u> | <u>834,434</u> |
| Business-type activities: | | | | |
| Water | 2,842,122 | 2,848,234 | - | (14,787) |
| Sewer | 1,907,312 | 3,138,025 | - | 964,366 |
| Stormwater | 67,826 | 221,385 | - | - |
| <i>Total Business-type activities</i> | <u>4,817,260</u> | <u>6,207,644</u> | <u>-</u> | <u>949,579</u> |
| <i>Total Activities</i> | <u>\$ 14,488,002</u> | <u>\$ 8,375,164</u> | <u>\$ 258,721</u> | <u>\$ 1,784,013</u> |
| General Revenues: | | | | |
| Property taxes | | | | |
| Franchise taxes | | | | |
| Intergovernmental | | | | |
| Miscellaneous | | | | |
| <i>Total General Revenues</i> | | | | |
| Gain on sale of asset | | | | |
| 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> |
|------------------------------------|-------------------------------------|---------------|
| \$ (701,234) | \$ - | \$ (701,234) |
| (399,702) | - | (399,702) |
| (1,168,951) | - | (1,168,951) |
| (1,778,189) | - | (1,778,189) |
| (2,366,192) | - | (2,366,192) |
| 4,201 | - | 4,201 |
| (6,410,067) | - | (6,410,067) |
| - | (8,675) | (8,675) |
| - | 2,195,079 | 2,195,079 |
| - | 153,559 | 153,559 |
| - | 2,339,963 | 2,339,963 |
| (6,410,067) | 2,339,963 | (4,070,104) |
| 4,881,857 | - | 4,881,857 |
| 718,597 | - | 718,597 |
| 2,408,585 | 1,107,397 | 3,515,982 |
| 66,743 | 36,645 | 103,388 |
| 8,075,782 | 1,144,042 | 9,219,824 |
| 6,027 | - | 6,027 |
| (214,097) | 214,097 | - |
| 1,457,645 | 3,698,102 | 5,155,747 |
| 18,138,026 | 19,586,255 | 37,724,281 |
| \$ 19,595,671 | \$ 23,284,357 | \$ 42,880,028 |

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

CITY OF SWEET HOME, OREGON
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

| | <u>Special Revenue</u> | | |
|---|------------------------|----------------------|----------------------|
| | <u>General</u> | <u>Public Safety</u> | <u>State Gas Tax</u> |
| ASSETS | | | |
| Cash and investments | \$ 1,643,743 | \$ 3,216,008 | \$ 683,051 |
| Accounts receivable | 1,337,909 | - | 68,075 |
| Property taxes receivable | 28,433 | 134,186 | - |
| Assessment liens receivable | - | - | - |
| Loans receivable | - | - | - |
| Prepaid items | 38,663 | 8,179 | 7,777 |
| Due from other funds | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| <i>Total Assets</i> | \$ 3,048,748 | \$ 3,358,373 | \$ 758,903 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | \$ 426,302 | \$ 27,411 | \$ 5,506 |
| Due to other funds | - | - | 206,186 |
| | <hr/> | <hr/> | <hr/> |
| <i>Total Liabilities</i> | 426,302 | 27,411 | 211,692 |
| Deferred Inflows | | | |
| Unavailable revenue | 1,314,664 | 132,826 | - |
| Fund Balance: | | | |
| Non-spendable | 38,663 | 8,179 | - |
| Restricted for: | | | |
| Public safety | - | 3,189,957 | - |
| Community development | - | - | 547,211 |
| Library | - | - | - |
| Committed to: | | | |
| Parks | - | - | - |
| Community development | - | - | - |
| Capital outlay | - | - | - |
| Unrestricted | 1,269,119 | - | - |
| | <hr/> | <hr/> | <hr/> |
| <i>Total Fund Balance</i> | 1,307,782 | 3,198,136 | 547,211 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| <i>Total Liabilities, Deferred Inflows, and Fund Balances</i> | \$ 3,048,748 | \$ 3,358,373 | \$ 758,903 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

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

| <i>Other Governmental Funds</i> | <i>Total</i> |
|---|---------------|
| \$ 4,363,057 | \$ 9,905,859 |
| - | 1,405,984 |
| 19,996 | 182,615 |
| 5,342 | 5,342 |
| 244,399 | 244,399 |
| - | 54,619 |
| 206,186 | 206,186 |
| \$ 4,838,980 | \$ 12,005,004 |
| \$ 4,838,980 | \$ 12,005,004 |
| \$ 77,424 | \$ 536,643 |
| 600,794 | 806,980 |
| 678,218 | 1,343,623 |
| 269,800 | 1,717,290 |
| - | 46,842 |
| 58,962 | 3,248,919 |
| 2,412,148 | 2,959,359 |
| 488,269 | 488,269 |
| 116,391 | 116,391 |
| 10,376 | 10,376 |
| 1,374,232 | 1,374,232 |
| (569,416) | 699,703 |
| 3,890,962 | 8,944,091 |
| \$ 4,838,980 | \$ 12,005,004 |

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

CITY OF SWEET HOME, OREGON
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

| | |
|--|----------------------|
| <i>Fund Balances</i> | \$ 8,944,091 |
| <p>The Statement of Net Position reports receivables at their net realizable value. However, receivables not available to pay for current period expenditures are deferred in governmental funds.</p> | |
| Unavailable revenues | 1,717,290 |
| Court receivables, net of allowance | (1,197,227) |
| <p>Capital and leased assets are not financial resources in governmental funds, but are reported in the Statement of Net Position at their net depreciable value.</p> | |
| Cost | 44,333,307 |
| Accumulated depreciation | (32,188,428) |
| <p>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.</p> | |
| Long-term debt | (30,491) |
| Accrued compensated absences | (203,339) |
| Net pension liability | (1,283,567) |
| Net OPEB liability | (157,414) |
| <p>Deferred outflows/inflows related to pensions and postemployment benefits are not financial resources/requirements in governmental funds, but are reported in the Statement of Net Position.</p> | |
| Deferred outflows | 902,392 |
| Deferred inflows | (1,204,411) |
| <p>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.</p> | |
| | (36,532) |
| <i>Net Position of Governmental Activities</i> | <u>\$ 19,595,671</u> |

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

CITY OF SWEET HOME, OREGON**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022**

| | <u>Special Revenue</u> | | |
|---|------------------------|----------------------|----------------------|
| | <u>General Fund</u> | <u>Public Safety</u> | <u>State Gas Tax</u> |
| REVENUES | | | |
| Taxes and assessments | \$ 732,640 | \$ 3,614,379 | \$ - |
| Licenses and permits | 429,116 | 961 | - |
| Charges for services | 338,469 | - | - |
| Intergovernmental | 455,700 | - | 1,542,301 |
| Fines and forfeitures | 169,021 | - | - |
| Miscellaneous | (78,242) | 110,560 | 7,297 |
| <i>Total Revenues</i> | <u>2,046,704</u> | <u>3,725,900</u> | <u>1,549,598</u> |
| EXPENDITURES | | | |
| Current | | | |
| General government | 646,678 | - | - |
| Library | - | - | - |
| Parks | 358,863 | - | - |
| Community development | 750,069 | - | 490,325 |
| Public safety | 274,539 | 2,778,936 | - |
| Community center | - | - | - |
| Capital outlay | 124,774 | - | 562,818 |
| <i>Total Expenditures</i> | <u>2,154,923</u> | <u>2,778,936</u> | <u>1,053,143</u> |
| REVENUES OVER (UNDER) EXPENDITURES | (108,219) | 946,964 | 496,455 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | - | - | - |
| Transfers out | (107,056) | (68,430) | (66,208) |
| <i>Total Other Financing Sources (Uses)</i> | <u>(107,056)</u> | <u>(68,430)</u> | <u>(66,208)</u> |
| NET CHANGE IN FUND BALANCE | (215,275) | 878,534 | 430,247 |
| FUND BALANCE, beginning of year | 1,523,057 | 2,319,602 | 116,964 |
| FUND BALANCE, end of year | <u>\$ 1,307,782</u> | <u>\$ 3,198,136</u> | <u>\$ 547,211</u> |

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

| <i>Other Governmental Funds</i> | <i>Total</i> |
|---|--------------|
| \$ 537,695 | \$ 4,884,714 |
| 161,964 | 592,041 |
| - | 338,469 |
| 1,096,233 | 3,094,234 |
| 4,317 | 173,338 |
| 581,483 | 621,098 |
| 2,381,692 | 9,703,894 |
| - | 646,678 |
| 415,618 | 415,618 |
| - | 358,863 |
| 1,072,533 | 2,312,927 |
| - | 3,053,475 |
| 23,621 | 23,621 |
| 65,339 | 752,931 |
| 1,577,111 | 7,564,113 |
| 804,581 | 2,139,781 |
| 327,238 | 327,238 |
| (327,800) | (569,494) |
| (562) | (242,256) |
| 804,019 | 1,897,525 |
| 3,086,943 | 7,046,566 |
| \$ 3,890,962 | \$ 8,944,091 |
| \$ 3,890,962 | \$ 8,944,091 |

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

CITY OF SWEET HOME, OREGON

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

| | |
|--|----------------------------|
| <i>Net Change in Fund Balances - Total Governmental Funds</i> | \$ 1,897,525 |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received. | 16,052 |
| Governmental funds do not report expenditures for unpaid compensated absences 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. | (10,495) |
| Capital outlays are reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital outlay over their estimated useful lives as depreciation expense. | |
| Capital outlay expenditures | 1,362,701 |
| Depreciation | (1,181,879) |
| Net book value of dispositions | (7,445) |
| 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. | |
| Capital leases issued | (40,108) |
| Capital leases paid | 16,688 |
| Current year PERS pension and OPEB expense related to the change in net pension liability, OPEB and related deferred inflows and outflows are reported as expenses in the Statement of Activities, but are not recorded as expenditures in the governmental funds. | (544,788) |
| Net income of internal service funds | (50,606) |
| <i>Change in Net Position of Governmental Activities</i> | <u><u>\$ 1,457,645</u></u> |

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

CITY OF SWEET HOME, OREGON
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2022

| | <u>Water Operations</u> | <u>Wastewater Operations</u> | <u>Non-Major Storm Water Operations</u> | <u>Total</u> | <u>Governmental Activities</u> |
|---|-----------------------------|----------------------------------|---|---------------|------------------------------------|
| | | | | | <u>Internal Service</u> |
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and investments | \$ 3,683,243 | \$ 4,273,328 | \$ 426,324 | \$ 8,382,895 | \$ 26,790 |
| Accounts receivable | 209,475 | 345,355 | 19,489 | 574,319 | 54,338 |
| Inventories | 48,257 | 32,246 | - | 80,503 | - |
| Due from other funds | 600,794 | - | - | 600,794 | - |
| Prepaid items | 9,700 | 14,416 | - | 24,116 | 3,062 |
| <i>Total Current Assets</i> | 4,551,469 | 4,665,345 | 445,813 | 9,662,627 | 84,190 |
| Noncurrent Assets | | | | | |
| Assessment liens receivable | 36,325 | 28,386 | - | 64,711 | - |
| Nondepreciable capital assets | - | 16,615,920 | - | 16,615,920 | - |
| Other capital assets, net of depreciation | 8,653,304 | 2,304,945 | 188 | 10,958,437 | - |
| Other amortizable assets, net of amortization | 35,405 | 104,725 | - | 140,130 | - |
| <i>Total Noncurrent Assets</i> | 8,725,034 | 19,053,976 | 188 | 27,779,198 | - |
| <i>Total Assets</i> | 13,276,503 | 23,719,321 | 446,001 | 37,441,825 | 84,190 |
| DEFERRED OUTFLOWS | | | | | |
| Deferred outflows related to OPEB | 3,855 | 2,896 | 101 | 6,852 | 10,870 |
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Accounts payable | 222,282 | 554,657 | 23,466 | 800,405 | 59,220 |
| Deposits payable | 205,844 | - | - | 205,844 | - |
| Accrued interest payable | 31,313 | 8,054 | - | 39,367 | - |
| Current portion of long-term liabilities | | | | | |
| Long-term debt | 294,857 | 660,000 | - | 954,857 | - |
| Accrued compensated absences | 26,702 | 91 | - | 26,793 | - |
| <i>Total Current Liabilities</i> | 780,998 | 1,222,802 | 23,466 | 2,027,266 | 59,220 |
| Noncurrent Liabilities | | | | | |
| Long-term debt | 4,402,682 | 2,250,000 | - | 6,652,682 | - |
| Long-term bonds payable | 2,065,000 | 2,735,000 | - | 4,800,000 | - |
| Lease liability | 35,405 | 104,725 | - | 140,130 | - |
| Long-term bond premiums | 224,001 | 274,618 | - | 498,619 | - |
| OPEB liability | 21,399 | 16,072 | 563 | 38,034 | 60,333 |
| <i>Total Noncurrent Liabilities</i> | 6,748,487 | 5,380,415 | 563 | 12,129,465 | 60,333 |
| <i>Total Liabilities</i> | 7,529,485 | 6,603,217 | 24,029 | 14,156,731 | 119,553 |
| DEFERRED INFLOWS | | | | | |
| Deferred inflows related to OPEB | 4,270 | 3,207 | 112 | 7,589 | 12,039 |
| FUND NET POSITION | | | | | |
| Net investment in capital assets | 1,666,764 | 13,001,247 | 188 | 14,668,199 | - |
| Restricted for debt service | - | 589,633 | - | 589,633 | - |
| Restricted for construction | - | 580,603 | 11,411 | 592,014 | - |
| Unrestricted | 4,079,839 | 2,944,310 | 410,362 | 7,434,511 | (36,532) |
| <i>Total Fund Net Position (Deficit)</i> | \$ 5,746,603 | \$ 17,115,793 | \$ 421,961 | \$ 23,284,357 | \$ (36,532) |

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

CITY OF SWEET HOME, OREGON

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022**

| | <i>Water Operations</i> | <i>Wastewater Operations</i> | <i>Non-Major Storm Water Operations</i> | <i>Total</i> | <i>Governmental Activities</i> |
|--|-----------------------------|----------------------------------|---|----------------------|------------------------------------|
| | | | | | <i>Internal Service</i> |
| OPERATING REVENUES | | | | | |
| Fines and forfeitures | \$ 1,107,397 | \$ 971,234 | \$ - | \$ 2,078,631 | \$ - |
| Charges for services | 2,587,645 | 2,958,675 | 191,231 | 5,737,551 | 1,496,056 |
| Licenses and permits | - | - | - | - | 278,034 |
| Miscellaneous | 28,816 | 5,751 | - | 34,567 | 30,323 |
| <i>Total Operating Revenues</i> | <u>3,723,858</u> | <u>3,935,660</u> | <u>191,231</u> | <u>7,850,749</u> | <u>1,804,413</u> |
| OPERATING EXPENSES | | | | | |
| Personal services | 545,484 | 409,494 | 10,960 | 965,938 | 1,457,039 |
| Materials and services | 1,864,352 | 1,167,939 | 56,677 | 3,088,968 | 397,980 |
| Depreciation | 329,933 | 244,675 | 189 | 574,797 | - |
| Amortization | 2,408 | 12,140 | - | 14,548 | - |
| <i>Total Operating Expenses</i> | <u>2,742,177</u> | <u>1,834,248</u> | <u>67,826</u> | <u>4,644,251</u> | <u>1,855,019</u> |
| OPERATING INCOME (LOSS) | <u>981,681</u> | <u>2,101,412</u> | <u>123,405</u> | <u>3,206,498</u> | <u>(50,606)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Investment revenue | 5,204 | 5,178 | 210,139 | 220,521 | - |
| Interest expense and amortization | (101,287) | (73,062) | - | (174,349) | - |
| Gain (loss) on sale of assets | (5,160) | - | - | - | - |
| <i>Total Nonoperating Revenues (Expenses)</i> | <u>(101,243)</u> | <u>(67,884)</u> | <u>210,139</u> | <u>46,172</u> | <u>-</u> |
| NET INCOME BEFORE CONTRIBUTIONS AND TRANSFERS | <u>880,438</u> | <u>2,033,528</u> | <u>333,544</u> | <u>3,247,510</u> | <u>(50,606)</u> |
| Capital contributions | 242,036 | 167,757 | - | 409,793 | - |
| Transfers in | 562,144 | 79,144 | 1,546 | 642,834 | - |
| Transfers out | (341,058) | (66,959) | (200,516) | (608,533) | - |
| Debt proceeds | 6,498 | - | - | 6,498 | - |
| CHANGE IN FUND NET POSITION | <u>1,350,058</u> | <u>2,213,470</u> | <u>134,574</u> | <u>3,698,102</u> | <u>(50,606)</u> |
| FUND NET POSITION, beginning of year | <u>4,497,646</u> | <u>14,801,222</u> | <u>287,387</u> | <u>19,586,255</u> | <u>14,074</u> |
| RESTATEMENT | <u>(101,101)</u> | <u>101,101</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND NET POSITION, beginning of year as restated | <u>4,396,545</u> | <u>14,902,323</u> | <u>287,387</u> | <u>19,586,255</u> | <u>14,074</u> |
| FUND NET POSITION (Deficit), end of year | <u>\$ 5,746,603</u> | <u>\$ 17,115,793</u> | <u>\$ 421,961</u> | <u>\$ 23,284,357</u> | <u>\$ (36,532)</u> |

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

CITY OF SWEET HOME, OREGON
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

| | <u>Water Operations</u> | <u>Wastewater Operations</u> | <u>Non-Major Storm Water Operations</u> | <u>Totals</u> | <u>Internal Service</u> |
|--|-----------------------------|----------------------------------|---|---------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Collected from customers | \$ 2,662,305 | \$ 3,926,944 | \$ 178,274 | \$ 6,767,523 | \$ 1,802,907 |
| Paid to suppliers | (673,646) | (721,909) | (33,212) | (1,428,767) | (356,539) |
| Paid to employees | (519,733) | (402,237) | (12,145) | (934,115) | (1,449,961) |
| <i>Net Cash Provided by Operating Activities</i> | 1,468,926 | 2,802,798 | 132,917 | 4,404,641 | (3,593) |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | | | | |
| Received from (paid to) other funds | 14,191 | 24,164 | - | 38,355 | - |
| Transfers in | 314,305 | 79,144 | - | 393,449 | - |
| Transfers out | (341,057) | (66,959) | (198,971) | (606,987) | - |
| <i>Net Cash Provided by (Used in) Non-Capital Financing Activities</i> | (12,561) | 36,349 | (198,971) | (175,183) | - |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Acquisition of capital assets | (142,235) | (2,285,039) | - | (2,427,274) | - |
| Proceeds from disposal of capital assets | - | - | - | - | - |
| Principal paid on long-term debt | (145,620) | 3,348,119 | - | 3,202,499 | - |
| Payments on debt refunding | - | (3,857,282) | - | (3,857,282) | - |
| Proceeds from issuance of debt | (6,498) | - | - | (6,498) | - |
| Contribution of capital | 256,884 | 175,082 | - | 431,966 | - |
| Interest paid | (112,141) | (97,875) | - | (210,016) | - |
| <i>Net Cash Used in Capital and Related Financing Activities</i> | (149,610) | (2,716,995) | - | (2,866,605) | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Interest on investments | 5,203 | 5,177 | 210,139 | 220,519 | - |
| <i>Increase in Cash and Investments</i> | 1,311,958 | 127,329 | 144,085 | 1,583,372 | (3,593) |
| CASH AND INVESTMENTS, Beginning of year | 2,371,285 | 4,145,999 | 282,239 | 6,799,523 | 30,383 |
| CASH AND INVESTMENTS, End of year | <u>\$ 3,683,243</u> | <u>\$ 4,273,328</u> | <u>\$ 426,324</u> | <u>\$ 8,382,895</u> | <u>\$ 26,790</u> |

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

CITY OF SWEET HOME, OREGON
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (Continued)
YEAR ENDED JUNE 30, 2022

| | <i>Water Operations</i> | <i>Wastewater Operations</i> | <i>Non-Major Storm Water Operations</i> | <i>Totals</i> | <i>Internal Service</i> |
|---|-----------------------------|----------------------------------|---|---------------------|-------------------------|
| RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Operating income (loss) | \$ 981,680 | \$ 2,101,411 | \$ 123,404 | \$ 3,206,495 | \$ (50,607) |
| Depreciation | 329,933 | 244,675 | 189 | 574,797 | - |
| Amortization | 2,408 | 12,140 | - | 14,548 | - |
| Change in assets and liabilities: | | | | | |
| Accounts receivable | 36,755 | (3,992) | (12,957) | 19,806 | (1,013) |
| Deferred outflows | (797) | (1,361) | 232 | (1,926) | 3,107 |
| Inventory | (5,518) | 5,348 | - | (170) | - |
| Prepaid expenses | (2,199) | (9,184) | - | (11,383) | 1,246 |
| Accounts payable and accrued liabilities | 85,056 | 445,143 | 23,466 | 553,665 | 40,195 |
| Customer deposits | 15,060 | - | - | 15,060 | - |
| Accrued vacation payable | 15,949 | (3,094) | (454) | 12,401 | - |
| OPEB liability | 9,326 | 10,010 | (749) | 18,587 | 5,140 |
| Deferred inflows | 1,273 | 1,702 | (214) | 2,761 | (1,661) |
| <i>Net Cash Provided by Operating Activities</i> | <u>\$ 1,468,926</u> | <u>\$ 2,802,798</u> | <u>\$ 132,917</u> | <u>\$ 4,404,641</u> | <u>\$ (3,593)</u> |

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Sweet Home in Linn County, Oregon was incorporated as a municipal corporation in 1893 under the name of “City of Sweet Home.” The City of Sweet Home charter of 1986 was approved by the voters on June 24, 1986.

The government of the City of Sweet Home is vested in a City Council. The Council is composed of seven members elected at large at each biennial general election. The three council members who receive the highest number of votes serve four-year terms and the councilor who receives the next highest number of votes serves for a two-year term. The Mayor is elected by the other council members after each biennial general election for a two-year term. The City Manager, City Attorney, and Municipal Judge are appointed by and serve at the pleasure of the City Council. The City Manager is selected by the Council as the administrative head of the city government.

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. For the most part, the effect of interfund activity 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.

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, proprietary, or fiduciary. Currently, the City has governmental (general, special revenue, capital projects and debt service) and proprietary type (enterprise and internal service) funds. Major individual governmental funds, and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major 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. Internal service funds are reported in a single column in the proprietary fund financial statements.

Basis of Presentation

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenses. The various funds are reported by generic classification within the financial statements.

The model sets forth minimum criteria (percentage of the assets liabilities, revenues or expenditures of either fund category or the government and enterprise combined) for the determination of major funds.

CITY OF SWEET HOME, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

The City reports the following major governmental funds:

General Fund - this fund is used to account for all financial resources except those required to be accounted for in another fund. Primary sources of revenue are property taxes, state shared revenues, and licenses and permits. Primary expenditures are made for public safety, parks and community services and general government.

Special Revenue Funds

Public Safety Fund - this fund is used to account for the serial property tax levy approved by voters every five years to finance police and dispatch services.

State Gas Tax Fund - this fund is used to account for the City's share of state gasoline tax revenues which are restricted for use in the maintenance of streets.

The City reports the following major proprietary funds:

Water Operations - Water operations consist of four funds, the Water fund, the Water SDC fund, the Water Capital fund and the Water Depreciation Reserve fund. The operations fund is used to account for the acquisition, operations and maintenance of the City owned water utility system, which is funded primarily through user fees and system development charges.

Wastewater Operations - Wastewater operations consist of four funds, the Wastewater fund, the Wastewater SDC fund, the Wastewater Capital fund and the Wastewater Depreciation Reserve fund. The operations fund is used to account for the acquisition, operations and maintenance of the City owned wastewater utility system, which is funded primarily through user fees and system development charges.

The City reports the following nonmajor governmental funds:

Special Revenue Funds

Narcotic Enforcement Reserve Fund - this fund is used to account for property seized and forfeited to the Police Department in drug related cases, which must be used for drug enforcement by the Police Department.

Library Services Levy Fund - this fund is used to account for serial property tax levy approved by voters every five years for operation of the library.

Parks and Recreation Program Fund - this fund is used to account for funds received from donations that are to be used for parks improvements and a recreation program.

Path Program Fund - this fund accounts for the construction of bike paths, curb cuts and wheelchair ramps compliant with ADA requirements throughout Sweet Home.

Street Maintenance and Improvements Fund - this fund is used to account for funds received from Linn County in conjunction with the transfer of several County roads to the City and for the City's share of Linn County timber revenues which are restricted to maintenance and improvement of these roads.

CITY OF SWEET HOME, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Special Revenue Funds (Continued)

Economic and Community Development - this fund is used to account for Community Development Block Grant housing rehabilitation loans and monies earmarked for economic and community development.

Community Center Operations Fund - this fund is used to account for funds to be used for the general operation of the community center.

Special Assessments Fund - this fund is used to account for reimbursements on local improvement City projects financed by assessments against benefited property owners.

Public Transit Grant Fund - this fund is used to account for the expenditures of public transportation grant monies.

Weddle Bridge Fund - this fund is used to account for donations received to restore the Weddle Bridge to a usable condition.

Special Events Fund - this fund is used to account for revenues received for events that are self-supporting and fund specific activities put on by the City.

Capital Projects Funds

Building Reserve Fund - this fund was established as a reserve for the new City Hall and accounts for the activity related to construction costs.

Project and Equipment Reserve Fund - this fund is a reserve for purchase of equipment.

Debt Service Fund

Police/Emergency Dispatch Facility Debt Service Fund - this fund is used to account for revenues from property tax payments to pay back general obligation bonds used to build the Police/Emergency Dispatch Facilities.

The City reports the following non-major enterprise and internal service funds:

Storm Water Operations - Storm water operations consists of four funds, the Storm Water fund, the Storm Water SDC fund, the Storm Water Capital fund and the Storm Water Depreciation fund. The operations fund is used to account for the acquisition, operations and maintenance of the City's storm water drainage system, which is funded primarily through user fees and system development charges.

Internal Service - this fund accounts for the central operational services of the City.

CITY OF SWEET HOME, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance

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. 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.

When expenditures are paid for purposes in which both net position - restricted and net position - unrestricted are available, the City deems net position - restricted to be spent first.

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.

CITY OF SWEET HOME, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The government-wide financial statements and the proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statement of Net position. Net position is segregated into investment in capital assets, net of related debt, restricted and unrestricted components. Operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. “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 are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are franchise taxes, licenses, interest revenue and charges for services. Fines and permits and property taxes revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Enterprise funds distinguish between operating revenues and expenses and nonoperating items. Operating revenues and expenses result from providing services to customers in connection with ongoing utility operations. The principal operating revenues are charges to customers for service. Operating expenses include payroll and related costs, materials and supplies, and capital outlay. All revenues not considered operating are reported as nonoperating items.

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, 2020. Actual results may differ from such estimates.

Cash and Investments

Investments, included in cash and investments, are carried at cost which approximates fair 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 effectively may withdraw cash at any time without prior notice or penalty.

CITY OF SWEET HOME, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 are recognized as revenues if they are collected within thirty days of fiscal year end. Uncollected property taxes are offset by unavailable revenue and, accordingly, have not been recorded as revenue. Real and personal property taxes are levied upon all taxable property within the City and become liens against the property as of July 1 of each year and are payable in three installments which are due on November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent. 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 Linn 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 offset by a deferred revenue account and, accordingly, have not been recorded as revenue.

Interest earned on assessments in the governmental fund types is accrued when due.

Inventory

Inventories of supplies in the enterprise funds are stated at cost (first-in, first-out basis) and are charged to expense as used.

Capital Assets

Capital assets are stated at cost or estimated historical cost. Donated assets are recorded at fair market value at date of donation. Estimated fair market value of donated assets is determined based on engineering estimates of current cost or price indexed cost.

Normal maintenance and repairs are charged to operations as incurred. Major additions, improvements and replacements are capitalized. Gains or losses from sales or retirements of fixed assets are included in operations.

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 is 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 business-type activities consists of water, stormwater, and wastewater collection systems.

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.

CITY OF SWEET HOME, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

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 | 30-50 years |
| Improvements other than buildings | 20 years |
| Infrastructure | 20-40 years |
| Equipment | 3-15 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. In accordance with the composite depreciation method, no gain or loss is recorded upon disposal, but rather, cost is removed from the capital asset account and charged to the accumulated depreciation account.

Long-Term Obligations

In the government-wide financial statements, and in proprietary fund types, long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Issuance costs are expensed.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs at the time of issuance. Bond proceeds are reported as other financing sources net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

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 position 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, 2020 measurement date.

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 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.

CITY OF SWEET HOME, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pension

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 the fiduciary net position of the Oregon Public Employees Retirement System (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 the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

The City reports two components other than pensions (OPEB) – Oregon Public Employees Retirement System Retiree Health Insurance Account (OPERS RHIA) and a single-employer defined benefit postemployment 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 fair value.

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 postemployment 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.

Accrued Compensated Absences

Accumulated vested vacation pay is accrued in the government-wide and proprietary funds as it is earned by employees. In the governmental fund types the amounts, if any, expected to be liquidated with expendable available resources are accrued as liabilities of the funds. Accumulated sick leave does not vest and is therefore recorded in all funds when leave is taken.

Encumbrances

The City does not utilize encumbrances.

Budget and Budgetary Accounting

A budget is prepared for each fund in accordance with the modified accrual basis of accounting with certain modifications and legal requirements set forth in the Oregon Local Budget Law.

CITY OF SWEET HOME, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget and Budgetary Accounting (Continued)

The City begins its budgeting process after City Council holds a work session in January at which goals and objectives are discussed for the upcoming year. Utilizing the goals and objectives adopted by City Council, city staff develops a proposed budget in early spring which is presented to the Budget Committee in late spring. Following a series of public meetings with the Budget Committee an Approved Budget is sent to City Council for adoption at a Public Hearing at the end of June.

City Council adopts the budget, makes appropriations, and declares the tax levies by resolution no later than June 30. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The City established the levels of budgetary control at the personal services, materials and services, capital outlay, operating contingencies, debt service, and all other requirement levels for all funds except the General Fund, in which budgetary controls are established at the departmental operations level, capital outlay and contingency. Management is allowed to adjust budget numbers between services levels within funds, while transfers outside of funds, appropriation of unexpected revenues and use of contingencies require Council action through the supplemental budget process.

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 a local newspaper and approval by the City Council. City Council must authorize all appropriation transfers and supplementary budgetary appropriations. With the approval of the supplemental budget during the year, budget amounts shown in the general purpose financial statements have been revised since the original budget amounts were adopted. All annual appropriations lapse at fiscal year-end.

A detailed budget document that contains more specific information on all funds, their operational purposes, their levels of budgetary controls and historical data is made available to the public and used constantly by the City for its administration control purposes.

CASH AND INVESTMENTS

Cash and investments are comprised of the following at June 30, 2022:

| | <i>Carrying Value</i> | <i>Fair Value</i> |
|--------------------------------------|---------------------------|-----------------------|
| <i>Cash</i> | | |
| Cash on hand | \$ 3,216 | \$ 3,216 |
| Deposits with financial institutions | 809,984 | 809,984 |
| Certificates of deposit | 153,597 | 153,597 |
| <i>Investments</i> | | |
| Local Government Investment Pool | 13,552,173 | 13,552,173 |
| | \$ 14,518,970 | \$ 14,518,970 |

CITY OF SWEET HOME, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2022

CASH AND INVESTMENTS (Continued)

Deposits

The book balance of the City's bank deposits with various financial institutions was \$826,135 and the bank balance was \$1,040,384 at year-end. The difference is due to transactions in process. 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.

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) provides insurance for the City's deposits with financial institutions for up to \$250,000 each for the aggregate of all demand deposits and the aggregate of all time deposit and savings accounts at each financial institution. Deposits in excess of FDIC coverage are with institutions participating in the Oregon Public Funds Collateralization Program. 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, 2022, \$603,972 of the City's bank balances were covered by the PFCP.

The State Treasurer of the State of Oregon maintains the Oregon Short-Term Fund, of which the Local Government Investment Pool (LGIP) is part. Participation by local governments is voluntary. At June 30, 2022, the carrying value of the position in the Oregon State Treasurer's Short-Term Investment Pool approximates fair value. The investment in the Oregon Short-Term Fund is not subject to risk evaluation. Separate financial statements for the Oregon Short-Term Fund are available from the Oregon State Treasurer.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of a failure of the counterparty, the City would not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. Currently, the City's investments are limited to the Local Government Investment Pool (LGIP).

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 SWEET HOME, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2022

CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

Business-type Activities

| | <i>Balances July 1, 2021</i> | <i>Increases</i> | <i>Decreases</i> | <i>Balances June 30, 2022</i> |
|---|--------------------------------------|------------------|------------------|---------------------------------------|
| NON-DEPRECIABLE - CAPITAL ASSETS | | | | |
| Construction in progress-sewer | \$ 16,566,080 | \$ 49,840 | \$ - | \$ 16,615,920 |
| DEPRECIABLE - CAPITAL ASSETS | | | | |
| Equipment-water | 257,806 | 223,606 | (35,033) | 446,379 |
| Equipment-sewer | 433,005 | - | - | 433,005 |
| Equipment - stormwater | 1,886 | - | - | 1,886 |
| Water facilities | 12,166,085 | 69,455 | - | 12,235,540 |
| Sewer facilities | 9,787,015 | 2,223,063 | - | 12,010,078 |
| Stormwater Infrastructure | 10,296,700 | - | - | 10,296,700 |
| <i>Total depreciable capital assets</i> | 32,942,497 | 2,516,124 | (35,033) | 35,423,588 |
| ACCUMULATED DEPRECIATION - CAPITAL ASSETS | | | | |
| Equipment-water | \$ (218,815) | \$ (25,781) | \$ 29,873 | \$ (214,723) |
| Equipment-sewer | (433,005) | - | - | (433,005) |
| Equipment - stormwater | (1,511) | (189) | - | (1,700) |
| Water facilities | (3,509,740) | (304,152) | - | (3,813,892) |
| Sewer facilities | (9,460,456) | (244,675) | - | (9,705,131) |
| Stormwater Infrastructure | (10,296,700) | - | - | (10,296,700) |
| <i>Total capital asset accumulated depreciation</i> | (23,920,227) | (574,797) | 29,873 | (24,465,151) |
| DEPRECIABLE - RIGHT TO USE ASSETS | | | | |
| Vehicles | - | 154,678 | - | 154,678 |
| ACCUMULATED AMORTIZATION - RIGHT TO USE ASSETS | | | | |
| Vehicles | - | (14,548) | - | (14,548) |
| <i>Business-type activities capital assets, net</i> | \$ 25,588,350 | \$ 2,131,297 | \$ (5,160) | \$ 27,714,487 |

Depreciation of \$574,797 was charged to business-type activities in the same amounts as shown.

CITY OF SWEET HOME, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2022

CAPITAL ASSETS (Continued)

Governmental Activities

| | <i>Balances July 1, 2021</i> | <i>Increases</i> | <i>Decreases</i> | <i>Balances June 30, 2022</i> |
|---|--------------------------------------|--------------------|-------------------|---------------------------------------|
| NON-DEPRECIABLE - CAPITAL ASSETS | | | | |
| Land and improvements | \$ 3,534,180 | \$ - | \$ - | \$ 3,534,180 |
| Construction in progress | 488,882 | - | - | 488,882 |
| <i>Total non-depreciable capital assets</i> | 4,023,062 | - | - | 4,023,062 |
| DEPRECIABLE - CAPITAL ASSETS | | | | |
| Buildings | 10,715,922 | - | - | 10,715,922 |
| Equipment | 2,669,851 | 225,561 | (35,157) | 2,860,255 |
| Infrastructure | 25,879,852 | 854,216 | - | 26,734,068 |
| <i>Total depreciable capital assets</i> | 39,265,625 | 1,079,777 | (35,157) | 40,310,245 |
| ACCUMULATED DEPRECIATION - CAPITAL ASSETS | | | | |
| Buildings | (6,126,742) | (267,898) | - | (6,394,640) |
| Equipment | (1,775,089) | (266,985) | 27,712 | (2,014,362) |
| Infrastructure | (23,132,430) | (646,996) | - | (23,779,426) |
| <i>Total capital asset accumulated depreciation</i> | (31,034,261) | (1,181,879) | 27,712 | (32,188,428) |
| DEPRECIABLE - RIGHT TO USE ASSETS | | | | |
| Vehicles | - | 52,489 | - | 52,489 |
| ACCUMULATED AMORTIZATION - RIGHT TO USE ASSETS | | | | |
| Vehicles | - | (6,689) | - | (6,689) |
| <i>Governmental activities capital assets, net</i> | <u>\$ 12,254,426</u> | <u>\$ (56,302)</u> | <u>\$ (7,445)</u> | <u>\$ 12,190,679</u> |

Depreciation expense in the amount of \$1,181,879 was charged to general government on the statement of activities.

CITY OF SWEET HOME, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2022

LONG-TERM DEBT

Long-term debt transactions for the year were as follows:

| | <i>Outstanding July 1, 2021</i> | <i>Issued</i> | <i>Matured/ Redeemed During Year</i> | <i>Outstanding June 30, 2022</i> | <i>Due Within One Year</i> |
|---------------------------------|---|-------------------|--|--|--------------------------------|
| <i>Business-type Activities</i> | | | | | |
| Direct borrowings | \$ 13,168,557 | \$ 101,103 | \$ (831,631) | \$ 12,438,029 | \$ 967,853 |
| Bond premiumns | 536,974 | - | (38,355) | 498,619 | 38,355 |
| | <u>\$ 13,705,531</u> | <u>\$ 101,103</u> | <u>\$ (869,986)</u> | <u>\$ 12,936,648</u> | <u>\$ 1,006,208</u> |

Business-type Activities - Direct Borrowings

On September 22, 2004, the City signed a \$4,000,000 loan with Oregon Economic and Community Development Department to finance the planning, design and construction of river intake and transmission lines, two pump stations, a new 6,000 square-foot building, a filter, a disinfection contact tank, structural improvements to existing buildings, a new backwash pond, a clearwell and plumbing and electrical improvements. On March 10, 2009, the City signed an amendment bringing the total loan amount to \$7,500,000. This loan was made under a promissory note and a related loan agreement under which the City has pledged revenue of its Water Fund and also it's taxing power under Article XI, Section 11 of the Constitution of the State of Oregon. Interest is set at 1.00% per annum. The State of Oregon has assigned the City's obligations under this loan agreement to a trustee under the State's bond indenture as security for the bonds issued by the State of Oregon. Funds will be disbursed from the State's Clean Water State Revolving Loan Fund. Final payment is scheduled for 2039-40. In the event of default, the loan becomes immediately due and payable.

\$ 4,839,195

On September 22, 2004, the City signed a \$1,030,000 loan with Oregon Economic and Community Development Department for costs associated with the construction of a new water treatment facility. The City subsequently signed an amendment for an additional \$3,000,000, bringing the total loan amount to \$4,030,000. Interest on this loan is set at 3.56%. In the event of default, the loan becomes immediately due and payable.

\$ 2,750,000

In March 2021, the City issued Full Faith and Credit Refunding Obligations, Series 2021 to provide funds for advance refunding of three water and wastewater improvement notes with the Oregon Department of Environmental Quality totaling \$6,162,781 at the time of refunding. The \$5,780,000 issue closed on March 16, 2021 at an interest rate of 3.00% maturing in 2035. Net present value of the savings, due to the lower interest rate on the refunding bonds, is \$768,741.

\$ 5,505,000

CITY OF SWEET HOME, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2022

LONG-TERM DEBT (Continued)

Annual debt service requirements to maturity for loans payable are as follows:

| <i>Fiscal Year Ending June 30,</i> | <i>Principal</i> | <i>Interest</i> | <i>Total</i> |
|--|----------------------|---------------------|----------------------|
| 2023 | \$ 1,009,164 | \$ 198,595 | \$ 1,207,759 |
| 2024 | 1,156,513 | 179,971 | 1,336,484 |
| 2025 | 1,228,884 | 158,099 | 1,386,983 |
| 2026 | 998,840 | 137,988 | 1,136,828 |
| 2027 | 992,748 | 120,981 | 1,113,729 |
| 2028-2032 | 4,680,893 | 363,901 | 5,044,794 |
| 2033-2037 | 2,043,414 | 108,948 | 2,152,362 |
| 2038-2042 | 826,193 | 16,579 | 842,772 |
| | <u>\$ 12,936,649</u> | <u>\$ 1,285,062</u> | <u>\$ 14,221,711</u> |

LEASES PAYABLE

The City has a lease agreement for seven police vehicles with various payment amounts and expiration dates. The yearly payments in place at June 30, 2022 total \$52,742 per year, with the newest lease expiring in 2027. The lease payable was calculated using a discount rate of 1.57%.

As of and for the year ended June 30, 2022, the City's lease payable activity was as follows:

| | <i>July 1, 2021 (Restated)</i> | <i>Issued</i> | <i>Matured/ Redeemed During Year</i> | <i>Outstanding June 30, 2022</i> | <i>Due Within One Year</i> |
|----------------|--|---------------|--|--|--------------------------------|
| Vehicle leases | \$ 207,168 | \$ - | \$ (21,237) | \$ 185,931 | \$ 41,247 |

At June 30, 2022, future principal and interest payments for the lease payables are as follows:

| <i>Fiscal Year Ending June 30,</i> | <i>Vehicle Leases</i> | | |
|--|-----------------------|------------------|-------------------|
| | <i>Principal</i> | <i>Interest</i> | <i>Total</i> |
| 2023 | \$ 41,247 | \$ 11,495 | \$ 52,742 |
| 2024 | 41,247 | 11,495 | 52,742 |
| 2025 | 41,247 | 11,495 | 52,742 |
| 2026 | 41,247 | 11,495 | 52,742 |
| 2027 | 20,942 | 6,093 | 27,034 |
| | <u>\$ 185,931</u> | <u>\$ 52,072</u> | <u>\$ 238,002</u> |

CITY OF SWEET HOME, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2022

PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description

Some of the City's 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 CAFR 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.

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.

CITY OF SWEET HOME, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2022

PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)

Benefits Provided (Continued)

Tier One/Tier Two Retirement Benefit (Continued)

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.

OPSRP Pension Program

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. 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.

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 2016 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, 2019 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 13.26% for Tier One/Tier Two members, 5.23% for OPSRP General Service members, and 9.59% for OPSRP Police and Fire members. The City's total contributions exclusive of the 6% "pick-up" were \$100,469.

CITY OF SWEET HOME, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2022

PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)

Contributions (Continued)

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 \$64,434 of the employees' contribution.

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

At June 30, 2022, the City reported a liability of \$1,283,567 for its proportionate share of the OPERS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019 rolled forward to June 30, 2021. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At the June 30, 2021 and 2020 measurement dates, the City's proportion was 0.01073% and 0.01007%, respectively.

For the year ended June 30, 2022, the City recognized pension expense of \$195,420. At June 30, 2022, 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> |
|---|---|--|
| Differences between expected and actual experience | \$ 120,150 | \$ - |
| Changes of assumptions | 321,315 | 3,378 |
| Net difference between projected and actual earnings on investments | - | 950,214 |
| Changes in proportionate share | 333,499 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | - | 212,764 |
| Contributions subsequent to measurement date | 100,469 | - |
| Total | <u>\$ 875,433</u> | <u>\$ 1,166,356</u> |

CITY OF SWEET HOME, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2022

PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)

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

Deferred outflows of resources related to pensions of \$100,469 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 subsequent fiscal year. Other amounts reported as net deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <i>Fiscal Year Ending June 30,</i> | | |
|---|----|-----------|
| 2023 | \$ | (12,592) |
| 2024 | | (54,758) |
| 2025 | | (122,956) |
| 2026 | | (229,239) |
| 2027 | | 28,153 |
| Total | \$ | (391,392) |

DRAFT

PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)

Actuarial Methods and Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial methods and assumptions:

| | |
|----------------------------|---|
| 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% overall payroll growth; salaries for individuals are assumed to grow at 3.40% plus assumed rates of merit/longevity increases 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 Employee, 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 Disable Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> |

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2018 experience study which reviewed experience for the four-year period ending on December 31, 2018.

CITY OF SWEET HOME, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2022

PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)

Long-Term Expected Rate of Return

TABLE 31

| <u>Long-Term Expected Rate of Return</u> ¹ | Target Allocation | Annual Arithmetic Return ² | 20-Year Annualized Geometric Mean | Annual Standard Deviation |
|---|--------------------|---------------------------------------|-----------------------------------|---------------------------|
| Global Equity | 30.62 % | 7.11 % | 5.85 % | 17.05 % |
| Private Equity | 25.50 | 11.35 | 7.71 | 30.00 |
| Core Fixed Income | 23.75 | 2.80 | 2.73 | 3.85 |
| Real Estate | 12.25 | 6.29 | 5.66 | 12.00 |
| Master Limited Partnerships | 0.75 | 7.65 | 5.71 | 21.30 |
| Infrastructure | 1.50 | 7.24 | 6.26 | 15.00 |
| Commodities | 0.63 | 4.68 | 3.10 | 18.85 |
| Hedge Fund of Funds - Multistrategy | 1.25 | 5.42 | 5.11 | 8.45 |
| Hedge Fund Equity - Hedge | 0.63 | 5.85 | 5.31 | 11.05 |
| Hedge Fund - Macro | 5.62 | 5.33 | 5.06 | 7.90 |
| US Cash | -2.50 ³ | 1.77 | 1.76 | 1.20 |
| Assumed Inflation - Mean | | | 2.40 % | 1.65 % |

¹ Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on June 2, 2021.

² The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

³ Negative allocation to cash represents levered exposure from allocation to Risk Parity strategy.

Discount Rate

The discount rate used to measure the total pension liability was 6.90% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF SWEET HOME, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2022

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:

| | <u>1% Decrease (5.90%)</u> | <u>Discount Rate (6.90%)</u> | <u>1% Increase (7.90%)</u> |
|--|--------------------------------|----------------------------------|--------------------------------|
| Proportionate share of the net pension liability | \$ 2,520,618 | \$ 1,283,567 | \$ 248,604 |

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 PLAN

Plan Description

Under the ICMA IRC Section 401 defined contribution pension plan agreement for all full-time general and emergency services employees who are union members and not covered by another retirement plan, the City’s contribution rate is 12% of the employee’s salary. There is no mandatory or voluntary employee contribution, and the plan does not provide for employer “pick-up” of any employee contributions. The City’s contribution to this plan for fiscal year ended June 30, 2022 totaled \$142,428 on \$1,188,903 of covered payroll.

Under the ICMA IRC Section 401 defined contribution pension plan agreement for non-contractual employees the City’s contribution rate is 15.7% of the non-contractual employee’s salary. The non-contractual employees also have a mandatory 1.0% contribution based on their salary. The City’s contribution to the money purchase pension plan for the non-contractual employees for the fiscal year ended June 30, 2022 was \$161,730 on \$1,030,428 of covered non-contractual City payroll.

Plan Description (Continued)

Under the ICMA Pension Plans there is no minimum age requirement and there is a six-month period of service requirement for participation. The normal retirement age under this pension plan is age 65. There is no minimum vesting requirement under the plan and employees vest as follows:

| <u>Years of Service Completed</u> | <u>Specified Percent Vesting</u> |
|---------------------------------------|----------------------------------|
| 1 and 2 | - |
| 3 | 50% |
| 4 | 75% |
| 5 | 100% |

CITY OF SWEET HOME, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2022

DEFINED CONTRIBUTION PENSION PLAN (Continued)

Deferred Compensation

The City makes available an IRC Section 457 deferred compensation plan through the ICMA Retirement Corporation for all employees. Employee participation is voluntary, and the City does not make any contribution to the plan.

POSTEMPLOYMENT 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.

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 Subsidy Plan</u> | <u>PERS RHIA Plan</u> | <u>Total OPEB on Financials</u> |
|--|---------------------------------------|---------------------------|-------------------------------------|
| Net OPEB Asset | \$ - | \$ 32,653 | \$ 32,653 |
| Deferred Outflows of Resources | | | |
| Contributions After Measurement Date | 7,316 | 282 | 7,598 |
| Differences Between Expected and Actual Experience | 23,451 | - | 23,451 |
| Differences Between Expected and Actual Earnings | - | - | - |
| Changes in Proportionate Share | - | 288 | 288 |
| Change in Assumptions | 12,702 | 642 | 13,344 |
| Total Outflows of Resources | 43,469 | 1,212 | 44,681 |
| Total OPEB Liability | (226,482) | - | (226,482) |
| Deferred Inflows of Resources | | | |
| Differences Between Expected and Actual Experience | (42,327) | (908) | (43,235) |
| Change in Assumptions | (5,819) | (486) | (6,305) |
| Net Difference Between Projected and Actual Earnings | - | (7,760) | (7,760) |
| Changes in Proportionate Share | - | (382) | (382) |
| | (48,146) | (9,536) | (57,682) |
| OPEB Expense/(Income) (Included in program expenses on Statement of Activities) | 76,831 | (4,504) | 72,327 |

CITY OF SWEET HOME, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2022

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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 City or through resolutions passed by City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The City’s postemployment healthcare plan administrator issues a publicly available financial report that includes financial statements and required supplementary information for CIS. This report may be obtained 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. As of the valuation date of July 1, 2020, the following employees were covered by the benefit terms:

| | |
|--|-----------|
| Inactive employees or beneficiaries receiving benefits | 1 |
| Active employees | 55 |
| | <u>56</u> |

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 \$241,281 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2020. For the fiscal year ended June 30, 2022, the City recognized a credit to OPEB expense from this plan of \$76,831. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

| | <u><i>Deferred Outflow of Resources</i></u> | <u><i>Deferred Inflow of Resources</i></u> |
|---|---|--|
| Differences between expected an actual experience | \$ 23,451 | \$ 42,327 |
| Changes of assumptions | 12,702 | 5,819 |
| Contributions subsequent to measurement date | 7,316 | - |
| Total | <u>\$ 43,469</u> | <u>\$ 48,146</u> |

Deferred outflows of resources related to OPEB of \$43,469 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, 2022.

CITY OF SWEET HOME, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2022

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Implicit Rate Subsidy (Continued)

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>Year ended June 30:</u> | |
|----------------------------|--------------------|
| 2023 | \$ (178) |
| 2024 | (178) |
| 2025 | 126 |
| 2026 | 1,345 |
| 2027 | (2,724) |
| Thereafter | (10,384) |
| Total | <u>\$ (11,993)</u> |

Actuarial Assumptions and Other Inputs

The total OPEB liability for the June 30, 2021 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 7.00% and 5.00% (due to the timing of the excise tax scheduled to affect health care benefits), dental at 4.50%, and mortality rates based on the RP-2014 healthy annuitant, sex-distinct, generational with unisex, Social Security Data Scale, with collar adjustments and setbacks.

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, 2021 | \$ 226,482 |
| Changes for the year: | |
| Service cost | 22,757 |
| Interest on total OPEB liability | 5,349 |
| Effect of economic/demographic gains or losses | - |
| Effect of assumptions changes or inputs | 1,144 |
| Benefit payments | (14,451) |
| Balance as of June 30, 2022 | <u>\$ 241,281</u> |

CITY OF SWEET HOME, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2022

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Implicit Rate Subsidy (Continued)

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 (1.16%)</u> | <u>Current Discount Rate (2.16%)</u> | <u>1% Increase (3.16%)</u> |
|----------------------|----------------------------|--------------------------------------|----------------------------|
| Total OPEB Liability | \$ 264,312 | \$ 241,281 | \$ 220,007 |

Healthcare Cost Trend:

| | <u>1% Decrease (4.00% decreasing to 3.75%)</u> | <u>Current Healthcare Trend Rate (5.00% decreasing to 4.75%)</u> | <u>1% Increase (6.00% decreasing to 5.75%)</u> |
|----------------------|--|--|--|
| Total OPEB Liability | \$ 208,627 | \$ 241,281 | \$ 280,723 |

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.

CITY OF SWEET HOME, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2022

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

PERS Retirement Health Insurance Account (Continued)

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, 2020 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2021. The City's contribution rates for the period were 0.50% for Tier One/Tier Two members, and 0.43% for OPSRP members. The City's total for the year ended June 30, 2021 contributions was \$282.

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

At June 30, 2022, the City reported an asset of \$32,653 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2021 and was determined by an actuarial valuation as of December 31, 2020 rolled forward to June 30, 2022. The City's proportion of the net OPEB asset was based on the City's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2021, the City's proportionate share was 0.00951%, which is an increase from its proportion of 0.00920% as of June 30, 2020.

For the year ended June 30, 2022, the City recognized a credit to OPEB expense from this plan of \$4,504. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

| | <i>Deferred Outflow of Resources</i> | <i>Deferred Inflow of Resources</i> |
|--|---|--|
| | <u> </u> | <u> </u> |
| Differences between expected and actual experience | \$ - | \$ 908 |
| Changes of assumptions | 642 | 486 |
| Net difference between projected and actual earnings | - | 7,760 |
| Changes in proportionate share | 288 | 382 |
| Contributions subsequent to the MD | 282 | - |
| | <u> </u> | <u> </u> |
| Total | <u>\$ 1,212</u> | <u>\$ 9,536</u> |

Deferred outflows of resources related to OPEB of \$282 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

CITY OF SWEET HOME, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2022

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

PERS Retirement Health Insurance Account (Continued)

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

| Year ended June 30: | |
|--------------------------------|-------------------|
| 2023 | \$ (2,660) |
| 2024 | (1,723) |
| 2025 | (1,772) |
| 2026 | (2,451) |
| Total | <u>\$ (8,606)</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:

| | <u>1% Decrease (5.90%)</u> | <u>Discount Rate (6.90%)</u> | <u>1% Increase (7.90%)</u> |
|----------------------------|--------------------------------|----------------------------------|--------------------------------|
| Net OPEB Liability (Asset) | \$ (28,877) | \$ (32,653) | \$ (35,879) |

OPEB Plan Fiduciary Net Position

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

COMMITMENTS AND CONTINGENCIES

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

From time to time, the City is a defendant in various legal proceedings. Management believes any losses arising from these actions will not materially affect the City’s financial position.

CITY OF SWEET HOME, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2022

TRANSFERS

Interfund transfers on a budgetary basis for the year ended June 30, 2022, consisted of the following amounts:

| <u>Fund Name</u> | <u>Transfers In</u> | <u>Transfers Out</u> |
|----------------------------------|---------------------|----------------------|
| General | \$ - | \$ 107,056 |
| Public Safety | 28,159 | 68,430 |
| State Gas Tax | - | 66,208 |
| Non-Major Governmental | 327,238 | 327,800 |
| Water Operations | 221,087 | - |
| Wastewater Operations | 1,648,153 | 1,635,967 |
| Non-Major Storm Water Operations | 179,795 | 198,971 |
| | <u>\$ 2,404,432</u> | <u>\$ 2,404,432</u> |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move revenues restricted to debt service from the funds collecting the revenues to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

INTERFUND RECEIVABLES AND PAYABLES

In 2019, the Water Depreciation Reserve fund issued an \$800,000 interfund loan to the Building Reserve fund for construction of the new city hall. Annual payments of principal plus interest at 2.50% are required through December 2028. For the year ended June 30, 2022, the City paid \$71,407 of principal and \$20,000 of interest on the loan.

In 2020, the Street Improvement fund issued a \$206,186 interfund loan to the Street Maintenance Fund for the purchase of a street sweeper. Annual payments of principal are required through December 2025. For the year ended June 30, 2022, the City paid \$41,237 of principal on the loan.

DEFICIT FUND BALANCES

The following fund reported a deficit fund balance as of June 30, 2022:

| <u>Fund Name</u> | <u>Deficit Fund Balance</u> |
|------------------|---------------------------------|
| Building Reserve | (537,698) |

CITY OF SWEET HOME, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2022

EXPENDITURES IN EXCESS OF APPROPRIATIONS

Oregon law prohibits expenditures in excess of Council approved appropriations. Expenditures in excess of appropriations in individual funds for the year ended June 30, 2022 occurred as follows:

| <i>Fund Name</i> | <i>Budget</i> | <i>Actual</i> | <i>Variance</i> |
|------------------------------------|---------------|---------------|-----------------|
| General | | | |
| Community and economic development | \$ 736,184 | \$ 750,069 | \$ (13,885) |
| Water | | | |
| Treatment | 796,090 | 1,076,187 | (280,097) |
| Wastewater | | | |
| Treatment | 991,965 | 1,036,177 | (44,212) |
| Internal Service | | | |
| Materials and services | 16,913 | 17,767 | (854) |
| Executive and legislative | 498,394 | 557,731 | (59,337) |
| Finance | 595,117 | 602,978 | (7,861) |

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF SWEET HOME, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2022

| | <i>Budget Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|---------------------|---------------------|------------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Taxes and assessments | \$ 730,042 | \$ 730,042 | \$ 732,640 | \$ 2,598 |
| Licenses and permits | 415,000 | 415,000 | 429,116 | 14,116 |
| Charges for services | 195,700 | 195,700 | 338,469 | 142,769 |
| Intergovernmental | 584,215 | 584,215 | 455,700 | (128,515) |
| Fines and forfeitures | 175,000 | 175,000 | 169,021 | (5,979) |
| Miscellaneous | 174,200 | 174,200 | (78,242) | (252,442) |
| <i>Total Revenues</i> | <i>2,274,157</i> | <i>2,274,157</i> | <i>2,046,704</i> | <i>(227,453)</i> |
| EXPENDITURES | | | | |
| Current | | | | |
| Executive department | 100 | 100 | 40 | 60 |
| Municipal court | 278,035 | 278,035 | 274,539 | 3,496 |
| Community and economic development | 736,184 | 736,184 | 750,069 | (13,885) |
| Parks and facilities | 512,851 | 512,851 | 409,200 | 103,651 |
| Non-departmental | | | | |
| Personnel services | 253,757 | 253,757 | 253,665 | 92 |
| Materials and services | 487,572 | 487,572 | 392,972 | 94,600 |
| Capital outlay | 192,900 | 192,900 | 74,438 | 118,462 |
| Contingency | 70,298 | 70,298 | - | 70,298 |
| <i>Total Expenditures</i> | <i>2,531,697</i> | <i>2,531,697</i> | <i>2,154,923</i> | <i>376,761</i> |
| REVENUES OVER (UNDER) EXPENDITURES | (257,540) | (257,540) | (108,219) | 149,308 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 4,592 | 4,592 | - | (4,592) |
| Transfers out | (107,056) | (107,056) | (107,056) | - |
| NET CHANGE IN FUND BALANCE | (360,004) | (360,004) | (215,275) | 144,716 |
| FUND BALANCE, beginning of year | 1,600,707 | 1,600,707 | 1,523,057 | (77,650) |
| FUND BALANCE, end of year | \$ 1,240,703 | \$ 1,240,703 | \$ 1,307,782 | \$ 67,066 |

CITY OF SWEET HOME, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – PUBLIC SAFETY FUND
YEAR ENDED JUNE 30, 2022

| | <i>Budget Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Taxes and assessments | \$ 3,475,627 | \$ 3,475,627 | \$ 3,614,379 | \$ 138,752 |
| Licenses and permits | 720 | 720 | 961 | 241 |
| Miscellaneous | 89,076 | 89,076 | 110,560 | 21,484 |
| <i>Total Revenues</i> | 3,565,423 | 3,565,423 | 3,725,900 | 160,477 |
| EXPENDITURES | | | | |
| Police department | 3,178,615 | 3,178,615 | 2,778,936 | 399,679 |
| Contingency | 268,918 | 268,918 | - | 268,918 |
| <i>Total Expenditures</i> | 3,447,533 | 3,447,533 | 2,778,936 | 668,597 |
| REVENUES OVER (UNDER) EXPENDITURES | 117,890 | 117,890 | 946,964 | 829,074 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (68,430) | (68,430) | (68,430) | - |
| NET CHANGE IN FUND BALANCE | 49,460 | 49,460 | 878,534 | 829,074 |
| FUND BALANCE, beginning of year | 2,153,238 | 2,153,238 | 2,319,602 | 166,364 |
| FUND BALANCE, end of year | \$ 2,202,698 | \$ 2,202,698 | \$ 3,198,136 | \$ 995,438 |

CITY OF SWEET HOME, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - STATE GAS TAX FUND
YEAR ENDED JUNE 30, 2022**

| | <i>Budget Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Intergovernmental | \$ 1,474,040 | \$ 1,474,040 | \$ 1,542,301 | \$ 68,261 |
| Miscellaneous | 4,061 | 4,061 | 7,297 | 3,236 |
| <i>Total Revenues</i> | 1,478,101 | 1,478,101 | 1,549,598 | 71,497 |
| EXPENDITURES | | | | |
| Current | | | | |
| Streets | 502,423 | 502,423 | 490,325 | 12,098 |
| Capital outlay | 709,068 | 709,068 | 562,818 | 146,250 |
| Contingency | 37,298 | 37,298 | - | 37,298 |
| <i>Total Expenditures</i> | 1,248,789 | 1,248,789 | 1,053,143 | 195,646 |
| REVENUES OVER (UNDER) EXPENDITURES | 229,312 | 229,312 | 496,455 | 267,143 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (66,208) | (66,208) | (66,208) | - |
| NET CHANGE IN FUND BALANCE | 163,104 | 163,104 | 430,247 | 267,143 |
| FUND BALANCE, beginning of year | 396,375 | 396,375 | 116,964 | (279,411) |
| FUND BALANCE, end of year | \$ 559,479 | \$ 559,479 | \$ 547,211 | \$ (12,268) |

CITY OF SWEET HOME, OREGON

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY— OREGON
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST NINE FISCAL YEARS¹**

| | <i><u>Proportion of the Net Pension Liability (Asset)</u></i> | <i><u>Proportionate Share of the Net Pension Liability (Asset)</u></i> | <i><u>Covered Payroll</u></i> | <i><u>Proportionate Share of the NPL(A) as % of its Covered Employee Payroll</u></i> | <i><u>Plan Fiduciary Net Position as % of the Total Pension Liability</u></i> |
|------|---|--|-------------------------------|--|---|
| 2022 | 0.0011% | \$ 1,283,567 | \$ 813,732 | 157.7% | 87.6% |
| 2021 | 0.0101% | 2,197,068 | 1,158,783 | 189.6% | 75.8% |
| 2020 | 0.0089% | 1,546,617 | 1,179,840 | 131.1% | 80.2% |
| 2019 | 0.0071% | 1,072,333 | 1,054,603 | 101.7% | 82.1% |
| 2018 | 0.5700% | 777,872 | 1,064,041 | 72.5% | 83.1% |
| 2017 | 0.2600% | 384,674 | 985,491 | 39.0% | 80.5% |
| 2016 | 0.0000% | - | 985,491 | 0.0% | 103.6% |
| 2015 | 0.0000% | - | 935,590 | 0.0% | 103.6% |
| 2014 | 0.0000% | - | 859,981 | 0.0% | 92.0% |

¹ 10-year trend information required by GASB Statement 68 will be presented prospectively

CITY OF SWEET HOME, OREGON
SCHEDULE OF THE CITY'S CONTRIBUTIONS – OREGON PUBLIC EMPLOYEES RETIREMENT
SYSTEM
LAST NINE FISCAL YEARS¹

| | <u><i>Contractually Required Contributions</i></u> | <u><i>Actual Contributions</i></u> | <u><i>Contribution Deficiency (Excess)</i></u> | <u><i>Covered Payroll</i></u> | <u><i>Contributions as % of Covered Payroll</i></u> |
|------|--|--|--|-------------------------------|---|
| 2022 | \$ 100,469 | \$ (100,469) | \$ - | \$ 813,732 | 12.35% |
| 2021 | 105,869 | (105,850) | - | 1,158,783 | 9.14% |
| 2020 | 115,850 | (115,850) | - | 1,179,840 | 9.82% |
| 2019 | 77,552 | (77,552) | - | 1,054,603 | 7.35% |
| 2018 | 78,084 | (78,084) | - | 1,064,041 | 7.34% |
| 2017 | 33,298 | (33,298) | - | 985,491 | 3.38% |
| 2016 | 30,422 | (30,422) | - | 935,590 | 3.25% |
| 2015 | 20,843 | (20,843) | - | 859,981 | 2.42% |
| 2014 | 18,502 | (18,502) | - | 763,360 | 2.42% |

¹ 10-year trend information required by GASB Statement 68 will be presented prospectively

CITY OF SWEET HOME, OREGON

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

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Service cost | \$ 22,757 | \$ 18,485 | \$ 16,410 | \$ 15,436 | \$ 16,475 |
| Interest on total OPEB liability | 5,349 | 9,960 | 10,382 | 7,272 | 5,805 |
| Effect of economic/demographic gains or (losses) | - | (54,963) | - | 44,767 | - |
| Effect of assumption change or inputs | 1,144 | (2,018) | 8,173 | 12,283 | (11,880) |
| Benefit payments | <u>(14,451)</u> | <u>(21,969)</u> | <u>(19,497)</u> | <u>(11,750)</u> | <u>(8,141)</u> |
| Net change in total OPEB liability | 14,799 | (50,505) | 15,468 | 68,008 | 2,259 |
| Net OPEB liability, beginning | <u>226,482</u> | <u>276,987</u> | <u>261,519</u> | <u>193,511</u> | <u>191,252</u> |
| Net OPEB liability, ending | <u>\$ 241,281</u> | <u>\$ 226,482</u> | <u>\$ 276,987</u> | <u>\$ 261,519</u> | <u>\$ 193,511</u> |
| Covered payroll | \$ 813,732 | \$ 3,377,811 | \$ 3,365,364 | \$ 3,092,386 | \$ 3,087,862 |
| Total OPEB liability as a % of covered payroll | 29.7% | 6.7% | 8.2% | 8.5% | 6.3% |

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 meets the criteria in paragraph 4 of GASB Statement No. 75.

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

CITY OF SWEET HOME, OREGON

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM RETIREE HEALTH INSURANCE ACCOUNT
LAST SIX FISCAL YEARS¹**

| | <i>Proportion of the Net OPEB Liability (Asset)</i> | <i>Proportionate Share of the Net OPEB Liability (Asset)</i> | <i>Covered Payroll</i> | <i>Proportionate Share of the Net OPEB Liability (Asset) as % Covered Payroll</i> | <i>Plan Fiduciary Net Position as % of Total Pension Liability</i> |
|------|---|--|------------------------|---|--|
| 2022 | 0.0095% | \$ (32,653) | \$ 813,732 | -4.0% | 183.9% |
| 2021 | 0.0092% | (18,741) | 1,158,783 | -1.6% | 144.4% |
| 2020 | 0.0098% | (18,885) | 1,179,840 | -1.6% | 124.0% |
| 2019 | 0.0102% | (11,338) | 1,054,603 | -1.1% | 108.9% |
| 2018 | 0.0096% | (4,021) | 1,064,041 | -0.4% | 94.2% |
| 2017 | 0.0097% | 2,646 | 985,491 | 0.3% | 94.2% |

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

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CITY OF SWEET HOME, OREGON
SCHEDULE OF THE CITY'S CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM RETIREE HEALTH INSURANCE ACCOUNT
LAST SIX FISCAL YEARS¹

| | <u>Contractually Required Contributions</u> | <u>Actual Contributions</u> | <u>Contribution Deficiency (Excess)</u> | <u>Covered Payroll</u> | <u>Contributions as % of Covered- Employee Payroll</u> |
|------|---|---------------------------------|---|----------------------------|--|
| 2022 | \$ 282 | \$ (282) | \$ - | \$ 813,732 | 0.03% |
| 2021 | 585 | (585) | - | 1,158,783 | 0.05% |
| 2020 | 4,849 | (4,849) | - | 1,179,840 | 0.41% |
| 2019 | 4,875 | (4,875) | - | 1,054,603 | 0.46% |
| 2018 | 4,796 | (4,796) | - | 1,064,041 | 0.45% |
| 2017 | 2,646 | (2,646) | - | 985,491 | 0.27% |

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

OTHER SUPPLEMENTARY INFORMATION

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CITY OF SWEET HOME, OREGON
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

| | <i>Special Revenue</i> | | |
|---|--|----------------------------------|---|
| | <i>Narcotics Enforcement Reserve</i> | <i>Library Services Levy</i> | <i>Parks and Recreation Program</i> |
| ASSETS | | | |
| Cash and investments | \$ 58,958 | \$ 496,826 | \$ 116,918 |
| Accounts receivable | - | - | - |
| Property taxes receivable | - | 19,996 | - |
| Assessment liens receivable | - | - | - |
| Loans receivable | - | - | - |
| Due from other funds | - | - | - |
| | | | |
| <i>Total Assets</i> | <u>\$ 58,958</u> | <u>\$ 516,822</u> | <u>\$ 116,918</u> |
| LIABILITIES AND FUND BALANCE | | | |
| Liabilities: | | | |
| Accounts payable | \$ - | \$ 8,759 | \$ 527 |
| Due to other funds | - | - | - |
| | | | |
| <i>Total Liabilities</i> | - | 8,759 | 527 |
| Deferred Inflows | | | |
| Unavailable revenue | - | 19,794 | - |
| Fund Balance: | | | |
| Restricted for: | | | |
| Community development | - | - | - |
| Library | - | 488,269 | - |
| Public safety | 58,958 | - | - |
| Committed to: | | | |
| Parks | - | - | 116,391 |
| Community development | - | - | - |
| Capital outlay | - | - | - |
| Unassigned | - | - | - |
| | | | |
| <i>Total Fund Balance</i> | <u>58,958</u> | <u>488,269</u> | <u>116,391</u> |
| | | | |
| <i>Total Liabilities and Fund Balance</i> | <u>\$ 58,958</u> | <u>\$ 516,822</u> | <u>\$ 116,918</u> |

Special Revenue

| <i>Path Program</i> | <i>Street Maintenance and Improvements</i> | <i>Economic and Community Development</i> | <i>Community Center Operations</i> | <i>Special Assessments</i> |
|---------------------|--|---|--|--------------------------------|
| \$ 969,381 | \$ 958,287 | \$ 279,279 | \$ 6,610 | \$ 4,890 |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | 5,342 |
| - | - | 244,399 | - | - |
| - | 206,186 | - | - | - |
| <u>\$ 969,381</u> | <u>\$ 1,164,473</u> | <u>\$ 523,678</u> | <u>\$ 6,610</u> | <u>\$ 10,232</u> |
| \$ 701 | \$ - | \$ 4,909 | \$ 1,628 | \$ - |
| - | - | - | - | - |
| 701 | - | 4,909 | 1,628 | - |
| - | - | 244,399 | - | 5,607 |
| 968,680 | 1,164,473 | 274,370 | - | 4,625 |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | 4,982 | - |
| <u>968,680</u> | <u>1,164,473</u> | <u>274,370</u> | <u>4,982</u> | <u>4,625</u> |
| <u>\$ 969,381</u> | <u>\$ 1,164,473</u> | <u>\$ 523,678</u> | <u>\$ 6,610</u> | <u>\$ 10,232</u> |

CITY OF SWEET HOME, OREGON

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (Continued)

JUNE 30, 2022

| | <u>Special Revenue</u> | | |
|---|---------------------------------|----------------------|-----------------------|
| | <u>Public Transit Grant</u> | <u>Weddle Bridge</u> | <u>Special Events</u> |
| ASSETS | | | |
| Cash and investments | \$ 24,200 | \$ 5,017 | \$ 5,359 |
| Accounts receivable | - | - | - |
| Property taxes receivable | - | - | - |
| Assessment liens receivable | - | - | - |
| Loans receivable | - | - | - |
| Due from other funds | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| <i>Total Assets</i> | \$ 24,200 | \$ 5,017 | \$ 5,359 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| LIABILITIES AND FUND BALANCE | | | |
| Liabilities: | | | |
| Accounts payable | \$ 60,900 | \$ - | \$ - |
| Due to other funds | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| <i>Total Liabilities</i> | 60,900 | - | - |
| Deferred Inflows | | | |
| Unavailable revenue | - | - | - |
| Fund Balance: | | | |
| Restricted for: | | | |
| Community development | - | - | - |
| Library | - | - | - |
| Public safety | - | - | - |
| Committed to: | | | |
| Parks | - | - | - |
| Community development | - | 5,017 | 5,359 |
| Capital outlay | - | - | - |
| Unassigned | (36,700) | - | - |
| | <hr/> | <hr/> | <hr/> |
| <i>Total Fund Balance</i> | (36,700) | 5,017 | 5,359 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| <i>Total Liabilities and Fund Balance</i> | \$ 24,200 | \$ 5,017 | \$ 5,359 |

| <i>Capital Projects</i> | | <i>Debt Service</i> | |
|-------------------------|--------------------------------------|---|---------------------|
| <i>Building Reserve</i> | <i>Project and Equipment Reserve</i> | <i>Police/Emergency Dispatch Facility G.O. Bond</i> | <i>Total</i> |
| \$ 63,096 | \$ 1,374,232 | \$ 4 | \$ 4,363,057 |
| - | - | - | - |
| - | - | - | 19,996 |
| - | - | - | 5,342 |
| - | - | - | 244,399 |
| - | - | - | 206,186 |
| <u>\$ 63,096</u> | <u>\$ 1,374,232</u> | <u>\$ 4</u> | <u>\$ 4,838,980</u> |
| \$ - | \$ - | \$ - | \$ 77,424 |
| 600,794 | - | - | 600,794 |
| <u>600,794</u> | <u>-</u> | <u>-</u> | <u>678,218</u> |
| - | - | - | 269,800 |
| - | - | - | 2,412,148 |
| - | - | - | 488,269 |
| - | - | 4 | 58,962 |
| - | - | - | 116,391 |
| - | - | - | 10,376 |
| - | 1,374,232 | - | 1,374,232 |
| (537,698) | - | - | (569,416) |
| <u>(537,698)</u> | <u>1,374,232</u> | <u>4</u> | <u>3,890,962</u> |
| <u>\$ 63,096</u> | <u>\$ 1,374,232</u> | <u>\$ 4</u> | <u>\$ 4,838,980</u> |

CITY OF SWEET HOME, OREGON

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022**

| | <i>Special Revenue</i> | | |
|--|--|----------------------------------|---|
| | <i>Narcotics Enforcement Reserve</i> | <i>Library Services Levy</i> | <i>Parks and Recreation Program</i> |
| REVENUES | | | |
| Taxes and assessments | \$ - | \$ 537,695 | \$ - |
| Licenses and permits | - | - | 45,387 |
| Intergovernmental | - | 2,596 | - |
| Fines and forfeitures | - | 4,317 | - |
| Miscellaneous | 277 | 7,096 | 21,715 |
| <i>Total Revenues</i> | <u>277</u> | <u>551,704</u> | <u>67,102</u> |
| EXPENDITURES | | | |
| Current | | | |
| Library | - | 415,618 | - |
| Community development | - | - | - |
| Community center | - | - | - |
| Capital outlay | - | - | - |
| <i>Total Expenditures</i> | <u>-</u> | <u>415,618</u> | <u>-</u> |
| REVENUES OVER (UNDER) EXPENDITURES | 277 | 136,086 | 67,102 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | - | - | - |
| Transfers out | - | (287,800) | - |
| <i>Total Other Financing Sources (Uses)</i> | <u>-</u> | <u>(287,800)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | 277 | (151,714) | 67,102 |
| FUND BALANCE (Deficit), beginning of year | <u>58,681</u> | <u>639,983</u> | <u>49,289</u> |
| FUND BALANCE (Deficit), end of year | <u>\$ 58,958</u> | <u>\$ 488,269</u> | <u>\$ 116,391</u> |

Special Revenue

| Path Program | Street Maintenance and Improvements | Economic and Community Development | Community Center Operations | Special Assessments |
|---------------------|--|---|--|--------------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - |
| - | 116,577 | - | - | - |
| 500,000 | - | 341,543 | 27,823 | - |
| - | - | - | - | - |
| 1,970 | 21,581 | 18,189 | 12 | - |
| 501,970 | 138,158 | 359,732 | 27,835 | - |
| - | - | - | - | - |
| - | 272,561 | 511,715 | - | - |
| - | - | - | 23,621 | - |
| 64,651 | - | - | - | - |
| 64,651 | 272,561 | 511,715 | 23,621 | - |
| 437,319 | (134,403) | (151,983) | 4,214 | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| 437,319 | (134,403) | (151,983) | 4,214 | - |
| 531,361 | 1,298,876 | 426,353 | 768 | 4,625 |
| \$ 968,680 | \$ 1,164,473 | \$ 274,370 | \$ 4,982 | \$ 4,625 |

CITY OF SWEET HOME, OREGON

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS (Continued)**

YEAR ENDED JUNE 30, 2022

| | <i>Special Revenue</i> | | |
|---|---------------------------------|----------------------|-----------------------|
| | <i>Public Transit Grant</i> | <i>Weddle Bridge</i> | <i>Special Events</i> |
| REVENUES | | | |
| Taxes and assessments | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - |
| Intergovernmental | 224,271 | - | - |
| Fines and forfeitures | - | - | - |
| Miscellaneous | - | 31 | 37 |
| <i>Total Revenues</i> | <u>224,271</u> | <u>31</u> | <u>37</u> |
| EXPENDITURES | | | |
| Current | | | |
| Library | - | - | - |
| Community development | 285,171 | - | 3,086 |
| Community center | - | - | - |
| Capital outlay | - | - | - |
| <i>Total Expenditures</i> | <u>285,171</u> | <u>-</u> | <u>3,086</u> |
| REVENUES OVER (UNDER) EXPENDITURES | (60,900) | 31 | (3,049) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | - | - | - |
| Transfers out | - | - | - |
| <i>Total Other Financing Sources (Uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | (60,900) | 31 | (3,049) |
| FUND BALANCE, beginning of year | 24,200 | 4,986 | 8,408 |
| FUND BALANCE, end of year | <u>\$ (36,700)</u> | <u>\$ 5,017</u> | <u>\$ 5,359</u> |

| <i>Capital Projects</i> | | <i>Debt Service</i> | |
|-------------------------|--------------------------------------|---|--------------|
| <i>Building Reserve</i> | <i>Project and Equipment Reserve</i> | <i>Police/Emergency Dispatch Facility G.O. Bond</i> | <i>Total</i> |
| \$ - | \$ - | \$ - | \$ 537,695 |
| - | - | - | 161,964 |
| - | - | - | 1,096,233 |
| - | - | - | 4,317 |
| 1,500 | 509,075 | - | 581,483 |
| 1,500 | 509,075 | - | 2,381,692 |
| - | - | - | 415,618 |
| - | - | - | 1,072,533 |
| - | - | - | 23,621 |
| - | 688 | - | 65,339 |
| - | 688 | - | 1,577,111 |
| 1,500 | 508,387 | - | 804,581 |
| - | 327,238 | - | 327,238 |
| - | (40,000) | - | (327,800) |
| - | 287,238 | - | (562) |
| 1,500 | 795,625 | - | 804,019 |
| (539,198) | 578,607 | 4 | 3,086,943 |
| \$ (537,698) | \$ 1,374,232 | \$ 4 | \$ 3,890,962 |

CITY OF SWEET HOME, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - NARCOTICS ENFORCEMENT RESERVE FUND
YEAR ENDED JUNE 30, 2022**

| | <i>Budget Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|--|-----------------------|------------------|------------------|--------------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Miscellaneous | \$ 675 | \$ 675 | \$ 277 | \$ (398) |
| EXPENDITURES | - | - | - | - |
| NET CHANGE IN FUND BALANCE | 675 | 675 | 277 | (398) |
| FUND BALANCE, beginning of year | 76,100 | 76,100 | 58,681 | (17,419) |
| FUND BALANCE, end of year | <u>\$ 76,775</u> | <u>\$ 76,775</u> | <u>\$ 58,958</u> | <u>\$ (17,817)</u> |

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CITY OF SWEET HOME, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - LIBRARY SERVICES LEVY FUND
YEAR ENDED JUNE 30, 2022**

| | <i>Budget Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|-------------------|-------------------|-------------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Taxes and assessments | \$ 519,509 | \$ 519,509 | \$ 537,695 | \$ 18,186 |
| Intergovernmental | - | - | 2,596 | 2,596 |
| Fines and forfeitures | 5,000 | 5,000 | 4,317 | (683) |
| Miscellaneous | 8,363 | 8,363 | 7,096 | (1,267) |
| <i>Total Revenues</i> | <u>532,872</u> | <u>532,872</u> | <u>551,704</u> | <u>18,832</u> |
| EXPENDITURES | | | | |
| Library | 464,748 | 464,748 | 415,618 | 49,130 |
| Contingency | 19,084 | 19,084 | - | 19,084 |
| <i>Total Expenditures</i> | <u>483,832</u> | <u>483,832</u> | <u>415,618</u> | <u>68,214</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>49,040</u> | <u>49,040</u> | <u>136,086</u> | <u>87,046</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (287,800) | (287,800) | (287,800) | - |
| NET CHANGE IN FUND BALANCE | <u>(238,760)</u> | <u>(238,760)</u> | <u>(151,714)</u> | <u>87,046</u> |
| FUND BALANCE, beginning of year | <u>511,976</u> | <u>511,976</u> | <u>639,983</u> | <u>128,007</u> |
| FUND BALANCE, end of year | <u>\$ 273,216</u> | <u>\$ 273,216</u> | <u>\$ 488,269</u> | <u>\$ 215,053</u> |

CITY OF SWEET HOME, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - PARKS AND RECREATION PROGRAM FUND
YEAR ENDED JUNE 30, 2022**

| | <u>Budget Amounts</u> | | <u>Actual</u> | <u>Variance</u> |
|--|-----------------------|--------------|---------------|-----------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Licenses and permits | \$ - | \$ - | \$ 45,387 | \$ 45,387 |
| Miscellaneous | 2,230 | 2,230 | 21,715 | 19,485 |
| EXPENDITURES | | | | |
| Parks and facilities | 71,930 | 71,930 | - | 71,930 |
| NET CHANGE IN FUND BALANCE | (69,700) | (69,700) | 67,102 | 136,802 |
| FUND BALANCE, beginning of year | 69,700 | 69,700 | 49,289 | (20,411) |
| FUND BALANCE, end of year | \$ - | \$ - | \$ 116,391 | \$ 116,391 |

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CITY OF SWEET HOME, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - PATH PROGRAM FUND
YEAR ENDED JUNE 30, 2022**

| | <i>Budget Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|--|-----------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Intergovernmental | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ - |
| Miscellaneous | 4,805 | 4,805 | 1,970 | (2,835) |
| EXPENDITURES | | | | |
| Community development | - | - | - | - |
| Capital outlay | 575,000 | 575,000 | 64,651 | 510,349 |
| <i>Total Expenditures</i> | 575,000 | 575,000 | 64,651 | 510,349 |
| NET CHANGE IN FUND BALANCE | (70,195) | (70,195) | 437,319 | 507,514 |
| FUND BALANCE, beginning of year | 532,415 | 532,415 | 531,361 | (1,054) |
| FUND BALANCE, end of year | \$ 462,220 | \$ 462,220 | \$ 968,680 | \$ 506,460 |

CITY OF SWEET HOME, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - STREET MAINTENANCE AND IMPROVEMENTS FUND
YEAR ENDED JUNE 30, 2022**

| | <i>Budget Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|--|-----------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Licenses and permits | \$ - | \$ - | \$ 116,577 | \$ 116,577 |
| Miscellaneous | 52,637 | 52,637 | 21,581 | (31,056) |
| EXPENDITURES | | | | |
| Community development | 300,500 | 300,500 | 272,561 | 27,939 |
| NET CHANGE IN FUND BALANCE | (247,863) | (247,863) | (134,403) | 113,460 |
| FUND BALANCE, beginning of year | 939,942 | 939,942 | 1,298,876 | 358,934 |
| FUND BALANCE, end of year | \$ 692,079 | \$ 692,079 | \$ 1,164,473 | \$ 472,394 |

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CITY OF SWEET HOME, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – ECONOMIC AND COMMUNITY DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2022**

| | <i>Budget Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|--|-----------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Intergovernmental | \$ 341,543 | \$ 341,543 | \$ 341,543 | \$ - |
| Miscellaneous | 8,184 | 8,184 | 18,189 | 10,005 |
| <i>Total Revenues</i> | 349,727 | 349,727 | 359,732 | 10,005 |
| EXPENDITURES | | | | |
| Community development | 814,423 | 814,423 | 511,715 | 302,708 |
| NET CHANGE IN FUND BALANCE | (464,696) | (464,696) | (151,983) | 312,713 |
| FUND BALANCE, beginning of year | 464,696 | 464,696 | 426,353 | (38,343) |
| FUND BALANCE, end of year | \$ - | \$ - | \$ 274,370 | \$ 274,370 |

CITY OF SWEET HOME, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - COMMUNITY CENTER OPERATIONS FUND
YEAR ENDED JUNE 30, 2022**

| | <i>Budget Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|--|-----------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Intergovernmental | \$ 36,670 | \$ 36,670 | \$ 27,823 | \$ (8,847) |
| Miscellaneous | 30 | 30 | 12 | (18) |
| <i>Total Revenues</i> | 36,700 | 36,700 | 27,835 | (8,865) |
| EXPENDITURES | | | | |
| Community center | 36,700 | 36,700 | 23,621 | 13,079 |
| NET CHANGE IN FUND BALANCE | - | - | 4,214 | 4,214 |
| FUND BALANCE, beginning of year | - | - | 768 | 768 |
| FUND BALANCE, end of year | \$ - | \$ - | \$ 4,982 | \$ 4,982 |

CITY OF SWEET HOME, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - SPECIAL ASSESSMENTS FUND
YEAR ENDED JUNE 30, 2022

| | <i>Budget Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|--|-----------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Miscellaneous | \$ - | \$ - | \$ - | \$ - |
| EXPENDITURES | - | - | - | - |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (4,592) | (4,592) | - | 4,592 |
| NET CHANGE IN FUND BALANCE | (4,592) | (4,592) | - | 4,592 |
| FUND BALANCE, beginning of year | 4,592 | 4,592 | 4,625 | 33 |
| FUND BALANCE, end of year | \$ - | \$ - | \$ 4,625 | \$ 4,625 |

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CITY OF SWEET HOME, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - PUBLIC TRANSIT GRANT FUND
YEAR ENDED JUNE 30, 2022

| | <i>Budget Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|--|-----------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Intergovernmental | \$ 350,000 | \$ 350,000 | \$ 224,271 | \$ (125,729) |
| EXPENDITURES | | | | |
| Community development | 350,000 | 350,000 | 285,171 | 64,829 |
| NET CHANGE IN FUND BALANCE | - | - | (60,900) | (60,900) |
| FUND BALANCE, beginning of year | - | - | 24,200 | 24,200 |
| FUND BALANCE (Deficit), end of year | \$ - | \$ - | \$ (36,700) | \$ (36,700) |

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CITY OF SWEET HOME, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – WEDDLE BRIDGE FUND
YEAR ENDED JUNE 30, 2022**

| | <i>Budget Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|--|-----------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Miscellaneous | \$ 75 | \$ 75 | \$ 31 | \$ (44) |
| EXPENDITURES | | | | |
| Operations | 5,100 | 5,100 | - | 5,100 |
| NET CHANGE IN FUND BALANCE | (5,025) | (5,025) | 31 | 5,056 |
| FUND BALANCE, beginning of year | 5,025 | 5,025 | 4,986 | (39) |
| FUND BALANCE, end of year | \$ - | \$ - | \$ 5,017 | \$ 5,017 |

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CITY OF SWEET HOME, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – SPECIAL EVENTS FUND
YEAR ENDED JUNE 30, 2022

| | <i>Budget Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|--|-----------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Grants | \$ 2,000 | \$ 2,000 | \$ - | \$ (2,000) |
| Miscellaneous | 2,090 | 2,090 | 37 | (2,053) |
| <i>Total Revenues</i> | 4,090 | 4,090 | 37 | (4,053) |
| EXPENDITURES | | | | |
| Community development | 11,244 | 11,244 | 3,086 | 8,158 |
| NET CHANGE IN FUND BALANCE | (7,154) | (7,154) | (3,049) | 4,105 |
| FUND BALANCE, beginning of year | 7,154 | 7,154 | 8,408 | 1,254 |
| FUND BALANCE, end of year | \$ - | \$ - | \$ 5,359 | \$ 5,359 |

CITY OF SWEET HOME, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUILDING RESERVE FUND
YEAR ENDED JUNE 30, 2022

| | <i>Budget Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Miscellaneous | \$ - | \$ - | \$ 1,500 | \$ 1,500 |
| EXPENDITURES | | | | |
| Debt service | | | | |
| Principal | 76,421 | 76,421 | - | 76,421 |
| Interest | 14,986 | 14,986 | - | 14,986 |
| <i>Total Expenditures</i> | 91,407 | 91,407 | - | 91,407 |
| REVENUES OVER (UNDER) EXPENDITURES | (91,407) | (91,407) | 1,500 | (89,907) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 91,407 | 91,407 | - | (91,407) |
| NET CHANGE IN FUND BALANCE | - | - | 1,500 | (181,314) |
| FUND BALANCE, beginning of year | - | - | 61,596 | 61,596 |
| FUND BALANCE, end of year | \$ - | \$ - | 63,096 | \$ (119,718) |
| Interfund loan | | | (600,794) | |
| | | | \$ (537,698) | |

CITY OF SWEET HOME, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – PROJECT AND EQUIPMENT RESERVE FUND
YEAR ENDED JUNE 30, 2022**

| | <i>Budget Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Miscellaneous | \$ 13,045 | \$ 13,045 | \$ 509,075 | 496,030 |
| EXPENDITURES | | | | |
| Capital outlay | 62,329 | 62,329 | 688 | 61,641 |
| <i>Total Expenditures</i> | 62,329 | 62,329 | 688 | 61,641 |
| REVENUES OVER (UNDER) EXPENDITURES | (49,284) | (49,284) | 508,387 | 557,671 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 365,076 | 365,076 | 327,238 | (37,838) |
| Transfers out | (40,000) | (40,000) | (40,000) | - |
| <i>Total Other Financing Sources and Uses</i> | 325,076 | 325,076 | 287,238 | (37,838) |
| NET CHANGE IN FUND BALANCE | 275,792 | 275,792 | 795,625 | 519,833 |
| FUND BALANCE, beginning of year | 454,360 | 454,360 | 578,607 | 124,247 |
| FUND BALANCE, end of year | \$ 730,152 | \$ 730,152 | \$ 1,374,232 | \$ 644,080 |

CITY OF SWEET HOME, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – POLICE/EMERGENCY DISPATCH FACILITY G.O. BOND FUND
YEAR ENDED JUNE 30, 2022**

| | <i>Budget Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | \$ - | \$ - | \$ - | \$ - |
| EXPENDITURES | - | - | - | - |
| REVENUES OVER (UNDER) EXPENDITURES | - | - | - | - |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (4) | (4) | - | 4 |
| NET CHANGE IN FUND BALANCE | (4) | (4) | - | 4 |
| FUND BALANCE, beginning of year | 4 | 4 | 4 | - |
| FUND BALANCE, end of year | \$ - | \$ - | \$ 4 | \$ 4 |

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CITY OF SWEET HOME, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
WATER OPERATIONS COMBINED
YEAR ENDED JUNE 30, 2022**

| | <u>Water</u> | <u>Water SDC</u> | <u>Water Capital</u> | <u>Water Depreciation Reserve</u> | <u>Total Water Operations</u> |
|--|--------------|------------------|----------------------|---|-----------------------------------|
| REVENUES | | | | | |
| Charges for services | \$ 2,587,645 | \$ - | \$ - | \$ - | \$ 2,587,645 |
| Licenses and permits | - | 260,650 | - | - | 260,650 |
| Fines and forfeitures | - | - | 1,107,397 | - | 1,107,397 |
| Miscellaneous | 25,044 | 2,748 | - | 2,460 | 30,252 |
| <i>Total Revenues</i> | 2,612,689 | 263,398 | 1,107,397 | 2,460 | 3,985,944 |
| EXPENDITURES | | | | | |
| Operations | 1,167,618 | - | 84,043 | 357,223 | 1,608,884 |
| Treatment | 1,076,187 | - | - | - | 1,076,187 |
| Debt service | | | | | |
| Principal | 232,532 | - | - | - | 232,532 |
| Interest | 112,142 | - | - | - | 112,142 |
| <i>Total Expenditures</i> | 2,588,479 | - | 84,043 | 357,223 | 3,029,745 |
| REVENUES OVER (UNDER) EXPENDITURES | 24,210 | 263,398 | 1,023,354 | (354,763) | 956,199 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | - | - | - | 221,086 | 221,086 |
| Proceeds from issuance of leases | 6,498 | - | - | - | 6,498 |
| <i>Total Other Financing Sources (Uses)</i> | 6,498 | - | - | 221,086 | 227,584 |
| NET CHANGE IN FUND BALANCE | 30,708 | 263,398 | 1,023,354 | (133,677) | 1,183,783 |
| FUND BALANCE (Deficit), beginning of year | (9,225) | 645,937 | 437,640 | 1,113,313 | 2,187,665 |
| FUND BALANCE, end of year | \$ 21,483 | \$ 909,335 | \$ 1,460,994 | \$ 979,636 | \$ 3,371,448 |

RECONCILIATION OF CHANGE IN NET POSITION - FUND BALANCE TO CHANGE IN FUND NET POSITION, GAAP BASIS

| | |
|------------------------------------|--------------|
| NET CHANGE IN FUND BALANCE | \$ 1,183,783 |
| Change in inventories | 5,518 |
| Change in assessments receivable | (14,848) |
| Depreciation and amortization | (332,341) |
| Capitalized expenses | 290,312 |
| Change in compensated absences | (15,949) |
| Change in long term debt | 246,723 |
| Change in accrued interest | (3,337) |
| Pension expense related to OPEB | (9,802) |
| CHANGE IN FUND NET POSITION | \$ 1,350,059 |

CITY OF SWEET HOME, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - WATER FUND
YEAR ENDED JUNE 30, 2022

| | <i>Budget Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|--|-----------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Charges for services | \$ 2,600,580 | \$ 2,600,580 | \$ 2,587,645 | \$ (12,935) |
| Miscellaneous | 600,225 | 600,225 | 25,044 | (575,181) |
| <i>Total Revenues</i> | 3,200,805 | 3,200,805 | 2,612,689 | (588,116) |
| EXPENDITURES | | | | |
| Current | | | | |
| Operations | 1,517,272 | 1,517,272 | 1,167,618 | 349,654 |
| Treatment | 796,090 | 796,090 | 1,076,187 | (280,097) |
| Debt service | | | | |
| Principal | 232,600 | 232,600 | 232,532 | 68 |
| Interest | 160,075 | 160,075 | 112,142 | 47,933 |
| Contingency | 92,549 | 92,549 | - | 92,549 |
| <i>Total Expenditures</i> | 2,798,586 | 2,798,586 | 2,588,479 | 210,107 |
| REVENUES OVER (UNDER) EXPENDITURES | 402,219 | 402,219 | 24,210 | (378,009) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (546,922) | (546,922) | - | 546,922 |
| Proceeds from issuance of leases | - | - | 6,498 | 6,498 |
| <i>Total Other Financing Sources (Uses)</i> | (546,922) | (546,922) | 6,498 | 553,420 |
| NET CHANGE IN FUND BALANCE | (144,703) | (144,703) | 30,708 | 175,411 |
| FUND BALANCE (Deficit), beginning of year | 296,175 | 296,175 | (9,225) | (305,400) |
| FUND BALANCE, end of year | \$ 151,472 | \$ 151,472 | \$ 21,483 | \$ (129,989) |

CITY OF SWEET HOME, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – WATER SDC FUND
YEAR ENDED JUNE 30, 2022

| | <i>Budget Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|--|-----------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Licenses and permits | \$ 79,733 | \$ 79,733 | \$ 260,650 | \$ 180,917 |
| Miscellaneous | 6,455 | 6,455 | 2,748 | (3,707) |
| <i>Total Revenues</i> | 86,188 | 86,188 | 263,398 | 177,210 |
| EXPENDITURES | - | - | - | - |
| NET CHANGE IN FUND BALANCE | 86,188 | 86,188 | 263,398 | 177,210 |
| FUND BALANCE, beginning of year | 576,571 | 576,571 | 645,937 | 69,366 |
| FUND BALANCE, end of year | \$ 662,759 | \$ 662,759 | \$ 909,335 | \$ 246,576 |

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CITY OF SWEET HOME, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - WATER CAPITAL CONSTRUCTION FUND
YEAR ENDED JUNE 30, 2022**

| | <i>Budget Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|--|-----------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Fines and forfeitures | \$ - | \$ - | \$ 1,107,397 | \$ 1,107,397 |
| Miscellaneous | 296,940 | 296,940 | - | (296,940) |
| <i>Total Revenues</i> | 296,940 | 296,940 | 1,107,397 | 810,457 |
| EXPENDITURES | | | | |
| Operations | 262,500 | 262,500 | 84,043 | 178,457 |
| NET CHANGE IN FUND BALANCE | 34,440 | 34,440 | 1,023,354 | 988,914 |
| FUND BALANCE, beginning of year | 190,560 | 190,560 | 437,640 | 247,080 |
| FUND BALANCE, end of year | \$ 225,000 | \$ 225,000 | \$ 1,460,994 | \$ 1,235,994 |

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CITY OF SWEET HOME, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - WATER DEPRECIATION RESERVE FUND
YEAR ENDED JUNE 30, 2022**

| | <i>Budget Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Miscellaneous | \$ 6,000 | \$ 6,000 | \$ 2,460 | \$ (3,540) |
| EXPENDITURES | | | | |
| Operations | 365,796 | 365,796 | 357,223 | 8,573 |
| REVENUES OVER (UNDER) EXPENDITURES | (359,796) | (359,796) | (354,763) | 5,033 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 246,352 | 246,352 | 221,086 | (25,266) |
| NET CHANGE IN FUND BALANCE | (113,444) | (113,444) | (133,677) | (20,233) |
| FUND BALANCE, beginning of year | 742,120 | 742,120 | 1,113,313 | 371,193 |
| FUND BALANCE, end of year | \$ 628,676 | \$ 628,676 | \$ 979,636 | \$ 350,960 |

CITY OF SWEET HOME, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
WASTEWATER OPERATIONS COMBINED
YEAR ENDED JUNE 30, 2022

| | <u>Wastewater</u> | <u>Wastewater SDC</u> | <u>Wastewater Capital</u> | <u>Wastewater Depreciation Reserve</u> | <u>Total Wastewater Operations</u> |
|---|---------------------|---------------------------|-------------------------------|--|--|
| REVENUES | | | | | |
| Charges for services | \$ 2,958,675 | \$ - | \$ - | \$ - | \$ 2,958,675 |
| Licenses and permits | - | 179,807 | - | - | 179,807 |
| Intergovernmental | - | - | - | 971,234 | 971,234 |
| Miscellaneous | 1,028 | 3,013 | 2,163 | - | 6,204 |
| | <u>2,959,703</u> | <u>182,820</u> | <u>2,163</u> | <u>971,234</u> | <u>4,115,920</u> |
| EXPENDITURES | | | | | |
| Operations | 784,459 | - | - | 2,029,232 | 2,813,691 |
| Treatment | 1,036,177 | - | - | - | 1,036,177 |
| Debt service | | | | | |
| Principal | 485,000 | - | - | - | 485,000 |
| Interest | 97,875 | - | - | - | 97,875 |
| | <u>2,403,511</u> | <u>-</u> | <u>-</u> | <u>2,029,232</u> | <u>4,432,743</u> |
| REVENUES OVER (UNDER) EXPENDITURES | 556,192 | 182,820 | 2,163 | (1,057,998) | (316,823) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | - | - | - | 1,648,153 | 1,648,153 |
| Transfers out | (1,635,967) | - | - | - | (1,635,967) |
| | <u>(1,635,967)</u> | <u>-</u> | <u>-</u> | <u>1,648,153</u> | <u>12,186</u> |
| NET CHANGE IN FUND BALANCE | (1,079,775) | 182,820 | 2,163 | 590,155 | (304,637) |
| FUND BALANCE, beginning of year | 4,510,757 | 586,384 | 544,181 | (1,162,401) | 4,478,921 |
| FUND BALANCE, end of year | <u>\$ 3,430,982</u> | <u>\$ 769,204</u> | <u>\$ 546,344</u> | <u>\$ (572,246)</u> | <u>\$ 4,174,284</u> |
| RECONCILIATION OF CHANGE IN NET POSITION - FUND BALANCE TO CHANGE IN FUND NET POSITION, GAAP BASIS | | | | | |
| NET CHANGE IN FUND BALANCE | | | | | \$ (304,637) |
| Change in inventories | | | | | (5,349) |
| Change in assessments receivable | | | | | (7,325) |
| Depreciation and amortization | | | | | (256,815) |
| Capitalized expenses | | | | | 2,285,051 |
| Change in compensated absences | | | | | 3,094 |
| Change in long term debt | | | | | 509,164 |
| Change in accrued interest | | | | | 649 |
| Pension expense related to OPEB | | | | | (10,362) |
| CHANGE IN FUND NET POSITION | | | | | <u>\$ 2,213,470</u> |

CITY OF SWEET HOME, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - WASTEWATER FUND
YEAR ENDED JUNE 30, 2022

| | <i>Budget Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Charges for services | \$ 3,051,402 | \$ 3,051,402 | \$ 2,958,675 | \$ (92,727) |
| Miscellaneous | 4,973 | 4,973 | 1,028 | (3,945) |
| <i>Total Revenues</i> | 3,056,375 | 3,056,375 | 2,959,703 | (96,672) |
| EXPENDITURES | | | | |
| Operations | 802,374 | 802,374 | 784,459 | 17,915 |
| Treatment | 991,965 | 991,965 | 1,036,177 | (44,212) |
| Debt service | | | | |
| Principal | 531,892 | 531,892 | 485,000 | 46,892 |
| Interest | 50,983 | 50,983 | 97,875 | (46,892) |
| <i>Total Expenditures</i> | 2,377,214 | 2,377,214 | 2,403,511 | (26,297) |
| REVENUES OVER (UNDER) EXPENDITURES | 679,161 | 679,161 | 556,192 | (122,969) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (1,635,967) | (1,635,967) | (1,635,967) | - |
| NET CHANGE IN FUND BALANCE | (956,806) | (956,806) | (1,079,775) | (122,969) |
| FUND BALANCE, beginning of year | 1,219,486 | 1,219,486 | 4,510,757 | 3,291,271 |
| FUND BALANCE, end of year | \$ 262,680 | \$ 262,680 | \$ 3,430,982 | \$ 3,168,302 |

CITY OF SWEET HOME, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - WASTEWATER SDC FUND
YEAR ENDED JUNE 30, 2022**

| | <i>Budget Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|--|-----------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Licenses and permits | \$ 71,227 | \$ 71,227 | \$ 179,807 | \$ 108,580 |
| Miscellaneous | 5,843 | 5,843 | 3,013 | (2,830) |
| <i>Total Revenues</i> | 77,070 | 77,070 | 182,820 | 105,750 |
| EXPENDITURES | - | - | - | - |
| NET CHANGE IN FUND BALANCE | 77,070 | 77,070 | 182,820 | 105,750 |
| FUND BALANCE, beginning of year | 546,415 | 546,415 | 586,384 | 39,969 |
| FUND BALANCE, end of year | \$ 623,485 | \$ 623,485 | \$ 769,204 | \$ 145,719 |

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CITY OF SWEET HOME, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - WASTEWATER CAPITAL FUND
YEAR ENDED JUNE 30, 2022

| | <i>Budget Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|--|-----------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Miscellaneous | \$ 5,275 | \$ 5,275 | \$ 2,163 | \$ (3,112) |
| EXPENDITURES | | | | |
| Operations | 65,000 | 65,000 | - | 65,000 |
| NET CHANGE IN FUND BALANCE | (59,725) | (59,725) | 2,163 | 61,888 |
| FUND BALANCE, beginning of year | 545,600 | 545,600 | 544,181 | (1,419) |
| FUND BALANCE, end of year | \$ 485,875 | \$ 485,875 | \$ 546,344 | \$ 60,469 |

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CITY OF SWEET HOME, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - WASTEWATER DEPRECIATION RESERVE FUND
YEAR ENDED JUNE 30, 2022**

| | <i>Budget Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|--|-----------------------|---------------------|---------------------|-----------------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Intergovernmental | \$ 5,255,000 | \$ 5,255,000 | \$ 971,234 | \$ (4,283,766) |
| EXPENDITURES | | | | |
| Operations | 5,255,000 | 5,255,000 | 2,029,232 | 3,225,768 |
| REVENUES OVER (UNDER) EXPENDITURES | - | - | (1,057,998) | (1,057,998) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 1,842,432 | 1,842,432 | 1,648,153 | (194,279) |
| NET CHANGE IN FUND BALANCE | 1,842,432 | 1,842,432 | 590,155 | (1,252,277) |
| FUND BALANCE (Deficit), beginning of year | 3,102,750 | 3,102,750 | (1,162,401) | (4,265,151) |
| FUND BALANCE (Deficit), end of year | <u>\$ 4,945,182</u> | <u>\$ 4,945,182</u> | <u>\$ (572,246)</u> | <u>\$ (5,517,428)</u> |

CITY OF SWEET HOME, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
STORM WATER OPERATIONS COMBINED
YEAR ENDED JUNE 30, 2022

| | <u>Storm Water</u> | <u>Storm Water SDC</u> | <u>Storm Water Capital</u> | <u>Storm Water Depreciation</u> | <u>Total Storm Water Operations</u> |
|---|--------------------|------------------------|----------------------------|---------------------------------|-------------------------------------|
| REVENUES | | | | | |
| Charges for services | \$ 191,231 | \$ - | \$ - | \$ - | \$ 191,231 |
| Licenses and permits | - | 30,154 | - | - | 30,154 |
| Miscellaneous | 144 | 45 | 179,795 | - | 179,984 |
| <i>Total Revenues</i> | 191,375 | 30,199 | 179,795 | - | 401,369 |
| EXPENDITURES | | | | | |
| Operations | 24,903 | - | 42,373 | - | 67,276 |
| Capital outlay | - | - | 1,546 | - | 1,546 |
| <i>Total Expenditures</i> | 24,903 | - | 43,919 | - | 68,822 |
| REVENUES OVER (UNDER) EXPENDITURES | 166,472 | 30,199 | 135,876 | - | 332,547 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | - | - | - | - | - |
| Transfers out | (198,970) | - | - | - | (198,970) |
| <i>Total Other Financing Sources and Uses</i> | (198,970) | - | - | - | (198,970) |
| NET CHANGE IN FUND BALANCE | (32,498) | 30,199 | 135,876 | - | 133,577 |
| FUND BALANCE, beginning of year | 5,273 | 11,651 | 271,815 | 31 | 288,770 |
| FUND BALANCE (Deficit), end of year | \$ (27,225) | \$ 41,850 | \$ 407,691 | \$ 31 | \$ 422,347 |
| RECONCILIATION OF CHANGE IN NET POSITION - FUND BALANCE TO CHANGE IN FUND NET POSITION, GAAP BASIS | | | | | |
| NET CHANGE IN FUND BALANCE | | | | | \$ 133,577 |
| Depreciation | | | | | (189) |
| Change in compensated absences | | | | | 455 |
| Pension expense related to OPEB | | | | | 731 |
| NET CHANGE IN FUND NET POSITION | | | | | \$ 134,574 |

CITY OF SWEET HOME, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – STORM WATER FUND
YEAR ENDED JUNE 30, 2022**

| | <i>Budget Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Charges for services | \$ 188,553 | \$ 188,553 | \$ 191,231 | \$ 2,678 |
| Miscellaneous | 350 | 350 | 144 | (206) |
| <i>Total Revenues</i> | 188,903 | 188,903 | 191,375 | 2,472 |
| EXPENDITURES | | | | |
| Operations | 44,622 | 44,622 | 24,903 | 19,719 |
| REVENUES OVER (UNDER) EXPENDITURES | 144,281 | 144,281 | 166,472 | 22,191 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (198,970) | (198,970) | (198,970) | - |
| NET CHANGE IN FUND BALANCE | (54,689) | (54,689) | (32,498) | 22,191 |
| FUND BALANCE, beginning of year | 77,000 | 77,000 | 5,273 | (71,727) |
| FUND BALANCE (Deficit), end of year | \$ 22,311 | \$ 22,311 | \$ (27,225) | \$ (49,536) |

CITY OF SWEET HOME, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - STORM WATER SDC FUND
YEAR ENDED JUNE 30, 2022

| | <i>Budget Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|--|-----------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Licenses and permits | \$ - | \$ - | \$ 30,154 | \$ 30,154 |
| Miscellaneous | 110 | 110 | 45 | (65) |
| <i>Total Revenues</i> | 110 | 110 | 30,199 | 30,089 |
| EXPENDITURES | - | - | - | - |
| NET CHANGE IN FUND BALANCE | 110 | 110 | 30,199 | 30,089 |
| FUND BALANCE, beginning of year | 11,681 | 11,681 | 11,651 | (30) |
| FUND BALANCE, end of year | \$ 11,791 | \$ 11,791 | \$ 41,850 | \$ 30,059 |

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CITY OF SWEET HOME, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - STORM WATER CAPITAL FUND
YEAR ENDED JUNE 30, 2022**

| | <i>Budget Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|--|-----------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Miscellaneous | \$ 200,170 | \$ 200,170 | \$ 179,795 | \$ (20,375) |
| EXPENDITURES | | | | |
| Operations | 100,000 | 100,000 | 42,373 | 57,627 |
| Capital outlay | 25,000 | 25,000 | 1,546 | 23,454 |
| NET CHANGE IN FUND BALANCE | 75,170 | 75,170 | 135,876 | 60,706 |
| FUND BALANCE, beginning of year | 274,650 | 274,650 | 271,815 | (2,835) |
| FUND BALANCE, end of year | \$ 349,820 | \$ 349,820 | \$ 407,691 | \$ 57,871 |

DRAFT

CITY OF SWEET HOME, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - STORM WATER DEPRECIATION FUND
YEAR ENDED JUNE 30, 2022

| | <i>Budget Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|--|-----------------------|--------------|---------------|-----------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | \$ - | \$ - | \$ - | \$ - |
| EXPENDITURES | - | - | - | - |
| NET CHANGE IN FUND BALANCE | - | - | - | - |
| FUND BALANCE, beginning of year | - | - | 31 | 31 |
| FUND BALANCE, end of year | \$ - | \$ - | \$ 31 | \$ 31 |

DRAFT

CITY OF SWEET HOME, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2022**

| | <i>Budget Amounts</i> | | <i>Actual</i> | <i>Variance</i> |
|--|-----------------------|------------------|------------------|-------------------|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Charges for services | \$ 1,548,584 | \$ 1,548,584 | \$ 1,525,566 | \$ (23,018) |
| Licenses and permits | 283,550 | 283,550 | 307,455 | 23,905 |
| Fines and forfeitures | 27,473 | 27,473 | - | (27,473) |
| Miscellaneous | 3,500 | 3,500 | 812 | (2,688) |
| <i>Total Revenues</i> | <u>1,863,107</u> | <u>1,863,107</u> | <u>1,833,833</u> | <u>(29,274)</u> |
| EXPENDITURES | | | | |
| Personal services | 133,171 | 133,171 | 130,802 | 2,369 |
| Materials and services | 16,913 | 16,913 | 17,767 | (854) |
| Executive and legislative | 498,394 | 498,394 | 557,731 | (59,337) |
| Finance | 595,117 | 595,117 | 602,978 | (7,861) |
| Public works | 545,169 | 545,169 | 538,663 | 6,506 |
| Contingency | 74,343 | 74,343 | - | 74,343 |
| <i>Total Expenditures</i> | <u>1,863,107</u> | <u>1,863,107</u> | <u>1,847,941</u> | <u>17,536</u> |
| NET CHANGE IN FUND BALANCE | - | - | (14,108) | (11,738) |
| FUND BALANCE, beginning of year | - | - | 9,164 | 9,164 |
| FUND BALANCE (Deficit), end of year | <u>\$ -</u> | <u>\$ -</u> | <u>(4,944)</u> | <u>\$ (2,574)</u> |

RECONCILIATION OF CHANGE IN NET POSITION - FUND BALANCE TO CHANGE IN FUND NET POSITION, GAAP BASIS

| | |
|--|--------------------|
| NET CHANGE IN FUND BALANCE | \$ (14,108) |
| Revenues classified as deferred for budgetary purposes | - |
| Pension expense related to OPEB | (6,587) |
| CHANGE IN FUND NET POSITION | <u>\$ (20,695)</u> |

COMPLIANCE SECTION

DRAFT



GROVE, MUELLER & SWANK

redw
Advisors & CPAs

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

The Honorable Greg Mahler, Mayor
and Members of the City Council
1140 12th Avenue
Sweet Home, Oregon 97386

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of City of Sweet Home, Oregon as of and for the year ended June 30, 2022, and have issued our report thereon dated *******, 2024.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatements, 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 include, 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

In connection with our testing, certain items came to our attention that caused us to believe the City was in substantial non-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 detailed as follows:**

- Overexpenditures of appropriations as detailed in the notes to the financial statements on page 54
- Deficit fund balance in the Building Reserve 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.

Significant deficiencies in internal controls were reported to management in a letter dated ***, 2024.

Restriction on Use

This report is intended solely for the information and use of the council members and management of the City 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
****, 2024

DRAFT



June 11, 2024

Oregon Secretary of State
Audits Division
255 Capitol St. NE, Suite #500
Salem, OR 97310

Plan of Action for City of Sweet Home

The City of Sweet Home, Oregon respectfully submits the following corrective action plan in response to deficiencies reported in our audit of fiscal year ended June 30, 2023. The audit was completed by the independent auditing firm Grove, Mueller & Swank and reported the deficiencies listed below. The plan of action was adopted by the governing body at their meeting on June 11, 2024, as indicated by signatures below.

The deficiencies are listed below, including the adopted plan of action and timeframe for each.

1. Deficiency #1: Account Reconciliations

- a. **Material Weakness** – During our audit, we noted that periodic reconciliations of various major accounts were not performed in a timely manner (cash, accounts payable, accrued liabilities, and interest revenues allocations). It is important to reconcile subsidiary ledgers or supporting schedules to the general ledger to ensure the accuracy of financial information and minimize the risk of misstatement or misappropriation. We strongly recommend that a policy be implemented whereby all subsidiary ledgers and/or supporting schedules are reconciled to the general ledger on a monthly or otherwise timely basis. We also recommend that appropriate management-level personnel review the reconciliations for accuracy and document evidence of their review.
- b. **Document the plan of action** – Since a changeover in staff for the Finance Director and City Manager roles, new staff has been brought on to assist getting the city back up to date with reconciliations. Our new contracted Finance Director is now up to date with reconciliations through fiscal year 2024 working alongside another consultant who is specializing in our main bank reconciliations to ensure they are up to date through fiscal year 2024.
- c. **Timeframe** – This weakness discovered during the audit process has been corrected at the conclusion of the audit.

2. Deficiency #2: Failure to submit timely audited financial statements.

- a. **Material Weakness** – Failure to submit the audited financial statements timely can have several adverse effects. It is recommended that the City establish and implement a plan to ensure the timely preparation and submission of audited financial statements.
- b. Staff is working with auditors to complete previous audits as fast and accurately as possible. Fiscal year 2022 was completed as of June 2024. Auditors and staff will be beginning fiscal year 2023 right away. After the 2023 audit is complete, fiscal year 2024 will begin. The City of Sweet Home should be back to timely audits for the 2024 fiscal year.

- c. Timeframe – The City of Sweet Home and auditing firm are working on a timeline as indicated above and have every interest in completing audits and resuming standard/timely audit submittals.

Mayor (Print Name)

Signature

City Manager (Print Name)

Signature



REQUEST FOR COUNCIL ACTION

Title: Request for Council Action – Resolution No. 16 for 2024 – Adopting Revised Personnel Policies for Employees, Interns, and Volunteers of the City of Home

Preferred Agenda: July 9, 2024

Submitted By: Cecily Hope Pretty, Administrative Services Director

Reviewed By: Kelcey Young, City Manager

Type of Action: Resolution Motion Roll Call Other

Relevant Code/Policy: City Budget

Towards Council Goal: Be an Effective and Efficient Government

Attachments: Resolution No. 16 for 2024; Draft City of Sweet Home Employee Handbook Update (2024)

Purpose of this RCA:

To seek City Council approval for an updated City of Sweet Home Employee Handbook.

Background/Context:

The State of Oregon legislature has provided multiple updates regarding the implementation of Paid Leave Oregon. The City’s primary insurer and risk management organization, Citycounty Insurance Services (CIS), has recommended multiple updates to the City’s Employee Handbook to bring it into compliance with current state leave laws. There are also several grammatical, spelling, and formatting updates recommended by staff that do not constitute substantial content updates but will improve the professionalism of the handbook.

The Challenge/Problem:

The current version of the City’s Employee Handbook does not accurately reflect the latest guidance for paid leave laws in Oregon, which were updated effective July 1, 2024. Updates are needed to provide clarity to employees and management regarding the recent changes and what is allowable under various leave types.

Stakeholders:

1. **City Council:** City Council will have clarity regarding the leave employees are eligible to request in accordance with state and federal laws.
2. **City Staff:** Staff will understand what different leave types are available and allowable and have clear guidelines for notifications and permissions.

Issues and Financial Impacts:

There are no financial impacts identified as a result of these proposed updates.

Elements of a Stable Solution:

A clear revision of employee guidelines that aligns with state and federal law.

Options:

1. Do Nothing: The updates will not be approved and the handbook will be non-compliant with current laws.
2. Amend the Resolution: Suggest an alternative to the resolution as proposed.
3. Approve the Resolution: Move to approve Resolution No. 16 amending the Employee Handbook.

Recommendation:

Staff recommends Option 3: Move to approve Resolution No. 16 for 2024 amending the Employee Handbook.

RESOLUTION NO. 16 FOR 2024

A RESOLUTION ADOPTING REVISED PERSONNEL POLICIES FOR EMPLOYEES, INTERNS, AND VOLUNTEERS OF THE CITY OF SWEET HOME.

WHEREAS, it is in the best interest of the citizens of Sweet Home and the employees of the City of Sweet Home that certain policies relating to employment by the City of Sweet Home be clearly set forth; and

WHEREAS, the State of Oregon has provided clarification on the implementation of Paid Leave Oregon (PLO); and

WHEREAS, the City's primary insurer, Citycounty Insurance Services (CIS) has recommended guidance for insured parties to modify their employee policies to reflect new employee leave requirements; and

WHEREAS, the adoption of these amended policies is authorized by Sweet Home Municipal Code Chapter 2.48 – PERSONNEL SYSTEM:

NOW, THEREFORE, THE CITY OF SWEET HOME RESOLVES

That the personnel policies presented to the City Council shall be effective upon passage and are hereby approved and adopted as the policies for all employees, interns, and volunteers of the City of Sweet Home, Oregon.

This resolution supersedes and replaces previous Council action related to the Employee Handbook and shall become effective immediately upon passage by the City Council and the signature of the Mayor.

PASSED by the Council and approved by the Mayor this 9th day of July, 2024.

Mayor

ATTEST:

City Manager - Ex Officio City Recorder



City of Sweet Home Employee Handbook

PERSONNEL POLICIES MANUAL / Effective July 9 2024

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1) Introduction and Employment Policies

Welcome to the City of Sweet Home. We are glad to have you on our team. In Sweet Home, we believe our employees are our most valuable asset. In fact, we attribute our success as an organization in significant part to our ability to recruit, hire, and maintain a motivated and productive workforce. We know that during your employment with the City of Sweet Home, you will become a productive and successful member of our team.

This employee handbook describes, in summary, the personnel policies and procedures which govern the employment relationship between the City and its employees, other than those found in applicable collective bargaining agreements. The policies stated in this handbook are subject to change at any time at the sole discretion of the City with or without prior notice. This handbook supersedes any prior handbooks or written policies of the City inconsistent with its provisions. It does not, however, supersede collective bargaining agreement provisions. To the extent that a provision in a valid collective bargaining agreement may contradict or be inconsistent with this handbook, the collective bargaining agreement provision prevails.

This handbook does not create a contract of employment between the City of Sweet Home and its employees. With the exception of employees subject to a collective bargaining agreement, all employment at the City is “at will.” This means either you or the City may terminate this relationship at any time, for any reason, with or without cause or notice (barring a written contract of employment). No supervisor, manager, or representative of the City other than the City Manager has the authority to enter into any agreement with you regarding the terms of your employment that changes our at-will relationship or deviates from the provisions in this handbook, unless the change or deviation is outlined in writing and signed by the City Manager (or is included in a collective bargaining agreement).

You may receive updated information concerning changes in policy from time to time, and those updates should be kept with your copy of the handbook. If you have any questions about any of the provisions in the handbook, or any policies issued after the handbook, please ask the City Manager.

a) Applicability to Employees

These policies and procedures shall apply to all employees, interns and volunteers of the City of Sweet Home. The City-provided benefits described in this handbook vary by classification as spelled out in this policy and applies only to regular employees and not to casual, seasonal, temporary, interns or volunteers.

b) Personnel Administration

Council Responsibility. The Mayor and City Council shall have authority over all matters of personnel administration through adoption and implementation of the City budget, pay plans,

collective bargaining agreements, ordinances, and resolutions adopting and/or amending the personnel policies.

City Manager Responsibility. The City Manager is charged with responsibility for the interpretation and administration of the City's personnel policies. The City Manager may delegate, in writing, authority for the enforcement and administration of personnel policies.

The City Manager shall be responsible for ensuring the effective implementation of these policies and may further establish, amend, or otherwise modify administrative policies, rules and regulations pursuant to City Council policies and shall advise the City Council of any changes concerning these policies. The Council delegates to the City Manager broad discretion in all aspects of personnel and labor relations, subject to the advice and concurrence of the Council.

Variations. The City Manager shall have the authority to vary or modify any City personnel policy, in writing, on a case-by-case basis, if it is found that strict interpretation of the policy will result in practical difficulties or unnecessary hardships. Exceptions granted in any instance will not be binding in the future. No other employee or representative of the City has the authority to enter into an agreement for employment or to make any agreement contrary to these policies.

Amendments. Amendments to these personnel policies must be adopted by the Council, by resolution, with or without prior notice to employees.

c) Violation of Provisions

If you violate any provision of these policies and procedures, you may be subject to discipline up to and including termination.

d) Equal Employment Opportunity (EEO)

The City of Sweet Home is committed to the principles of equality and honoring diversity. In accordance with this commitment, the City has adopted policies, procedures and ordinances aimed at protecting the civil rights of the employees and residents of Sweet Home. The Affirmative Action Plan for the City of Sweet Home is available to all employees, applicants and members of the community and can be found on the City's website.

Employees are recruited, selected, and promoted on the basis of abilities and performance; consideration is given to factors such as education, training, experience, judgment, communication, problem solving, veteran status, disabled veteran status, and customer service skills. All terms, conditions, benefits and privileges of employment with the City apply to all employees regardless of race, color, national origin, citizenship status, religion, religious observance, sex, sexual orientation, gender identity or expression, age, source or level of income, political affiliation, physical or mental disability, medical condition, pregnancy, veteran or military status, marital status, non-supervisory family relationships, association with members of a protected class, injured worker status, union participation or any other protected class.

i) Disability Accommodation Policy

The City is committed to complying fully with the Americans with Disabilities Act (ADA), as amended, and Oregon's disability accommodation and anti-discrimination laws. We are also committed to ensuring equal opportunity in employment for qualified persons with disabilities.

ii) Accommodations

The City will make reasonable efforts to accommodate a qualified applicant or employee with a known disability, unless such accommodation creates an undue hardship on the operation of the City.

iii) Requesting an Accommodation

A reasonable accommodation is any change or adjustment to a job or work environment that does not cause an undue hardship on the department or unit (or, in some cases, the City) and that permits a qualified applicant or employee with a disability to participate in the job application process, to perform the essential functions of a job, or to enjoy benefits and privileges of employment equal to those enjoyed by employees without disabilities. For example, a reasonable accommodation may include providing or modifying equipment or devices, job restructuring, allowing part-time or modified work schedules, reassigning an individual, adjusting or modifying examinations, modifying training materials or policies, providing readers and interpreters or making the workplace readily accessible to and usable by people with disabilities.

Employees should request an accommodation as soon as it becomes apparent that a reasonable accommodation may be necessary to enable the employee to perform the essential duties of a position. All written requests for accommodation should be made with the Department Head and should specify which essential functions of the employee's job cannot be performed without a reasonable accommodation. In most cases, an employee will need to secure medical verification of the need for a reasonable accommodation.

iv) Pregnancy Accommodation Policy

Employees who are concerned that their pregnancy, childbirth, or a related medical condition (including lactation) will impact their ability to work should contact the City Manager's office to discuss their options for continuing to work and, if necessary, leave of absence options. The City will provide one or more reasonable accommodations pursuant to this policy for employees with known limitations unless such accommodations impose an undue hardship on the City's operations.

Although this policy refers to "employees," the City will apply this policy equally to an applicant with known limitations caused by pregnancy, childbirth or a related medical condition.

(1) Requesting a Pregnancy-Related Accommodation

Employees who are concerned that their pregnancy, childbirth or a related medical condition will limit their ability to perform their duties should request an accommodation as soon as it becomes apparent that a reasonable accommodation may be necessary to enable the employee to work. All requests for accommodation should be made with the City Manager's office and should specify which essential functions of the employee's job cannot be performed without a reasonable accommodation. In most cases, information from the employee's doctor may be needed to assist the City and the employee find an effective accommodation, or to verify the employee's need for

an accommodation. Both the City and employee must monitor the employee's accommodation situation and make adjustments as needed.

(2) No Discrimination, No Retaliation

The City of Sweet Home prohibits retaliation or discrimination against any employee who, under this policy: (1) asked for information about or requested accommodations; (2) used accommodations provided by the City; or (3) needed an accommodation.

Employees who ask about, request or use accommodations under this policy and applicable Oregon law have the right to refuse an accommodation that is unnecessary for the employee to perform the essential functions of the job or when the employee doesn't have a known limitation. Under Oregon law, an employer can't require an employee to use sick leave, OFLA, or FMLA, if a reasonable accommodation can be made that doesn't impose an undue hardship on the operations of the City. Also, no employee will be denied employment opportunities if the denial is based on the need of the City to make reasonable accommodations under this policy.

(3) Leave of Absence Options for Pregnant Employees

Employees who are a or experiencing pregnancy-related medical conditions should also be aware of their leave of absence options under Paid Leave Oregon, Oregon's Sick Leave Law, the Oregon Family Leave Act, and the Family Medical Leave Act. See Section 4 regarding Time Off and Leaves of Absence or speak with the City Manager's office.

e) Employment Eligibility

All employees must be legally authorized to work in the United States. As a new employee you must complete and sign an I-9 form on your first day of employment and provide proof of identity and work authorization as required by law.

i) Employment of Relatives

The City may hire relatives of employees only if individuals concerned do not work in a direct supervisory relationship. "Relatives" are defined the same as "family member" under the Bereavement Leave Policy. Present employees who marry will be permitted to continue to work if they do not work in a direct supervisory relationship with one another. Employees may be allowed to accept a transfer to an available and suitable position, for which the employee is qualified, to avoid direct supervision by a relative. If this cannot be accomplished, the least senior employee may be terminated.

f) Veteran Hiring Preference

i) Qualifying Veterans

The City of Sweet Home provides qualifying veterans and disabled veterans preference in promotional and employment opportunities. For the preference to be applied, veterans must have received an honorable discharge from military service, successfully complete the initial application screening and meet the minimum qualifications of the applied-for position. Preference is not intended to help an applicant pass minimum requirements but only to provide greater consideration or weight for positions for which the veteran is qualified. To qualify for veterans' preference, applicants must submit proof of veteran status (DD214/DD215) *and*, if applicable,

proof of the veteran's disability rating from the Department of Veterans Affairs at the time the application is submitted.

For selection processes, the City will provide preference to eligible veterans. The details of how the City will apply the preference will vary based on the type of process used to select a candidate for the position.

g) Personnel Files

Each employee has one official personnel file kept in the Executive Department. Your file is available for review by yourself, your supervisor, or others whom you have given written authorization and as required under the Oregon Public Records Law or for documented internal investigation or law enforcement purposes. Medical records and background check information are not considered to be part of this personnel file and will be released only as required by federal and state law.

Records pertaining to I-9 verification, medical records, results of drug tests and victims of domestic violence documentation are considered confidential and shall be maintained by the Executive Department in confidential files separate from the personnel file.

h) Change of Employee Information

If you change your name, address, telephone or emergency contact information, you are required to provide written notice of those changes to the City Manager's office, Payroll and your supervisor.

i) Confidential Information

Your position may give you access to sensitive and confidential information. You must always maintain confidentiality and exercise discretion and judgment when dealing with sensitive or confidential information. You may not discuss confidential information concerning the property, government, personnel or affairs of the City without the express approval of the City Manager. You may not disclose any matter subject to litigation, either pending or likely to be filed, without the approval of the City Manager. Furthermore, you may not use such information to advance your financial or other private interests.

Citizen requests for public records are processed according to the City's Request for Information Policy. Consult the City Manager before releasing City records. Generally, information about your employment such as salary, benefits and job descriptions are considered to be a public record and will be disclosed when requested.

j) The Work Week

Work weeks are recognized as beginning at midnight Sunday morning. The work week is defined as a fixed and regularly reoccurring period of 7 consecutive 24-hour periods. Work schedules are

the work days, days off and hours of work identified within the work week. Within the work week, the standard work schedule for regular full-time employees is 40 hours

Hours of work for most City employees are 8:00 a.m. to 5:00 p.m., Monday through Friday. However, with City Manager approval, Department Directors may adjust, change, or set work hours as departmental conditions dictate with regard to the efficient completion of work and to conveniently serve the needs of the citizens of Sweet Home. Some employees may work rotating or irregular shifts. However, the City makes no guarantee of a 40-hour work schedule, and nothing in this handbook is intended as a guarantee of hours worked per day or per week. If you are a represented employee, consult your collective bargaining agreement for specific provisions.

k) Alternative Work Schedules

Every department may, upon approval of their Department Director, provide alternative work schedules to employees. Participation in the City's Alternative Work Schedules Program is at the sole discretion of the City and is not an employee entitlement. Each participating department shall determine which alternative work schedules, if any, are available. Such determinations shall be made based upon the business needs, staffing requirements, coverage requirements and hours of operation. Any alternative work schedule must further the City's commitment to excellence in public service and meet the business needs of the department. All alternative work schedules must have written department approval, and a copy must be sent to the City Manager's office.

l) Meal Periods and Rest Periods

Nonexempt employees are required to take a paid, uninterrupted 15-minute rest break for every four-hour segment or major portion thereof in the work period. The rest break should be taken in the middle of each segment, whenever possible. Whenever a segment exceeds two hours, the employee must take a rest break for that segment.

Nonexempt employees are required to take at least a 30-minute unpaid meal period when the work period is six hours or greater. The law requires an uninterrupted period in which the employee is relieved of all duties. No meal period is required if the work period is less than six hours. If, because of the nature or circumstances of the work, an employee is required to remain on duty or to perform any tasks during the meal period, the employee must inform his or her supervisor before the end of the shift so the City may pay the employee for that work.

Meal periods and rest breaks are mandatory not optional. An employee's meal period and rest break(s) may not be taken together as one break. Meal periods and rest breaks may not be "skipped" in order to come in late or leave early. An employee who fails to abide by this policy and applicable laws may be subjected to discipline, up to and including termination.

Sample rest and meal break schedules are listed below. Employees with questions about the rest or meal breaks available to him or her should contact their Department Head or designee.

| <u>Length of Work Period</u> | <u>Requirement</u> | |
|------------------------------------|--------------------|---------------------|
| | <u>Rest Breaks</u> | <u>Meal Periods</u> |
| 2 hours or less | 0 | 0 |
| 2 hrs. & 1 min – 5 hrs. & 59 min | 1 | 0 |
| 6 hrs. | 1 | 1 |
| 6 hrs. & 1 min – 10 hrs. | 2 | 1 |
| 10 hrs. & 1 min – 13 hrs. & 59 min | 3 | 1 |

i) Rest Breaks for Expression of Breast Milk

The City will provide reasonable rest periods to accommodate an employee who needs to express milk for her child eighteen (18) months of age or younger. If possible, the employee will take the rest periods to express milk at the same time as the rest breaks or meal periods otherwise provided to the employee. If not possible, the employee is entitled to take reasonable time as needed to express breast milk.

The City will treat the rest breaks used by the employee for expressing milk as paid rest breaks up to the amount of time the City is required to provide as paid rest breaks and/or meal periods under applicable personnel rules or collective bargaining agreements. Additional time needed beyond the paid rest breaks and/or meal periods may be taken as unpaid time.

If an employee takes unpaid rest breaks, the City may, at the discretion of the employee's supervisor, allow the employee to work before or after her normal shift to make up the amount of time used during the unpaid rest periods. The City will allow, but not require, an employee to substitute paid leave time for unpaid rest periods taken in accordance with this rule.

The City will make a reasonable effort to provide the employee with a private location within close proximity to the employee's work area to express milk. For purposes of this policy, "close proximity" means within walking distance from the employee's work area that does not appreciably shorten the rest or meal period. A "private location" is a place, other than a public restroom or toilet stall, in close proximity to the employee's work area for the employee to express milk concealed from view and without intrusion by other employees or the public.

If a private location is not within close proximity to the employee's work area, the City will identify a private location the employee can travel to. The travel time to and from the private location will not be counted as a part of the employee's break period.

Notice: An employee who intends to express milk during work hours must give the Department Head or designee reasonable oral or written notice of her intention to do so in order to allow the City time to make any preparations necessary for compliance with this rule.

Storage: Employees are responsible for storing expressed milk. Employees may bring a cooler or other insulated food container to work for storing the expressed milk. If an office provides access to refrigeration for personal use, an employee who expresses milk during work hours may use the available refrigeration.

m) Required Education/Training

The City supports and advocates continued education and training for every employee in order to enhance job performance. The City will continue to encourage and provide training and education for its employees based on the availability of funds and operational necessity. Education and training opportunities shall be addressed below or as provided by applicable City and departmental policies. All travel and training must be pre-approved on a Travel/Training reimbursement form.

All costs of initially acquiring required credentials of a job classification shall be borne by the employee.

All associated costs with required and pre-approved education, training, and testing to renew or maintain required credentials of the job classification occupied by the employee will be paid by the City, including the employee's wages and travel costs.

Travel time to and from an approved required education or training in excess of the regular workday (8- or 10-hours) shall be flexed on an hour for hour basis, whenever possible.

In-service Training. The City encourages "In-service" training by utilizing the training skills and resources of its employees to train employees in other departments and by providing outside trainers, video/audio tapes, and other resources available.

Professional Conferences. The City will pay for the registration, meals, lodging and related expenses for an employee to attend conferences during work hours when the conference or training program is directly related to the employee's job duties, funds are available and budgeted, and it is approved in advance by the Department Head.

Higher Education Opportunities. The City encourages employees to take advantage of continuing education that is beneficial to the delivery of service and that enhances an employee's knowledge and productivity. Therefore, upon City approval of a specific course of study proposed or agreed to by an employee, the City will provide reimbursement for college level courses, up to a maximum of 6 credits per term, offered by institutions of higher education in the State of Oregon.

For approved courses or training opportunities listed above, the City will reimburse an employee for the amount of registration or tuition for courses within budgetary restraints as determined

solely by the City, seminars and conferences directly related to the employee's work and conducted outside the employee's regular working hours when:

- A. The Department Head has recommended, and the City Manager approved the reimbursement for the class prior to enrollment or participation.
- B. The funds for such expenditure are available in the current budget.
- C. The employee submits a reimbursement request including satisfactory evidence of completion of the course with a passing grade of "C" or better.
- D. The employee is not receiving reimbursement for tuition from any other source.
- E. The cost of textbooks and technical publications required for such courses shall be the responsibility of the employee, unless the purchase of the textbook has been approved by the employee's supervisor and it becomes the property of the City. The City will not pay for any higher educational courses or training in advance.

Education / Training outside current job description. The City encourages employees to take advantage of continuing education, conferences and training activities outside of the City, which may be beneficial to the employee and his/her career development, job knowledge, and productivity, and not otherwise identified in this section. Therefore, the City may provide reimbursement upon consideration of employee's written application which must include the following: the type of training classes or seminar; the location of the training, classes, or seminars; the cost of tuition; and sponsoring entity of the training, classes, or seminars.

n) Travel Policy

Occasionally, an employee will be required to travel out of town on official, work-related business. All employees of the City are expected to use good judgment regarding the expenditure of the funds for travel expenses. All travel expenses must be pre-approved by an employee's department head, or designee, prior to traveling.

i) Mileage

If an employee is required to use his/her vehicle (because a City vehicle is not available) for job related travel, mileage reimbursement will be paid at the current IRS reimbursement rate. Online mapping is required for mileage reimbursement. The City credit card is not to be used for the purchase of fuel for privately owned vehicles.

ii) Advances for Travel Expenses

Reasonable lodging, meals and other expenses may be paid in advance by the City. Prior to a trip, an employee should submit a completed REQUEST FOR EXPENSES form, approved by the Department Head, in order to obtain an advance of funds.

iii) Meals

Meals are not to be purchased on the City's credit card. If meals are provided in the registration fee, there will be no reimbursement for separate meals. Meals will be reimbursed according to the following schedule:

| | | |
|-----------|---------|--|
| Breakfast | \$10.00 | if gone from City before 6:00 a.m. |
| Lunch | \$15.00 | if gone from City between 11:00 a.m. and 3:00 p.m. |
| Dinner | \$20.00 | if gone from City after 6:00 p.m. |

Meal reimbursements are taxable unless an employee is away from their tax home overnight on official city business in accordance with IRC Section 162(a)(2).

iv) Reimbursement Request

Within one week after the travel has been completed, the employee must submit receipts for lodging and other expenses (excluding meals), which are reimbursed on an actual basis. Meals will be reimbursed in accordance with the schedule above. Employees who obtained pre-travel funds must pay back any unused funds, as determined by travel receipts, within one week of travel.

v) Fines and Fees

Any traffic citations, including parking tickets incurred during the conduct of City business either in a City or personal vehicle, are the responsibility of the employee and will not be reimbursed by the City.

vi) Travel Time

Travel time is paid in accordance with state and federal laws and collective bargaining agreements. Home-to-work and work-to-home travel is unpaid time. Travel time that occurs during the course of a work shift will be paid. On overnight trips, travel time that falls within your regular work hours on days off is considered hours worked.

For more information, see the BOLI website:
<http://www.oregon.gov/BOLI/Pages/index.aspx>.

2) Code of Conduct on the Job

The following policies apply to all employees, members of management, elected officials and employees alike are expected to adhere to and enforce these policies. Any employee's failure to do so may result in discipline, up to and including termination.

All employees are encouraged to discuss these policies with the City Manager at any time if they have questions relating to the issues of harassment, discrimination, or bullying.

a) Code of Conduct and Work Ethics

It is the policy of the City of Sweet Home that all employees, customers, contractors, and visitors to the City's worksites enjoy a positive, respectful, and productive work environment free from behavior, actions, or language constituting workplace disrespect. The following are expected from City of Sweet Home Employees:

- Loyalty
- Subordination
- Competence
- Attendance
- Productivity
- Adaptability
- Responsibility
- Respectfulness

b) No-Harassment Policy

The City of Sweet Home prohibits harassment and sexual assault in the workplace, or harassment and sexual assault outside of the workplace that violates its employees, volunteers, and interns' right to work in a harassment-free workplace. Specifically, The City prohibits harassment or conduct related to an individual's race, color, religion, sex, pregnancy, sexual orientation, gender identity, national origin, age, disability, genetic information, veteran status, domestic violence victim status, or any other protected status or activity recognized under Oregon, federal, or local law.

Each member of management is responsible for creating an atmosphere free of discrimination, harassment, and sexual assault. Further, all employees are responsible for respecting the rights of other employees and to refrain from engaging in conduct prohibited by this policy, regardless of the circumstances, and regardless of whether others participate in the conduct or did not appear to be offended. All employees are encouraged to discuss this policy with their immediate supervisor, any member of the management team, or with the City Manager's office, at any time if they have questions relating to the issues of discrimination or harassment.

This policy applies to and prohibits sexual or other forms of harassment during working hours, City-related or sponsored trips (such as conferences or work-related travel), and off-hours when that off-duty conduct creates an unlawful hostile work environment for any of the City's employees. ***Such harassment is prohibited whether committed by City employees or by non-employees, such as elected officials, members of the community, and vendors.***

i) Sexual Harassment

Sexual harassment has been defined as unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature (regardless of whether such conduct is "welcome"), when:

1. Submission to such conduct is made either implicitly or explicitly a term or condition of employment;
2. Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; and
3. Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment.

Some examples of conduct which may give rise to sexual harassment are unwanted sexual advances; demands for sexual favors in exchange for favorable treatment or continued employment; sexual jokes; flirtations; advances or propositions; verbal abuse of a sexual nature; graphic, verbal commentary about an individual's body, sexual prowess, or deficiency; leering, whistling, touching, assault, sexually suggestive, insulting, or obscene comments or gestures; display in the workplace of sexually suggestive objects or pictures; or discriminatory treatment based on sex. This is not a complete list.

ii) Other Forms of Prohibited Harassment

City policy also prohibits harassment against an individual based on the individual's race, color, religion, national origin, age, sexual orientation, marital status, disability, protected activity, and any other status protected by applicable law.

Such harassment may include verbal, written or physical conduct denigrating or showing hostility towards an individual because of any protected status, and can include:

- Jokes, pictures (including drawings), epithets, or slurs;
- Negative stereotyping;
- Threatening, intimidating, or hostile acts that relate to a protected class; or
- Written or graphic material that denigrates or shows hostility or aversion toward an individual or group because of the protected status.

iii) Bullying

The City strives to promote a positive, professional work environment free of physical or verbal harassment, "bullying," or discriminatory conduct of any kind. The City, therefore, prohibits employees from bullying one another or engaging in any conduct that is disrespectful, insubordinate, or that creates a hostile work environment for another employee for any reason.

For purposes of this policy, “bullying” refers to repeated, unreasonable actions of individuals (or a group) directed towards an individual or a group of employees, which is intended to intimidate and creates a risk to the health and safety of the employee(s). Examples of bullying include:

1. Verbal Bullying: Slandering, ridiculing or maligning a person or their family; persistent name calling which is hurtful, insulting or humiliating; using a person as butt of jokes; abusive and offensive remarks.
2. Physical Bullying: Pushing; shoving; kicking; poking; tripping; assault, or threat of physical assault; damage to a person’s work area or property.
3. Gesture Bullying: Non-verbal threatening gestures, glances that can convey threatening messages.
4. Exclusion Bullying: Socially or physically excluding or disregarding a person in work-related activities. In some cases, failing to be cooperative and working well with co-workers may be viewed as bullying.
5. Cyber Bullying: Bullying that takes place using electronic technology, which includes devices and equipment such as cell phones, computers, and tablets as well as communication tools including social media sites, text messages, chat, and websites. Examples of cyberbullying include transmitting or showing mean-spirited text messages, emails, embarrassing pictures, videos or graphics, rumors sent by email or posted on social networking sites, or creating fake profiles on web sites for co-workers, managers or supervisors or elected officials.

iv) Complaint Procedure

Employees, volunteers or interns who have experienced a sexual assault, any harassment, discrimination in violation of this policy, who have witnessed such behavior, or who have credible information about such behavior occurring, are expected and should bring the matter to the attention of the City Manager’s office or a supervisor or member of management as soon as possible. Employees are strongly encouraged to document the information or incident in any written or electronic form, or with a voice mail message (or phone call). An employee who experiences or witnesses harassment is encouraged, but not required, to tell the harasser that the behavior is offensive and unwanted, and that they want it to stop.

v) Investigation and Confidentiality

All complaints and reports will be promptly and impartially investigated and will be kept confidential to the extent possible, consistent with the City’s need to investigate the complaint and address the situation. If conduct in violation of this policy is found to have occurred, the City will take prompt, appropriate corrective action, and any employee found to have violated this policy will be subject to disciplinary action, up to and including termination of employment.

Employees who have been subjected to harassment, sexual assault, or discrimination are encouraged to use the City’s complaint-reporting procedure, described above, to ensure a timely, thorough investigation and handling of the situation. Employees may, however, seek redress from the Oregon Bureau of Labor and Industries (BOLI) pursuant to ORS 659A.820 to 659A.865, or in a court under any other available law, whether criminal or civil. Although the City cannot provide employees with legal advice, employees should be aware of the statute of limitations applicable to harassment or discrimination claims under ORS 659A.030, 659A.082 or 659A.121 (five years). Further, before an employee can take any legal action against the City, the employee must

provide written notice of the claim within 180 days of the act or omission the employee claims has caused him/her harm. When an employee can prove harm as a result of unlawful harassment or discrimination in an administrative proceeding or in a court, remedies available to the employee include enforcement of a right, imposition of a penalty, or issuance of an order to the employee's employer (in limited circumstances).

vi) Protection against Retaliation

The City of Sweet Home prohibits retaliation in any way against an employee because the employee has made a good-faith complaint pursuant to this policy or the law, has reported (in good faith) sexual assault, harassing or discriminatory conduct, or has participated in an investigation of such conduct.

Employees who believe they have been retaliated against in violation of this policy should immediately report it to the City Manager's office or any supervisor or member of management. Any employee who is found to have retaliated against another employee in violation of this policy will be subject to disciplinary action up to and including termination of employment.

See *also* the No-Discrimination, No-Retaliation Policy, above, and the Reporting Improper and Unlawful Activity Policy, below.

vii) Other Resources Available to Employees

The City of Sweet Home provides an Employee Assistance Program (EAP) through Cascade Centers to all employees and qualifying dependents. For access to confidential help 24 hours a day, seven days a week, call toll-free: 1-800-433-2320, or go online to www.canopywell.com. The EAP program provides confidential counseling services and educational tools such as resources relating to eldercare, childcare, legal consultation, financial coaching, identity theft, and others.

The City of Sweet Home cannot provide legal resources to its employees or referrals to specific attorneys. Employees may contact the Oregon State Bar for more information: <https://www.osbar.org/public/>.

viii) Other Employee Rights

Nothing in this policy is intended to diminish or discourage an employee who has experienced workplace harassment or discrimination, or sexual assault, from talking about or disclosing his/her experience.

The City of Sweet Home is committed to creating and maintaining a workplace free of sexual assault, harassment, discrimination, and retaliation and it has confidence in the process it has developed for addressing good-faith complaints. However, Oregon law requires the City to inform employees that if they have been aggrieved by workplace harassment, discrimination or sexual assault and want to enter into an agreement with the City regarding his/her experience and/or employment status, the employee should contact the City Manager's office. The employee's request to enter into such an agreement must be in writing (email or text is acceptable). Requests of this nature will be considered on a case-by-case basis; such agreements are not appropriate for every situation. If the City and employee do reach an agreement, the City will not require an

employee to enter into a nondisclosure agreement (which would prohibit the employee from discussing or communicating about his/her experiences in the workplace or the terms of the agreement) or a non-disparagement agreement (which would prohibit the employee from speaking slightly about the City of Sweet Home or making comments that would lower the City (in rank or reputation). If, however, the employee makes a request for an agreement under this paragraph, nondisclosure and non-disparagement are terms that the City and the employee may agree to. The employee will have seven days to revoke the agreement after signing it.

c) Reporting Improper or Unlawful Conduct – No Retaliation

Employees may report reasonable concerns about the City's compliance with any law, regulation, or policy, using one of the methods identified in this policy. The City will not retaliate against employees who disclose information the employee reasonably believes is evidence of:

- A violation of any federal, Oregon, or local law, rules or regulations by the City;
- Mismanagement, gross waste of funds, abuse of authority, or substantial and specific danger to public health resulting from action of the City;
- A substantial and specific danger to public health and safety resulting from actions of the City; or
- The fact that a recipient of government services is subject to a felony or misdemeanor arrest warrant.

Further, in accordance with Oregon law, the City will not prohibit an employee from discussing the activities of a public body or a person authorized to act on behalf of a public body with a member of the Legislative Assembly, legislative committee staff acting under the direction of a member of the Legislative Assembly, any member of the elected governing body of a political subdivision, or an elected auditor of a city, county or metropolitan service district.

i) Employee Reporting Options

In addition to the City's Open-Door Policy (see below), employees who wish to report potential improper or unlawful conduct should first talk to their supervisor. If you are not comfortable speaking with your supervisor, or you are not satisfied with your supervisor's response, you are encouraged to speak with the City Manager. Supervisors and managers are required to inform the City Manager about reports of improper or unlawful conduct.

Complaints against the City Manager should be reported to the City Attorney or Mayor who will collaborate to determine the validity of the complaint. Once determined, the Mayor will communicate to the complainant, in a timely manner, the course of action.

Reports of unlawful or improper conduct will be kept confidential to the extent allowed by law and consistent with the need to conduct an impartial and efficient investigation.

If the City were to prohibit, discipline, or threaten to discipline an employee for engaging in an activity described above, the employee may file a complaint with the Oregon Bureau of Labor and Industries or bring a civil action in court to secure all remedies provided for under Oregon law.

ii) Additional Protection for Reporting Employees

Oregon law provides in some circumstances, an employee who discloses a good faith and objectively reasonable belief of the City's violation of law will have an "affirmative defense" to any civil or criminal charges related to the disclosure. For this defense to apply, the disclosure must relate to the conduct of a coworker or supervisor acting within the course and scope of their employment. The disclosure must have been made to either:

- 1) A state or federal regulatory agency;
- 2) A law enforcement agency;
- 3) A manager with the City; or
- 4) An Oregon-licensed attorney who represents the employee making the report/disclosure. The defense also only applies in situations where the information disclosed was lawfully accessed by the reporting employee.

d) Open-Door Policy

The City's Open-Door Policy is based on our belief that open, honest communication between managers and employees should be a common business practice. The City's managers and supervisors are responsible for creating a work environment where employee input is welcomed, and where issues are surfaced early and shared without the fear of retaliation (when the employee provides the input in good faith). If you have a complaint, suggestion, or question about your job, working conditions, or the treatment you are receiving from anyone in the City, raise them first with your Department Head or designee. If you are not satisfied with the response from your immediate supervisor, or if your issue involves your immediate supervisor, request to have the facts/situation reviewed by the City Manager.

e) Attendance, Punctuality, and Reporting Absences

Punctual and regular attendance is an essential responsibility of every City employee. Employees are expected to report to work as scheduled, on time and fully prepared to start work at the beginning of their shift. Employees are also expected to remain at work for their entire work schedule, except for unpaid break periods or when required to leave on authorized City business, and perform the work assigned to or requested of them. Late arrivals, early departures, or other absences from scheduled hours are disruptive and must be avoided.

Employees who are absent from work for any reason or who will not show up for work on time, must inform their supervisor as soon as possible. Not reporting to work and not calling to report the absence is a no-call/no-show and is a serious matter. The first instance of a no call/no show will result in a final written warning. The second separate offense may result in termination of employment with no additional disciplinary steps. Unless excused by applicable law, a no call/no show lasting three days is considered job abandonment and may be deemed an employee's voluntary resignation of employment.

f) Emergency and Inclement Weather

The City recognizes there may be circumstances beyond its control, such as inclement weather, national crisis, or other emergencies making one or more of the City work locations inaccessible. On such occasions, one or more of the City work locations may be closed for all or part of a regularly scheduled work day. In such an event, the City Manager or designee will make a decision and will endeavor to notify all managers for the purpose of contacting employees; you may also contact your immediate Department supervisor. In the event of an emergency, which destroys or renders a City worksite unsafe, the effected employees shall be reassigned, relocated, or released at the discretion of the City. If released, affected employee shall receive compensation at their regular rate in proportion to their scheduled work.

In the event of extreme inclement weather conditions, each staff member's ability to safely reach their work location may be different. Staff who cannot report to work in such circumstances should contact their department supervisor and notify them of their inability to report to work. Employees unable to report to work due to inclement weather shall use eligible accrued leave (excluding sick leave) and or compensatory time to account for time off.

i) Emergency Response Duties

All City employees may be considered essential emergency staff. As a City employee, you may be called upon to return to, or remain at work during an emergency situation (inclement weather, earthquake, etc.) and to perform duties not normally part of your job. Each Department Director shall determine which staff is essential. Emergency and/or disaster situations may alter the normal job-related activities of departments. Some job-related activities may temporarily become non-essential, and others may become critical. Employees may temporarily be reassigned to support critical activities. During an emergency, your work schedule may change, as necessary (including without prior notice), from your normal hours and/or normal shift.

For emergency purposes, the City will endeavor to provide a means for contacting spouses, domestic partners, children at school or in daycare situations, and next of kin to the extent that employees have provided current and accurate contact information including as appropriate: addresses, regular phone, cell phone, pager, fax numbers, and/or e-mail addresses. To the extent allowable by law, such information will be held confidential by the City Manager's office. Further information regarding emergency response will be available in the City of Sweet Home Emergency Response Plan.

g) Workplace Violence

The City recognizes the importance of a safe workplace for employees, customers, vendors, contractors, and the public. A safe and comfortable work environment enhances employee satisfaction as well as productivity. Therefore, threats and acts of violence made by an employee or member of the public against another person's life, health, well-being, family, or property will be dealt with in a zero-tolerance manner.

All employees have an obligation to report any incidents pose a real or potential risk of harm to employees or others associated with the City, or that threaten the safety, security or financial interests of the City. Employees should make such reports directly to City Manager.

The City also may conduct an investigation of a current employee where the employee's behavior raises concern about work performance, reliability, honesty, or potentially threatens the safety of co-workers or others. See policy on "Workplace Inspections."

h) Workplace Safety

Nothing is of greater concern to the City than the safety of its employees and of the public. For the employee's protection, job-related injuries or illnesses must be reported immediately in accordance with the City's safety and accident policy and with the requirements of our Workers' Compensation Insurance carrier. Employees are expected to use common sense and good judgment in work habits, to follow safe work practices, and to bring any unsafe condition to the immediate attention of a supervisor.

Safe work practice includes, but is not limited to:

- Use the safety equipment, which has been provided for use.
- Do not operate equipment while under the influence of drugs, alcohol or while using any medication, which may impair the employee's ability to safely perform job duties.
- Only operate equipment for which training or orientation has been received.
- Warn co-workers of unsafe conditions or practices. Accept with appreciation the warning of a co-worker as an expression of concern for your well-being.
- Immediately report dangerous or unsafe conditions that you observe at work.
- Refrain from horseplay at all times.

i) UNSAFE CONDITIONS

Employee Responsibility. Every employee is responsible for safety. To achieve the City's goal of providing a safe workplace, everyone must be safety conscious. Employees should immediately report any unsafe or hazardous condition directly to a supervisor, if the problem cannot be corrected independently by the employee. Every effort must be made to remedy safety problems quickly.

Management Responsibility. Each department shall consider the need for adopting safety practices, policies and procedures as warranted by the hazards its employees encounter. Consideration shall be ongoing. Each accident is cause for review. A copy of such policies shall be delivered to all department employees. Department Heads are encouraged to involve employees and union representatives in the process. The need for periodic training should be considered and arranged when appropriate in the judgment of the Department Head.

Managing Unsafe Conditions. It is every employee's responsibility to identify conditions which could pose a hazard to employees or to the general public. After identifying the problem,

employees at the scene are expected to follow departmental safety procedures or emergency response plan(s), which may include, but are not limited to, the following actions:

- Eliminate the hazard or obtain whatever assistance is necessary.
- Control the hazard by enclosure or guard.
- Employ avoidance procedures.
- Use personal protective equipment as appropriate.

Risk Management. The City shall work with its insurance providers to develop a Risk Management Program for all departments. The goal of the Risk Management Program is to eliminate hazards, lower the City's risks of injury or damage, and create a safer work environment for all employees and the public. The City Manager currently serves as the City's Risk Manager.

i) Ethics Policy

At the City, we believe in treating people with respect and adhering to ethical and fair business practices. We expect employees to avoid situations which compromise their reputation or integrity or might cause their personal interests to conflict with the interests of the City or the City's citizens.

We at the City are public employees, and as such, are also subject to the State of Oregon's ethics laws. In some cases, these laws provide additional limitations on employees, such as prohibitions on gifts and strict definitions of conflict of interest. If you are coming to the City from work in the private sector, you may find some common business practices in the private sector are prohibited in the public sector. Information on these laws is available at the Oregon Government Ethics Commission website: <http://www.oregon.gov/OGEC>.

If you have questions about whether an activity meets the City's or Oregon's ethical standards, please talk with your Department Head or designee. Employees who violate the Ethics Policy, or who violate Oregon ethics laws, may be subject to disciplinary action up to and including termination.

i) Gifts and Gratuities

Occasionally City employees are offered personal gifts, discounts, or gratuities in connection with their City employment. While such offers may be made in good faith, it is important everyone representing the City avoid any appearance of impropriety or conflict of interest. You are expected to exercise good judgment and politely refuse such personal gifts, discounts, or gratuities offered in connection with your employment with the City. Exceptions would be acceptance of gifts of insignificant value of less than \$50, such as pens, pencils, calendars, etc. offered on infrequent occasions in the ordinary course of business.

Gifts, gratuities, loans, fees, or any other items of significant value may not be solicited by City of Sweet Home employees, agents, or volunteers or accepted either directly or indirectly if the acceptance could be considered to influence directly or indirectly the actions of said personnel or any other person in any matter of City business. Significant value is any gift with a market value of \$50 or more. Under no circumstances may gifts exceed \$50 per calendar year from any one source.

j) Substance Abuse

The City of Sweet Home has a strong commitment to providing a safe workplace for its employees, and to establish programs promoting high standards of employee productivity. Consistent with that commitment, the City and Union have agreed to this Drug and Alcohol Policy to establish and maintain a safe and productive work environment. "Drugs" refers to all controlled substances as defined by law. Employees who engage in any prohibited conduct will be subject to discipline, including discharge.

i) Prohibited Conduct

The following conduct is strictly prohibited:

1. Buying, selling, transporting, distributing, or possessing drugs (excluding the possession of the employee's prescription medication in accordance with this policy) or alcohol while on City property or while off City property performing work duties. "City property" includes all property owned, rented, leased, or controlled by the City, including parking lots. It also extends to City equipment and vehicles on or off City property.
2. Reporting for work or returning to duty under the influence of alcohol or drugs, excluding prescribed medications. An employee is considered to be "under the influence" if a prohibited substance is present in his/her body or, for substances measured by volume, is present beyond the agreed upon threshold limits set for in the Department of Transportation "DOT" regulations.
3. Failing to promptly report convictions and/or plea-bargains for an alcohol or drug related criminal offense to the extent it impacts the employee's ability to perform his/her job. All drug and alcohol-related convictions and plea-bargaining agreements must be promptly reported to the City Manager. This obligation to disclose applies to all convictions or plea bargains, which occur after the effective date of this Agreement.
4. Failing to comply with City directives regarding enforcement of this policy, including but not limited to refusing to promptly submit to required testing.
5. Giving false, diluted, or altered urine samples and failure to comply with rehabilitation conditions imposed by the City or rehabilitation counselors.
6. Failing to comply with DOT or other applicable laws or regulations for those employees covered by such laws and regulations

ii) Mandatory Testing

The City may require an employee to immediately submit to blood, urine, or Breathalyzer testing to detect drugs or alcohol where:

1. The City has reasonable suspicion to believe that an employee has reported to work or returned to duty with alcohol and/or drugs present in his/her body.
2. Reasonable suspicion shall be defined as suspicion based on observations that the City can describe 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. The City will prepare an incident report describing the circumstances that prompted the request for an alcohol and/or drug test, which will be

made available to the employee and/or the Union upon request. In the event the City requires an employee to be tested in accordance with the reasonable suspicion testing rule, and the employee tests positive for any amount of drugs or alcohol present in his/her body, the test results shall be deemed conclusive evidence that a reasonable suspicion existed for the City to require the employee to submit to the test.

3. An employee involved in any work-related accident which results in death or bodily injury to the employee, a coworker or another person or which results in any property damage beyond damage which is determined by the City to be de minimis. In the event an employee is injured and is therefore unable to promptly consent to testing, the employee will be required to authorize a release of medical records to reveal whether drugs and/or alcohol were in his/her system at the time of the accident.
4. Required by DOT or other applicable laws or regulations.
5. Required pursuant to a rehabilitation agreement imposed by the City.

iii) Searches

The City reserves the right to conduct searches of its vehicles, property or equipment at any time. The City reserves the right to require an employee to submit to a search of his/her possessions carried into the workplace or brought onto City property, if the City has reason to believe the employee is concealing drugs and/or alcohol in the item(s) being searched. If the employee desires, he/she may request that a union representative be present during a search of the employee's personal belongings. The City will not request or require any employee to submit to a search of his/her body.

iv) Safeguards

All testing will be done by a laboratory designated by the City, which is certified in accordance with the standards disseminated by the National Institute of Drug Abuse and the Department of Transportation. Positive drug test results will be reported to the City Manager. All positive drug test results will be confirmed using GCMS methodology. Drug test results will be considered medical records and treated as confidential to the extent required by law. The City will pay for the cost of any required testing and any required evaluation for drug and/or alcohol dependencies, which are not covered by the group insurance policy. Employees who question the validity of the controlled substances test may request in writing a retest or a split sample test within seventy-two (72) hours of the results of the original test.

v) 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 and seeks assistance, that employee will be placed on a leave of absence or adjusted working hours to allow for inpatient rehabilitation treatment as recommended by the rehabilitation counselors.

The employee will not be permitted to work until such time as a competent medical authority, approved by the City, has certified that the employee has controlled the problem and is able to safely perform his/her job duties. However, if an employee claims drug or alcohol dependencies

after violating this policy, the employee will be subject to immediate discharge, irrespective of such dependencies

The time an employee is off work undergoing rehabilitation is unpaid. However, employees may draw their unused, accumulated sick leave and/or vacation pay. 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 and Medical Leave Act.

In order to continue working 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.

vi) Level of Discipline to Be Imposed

Any employee who is found to be in violation of this policy, or who refuses to submit to testing as required, or who refuses to cooperate or attempts to subvert the testing process will be subject to disciplinary action which could include immediate termination of employment. The City also reserves the right to involve law enforcement officials for any conduct that it believes might be in violation of state or federal law.

As a result of disciplinary action arising from a drug or alcohol problem, an employee may be required to participate in a drug or alcohol treatment program. An employee who is so required will normally be evaluated for drug and alcohol use by a professional in this field. Where such an evaluation is scheduled and required by the City, the City will pay the cost and the employee must cooperate. An employee may also be required to participate in follow-up care as part of a comprehensive alcohol and drug treatment program. Depending upon the nature of the conduct which led to the employee's mandated participation in an alcohol and drug treatment program, the employee may be required to submit to random or unannounced screening for alcohol and/or drugs for a specified period of time and to meet various performance standards which are imposed as a condition of continuing employment.

vii) Definitions

For the purpose of this policy the following definition of terms is provided:

Reasonable suspicion is specific, describable observations by a supervisory employee concerning the work performance, appearance (including noticeable odor of an alcoholic beverage), behavior, or speech of the employee. Any accident or incident involving physical injury to any person may be considered as constituting reasonable suspicion for discovery testing for drugs and alcohol where human factors contribute to the incident and a question of sobriety short of reasonable suspicion exists.

Under the influence is defined as any detectable level of alcohol and/or drugs (in excess of trace amounts which can be attributable only to secondary exposure) in an employee's blood or urine or any noticeable or perceptible impairment of the employee's mental or physical faculties.

Controlled substances are defined as all forms of narcotics, depressants, stimulants, hallucinogens, and cannabis, the sale, purchase, transfer, use or possession of which is prohibited or restricted by law.

Over-the-counter drugs are those, which are generally available without a prescription from a medical doctor and are limited to those drugs, which are capable of impairing the judgment of an employee to safely perform his or her duties.

Prescription drugs are defined as those drugs which are used in the course of medical treatment and have been prescribed and authorized for use by a licensed practitioner/physician or dentist.

viii) Medical Marijuana

In addition to the above Substance Abuse Policy agreed upon by AFSCME and the City, as used in this policy “drugs” includes marijuana that is otherwise lawful to use under Oregon, Washington, or any other state’s law. Employees who use medical marijuana in connection with a disability should discuss with their supervisor other means of accommodating the disability in the workplace, as the City will not allow an employee to use medical marijuana as an accommodation.

k) Reports of Drug Conviction

Each employee must report facts and circumstances to the Department Head no later than five (5) days after conviction for violating any criminal drug statute. Any employee failing to comply with this provision, whenever discovered by the City, will face immediate discharge.

l) Criminal Arrests and Convictions

Employees must promptly and fully disclose to their supervisor on the next working day:

- All drug- or alcohol-related arrests, citations, convictions, guilty pleas, no contest pleas or diversions that result from conduct which occurred while on duty, on City property, or in a City vehicle (see “Alcohol/Drug Use, Abuse and Testing” policy above);
- All arrests, citations, convictions, guilty pleas or no contest pleas that result from crimes involving the theft or misappropriation of property, including money; or
- If you are arrested, cited, or convicted of a violation of any law that will prevent you from performing the essential functions of your position.

Reporting an arrest or conviction will not automatically result in termination of employment. Situations will be evaluated on a case-by-case basis.

Employees who are unavailable to report for work because they have been sent to jail or prison may not use sick leave or any paid leave to cover the absence, and may be subject to disciplinary action, including termination.

m) Smoke-Free Workplace

The City provides a tobacco-free environment for all employees and visitors. For purposes of this policy, “tobacco” includes the smoking of any tobacco-based product, smoking in any form

(including, without limitation, cigars and e-cigarettes), and the use of oral tobacco products or “chew/spit” tobacco.

Marijuana is also prohibited under this policy. This policy applies to employees, volunteers, and any visitors to the City of Sweet Home’s property, vehicles, or facilities/buildings.

The use of tobacco products is prohibited at all times indoors and on the campuses or property of the designated City worksites. This includes doorways, front porches, or outdoor foyers.

The City will permit the use of tobacco in personal vehicles before and after work or during regularly scheduled work breaks when parked in a way which protect any individuals from the harmful effects of breathing in secondhand smoke. Oregon law prohibits smoking within 10 feet of building entrances and other openings, including second-story windows.

The City will assist employees who would like to quit smoking by helping them access recommended smoking cessation programs and materials.

n) Political Activity

Employees may engage in political activity except to the extent prohibited by Oregon law when on the job during working hours. This means employees cannot:

- Be required to give money or services to aid any political committee or any political campaign;
- Solicit money or services (including signatures) to aid or oppose any political committee, nomination or election of a candidate, ballot measure or referendum, or political campaign while on the job during working hours (this is not intended to restrict the right of City employees to express their personal political views.); or
- Be disciplined or rewarded in any manner for either giving or withholding money or services for any political committee or campaign.

o) Use of City Email and Electronic Equipment, Facilities, and Services

The City uses multiple types of electronic equipment, facilities and services for producing documents, research and communication including, but not limited to, computers, software, email, copiers, telephones, voicemail, fax machines, online services, cell phones (including text messaging), the Internet, and any new technologies used in the future. This policy governs the use of such City property.

i) Ownership

All information and communications in any format, stored by any means on or received via the City’s electronic equipment, facilities or services is the sole property of the City.

ii) Use

All of the City’s electronic equipment, facilities and services are provided and intended for City business purposes only and not for personal matters, communications or entertainment. This

means, for example, employees may not use the City-provided Internet, or City electronic equipment, facilities and services to:

- Display or store any sexually explicit images or documents, or any images or documents that would violate the City's no-harassment, non-discrimination or bullying policies;
- Play games (including social media games) or to use apps of any kind;
- Engage in any activity that violates the rights of any person or company protected by copyright, trade secrets, patent or other intellectual property (or similar laws or regulations);
- Engage in any activity that violates the rights to privacy of protected healthcare information or other City-specific confidential information;
- Engage in any activity that would introduce malicious software purposefully into a workstation or network (e.g., viruses, worms, Trojan horses); or
- Download or view streaming video for personal use. This includes, without limitation, YouTube videos, movies, and TV shows. Streaming audio is allowed, providing it does not contain explicit material, adversely affect network speed, or interfere with others' ability to work.

Further, employees may not use City-provided email addresses to create or manage personal accounts (e.g., shopping websites, personal bank accounts, and social media accounts). City email addresses for professional-based social media accounts such as LinkedIn may be allowed with the approval of the City Manager.

iii) Inspection and Monitoring

Employee communications, both business and personal, made using City electronic equipment, facilities, and services are not private. Any data created, received, or transmitted using City equipment, facilities or services are the property of the City and usually can be recovered, even though deleted by the user.

All information and communications in any format, stored by any means on the City's electronic equipment, facilities, or services, are subject to inspection at any time without notice. Personal passwords may be used for purposes of security, but the use of a personal password does not affect the City's ownership of the electronic information, electronic equipment, facilities, or services, or the City's right to inspect such information. The City reserves the right to access and review electronic files, documents, archived material, messages, email, voicemail, and other such material to monitor the use of all of the City's electronic equipment, facilities and services, including all communications and internet usage and resources visited. The City will override all personal passwords if it becomes necessary to do so for any reason.

iv) Personal Hardware and Software

Employees may not install personal hardware or software on the City's computer systems without approval from the Finance Department or City Manager's office. All software installed on the City's computer systems must be licensed. Copying or transferring of City-owned software may be done only with the written authorization of the IT Department.

v) Unauthorized Access

Employees are not permitted unauthorized access to the electronic communications of other employees or third parties unless directed to do so by City management. No employee can examine, change or use another person's files, output or username unless they have explicit authorization from City to do so.

vi) Security

Many forms of electronic communication are not secure. Employees who use cell phones, cordless phones, fax communications or email sent over the Internet should be aware that such forms of communication are subject to interception, and these methods of communicating should not be used for privileged, confidential, or sensitive information unless appropriate encryption measures are implemented.

vii) Inappropriate Web Sites

The City's electronic equipment, facilities or services must not be used to visit Internet sites that contain obscene, hateful, or other objectionable materials, or that would otherwise violate the City's policies on harassment and discrimination.

p) Social Media

For purposes of this policy, "social media" includes all means of communicating or posting information or content of any sort on the Internet, including to your own or someone else's web log or blog, journal or diary, personal web site, social networking or affinity web site, web bulletin board or a chat room, whether or not associated or affiliated with the City, as well as any other form of electronic communication.

Ultimately, you are solely responsible for what you post online. Before creating online content, consider some of the involved risks and rewards. Keep in mind any of your conduct that adversely affecting your job performance, the performance of co-workers, or otherwise adversely affects our citizens or people who work on behalf of the City or the City's legitimate business interests may result in disciplinary action up to and including termination.

i) Prohibited Postings

Employees will be subject to discipline, up to and including termination, if they create and post any text, images, or other media that violate the City's no-harassment and non-discrimination policies and to include discriminatory remarks, harassment, or threats of violence or similar inappropriate or unlawful conduct.

Do not create a link from your blog, website or other social networking site to a City-owned or maintained website without identifying yourself as a City employee.

Express only your personal opinions. Never represent yourself as a spokesperson for the City. If the City is a subject of the content you are creating, be clear and open about the fact you are a City employee and make it clear your views do not represent those of the City or its employees or elected officials.

ii) Encouraged Conduct

Always be fair and courteous to co-workers, the citizens we serve, the City's employees and elected officials, and suppliers or other third parties who do business with the City. Also, keep in mind you are more likely to resolve work-related complaints by speaking directly with your co-workers or by utilizing our Open-Door Policy than by posting complaints to a social media outlet. Nevertheless, if you decide to post complaints or criticism, avoid using statements, photographs, video, or audio that reasonably could be viewed as malicious, obscene, threatening or intimidating, that disparage citizens, co-workers, City employees or elected officials, or that might constitute harassment or bullying. Examples of such conduct might include offensive posts meant to intentionally harm someone's reputation or posts that could contribute to a hostile work environment on the basis of race, sex, disability, religion or any other status protected by law or City policy.

Maintain the confidentiality of the City's confidential information. Do not post internal reports, policies, procedures or other internal, City-related confidential communications or information.

iii) Request for Employee Social Media Passwords

The City's supervisors and managers are prohibited by law from requiring or requesting an employee or an applicant for employment to disclose or to provide access through the employee's or applicant's username and password, password or other means of authentication that provides access to a personal social media account. This includes, without limitation, a username and password that would otherwise allow a supervisor/manager to access a private email account not provided by the City.

Nothing in this policy prohibits City from requiring an employee to produce content from his or her social media or internet account in connection with a City sponsored investigation into potential misconduct, unlawful or unethical behavior, or policy or rule violations.

q) Cellular Devices Policy

This policy applies to employee use of cell phones, smart phones (including iPhones and similar devices), tablets and similar devices, all of which are referred to as "cellular devices" in the Cellular Devices Policy.

i) Cell Phones and Cellular Devices in General

Employees who use personal or City-provided cell phones/cellular devices may not violate the City's policies against harassment and discrimination. Thus, employees who use a personal or City-provided cell phone/cellular device to send a text or instant message to another employee (or to a citizen or someone not employed by the City) in violation of the City's no-harassment and non-discrimination policies will be subject to discipline, up to and including termination.

Nonexempt employees may not use their personal or City-provided cell phone/cellular device for work purposes outside of their normal work schedule without advance written authorization from the City Manager. This includes, but is not limited to, reviewing, sending and responding to emails

or text messages, and responding to calls or making calls. Employees who violate this policy may be subject to discipline, up to and including termination.

ii) Employee Use of City-Provided Cell Phones/Cellular Devices

Cell phones/cellular devices are made available to City employees on a limited basis to conduct the City's business. Determinations as to which employees receive City-provided cell phones will be made on a case-by-case basis; employees are not guaranteed a cell phone or cellular device.

Employees who receive a cell phone or cellular device from the City must agree to not use the cell phone/cellular device for personal use except in emergency situations and must abide by all aspects of the Cellular Device Policy. Further, employees who receive a cell phone or cellular device from the City must acknowledge and understand that because the cell phone/cellular device is paid for and provided by the City, or subsidized by the City, any communications (including text messages) received by or sent from the cell phone/cellular device may be subject to inspection and review if the City has reasonable grounds to believe that the employee's use of the cell phone violates any aspect of the Cellular Device Policy or any other City policy. An employee who refuses to provide the City access to his/her personal cell phone/cellular device in connection with an investigation and after reasonable notice may be subject to discipline, up to and including termination.

Employees may not use the City-provided cell phones or cellular devices to call 1-900, 1-976 or similar "pay per minute" services. Further, family and friends may not use an employee's City-provided cell phone/cellular device.

iii) Employee Use of Cell Phones/Cellular Devices with Cameras

Cameras of any type, including cell phones with built-in cameras and video photography devices, may not be used during working hours or at any City-sponsored function unless authorized to do so by the Department Head or designee.

iv) Cell Phones/Cellular Devices and Public Records

City-related business conducted on City-provided or personal cell phones/cellular devices are subject to disclosure under Oregon's Public Records laws.

v) Cell Phone/Cellular Device Use While Driving

Oregon law prohibits the use of handheld cell phones while driving. This policy is meant to ensure the safe operation of City vehicles and the operation of private vehicles while an employee is on work time. It applies equally to the usage of employee-owned cell phones and phones provided or subsidized by the City.

Employees are prohibited from using handheld cell phones for any purpose while driving on City-authorized or City-related business. This policy also prohibits employees from using a cell phone or other device to send or receive text or "instant" messages while driving on City business (other than those employees engaged in law enforcement work). Should an employee need to make a business call while driving, the employee must locate a lawfully designated area to park and make

the call, unless the employee uses a hands-free device for the call. Violation of this policy will subject the employee to discipline, up to and including termination.

r) Driving While on Business

Employees using a private vehicle to conduct City's business must possess a valid driver's license and must carry auto liability insurance. Employees who use their own vehicles for authorized City business use should make any necessary arrangements with their insurance carriers.

The City may verify the validity of your driver's license and/or your driving record at the time of hire and at any point during your employment. Once you are employed with City, we will receive automated reports from the Department of Motor Vehicles (DMV). The reports notify the City when there are transactions on your driving record such as speeding tickets and citations.

While on City business, drivers are expected to make every reasonable effort to operate their vehicle safely, with due regard for potential hazards, weather, and road conditions. Drivers are to obey all traffic laws, posted signs and signals, and requirements applicable to the vehicle being operated. Seatbelts are to be used in all vehicles while on business. Drivers are to ensure that the use of prescribed or over the counter drugs does not interfere with their ability to drive while on business; operating a vehicle under the influence of alcohol or controlled substances is prohibited. Employees are responsible for notifying their manager of any subsequent restrictions, limitations, or other change in their driving status within 72 hours of the change or new restrictions/limitations. See also, "Cell Phone Use While Driving" policy, above.

3) Classification, Compensation, and Benefits

a) Probationary Period

Every new employee hired shall serve a probationary period of six (6) months. The City may terminate probationary employees for any reason, with or without cause.

In lieu of termination at six (6) months, the City may extend an employee's probationary period in writing, which summarizes the City's concerns about the employee's performance and suggests ways for the employee to improve. The extension of the probationary period shall not exceed ninety (90) days, absent mutual consent between the City and employee. This extension may be revoked by the City at any time if, in its sole opinion, the employee is unable or unwilling to meet the requirements of the position.

b) Employee Classification

The City classifies employees as follows:

- **Regular Full-time:** Employment in an established position requiring 40 hours or more of work per week. Generally, full-time employees are eligible to participate in the City's benefit programs.
- **Regular Part-time:** Employment requiring less than 40 hours, of work per week. Normally a part-time schedule, such as portions of days or weeks, will be established. Occasional workweeks of over 40 hours will not constitute a change in status from part-time to full-time. Regular, Part-time employees are not eligible for benefits except those mandated by applicable law or as otherwise noted in this policy
- **Temporary:** Employment in a job established for a specific purpose, for a specific period of time, or for the duration of a specific project or group of assignments. Temporary employment can either be full-time or part-time. Temporary employees are not eligible for benefits other than those mandated by applicable law.

Additionally, all employees are defined by federal and Oregon law as either "exempt" or "nonexempt," which determines whether the employee is eligible for overtime. Employees will be instructed as to whether they are exempt or non-exempt at the time of hire or when a promotion or demotion occurs. All employees, regardless of employment classification, are subject to all City rules and procedures.

c) Salary Studies

To ensure that the City's salary ranges and pay plan are as competitive as possible, salary data studies may be done approximately every three (3) years. Salary information from equivalent cities, as well as public and private employers will be compared with the City's salary schedule and pay plan. Department Heads should notify the City Manager when conditions warrant a study of certain positions. The City Manager shall conduct or have conducted the appropriate studies and, if feasible, submit a recommendation to the City Council. Any adjustments to the pay plan must be approved by the City Council.

d) Salary Eligibility Date

The salary eligibility date (SED) is used to determine benefit accrual and merit increases of an employee. Employees will be assigned a SED equal to the first of the month immediately following hire date, position reclassification or promotion.

e) Duration of Employment

All employees, except temporary employees, are hired for an unspecified duration. None of the classifications guarantee employment for any specific length of time.

f) Promotions

When an employee is promoted, they shall be placed on a step in the higher classification range that equals a pay increase of at least three percent (3%).

g) Job Sharing

Job Share Definition. A job-sharing position is a regular full-time or part-time position that is held by two individuals on an interdependent, shared-time basis. The duties and responsibilities of the single position will be divided so as to provide complete and coordinated coverage by the two partners. The partners will normally divide the required working hours, not to exceed a total of 40 hours per week, within a pay period unless with prior written authorization from the City Manager.

Each partner in a job-sharing position must have, or be capable of having, all the knowledge, skills, and abilities necessary to perform the job. In addition, partners must communicate with one another to ensure that their efforts are coordinated effectively. Each job share partner must be willing to cover the absences of the other.

Benefits. Job share partner's benefits are determined as if each were a part-time employee; however, the City shall not be required to contribute to either more than half cost of health insurance for a full family. Vacation, sick leave, and holiday benefits will be pro-rated on the basis of hours worked.

Approval and Termination of Job Share Positions. Job sharing shall be implemented, continued, or terminated at the discretion of the City based on operational efficiency. Specific scheduling arrangements shall be determined by the Department Head and should be a function of the needs of the department, the nature of the job and the desires of the job share partners.

h) Performance Reviews

All regular City employees will receive periodic performance reviews. Performance reviews serve as one factor in decisions related to employment, such as training, advance in pay, job assignments, employee development, promotions, retention and discipline/termination. Any employee who fails to satisfactorily perform the duties of their position is subject to disciplinary action (including termination).

The City's goal is to provide an employee with the first formal performance evaluation within six months after hire or promotion. After the initial evaluation, the City will strive to provide a formal performance review on an annual basis. Supervisors and managers are encouraged to provide employees with informal evaluations of their employees' work on an as-needed basis.

Reviews will generally include the following:

- An evaluation of the employee's quality and quantity of work;
- A review of exceptional employee accomplishments;
- Establishment of goals for career development and job enrichment;
- A review of areas needing improvement; and
- Setting of performance goals for the employee for the following year.

Employees who disagree with a performance evaluation may submit a written response with reasons for disagreement. The employee's response shall be filed with the employee's

performance evaluation in the employee's personnel file. Such response must be filed not later than 30 days following the date the performance evaluation was received.

i) Payroll Policies

i) Pay Period

The pay period begins on the 16th of the month and ends on the 15th of the following month.

ii) Overtime

- Time-and-a-Half: The City pays one and one-half times a non-exempt employee's regular rate of pay for all hours worked over 40 in any workweek. See "Employee Classification" above.
- Limitation on Overtime Pay: Paid hours not actually worked (for example, sick, vacation, holidays, and family leave) will not be counted toward the 40 hours worked per workweek required to receive overtime pay.
- Assignment of Overtime Work: On occasion, where the City's workload makes it necessary, non-exempt employees may be required to work overtime.
- Supervisor Authorization: No overtime may be worked by non-exempt employees unless specifically authorized in writing by the Department Head or designee. Employees who work unauthorized overtime may be subject to discipline up to and including termination.
- Compensatory (Comp) Time: Overtime hours can be paid or, at the employee's option with City approval, accumulated at time and one-half up to a maximum of 80 hours and taken as comp time off. Overtime worked after the employee has accrued 80 hours of comp time will be compensated as overtime pay. Employees are encouraged to work with their manager/supervisor to schedule and use comp time within 60 days of when it is accrued. At the discretion of an employee's manager/supervisor, employees who have accrued less than 80 comp hours may be able to choose whether to have the accrued comp time cashed out at the rate earned by the employee at the time the employee receives the payment. The City may elect to cash out accumulated comp time at any time.
- Exempt Employees: Exempt employees are not eligible to receive overtime pay or compensatory time off from work.

iii) Timekeeping Requirements

Employees are required to record their own time at the beginning and end of each work period, including before and after the meal period. Employees also must record their time whenever they leave the building for any reason other than City business. Filling out another employee's timecard, allowing another employee to fill out your time card, or altering any time card will be grounds for discipline up to and including termination. An employee who fails to record all of his or her time worked may be subjected to discipline as well.

iv) Payday

Paychecks will be distributed on the last business day of the month. The City will electronically deposit paychecks (direct deposit) upon written request of the employee.

v) Payroll Advance

A pay advance is a temporary loan to an employee. You may not receive a pay advance unless you have an emergency or an unusual, unforeseen event that causes severe financial hardship. Employees are limited to two (2) advances in a given fiscal year and may receive an advance only for monies already earned during the month (up to 40% of your base monthly wages). Your pay advance request must be approved by the Department Director, Finance Director and the City Manager. Advances will be processed within two days of receipt of request.

vi) Optional Deductions

Employees may authorize deductions from their pay (by written request) for items such as local gym dues, donations, etc. Authorized optional deductions must be of general interest to five (5) or more employees and approved by the Finance Director.

vii) Deferred Compensation

Eligible City employees may elect to enroll in the deferred compensation plan(s) approved by the City. Deferred compensation accounts will be established on behalf of any employee who is willing to make contributions to the plan in accordance with plan requirements.

viii) Additional Compensation

From time to time staff may receive, as a benefit of employment or service, safety incentives, tickets, or admission to various community events, including but not limited to, the City of Sweet Home Chamber Banquet, The Sweet Home Fire and Ambulance Awards Banquet, Sweet Home Boys and Girls Auction, Linn County Fair, or other Special Events as part of their official compensation package. These financial benefits are allowed under ORS 244.040(2)(a) and nothing in ORS Chapter 244 precludes employees from sharing tickets with family or friends.

In addition, the City may provide meals, light snacks, hors d'oeuvres and/or beverages (non-alcoholic) such as tea, coffee and/or soda for staff and/or the public during training and other special occasions.

ix) City Vehicles

The City may provide a City vehicle to designated employees who respond to after hours emergencies.

x) Applicable Laws

The City makes all efforts to comply with applicable Oregon and federal wage and hour laws. In the event you believe that the City has made any improper deductions, has failed to pay you for all hours worked or for overtime, or has failed to properly calculate your wages in any way, you must immediately report the error to your Department Head or designee. The City will investigate all reports of improper pay practices and will reimburse employees for any improper deductions

or omissions. No employee will suffer retaliation or discrimination because he or she has reported any errors or complaints regarding the City's pay practices.

xi) Pay Upon Leaving City Employment

An employee terminating employment with the City who gives the City at least 48 hours' notice will be paid on the date of separation any earned and unpaid wages then due plus any accumulated and unused vacation pay and compensatory time. Work hours, vacation and compensatory time shall be paid at the employee's hourly rate at the date of separation. If the employee gives less than 48 hours' advance notice prior to quitting City employment, the employee shall be paid within five (5) business days of the separation date or on the next regularly scheduled payday, whichever occurs first. Terminated employees will receive final pay no later than the end of the first business day after termination.

xii) Reporting Changes to an Employee's Personal Data

Because personnel records are used to administer pay and benefits, and other employment decisions, employees are responsible for keeping information current regarding changes in name, address, phone number, exemptions, dependents, beneficiary, etc. Keeping your personnel records current can be important to you with regard to pay, deductions, benefits and other matters. If you have changes in any of the following items, please notify the Finance Director to ensure the proper updates/paperwork are completed as quickly as possible:

- Name;
- Marital status/Domestic Partnership (for purposes of benefit eligibility determination only);
- Address or telephone number;
- Dependents;
- Person to be notified in case of emergency;
- Other information having a bearing on your employment; and
- Tax withholding.

Employees may not intentionally withhold information from the City about the items listed above in order to continue to receive benefits or anything of value for themselves or anyone else. Upon request, the City may require employees to provide proof of marital status/domestic partnership status. Employees who violate this policy may be subject to discipline, up to and including termination.

j) Healthcare Benefits

The City currently offers group medical, vision, dental, long-term disability and life insurance plans for eligible employees. Coverage begins on the first day of the month following the employee's completion of thirty (30) days of employment. For example, an employee hired on January 15 would have coverage beginning March 1.

The City may waive the 30 day waiting period when allowable per policy of our benefit provider.

i) Summary Plan Description

The group insurance policy and the summary plan description issued to employees set out the terms and conditions of the health insurance plan offered by the City. These documents govern all issues relating to employee health insurance.

ii) Continuation Coverage under COBRA

Information regarding specific benefits or continuation of coverage is available from the City Manager's office or their staff designee.

k) Workers' Compensation and Safety on the Job

You are protected by workers' compensation insurance under Oregon law. This insurance covers you in case of occupational injury or illness by providing, among other things, medical care and compensation and temporary or other disability benefits. Employees are expected to work safely and in a safe environment.

i) Steps to Take if You Are Injured on the Job

To ensure you receive any workers' compensation benefits to which you may be entitled, you must do all of the following:

- Immediately report any work-related injury to your supervisor. You must report the injury at the time it happens, and no later than 24 hours after injury;
- Seek medical treatment and follow-up care if required; and
- Promptly complete a written Employee's Claim Form (Form 801) and return it to the City Manager's office.

Failure to timely follow these steps may negatively affect your ability to receive benefits.

ii) Return to Work

If you require workers' compensation leave, you will, under most circumstances, be reinstated to the same position you held at the time your leave began, or to an equivalent position, if available. However, you must first submit an approved medical certificate demonstrating your ability to return to work.

When returning from workers' compensation leave you have no greater right to reinstatement than if you had been continuously employed rather than on leave. For example, if you would have been laid off had you not been on leave, or if your position is eliminated, and no equivalent or comparable positions are available, then you may not be entitled to reinstatement. These are only examples and all reinstatement/reemployment decisions are subject to the terms of any applicable collective bargaining agreement. The City does not discriminate against employees who suffer a workplace injury or illness.

iii) Early Return-to-Work Program

Our Return-to-Work program provides guidelines for returning you to work at the earliest possible time after you have suffered an on-the-job injury or illness that results in time loss. This program

is not intended as a substitute for reasonable accommodation when an injured employee also qualifies as an individual with a disability. The Return-to-Work Program is intended to be transitional work, to enable you to return to your regular job in a reasonable period of time.

The Return-to-Work program for job-related injuries consists of a team effort by the City, injured employees and their treating physicians, and our workers' compensation insurance carrier claims staff. The goal is to return our employees to full employment at the earliest possible date that is consistent with their medical condition and the advice of the treating physician.

If your doctor determines you are able to perform modified work, the City will attempt to provide you with a temporary job assignment for a reasonable period of time until you can resume your regular duties (except where provided as an accommodation for a disability). If, due to a work-related injury, you are offered a modified position that has been medically approved, failure to phone in or report at the designated time and place may affect your compensation and employment with the City. While you are on modified or transitional work, you are still subject to all other the City rules and procedures.

iv) Overlap with Other Laws

The City will account for other leave and disability laws that might also apply to your situation, such as the Americans with Disabilities Act (ADA), as amended, and FMLA or OFLA. If, after returning from a workers' compensation leave, it is determined that you are unable to perform the essential functions of your position because of a qualifying disability, you may be entitled to a reasonable accommodation, as governed by the ADA and/or applicable Oregon laws covering disabilities in the workplace.

4) Time Off and Leaves of Absence

a) Vacation Benefits for Employees

i. Vacation Policy

Vacation benefits are intended to provide eligible employees with a period of rest and relaxation away from work with pay. Accordingly, employees are encouraged to schedule vacations with their Department Head each year and to use all vested vacation benefits.

ii. Vacation Accruals

The City provides vacation benefits to its regular full-time and regular part-time employees. Vacation credits will accrue and be posted monthly as follows for full-time, non-represented employees:

| Years of Continuous Service | Annual Accrual |
|------------------------------------|---|
| Less than 5 years | 96 hours |
| At least 5 and less than 10 years | 120 hours |
| At least 10 and less than 15 years | 144 hours |
| At least 15 years | 144 hours plus 8 hours for each year of service beyond 15 years |

Regular part-time employees will receive pro-rated vacation benefits. Vacation shall not accrue during an unpaid leave of absence.

iii. Maximum Accrual Balance

An employee with less than 15 years of continuous service may accrue a maximum balance of up to 190 hours of vacation leave. An employee with 15 years or more continuous service may accrue a maximum balance of up to 230 hours of vacation. Once an employee has accrued the maximum amount of vacation leave, the employee will cease to accrue additional leave. The employee will begin to accrue vacation leave once the amount of accrued vacation falls below the maximum amount.

iv. Scheduling Vacations

Vacations must be scheduled and approved in advance by the employee's Department Head, or by the City Manager in the case of Department Head's absence, in accordance with Department and/or work area policy.

v. Holidays Occurring During Scheduled Vacations

If a holiday falls during an employee's scheduled vacation, the employee will receive holiday pay for the day if eligible for such pay and will not be charged for vacation benefits for the day.

vi. Vacation During First Six Months of Employment

New employees shall accumulate vacation leave from the date of hire but will not be eligible to take vacation time off during the first six months of employment.

vii. Vacation Leave Donation and Use

The purpose of donated vacation leave is to assist any eligible employees with additional leave through the donations of eligible co-workers. All full-time regular employees are eligible to request or donate vacation time in cases deemed as “hardship” by the City Manager or designee. All donations will be kept confidential and donors will remain anonymous. To qualify for a leave donation, an employee must meet the eligibility requirements of the Family Medical Leave Act and/or the Oregon Family Leave Act. An employee who is receiving, or is eligible to receive, any type of retirement disability, short-term or long-term disability insurance, or other supplemental income is not eligible to receive donated leave.

Donated leave may not be used to extend employment beyond the point it would otherwise end by operation of law, rule, policy, or regulation. For example, if an employee would have otherwise been terminated due to layoff or other reasons, donated leave may not be used to extend employment.

The Requesting Employee (Recipient) Must:

- Provide documentation for a non-work related seriously disabling illness or injury, as certified by a physician;
- Have first exhausted all accrued sick leave, compensatory time, floating and vacation leave;
- Have worked one full year at the City and have received satisfactory performance evaluations; and
- Submit a request for donated leave to their Department Head or designee indicating reason and anticipated amount of lost work time.

The Donating Employee

- Must complete and submit to the City Manager or designee, a designated form with Department Head approval, indicating the desire to donate; and
- May donate up to a maximum of 40 hours of vacation time per calendar year but must retain a minimum of 40 hours vacation leave.

Any decision by the City Manager or designee regarding Vacation Leave Donation will be binding. Donated time is calculated using the number of hours donated, the donator’s hourly wage, and the recipient’s hourly wage.

b) Management Leave for Exempt Employees

The City recognizes exempt employees commit substantial hours to City service in order to fulfill their responsibilities and meet periodic job demands. Therefore, the City has elected to grant these employees paid management leave for the extra hours of service worked for the City, as specified below.

Effective July 1 of each fiscal year, exempt positions will receive 10 days (80 hrs.) paid management leave in addition to vacation and holidays.

An employee hired after July 1 will receive administrative leave for the remainder of the fiscal year on a pro-rated basis. Management leave must be taken by June 30th of each year. Unused management leave days will not be cashed out and will not accrue from year to year and shall be forfeited if not used. Management leave shall be approved by the Department Head or City Manager. Department Heads shall regulate the use of management leave within their departments.

c) Holidays and Floating Holidays

Regular full-time employees will receive a day off with pay on each of these recognized holidays and Regular part-time employees will receive recognized holidays pro-rated based upon hours worked:

| | |
|----------------------------|------------------|
| New Year's Day | President's Day |
| Memorial Day | Independence Day |
| Labor Day | Thanksgiving Day |
| The day after Thanksgiving | Christmas Day |
| Veterans Day | |

When a scheduled holiday falls on a Sunday it will be observed on the following Monday. When a scheduled holiday falls on a Saturday, it will be observed on the preceding Friday.

If a non-exempt employee is required to work on any holiday observed by the City, the employee shall either be paid or given compensatory time off for all hours worked at the rate of one and one-half times the regular rate of pay.

Employees who are off work on an unpaid leave of absence shall not receive holiday pay. Employees who are off work due to sick leave or vacation shall be paid for the holiday in lieu of receiving vacation or sick leave pay.

Each Regular full-time employee will receive 2 Personal Holidays (hours to equal 2 shifts) Personal Holidays may be taken at any time during the year and if not taken by December 31st, shall be paid in January of the following calendar year.

d) Medical Leave

i. OFLA Policy

The following is a summary of Oregon Family Leave Act (OFLA) policy and procedures. Generally, and as will be discussed, eligible employees are entitled to 12 weeks of unpaid leave for the reasons identified below. Oregon law prohibits retaliation against an employee with respect to hiring or any other term or condition of employment because the employee asked about, requested, or used OFLA Leave. In all cases, applicable Oregon laws, rules, policies, and collective bargaining agreements govern the employee's and the City's rights and obligations, not this policy.

Employees seeking further information should contact the City Manager's office. Please also refer to the "Oregon Family Leave Act" notices posted in the employee break areas, which are incorporated here by reference.

1. Definitions

Family Member: For purposes of OFLA, a "family member" is defined as a spouse or domestic partner, a child of a covered individual or the child's spouse or domestic partner, a parent of a covered individual or the parent's spouse or domestic partner, a sibling or stepsibling of a covered individual or the sibling's or stepsibling's spouse or domestic partner, a grandparent of a covered individual or the grandparent's spouse or domestic partner, a grandchild of a covered individual or grandchild's spouse or domestic partner, or any individual related by blood or affinity whose close association with a covered individual is the equivalent of family relationship.

Child: For purposes of OFLA, a "child" includes a biological, adopted, foster, or stepchild, the child of a registered domestic partner, or a child with whom the employee is in a relationship of *in loco parentis*, under the age of 18 or over 18 if incapable of self-care because of a mental or physical disability.

Leave Year: For purposes of determining the amount of OFLA leave that an eligible employee may take, "one-year period" means a period of 52 consecutive weeks beginning on the Sunday immediately preceding the date on which the employee's OFLA leave begins.

Eligible Employee:

OFLA: To qualify for OFLA leave an employee must have been employed for at least 180 days and worked an average of at least 25 hours per week.

Public Health Emergency: A "public health emergency" is a public health emergency declared under ORS 433.441 or an emergency declaration declared under ORS 401.165.

2. *Reasons for Taking Leave*

OFLA leave may be taken for any of the following purposes:

- **Pregnancy Disability Leave:** For incapacity due to pregnancy, prenatal medical care, or birth.
- **Sick Child Leave:** To care for a child who suffers from an illness or injury that requires home care or has a serious health condition, or to care for a child whose school or place of care has been closed due to a public health emergency. This type of leave does not provide for routine medical and dental appointments or issues surrounding the availability of childcare when the child is not ill or injured.
- **Bereavement Leave:** To deal with the death of a Family Member by attending the funeral of the Family Member, making arrangements necessitated by the death of the Family Member, or grieving the Family Member's death. Employees are eligible for two (2) weeks per family member, up to a maximum of four (4) weeks per leave year.
- **Oregon Military Family Leave Act (OMFLA):** During a period of military conflict, as defined by the statute, eligible employees with a spouse or registered domestic partner who is a member of the Armed Forces, National Guard, or military reserve forces ("Military Spouse"), and who has been notified of an impending call or order to active duty and before deployment and when the Military Spouse is on leave from deployment.
- **Public Health Emergency Leave:** Employees are eligible to take any OFLA leave during a Public Health Emergency if they have worked: (a) more than 30 days immediately before the date on which the leave would begin; or (b) an average of 25 hours per week in the 30 days immediately before the date on which the leave would begin. This is available to employees who are eligible for OFLA only.

3. *If applicable, OFLA leave will run concurrently with FMLA when permitted. Length of Leave*

In any one-year period, eligible employees may take up to 12 weeks of unpaid protected time off per leave year. Employees are eligible to take up to two (2) weeks of unpaid Bereavement Leave, up to a maximum of four (4) weeks per leave year.

4. *Intermittent Leave*

Intermittent or reduced-schedule leave may be taken when medically necessary. Employees must take reasonable efforts to schedule planned medical treatments to minimize disruption of the City's operations, including consulting management prior to the scheduling of treatment to work out a treatment schedule which best suits the needs of both the City and the employee.

5. *Employee Notice Requirements*

Employees must provide at least 30 days' notice before OFLA leave is to begin. If 30 days' notice is not practicable, because of a lack of knowledge of approximately when leave will be required to begin or a change in circumstances, notice must be given as soon as practicable. If the situation

giving rise to a Sick Child Leave is unforeseeable, an employee must give verbal or written notice the City Manager's office or their designee within 24 hours of commencement of the leave.

Whether leave is to be continuous or is to be taken intermittently or on a reduced schedule basis, noticed need only be given one time, but the employee shall advise the City Manager's office or their designee as soon as practicable if dates of scheduled leave change or are extended or were initially unknown.

Regardless of the reason for leave, or whether the need for leave is foreseeable, employees will be expected to comply with the City's normal call-in procedures. Employees who fail to comply with the City's call-in procedures may be disciplined or may have their period of OFLA leave reduced.

6. Certification

Generally speaking, employees may be required to provide sufficient information for the City to determine if the leave may qualify for OFLA protection and the anticipated timing and duration of the leave. An employee will be required to provide a note from a doctor or healthcare provider if the employee has used more than three days (i.e., one, three-day occurrence or three separate occurrences) of Sick Child Leave within a one-year period.

Employees must furnish the City's requested medical certification information within 15 calendar days after such information is requested by the City.

7. Substitution of Paid Leave for Unpaid Leave

Employees are required to use accrued paid leave, including floating holidays, vacation, compensatory time, and sick leave prior to a period of unpaid leave of absence on OFLA leave.

8. Holiday Pay While on Leave

Employees using vacation pay or sick pay during a portion of OFLA leave in which a holiday occurs will qualify to receive holiday pay.

9. Benefits While on Leave

The City will continue the employee's health coverage under any group health plan during a period of approved OFLA leave on the same terms as if the employee had continued to work. The employee must continue to make any regular contributions to the cost of health insurance premiums during the period of approved OFLA leave. Employees will not accrue vacation, sick leave, or other benefits (other than health insurance) while the employee is on an unpaid OFLA leave. The leave period, however, will be treated as continuous service (i.e., no break in service) for purposes for vesting and eligibility to participate in the City's benefit plans.

10. Job Protection

Employees returning to work from OFLA leave will be reinstated to their former position. If the position has been eliminated, the employee may be reassigned to an available equivalent

position. Reinstatement is not guaranteed if the position has been eliminated under circumstances where the law does not require reinstatement.

Employees are expected to return to work promptly when the circumstances requiring OFLA Leave have been resolved, even if leave was originally approved for a longer period. If an employee does not return to work at the end of a designated OFLA Leave period, reinstatement may not be available unless the law requires otherwise.

The use of OFLA Leave cannot result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

11. Restoration of Leave Bank at Time of Re-Employment

An employee who leaves employment with the City for any reason may be eligible for OFLA leave if they are re-employed by the City within 180 days of the separation and if the employee was eligible for OFLA leave at the time of separation. Special rules apply to employees who temporarily stop working for the City for 180 days or less; please speak with the City Manager's office or their designee for more information.

ii. FMLA Policy

The following is a summary of policy and procedures under the federal Family and Medical Leave Act (FMLA). Generally, and as will be discussed, eligible employees are entitled to 12 weeks of unpaid leave of absence for the reasons identified below. Federal and law prohibits retaliation against an employee with respect to hiring or any other term or condition of employment because the employee asked about, requested, or used FMLA. In all cases, applicable Oregon and federal laws, rules, policies, and collective bargaining agreements govern the employee's and the City rights and obligations, not this policy.

Employees seeking further information should contact the City Manager's office. Also refer to the "Employee Rights and Responsibilities under the Family Medical Leave Act" notices posted in the employee break areas, which are incorporated here by reference.

1. Definitions

Child/Son or Daughter:

A "son or daughter" is defined as a biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing *in loco parentis* who is either under 18 years of age or is 18 years of age or older and "incapable of self-care because of a mental or physical disability" at the time FMLA leave is to commence. FMLA military family leave is not restricted by age – see below.

Family Member: For purposes of FMLA, "family member" is defined as a spouse, parent or a "son" or "daughter" (defined above).

Eligible Employee: Employees are eligible for FMLA leave if they have worked for a covered employer for at least one year (which may be based on separate stints of employment) and for 1,250 hours during the 12 months preceding the date leave is to begin. They must also be

employed at a worksite where 50 or more employees are employed by the employer within 75 miles of that worksite.

Leave under FMLA and OFLA will run concurrently when permitted. If applicable, leave under FMLA will also run concurrently with Paid Leave Oregon leave – see Paid Leave Oregon policy below.

Family Medical Leave: This includes all the types of leave identified in the section below, entitled “Reasons for Taking Leave,” unless otherwise specified.

Family Member: A “family member” is defined as a spouse, parents, or a “son” or “daughter” defined above.

Serious Health Condition: “Serious health condition” is defined as an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee’s job, or prevents the qualified family member from participating in school or other daily activities.

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than three consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition.

Other conditions may meet the definition of a “serious health condition”; see the City Manager’s office for more information. The common cold, flu, earaches, upset stomach, minor ulcers, headaches other than migraine, routine dental or orthodontia problems, periodontal disease, and cosmetic treatments (without complications), are examples of conditions that are not generally defined as serious health conditions.

2. Reasons for Taking Leave

FMLA may be taken under any of the following circumstances:

- **Call to Active-Duty Leave**: Eligible employees with a spouse, son, daughter, or parent on active duty or call to active duty status in the regular Armed Forces, National Guard, or Reserves in support of a contingency operation may use their 12-week leave entitlement to address certain “qualifying exigencies.” “Qualifying exigencies” may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.
- **Employee’s Serious Health Condition Leave**: To recover from or seek treatment for an employee’s serious health condition, including pregnancy-related conditions and prenatal care.
- **Family Member’s Serious Health Condition Leave**: To care for a family member with a serious health condition.

- Parental Leave: For the birth of a child or for the placement of a child under 18 years of age for adoption or foster care. Parental leave must be completed within 12 months of the birth of a newborn or placement of an adopted or foster child.
3. *Servicemember Family Leave: Eligible employees may take up to 26 weeks of leave to care for a “covered servicemember” during a single 12-month period. A “covered servicemember” is a current member of the Armed Forces, including a member of the National Guard or Reserves, who has a serious injury or illness incurred in the line of duty on active duty that may render the servicemember medically unfit to perform their duties for which the servicemember is undergoing medical treatment, recuperation, or therapy; or is in outpatient status; or is on the temporary disability retired list. Under some circumstances, a veteran will be considered a “covered servicemember.” Length of Leave*

In any One-Year Calculation Period, eligible employees may take up to twelve (12) weeks of unpaid protected leave.

When leave is taken for Servicemember Family Leave, an eligible employee may take up to 26 weeks of leave during the One-Year Calculation Period to care for the servicemember. During the One-Year Calculation Period in which Servicemember Family Leave is taken, an eligible employee is entitled to a combined total of 26 weeks of FMLA Leave (some of which may include other types of FMLA-specific leaves of absence).

The “12-month period” during which leave is available (also referred to as the “One-Year Calculation Period”) is 12 months starting with the first day family leave is taken by the employee (12-month "looking forward" method).

Intermittent or reduced schedule leave may be taken during a period of Family Member or Employee Serious Health Condition Leave or Servicemember Family Leave. Additionally, Call to Active-Duty Leave may be taken on an intermittent or reduced leave schedule basis. An employee may be temporarily reassigned to a position that better accommodates an intermittent or reduced schedule. Employees must make reasonable efforts to schedule planned medical treatments to minimize disruption of the City’s operations, including consulting management prior to the scheduling of treatment in order to work out a treatment schedule which best suits the needs of both the City and the employee.

4. *Employee Notice Requirements*

Employees must provide at least 30 days’ advance notice before Family Medical Leave is to begin if the reason for leave is foreseeable based on an expected birth, placement for adoption or foster care, planned medical treatment for a serious health condition of the employee or of a family member, or the planned treatment for a serious injury or illness of a covered servicemember (Servicemember Family Leave). If 30 days’ notice is not practicable, such as because of a lack of knowledge of approximately when leave will be required to begin, a change in circumstances, or a medical emergency, notice must be given as soon as practicable.

For Call to Active Duty Leave, notice must be provided as soon as practicable, regardless of how far in advance such leave is foreseeable.

Whether leave is to be continuous or is to be taken intermittently or on a reduced schedule basis, notice need only be given one time, but the employee must let City Manager or their designee know as soon as practicable if the dates of scheduled leave change or are extended or were initially unknown.

If circumstances change during the leave and the leave period differs from the original request, the employee must notify City Manager within three business days, or as soon as possible. Further, employees must provide written notice within three days of returning to work.

Regardless of the reason for leave, or whether the need for leave is foreseeable, employees will be expected to comply with the City's normal call-in procedures. Employees who fail to comply with the City's leave procedures may be denied leave, subject to discipline, or the start date of the employee's Family Medical Leave may be delayed.

5. Certification

Employees must provide sufficient information for the City to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for either Call to Active Duty or Servicemember Family Leave. Employees also must inform the employer if the requested leave is for a reason for which FMLA leave was previously taken or certified.

Additionally, employees requesting serious health condition leave for themselves or to care for a covered family member will be required to provide certification from the health care provider of the employee or the covered family member to support the request.

Employees must furnish the City's requested medical certification information within 15 calendar days after such information is requested by the City. In some cases the City may require a second or third opinion, at the City's expense. Employees also may be required to submit subsequent medical verification. Employees will not be asked for, and they should not provide, any genetic information about themselves or a family member in connection with a medical certification.

If Family Medical Leave is for the employee's own serious health condition, the employee must furnish, prior to returning to work, medical certification (fitness-for-duty certification) from their health care provider stating that the employee is able to resume work.

6. Substitution of Paid Leave for Unpaid Leave

Employees are required to use accrued paid leave, including vacation, compensatory time, and sick leave prior to a period of unpaid leave of absence on FMLA unless they have been approved under Paid Leave Oregon for the same period as their FMLA; the City cannot require the use of accrued leave while an employee is receiving Paid Leave Oregon Benefits. Where applicable, use of accrued paid leaves will run concurrently with Family Medical Leave. Represented employees may reserve accrued leave and compensatory time if provided by their collective bargaining agreement. If the employee has no accrued paid leave, vacation, compensatory time, or sick leave available to use during a Family Medical Leave, the leave will be unpaid.

7. Holiday Pay While on Leave

Employees receiving short- or long-term disability will not qualify for holiday pay. Employees using vacation pay or sick pay during a portion of approved Family Medical Leave in which a holiday occurs will qualify to receive holiday pay. Employees who are on unpaid leave during a holiday will not qualify to receive holiday pay.

8. On-the-Job Injury or Illness

Periods of employee disability resulting from a compensable on-the-job injury or illness will qualify for FMLA Leave if the injury or illness is a “serious health condition” as defined by applicable law.

If the employee’s serious health condition is the result of an on-the-job injury or illness, the employee may qualify for workers’ compensation time-loss benefits.

9. Benefits While on Paid Leave

If an employee is on approved FMLA Leave, the City will continue the employee’s health coverage under any “group health plan” on the same terms as if the employee had continued to work.

10. Benefits While on Unpaid Leave

Employees wishing to maintain health insurance during a period of approved FMLA leave will be responsible for bearing the cost of the employee portion of coverage. Retirement benefits will not continue while an employee is out on unpaid leave. The leave period, however, will be treated as continuous service (i.e., no break in service) for purposes of vesting and eligibility to participate in City benefit plans.

11. Job Protection

Employees returning to work from FMLA will be reinstated to their former position. If the position has been eliminated, the employee may be reassigned to an available equivalent position. Reinstatement is not guaranteed if the position has been eliminated under circumstances where the law does not require reinstatement.

Employees are expected to promptly return to work when the circumstances requiring Family Medical Leave have been resolved, even if leave was originally approved for a longer period. With the exception of employees on leave as the result of an on-the-job injury or illness or otherwise required by law, reinstatement shall not be considered if the leave period exceeds the maximum allowed.

The use of FMLA cannot result in the loss of any employment benefit that accrued prior to the start of an employee’s leave.

Employees who work for other employers during a “serious health condition” leave may be subject to discipline up to and including termination. Additionally, all employees who use FMLA for reasons other than the reason for which leave had been granted may be subject to discipline up to and including termination.

iii) Paid Leave Oregon (PLO)

1. Reasons for Taking Leave

Paid Leave Oregon (PLO) is a state-run program, administered by the Oregon Employment Department (OED), that allows eligible employees to take up to 12 weeks of paid time off per benefit year for the following reasons:

- Family Leave: For an employee to care for an eligible family member with a serious illness or injury, to bond with a new child after birth, adoption, or foster care placement, or to effectuate the legal process required for placement of a foster child or the adoption of a child.
- Medical Leave: For an employee experiencing their own serious health condition or disability due to pregnancy.
- Safe Leave: For an employee or eligible child dependent experiencing issues related to sexual assault, domestic violence, harassment, bias, or stalking.

The Paid Leave program also allows employees to take an additional two (2) weeks of Paid Leave for pregnancy, childbirth, or related medical conditions.

2. Notification Requirements

Although the PLO program is administered through the OED, employees are required to notify the City when they have applied for leave.

In cases of foreseeable or planned leave, the employee is required to provide the City Manager's office or their designee with at least 30 days' written notice before paid leave begins.

If the need for Paid Leave is unforeseeable or unplanned, an employee is required to provide oral notice to their supervisor within 24 hours of the start of the leave, and the employee must also provide written notice within three (3) days of the start of the leave to the City Manager's office or their designee.

If the employee's dates of scheduled leave change, are extended by the PLO program, or if the reason for leave becomes known and/or, if circumstances change during the leave and the leave period differs from the employee's original notice, the employee must notify the City Manager's office or their designee within three (3) business days, or as soon as possible.

Regardless of the reason for leave, or whether the need for leave is foreseeable, employees are expected to comply with the City's normal call-in procedures.

Under Oregon law, an employee who fails to follow these notification requirements may receive reduced PLO benefits; specifically, the first weekly benefit amount will be reduced by 25 percent. The penalty calculated for leaves that are taken in increments of less than a full work week differs.

3. Concurrent Use of FMLA

If an employee's Paid Leave is also eligible for protected leave under FMLA, FMLA must be taken concurrently with Paid Leave.

Employees must provide sufficient information for the City to determine if the Paid Leave qualifies for FMLA leave. Employees who have applied for Paid Leave benefits are required to complete an FMLA leave form and return it to the City Manager's office or their designee.

If an employee is eligible for FMLA leave due to a serious health condition or has a family member with a serious health condition, employees must furnish medical certification information as required by the City's leave policy.

4. Accrued Leave and Holiday Pay While on Leave

Employees using accrued leave in addition to receiving PLO benefits will continue to accrue sick, vacation, or other employer-provided leave, and receive holiday. Employees who do not use accrued leave while on Paid Leave Oregon will not accrue sick, vacation, or other employer-provided leave, and will not receive holiday pay.

5. Benefits While on Leave

If an employee is receiving Paid Leave benefits, the City will continue the employee's healthcare, life, disability, and all eligible voluntary coverage, on the same terms as if the employee had continued to work. An employee wishing to maintain coverage when on Paid Leave is responsible for paying their share of premiums, the same as when premiums were paid by the employee, prior to receiving Paid Leave benefits.

If the City chooses to pay the employee's portion of the insurance coverage during the period of Paid Leave, employees are expected to repay the City for those premiums. Upon return to work, the City will deduct those premiums from an employee's pay, up to 10% of an employee's gross pay, each period, until the City has been paid back.

If an employee cannot or will not pay their share of premiums, the City may discontinue coverage until the employee returns from leave. Additionally, if an employee fails to return to work from leave under PLO, then the City may use any legal means available to collect any amount the employee owes to the City for covering the employee's share of the premiums while the employee was on leave under PLO.

6. Medical Certification Prior to Returning to Work

If an employee uses more than three consecutive scheduled workdays for their own serious health condition, and the Paid Leave is used concurrently with FMLA, prior to returning to work the employee must furnish medical certification from their healthcare provider stating that the employee is able to resume work.

7. Use of Accrued Leave during Paid Leave

PLO benefits may not provide employees with 100% of their gross regular wages. Employees receiving PLO benefits may choose to use accrued paid leave and/or compensatory time in addition to receiving PLO benefits.

8. Complaint Procedure and Staff Contact

The organization prohibits retaliation against an employee with respect to hiring or any other term or condition of employment because the employee asked about, requested, or used Paid Leave.

For more information, or if you have questions about the Paid Leave Oregon policy, contact the City Manager's office or their designee.

For more information about the PLO program, including steps for applying for PLO benefits and contact information, please visit <https://paidleave.oregon.gov/>

Posters with Paid Leave Oregon information, including information about how to apply for benefits, are in the standard employee break areas.

e) Bereavement Leave

Employees who have worked for City for 180 calendar days, and averaged at least 25 hours per week, may take up to two weeks of bereavement leave including three (3) days off with pay per death of a family member. Bereavement leave may be used to attend the funeral or alternative to a funeral of the family member, and/or to make arrangements necessitated by the death of the family member. The two weeks of bereavement leave must be taken in the 60-day period following notice of death of a family member and will be deducted from the employee's available leave time under OFLA. For purposes of this policy, "Family Member" is defined to include the employee's spouse, same-sex domestic partner (registered), child, parent, parent-in-law, grandparent, or grandchild, or the same relations of an employee's same-sex domestic partner (registered) or spouse.

Employees who wish to take bereavement leave must inform the City as soon as possible after receiving notification of a Family Member's death. Although prior notice is not required, oral notice must be provided within 24 hours of beginning leave. Written notice must be provided to the employer within three days of returning to work. Employees are required to use any available sick leave during the period of bereavement leave; vacation time will be used if the employee has no available sick leave.

f) Jury and Witness Duty

i. Jury Duty

The City will grant employees time off for mandatory jury duty and/or jury duty orientation. A copy of the court notice must be submitted to the employee's supervisor to verify the need for such leave. Jurors will turn over payments the employee receives for jury duty (except mileage when using personal vehicle) to the City, and the employee will be paid their regular wages for a period not to exceed two weeks. After two weeks of paid leave the employee will be granted additional unpaid leave. The employee is expected to report for work when doing so does not conflict with court obligations. It is the employee's responsibility to keep their supervisor informed about the amount of time required for jury duty.

ii. Witness Duty

Time spent serving as a witness in a work-related, legal proceeding will be treated as time worked for pay purposes, provided the time served occurs during regularly scheduled hours, the employee is subpoenaed to testify, and the employee submits witness fees to the Finance Director upon receipt.

Except for employee absences covered under the City's "Crime Victim Leave Policy" or "Domestic Violence Leave and Accommodation Policy," employees who are subpoenaed to testify in non-work-related legal proceedings must use any available vacation time to cover their absence from work. If the employee does not have any available vacation time, the employee's absences may be unexcused and may subject the employee to discipline, up to and including termination. Employees must present a copy of the subpoena served on them to their supervisor for scheduling and verification purposes no later than 24 hours after being served.

g) Religious Observances Leave and Accommodation Policy

The City respects the religious beliefs and practices of all employees. The City will make, upon request, an accommodation for such observances when a reasonable accommodation is available that does not create an undue hardship on the City's business. Employees may use vacation or unpaid time for religious holy days or to participate in a religious observance or practice; if accrued leave is not available, then an employee may request to take unpaid leave. Requests for religious leave or accommodation should be made with the City Manager.

h) Crime Victim Leave Policy

Any employee who has worked an average of at least 25 hours per week for 180 days is eligible for reasonable, unpaid leave to attend criminal proceedings if the employee or his or her immediate family member (defined below) has suffered financial, social, psychological, or physical harm as a result of being a victim of certain felonies, such as kidnapping, rape, arson, and assault.

"Immediate family member" includes a spouse, registered domestic partner, father, mother, sibling, child, stepchild, or grandparent of the employee.

Employees who are eligible for crime victim leave must:

- i. Use any accrued, but unused vacation/sick leave during the leave period;
- ii. Provide as much advance notice as is practicable of his/her intention to take leave unless giving advance notice is not feasible); and
- iii. Submit a request for the leave in writing to the City Manager as far in advance as possible, indicating the amount of time needed, when the time will be needed, and the reason for the leave.

In all circumstances, the City may require certification of the need for leave, such as copies of any notices of scheduled criminal proceedings that the employee receives from a law enforcement

agency or district attorney's office, police report, a protective order issued by a court, or similarly reliable sources.

i) Domestic Violence Leave and Accommodation Policy

All employees are eligible for reasonable unpaid leave to address domestic violence, harassment, sexual assault, or stalking of the employee or his or her minor dependents.

Reasons for taking leave include the employee's (or the employee's dependent's) need to: seek legal or law enforcement assistance or remedies; secure medical treatment for or time off to recover from injuries; seek counseling from a licensed mental health professional; obtain services from a victim services provider; or relocate or secure an existing home.

Leave is generally unpaid, but the employee may use any accrued vacation or sick leave while on this type of leave.

When seeking this type of leave, the employee should provide as much advance notice as is practicable of his or her intention to take leave, unless giving advance notice is not feasible.

Notice of need to take leave should be provided by submitting a request for leave in writing to the City Manager, as far in advance as possible, indicating the time needed, when the time will be needed, and the reason for the leave. The City will then generally require certification of the need for the leave, such as a police report, protective order or other evidence of a court proceeding, or documentation from a law enforcement officer, attorney, healthcare professional, member of the clergy, or victim services provider.

If more leave than originally authorized needs to be taken, the employee should give the City notice as soon as is practicable prior to the end of the authorized leave. When taking leave in an unanticipated or emergency situation, the employee must give oral or written notice as soon as is practicable. When leave is unanticipated, this notice may be given by any person on the employee's behalf.

Finally, employees who are victims of domestic violence, harassment, sexual assault or stalking may be entitled to a "reasonable safety accommodation" that will allow the employee to more safely continue to work, unless such an accommodation would impose an "undue hardship" on the City. Please contact the City Manager immediately with requests for reasonable safety accommodations.

j) Military Leave

Employees who wish to serve in the military and take military leave should contact the City Manager for information about their rights before and after such leave. You are entitled to reinstatement upon completion of military service, provided you return or apply for reinstatement within the time allowed by law.

k) Sick Leave

The City provides eligible employees with sick leave in accordance with Oregon's Paid Sick Leave Law. This policy will be updated as necessary to reflect changes in and to ensure compliance with Oregon law.

Employees with questions about this policy may contact the City Manager's office. Also refer to the Oregon Sick Leave Law poster that is posted in employee break areas and is incorporated here by reference.

i. Eligibility and Accrual of Paid Sick Leave

Under Oregon's Paid Sick Leave Law and this policy, "employee" includes part-time, full-time, hourly, salaried, exempt, and non-exempt employees. Sick leave runs concurrently with Oregon Family Leave Act leave, federal Family and Medical Leave Act leave, Paid Leave Oregon leave, and other leave where allowed by law. Employees who qualify for Paid Leave Oregon leave are authorized to use leave accruals of any type concurrently with approved Paid Leave Oregon benefits, up to 40 hours weekly regardless of the amount approved through Paid Leave Oregon.

Employees begin to accrue paid sick leave on the first day of employment; paid sick leave may be used as it is accrued.

Paid sick leave shall accrue at the rate of eight (8) hours for every month worked. Paid sick leave shall be taken in six-minute increments.

Paid sick leave will be paid at the employee's current regular rate of pay. Generally, sick leave pay will be included in the paycheck for the next payroll period after sick leave is used, provided the employee submits adequate documentation verifying that the absence was for a qualifying reason as defined in the "Use of Sick Leave" section below.

The following benefit applies to the first 960 hours in an Employee's sick leave bank (any additional unused sick leave hours are lost):

Upon an employee's death: Fifty percent (50%) of unused sick leave shall be paid to the employee's estate.

Upon an employee's retirement: Sick Leave shall be paid to the employee at retirement, unless the employee is facing discharge, at the following rates below. To be eligible for this retirement benefit, the employee shall have met the continuous service requirement listed below or age 55, whichever is less.

- Completion of 20 years – 30%
- Completion of 25 years – 40%
- Completion of 30 years – 50%

If an employee leaves employment and is rehired within 180 days, the employee's remaining sick leave balance will be restored.

ii. Use of Sick Leave

Sick leave is intended as a safety net to provide you with income during periods of illness. Use your sick leave appropriately so you will have it available when needed. Accrued paid sick leave may be used for the following reasons:

- For the diagnosis, care or treatment of a mental or physical illness, injury or health condition or need for preventive medical care for the employee or qualified family member;
- “Qualified family member” means the eligible employee’s grandparent, grandchild, spouse, or registered same-gender domestic partner, and the domestic partner’s child or parent; the employee’s stepchild, parent-in-law or a person with whom the employee was or is in a relationship of in loco parentis; and the employee’s biological, adoptive or foster parent or child;
- For any purpose allowed under the Oregon Family Leave Act, including bereavement leave;
- If the employee, or the employee’s minor child or dependent, is a victim of domestic violence, harassment, sexual assault or stalking as defined by Oregon law and requires leave for any of the purposes under Oregon’s domestic violence leave law (ORS 659A.272); or
- In the event of certain public health emergencies or other reasons specified under Oregon’s sick leave law.

Employees absent from work for a qualifying reason must use accrued sick time hours for that reason and on each subsequent day of absence.

iii. Employee Notice of Need for Sick Leave

If an employee fails to provide proper notice or make a reasonable effort to schedule leave in a manner minimally disruptive to the organization and operations, the City may deny the use and legal protections of sick leave.

1. *Foreseeable Sick Leave*

If the need for sick leave is foreseeable, employees must notify their supervisor as soon as practicable before the leave using the City’s call-in/notification procedures. Generally, an employee must provide at least 10 days’ notice for foreseeable sick leave. The request shall include the anticipated duration of the sick leave, if possible. Employees must make a reasonable effort to schedule foreseeable sick time in a manner that minimally disrupts the operations of City. Employees must notify their supervisor of any change in the expected duration of sick leave as soon as is practicable.

2. *Unforeseeable Sick Leave*

If the need for sick leave is unforeseeable, the employee must notify their supervisor as soon as practicable and comply generally with the City’s call-in procedures. Generally, an employee should notify their immediate supervisor of unforeseeable sick leave at least ninety minutes prior to the beginning of their shift, or as specified in department policy, unless physically unable to do so, at which time notice should be given as soon as possible.

An employee must contact their supervisor daily while on sick leave unless an extended period of sick leave has been prearranged with the supervisor or when off work on protected leave. The employee shall inform their supervisor of any change in the duration of sick leave as soon as practicable.

iv. Sick Leave Documentation

If an employee takes more than three consecutive scheduled workdays as sick leave, City may require reasonable documentation showing that the employee was absent for an approved reason. Reasonable documentation includes documentation signed by a healthcare provider, or documentation for victims of domestic violence, harassment, sexual assault, or stalking.

v. Sick Leave Abuse

If the City suspects sick leave abuse, including but not limited to repeated use of unscheduled sick leave or repeated use of sick leave adjacent to weekends, holidays, vacations and paydays, the City may require documentation from a healthcare provider on a more frequent basis. Employees found to have abused sick leave as described here may also be subject to discipline, up to and including termination.

5) Employee Benefits

a. Retirement Benefits

The City participates in the Public Employees Retirement System (PERS) for all sworn police officers and MissionSquare (formerly ICMA-RC) for all other qualifying employees. For PERS Employees, your designation as a Tier I, Tier II, or Oregon Public Service Retirement Plan (OPSRP) member will depend on your prior PERS service and PERS rules. An employee's designation and eligibility for participation in PERS or the OPSRP are determined by law. For more information about these plans, please contact PERS at 1-888-320-7377 or visit their website at www.oregon.gov/PERS.

For employees eligible for MissionSquare the first, a 401(a) plan includes a city contribution and an employee contribution. Employees may also elect to contribute to a 457 deferred compensation plan. For more information about the City's contributions to employee retirement plans, please see the City Manager's office.

6) General Causes for Disciplinary Action

a. Workplace Rules and Prohibited Conduct

Any violation of the rules or prohibited conduct in this policy may result in discipline, up to and including termination. This list of prohibited conduct is illustrative only; other types of conduct injurious to security, personal safety, employee welfare and the City's operations, some of which are described elsewhere in this Handbook, may also be grounds for discipline, up to and including termination.

- Falsification of employment or other City records;
 - Recording of work time of another employee or allowing any other employee to record your work time or allowing falsification of any time sheets (your own or another employee's);
 - Theft or the deliberate or careless damage or destruction of any City property, or the property of any other employee, citizen, vendor or third party;
 - Unauthorized use of City equipment, materials or facilities;
 - Provoking a fight or fighting during work hours or on City property;
 - Engaging in criminal conduct while at work;
 - Causing, creating or participating in a significant or substantial disruption of work during working hours on City property;
 - Insubordination, including but not limited to failure or refusal to obey the orders or instructions of a supervisor or member of management, or the use of abusive or threatening language toward another City employee, customer or vendor;
 - Failure to notify a supervisor when unable to report to work, or when leaving work during normal working hours without permission from a supervisor to do so;
 - Failure to observe work schedules, including rest breaks and meal periods. You are expected to be at work on time, remain until your workday ends, and perform the work assigned to or requested of you;
 - Sleeping or malingering on the job;
 - Excessive personal telephone calls during working hours;
 - Unprofessional appearance during normal business hours;
 - Failing to attend scheduled work sessions and related activities at conferences, workshops, or educational events that are paid for by the City;
 - Misrepresentation of City policies, practices, procedures, or your status or authority to enter into agreements on behalf of the City. Employees may not use the City's name, logo, likeness, facilities, assets or other resources of the City for personal gain or private interests;
 - Violations of the Ethics Policy or Oregon's Ethics laws;
 - Violation of any safety, health, security or City policy, rule, or procedure. Employees are expected to act in accordance with all appropriate codes, laws, regulations, and policies, regardless of whether they are set by the City or outside regulatory or legislative bodies;
- or

- Harassment or discrimination that violates City policy.

This statement of prohibited conduct does not alter the City's policy of at-will employment. With the exception of employees subject to a collective bargaining agreement or contract of employment, the City remains free to terminate the employment relationship at any time, with or without cause or notice.

b. Corrective Action/Discipline Policy

Employees are always expected to perform to the best of their abilities. There will be occasions, however, where employees perform at an unsatisfactory level, violate a policy or law, or commit an inappropriate act. When performance or conduct does not meet City standards, the City will determine whether it will terminate the employee's employment or provide the employee a reasonable opportunity to correct the deficiency through progressive discipline (such as, in no particular order, verbal warnings, written warnings, suspensions without pay, and demotions). The corrective action process will not always commence with a verbal counseling or include a sequence or steps. Some acts, particularly those that are intentional or serious, warrant more severe action (including termination) on the first or subsequent offense.

In lieu of terminating employment of an employee for serious violations of City policies, procedures and rules and for other inappropriate behavior or conduct, the City may choose to provide the employee a final opportunity to continue employment in the form of a last-chance agreement. The City may also choose to send the employee to training or an education opportunity.

In all cases, the City retains sole discretion to determine the nature and extent of any discipline based upon the circumstances of each individual case. Accordingly, the City reserves the right to proceed directly to a written warning, demotion, last chance agreement, or termination for misconduct or performance deficiency, without any prior disciplinary steps, when deemed appropriate. The City retains the right to terminate any employee's employment at any time and for any reason, with or without advance notice or other prior disciplinary action (other than those employees who are subject to a collective bargaining agreement or contract of employment).

c. Workplace Inspections

This policy applies to inspections and investigations conducted by the City pursuant to policy or law unless otherwise modified by a different policy in this Handbook.

An employee investigation may include, but is not limited to, investigation of criminal records; it may also include a search of desks, work areas, file cabinets, voicemail systems and computer systems. *Employees are strongly discouraged from storing personal items in the desks, lockers, work areas, file cabinets and other office equipment or furniture, as well as voicemail and computer systems assigned to them by the City; these areas are not private.*

All information related to reports generated from inspections and investigations, including the name of the reporting employee(s), will be kept as confidential as possible under the circumstances.

d. Video Surveillance Policy

The City maintains and monitors security cameras in certain areas of its facilities to provide a secure environment for employees and visitors. The City agrees it will not monitor the security tapes or other information produced by its security cameras for the purpose of monitoring employee activity and/or for the sole purpose of initiating employee discipline. However, the City reserves the right to use security tapes and other available information documented by its security systems to support employee discipline, up to and including suspension or discharge, as it may deem appropriate. Specifically, the City may review security tapes and/or other information documented by its security systems when it has independent reason to believe an employee has engaged in wrongdoing documented on the security tapes or other information documented by its security system and may use any such information it finds in support of discipline, up to and including suspension or discharge. In addition, if the City is monitoring security tapes for an unrelated reason, and in so doing discovers employee wrongdoing, it may use the security tapes or other information documented by the security system to support employee discipline, up to and including suspension or discharge.

7) Leaving the City

a. Retirement or Resignation

If an employee chooses to resign or retire, it is anticipated the City will be given as much notice as possible – preferably a minimum of two weeks. Vacation, personal, or sick days should not be used in lieu of notice.

If the employee's decision to resign is based on a correctable situation, the employee is encouraged to discuss it with the Department Head before making a final decision.

Employees must return all City property, including phones, computers, identification cards, credit cards, keys, and manuals, to the Department Head on or before their last day of work.

b. Eligibility for Rehire

Former employees who were terminated for reasons involving policy violations, such as workplace violence, insubordination, discriminatory or harassing behavior, theft or embezzlement and any ethics violations, are not eligible for rehire. Any former employee who fails to provide the City two weeks' notice of their intent to leave the City will also not be eligible for re-employment.

c. References

All requests for references or recommendations must be directed to the City Manager. No manager, supervisor, or employee is authorized to release references for current or former employees. Managers and supervisors are expressly prohibited from providing LinkedIn "recommendations" or using a website on the internet to discuss a current or former employee's performance or termination of employment.

By policy, the City discloses only the dates of employment and position(s) held of former employees. Former employees who authorize additional disclosures must make a request to do so in writing.

8) Employee Acknowledgement

Acknowledgment of Receipt of 2024 Personnel Policies Manual

I acknowledge that I have received and will read a copy of City's 2024 Personnel Policies Manual. I also understand that a copy of the Personnel Policies is available to me at any time to review in the City Manager's office and the City of Sweet Home's webpage at www.sweethomeor.gov.

I understand that City has adopted the 2024 Personnel Policies Manual only as a general guide about policies, work rules, and the work environment, and that they are subject to change at any time in City's sole discretion. I also understand that the 2024 Personnel Policies Manual control over any other contradictory statements, other than those found in applicable collective bargaining agreements. I acknowledge that the 2024 Personnel Policies Manual is not an employment contract and is not intended to give me any express or implied right to continued employment or to any other term or condition of employment.

I understand that either the City or I may terminate my employment relationship at any time, for any lawful reason, with or without cause, and with or without advance notice, unless my employment is covered under a collective bargaining agreement. Other than promises that may be found in that collective bargaining agreement, I acknowledge that no promises have been made to me that are inconsistent with this "at will" statement.

I have reviewed or will review the City's policies regarding equal employment opportunity and providing a workplace free of harassment and discrimination. I will bring any questions or concerns I have regarding equal employment opportunities, discrimination, retaliation, or harassment to my Department Head or designee, or to the City Manager.

During my employment with the City, I understand that it is my responsibility to remain informed about the policies as revisions, updates, and new polices as issued, and to ask questions about any interpretation of any of the policies.

I have read this acknowledgement carefully before signing.

Employee Signature

Date

The original of this document will be kept in the Employee's personnel file. A copy will be provided to the Employee upon request.



REQUEST FOR COUNCIL ACTION

Title: Request for Council Action – Resolution No. 17 for 2024 – Updating Non-Represented Management Salary Schedules

Preferred Agenda: July 9, 2024

Submitted By: Cecily Hope Pretty, Administrative Services Director

Reviewed By: Kelcey Young, City Manager

Type of Action: Resolution Motion Roll Call Other

Relevant Code/Policy: City Budget

Towards Council Goal: Be an Effective and Efficient Government, Rejuvenate Essential Services, Economic Strength, Image Building

Attachments: Resolution No. 17 for 2024; Exhibit A, Current & Proposed Salary Schedules

Purpose of this RCA:

To seek City Council approval for an updated non-represented management salary schedules.

Background/Context:

The City of Sweet Home respects and appreciates its employees and recognizes the important role they play in the organization and the community’s success. The need to retain and recruit quality employees and candidates is directly related to the compensation offered. The City Council, by Charter, must approve compensation modifications for City personnel.

Section 6 of the City Charter states, “The Council shall fix the compensation of all City officers and employees.”

SHMC 2.48.030 states, “Personnel rules shall be adopted and amended by resolution of the City Council. The rules shall provide means to recruit, select, develop and maintain an effective and responsive work force and shall include policies and procedures for employee hiring and advancement, training and career development, job classification, salary administration, retirement, fringe benefits, discipline, discharge and other related activities.”

The City’s Personnel Policy 3(c) states, “To ensure that the City’s salary ranges and pay plan are as competitive as possible, salary data studies may be done approximately every three (3) years. Salary information from equivalent public entities will be compared with the City’s salary schedule and pay plan. Department Heads should notify the City Manager when conditions warrant a study of certain positions. The City Manager shall conduct or have conducted the appropriate studies and, if feasible, submit a recommendation to the City Council. Any adjustments to the pay plan must be approved by the City Council.”

The Challenge/Problem:

The City's evolving needs include a stronger supervisory role for planning and building, as well as an administrative position that can be tasked with the numerous special projects generated by the City Manager's Office, City committees, and other initiatives. The current Communications Manager role has expanded significantly outside of its original scope, necessitating a realignment to a broader title and job description. The new title of Planning and Building Manager will see no adjustment to salary, but will provide necessary guidance to lower roles in the Community and Economic Development Department while maintaining a needed focus on economic development initiatives where appropriate.

Stakeholders:

1. **Citizens**: Citizens deserve competent, qualified personnel and excellence in the City's Executive Team.
2. **City Council**: City Council can empower the recruitment of high quality employees through salary administration who will deliver on City Council goals and City programs.
3. **City Staff**: Desirable candidates will be attracted to Sweet Home and motivated to remain on staff; non-management staff will benefit from well-qualified hires and longevity in high quality management.

Issues and Financial Impacts:

The fiscal year 2025 budget can absorb the proposed adjustment for the Special Projects Manager. There is no financial impact for the title change to Planning and Building Manager.

Elements of a Stable Solution:

A fiscally responsible solution to recognize the actual workload and duties of staff based on current City of Sweet Home needs.

Options:

1. Do Nothing: The updates will not be approved and staff will remain in their current roles.
2. Amend the Resolution: Suggest an alternative to the resolution as proposed.
3. Approve the Resolution: Move to approve Resolution No. 17 for 2024 updating salary schedules.

Recommendation:

Staff recommends Option 3: Move to approve Resolution No. 17 for 2024 updating salary schedules.

RESOLUTION NO. 17 FOR 2024

A RESOLUTION UPDATING SALARY SCHEDULES FOR NON-REPRESENTED MANAGEMENT EMPLOYEES.

WHEREAS, the City of Sweet Home wishes to formally adopt a revised salary plan for its Non-Represented Management employees; and

WHEREAS, the City of Sweet Home Charter requires City Council to “fix the compensation of all City officers and employees”;

NOW, THEREFORE, the City of Sweet Home resolves as follows:

The attached salary schedules for Non-Represented positions are adopted for positions currently authorized as shown in Exhibit A.

This resolution replaces Resolution No. 9 for 2024 and shall be effective immediately upon passage by the City Council and by signature of the Mayor. The salary increases shall not be retroactive.

PASSED by the City Council and approved by the Mayor this 9th day of July, 2024.

Mayor

ATTEST:

City Manager - Ex Officio City Recorder

EXHIBIT A
SALARY SCHEDULE
 July 1, 2024 – June 30, 2025
 Updated April 23, 2024 (Current)
NON-REPRESENTED MANAGEMENT EMPLOYEES

| Step Position | A | B | C | D | E |
|--|-------|-------|--------|--------|--------|
| COURT ADMINISTRATOR ACCOUNTANT | 4,620 | 4,851 | 5,093 | 5,247 | 5,404 |
| ASSOCIATE PLANNER COMMUNICATIONS MANAGER | 5,082 | 5,335 | 5,602 | 5,771 | 5,945 |
| ADMINISTRATIVE SERVICES DIRECTOR LIBRARY DIRECTOR | 8,004 | 8,404 | 8,824 | 9,089 | 9,932 |
| FINANCIAL OPERATIONS MANAGER TOURISM & ECONOMIC DEVELOPMENT COORDINATOR OPERATIONS MANAGER | 5,875 | 6,168 | 6,477 | 6,671 | 6,871 |
| PUBLIC WORKS DIRECTOR/CITY ENGINEER | 9,446 | 9,902 | 10,356 | 10,812 | 11,266 |
| COMMUNITY & ECONOMIC DEVELOPMENT DIRECTOR | 8,170 | 8,579 | 9,077 | 9,278 | 9,557 |
| FINANCE DIRECTOR | 8,210 | 8,621 | 9,051 | 9,323 | 9,602 |

EXHIBIT A
SALARY SCHEDULE
 July 1, 2024 – June 30, 2025
 Updated July 9, 2024 (Proposed)
NON-REPRESENTED MANAGEMENT EMPLOYEES

| Step Position | A | B | C | D | E |
|---|-------|-------|--------|--------|--------|
| COURT ADMINISTRATOR ACCOUNTANT | 4,620 | 4,851 | 5,093 | 5,247 | 5,404 |
| ASSOCIATE PLANNER | 5,082 | 5,335 | 5,602 | 5,771 | 5,945 |
| ADMINISTRATIVE SERVICES DIRECTOR LIBRARY DIRECTOR | 8,004 | 8,404 | 8,824 | 9,089 | 9,932 |
| FINANCIAL OPERATIONS MANAGER PLANNING & BUILDING MANAGER SPECIAL PROJECTS MANAGER OPERATIONS MANAGER | 5,875 | 6,168 | 6,477 | 6,671 | 6,871 |
| PUBLIC WORKS DIRECTOR/CITY ENGINEER | 9,446 | 9,902 | 10,356 | 10,812 | 11,266 |
| COMMUNITY & ECONOMIC DEVELOPMENT DIRECTOR | 8,170 | 8,579 | 9,077 | 9,278 | 9,557 |
| FINANCE DIRECTOR | 8,210 | 8,621 | 9,051 | 9,323 | 9,602 |



City of Sweet Home
 Sweet Home Public Library
 1101 13th Avenue
 Sweet Home, OR 97386
 541-367-5007

Sweet Home Public Library

Statistics

| June 2024 | This month June 2024 | Last month May 2024 | Year to date 2024 | Previous year 2023 |
|--|-------------------------|------------------------|-------------------------|-----------------------|
| Patron Activity | | | | |
| Door Count | 3357 | 3681 | 20,156 | 31,161 |
| Program participants (all ages) | 317 | 205 | 1682 | 2127 |
| Total programs(all ages) | 26 | 28 | 148 | 148 |
| Circulation and Renewals | | | | |
| Checkouts & renewals | 5560 | 5782 | 33,855 | 62,060 |
| E-audio & E-book checkouts | 786 | 787 | 4472 | 6971 |
| Total items checked out | 6346 | 6569 | 38327 | 69,031 |
| Public Computers | | | | |
| Logins | 201 | 234 | 1248 | 2597 |
| Resource Sharing Savings | | | | |
| Cost savings | 5151.38 | 6263.84 | 33,885.02 | 59,496.76 |
| Items borrowed by consortium libraries | 347 | 328 | 2127 | 4266 |
| Items borrowed from consortium libraries | 448 | 411 | 2578 | 3871 |
| Volunteer Hours | | | | |
| Hours worked by volunteers | 47 | 44.5 | 248.50 | 671.75 |
| New Library Patrons | | | | |
| New patron cards issued | 87 | 55 | 348 | 623 |

Events this month: We had great turnout for our combined Safety Fair and Summer Reading Kickoff event at Sankey Park on June 15th! (*this event does not count in our program participants number*). Our Under the Sea Program with the UO Museum of Natural and Cultural History had 107 participants!

Building updates: Sunflowers planted by our storytime kids are growing outside of the Library and looking awesome!

Items of note: We had our highest daily checkout total since 2019 this month with over 500 items checking out in one day!

MEMORANDUM



TO: City Council
 Kelcey Young, City Manager
 Interested Parties

FROM: Blair Larsen, Community and Economic Dev. Director

DATE: July 9, 2024

SUBJECT: Community and Economic Development Department Report for June, 2024

The Community and Economic Development Department (CEDD) consists of the City's Building, Planning, Engineering, Economic Development, Code Enforcement, and Parks and Recreation programs. The following is a summary of activities and notes on current projects from June 1st to June 30th, 2024.

1. BUILDING

- Summary of Building Program Permits Issued.

| Permit Category | June, 2024 | May, 2024 | 2024 YTD | 2023 Total | 2019-2023 Annual Average |
|---|-----------------------|---------------------|-----------------------|------------------------|--------------------------|
| Residential 1 and 2 Family Dwellings | 6 | 2 | 12 | 12 | 24.8 |
| Residential Demolition | 0 | 0 | 1 | 10 | 8.6 |
| Residential Manufactured Dwellings | 0 | 0 | 2 | 4 | 9.2 |
| Residential Mechanical Permits | 21 | 23 | 73 | 91 | 104 |
| Residential Plumbing | 1 | 1 | 5 | 24 | 30.8 |
| Residential Site Development | 0 | 0 | 0 | 0 | 0.4 |
| Residential Structural | 5 | 0 | 19 | 33 | 50.4 |
| Commercial Alarm or Suppression Systems | 0 | 0 | 1 | 2 | 3.6 |
| Commercial Demolition | 0 | 0 | 0 | 5 | 3.6 |
| Commercial Mechanical | 1 | 1 | 9 | 11 | 16.4 |
| Commercial Plumbing | 1 | 1 | 6 | 11 | 9.8 |
| Commercial Site Development | 0 | 0 | 1 | 1 | 2.2 |
| Commercial Structural | 3 | 0 | 12 | 26 | 36.6 |
| Total Permits | 38 | 28 | 141 | 230 | 300.4 |
| Value Estimate of All Permits | \$2,141,024.60 | \$921,651.00 | \$5,444,208.42 | \$10,728,408.94 | \$19,600,417.90 |
| Fees Collected | \$24,798.73 | \$11,161.43 | \$73,490.52 | \$133,127.61 | \$246,251.26 |

- Developments of note: For your reference, below are some developments of note that were previously reported. Changes are noted with **bold text**.
 - Duck Hollow Phase III Subdivision: 51-lot single-family home subdivision located adjacent to the existing Duck Hollow Subdivision (41st Avenue and Long Street). This subdivision received planning approval in 2020, however there was a long delay due to wetlands regulations administered by the Oregon Department of State Lands. State approval has been granted, and construction is expected soon.
 - Live Oak Subdivision: 8-lot single-family home subdivision located between the two existing portions of Live Oak Street. The subdivision was approved in 2021, however the property changed hands, which delayed development. The new owner is planning on constructing 8 duplexes (16 housing units) on the lots. Development of the road and infrastructure is complete, and construction of the first buildings has begun.
 - Foothills Ridge Subdivision: 21-lot single-family home subdivision located at the west end of Foothills Drive. This subdivision was approved in 2021, however the owner has run into delays with his engineering firm, and recently applied for an extension. The construction timeline is unknown.
 - Santiam River Development Phase 1 : 42-lot single-family home subdivision located at the north end of Clark Mill Road. Planning approval was granted at the beginning of this year, however some of the property is being sold to a different developer. It is unknown when construction will begin.
 - Clear Water Subdivision: 18-lot single-family home subdivision located on the west side of 45th Avenue, just north of Kalmia Street. Planning approval was granted in June. Road, sidewalk, and other infrastructure construction is complete. Construction on the first houses is expected to start in the next month.
 - Domino's Pizza is under construction at the northwest corner of Main Street and 22nd Avenue. The modular commercial building was placed on site, but construction is not yet complete.
 - Coulter Subdivision: The Sweet Home Planning Commission recently approved a 157-lot low-density residential subdivision located at 43rd Avenue and Coulter Lane. This subdivision will be built in four phases; however it is unclear when construction will start. The property includes wetlands, and development will require mitigation and permitting through the Department of State Lands, which will likely decrease the number of lots that are ultimately developed. The initial phase is unhindered by wetlands and will likely move forward as soon as market conditions warrant construction.

2. PLANNING

- Summary of Final Decisions of Planning Division Applications:

| Application Type | June, 2024 | May, 2024 | 2024 YTD | 2023 Total | 2019-2023 Annual Average |
|-------------------------------------|------------|-----------|----------|------------|--------------------------|
| Adjustments | 0 | 0 | 1 | 1 | N/A |
| Annexations | 0 | 0 | 0 | 0 | 0.4 |
| Code Amendments | 0 | 0 | 0 | 3 | 1.4 |
| Conditional Use | 0 | 0 | 1 | 3 | 7.4 |
| Partition | 0 | 2 | 2 | 4 | 11.8 |
| Planned Development/ Subdivision | 0 | 0 | 1 | 0 | 1.8 |
| Property Line Adjustments | 0 | 1 | 4 | 3 | 13.4 |
| Vacation | 0 | 0 | 0 | 1 | 0.2 |
| Variance | 0 | 0 | 1 | 4 | 3.0 |
| Zoning Map Amendment | 0 | 0 | 1 | 2 | 2.2 |

- 3 Land Use Applications were submitted in June.
- 5 Land Use Applications are pending final approval.
- 2 Fence Permits were issued in June.
- 0 Temporary RV Permit was issued in June.
- The City received a grant from the State to update our Transportation System Plan and create an Area Plan for the undeveloped land on the north side of the City. The project is fully underway and expected to be complete by October 31st.
- Work is now underway on the City's Housing Production Strategy. This project is grant funded and fulfills a State requirement.
- The Planning Commission last met on March 21st. Due to a lack of applications, there is currently no scheduled meeting in July. The next meeting will be August 1, 2024.

3. ECONOMIC DEVELOPMENT

- The City is seeking interest from developers for a public-private-partnership with the City at the Quarry Property. A Request for Interest (RFI) was published to solicit interest that will fit with the City's goals for the property, however, the RFI closed on June 5th with no responses.
- The consensus of a recently convened community group is that Sweet Home should follow the community vision process that Independence described by restarting SHARE, a previous revitalization effort. Staff are working with community partners on the next steps of this effort.
- The first phase of implementing the Downtown Streetscape and Parking Plan is underway. Staff have drafted plans to convert 10th and 13th Avenues between Long and Main Streets to one-way parking to allow for additional parking and the EV charging station. The Council recently approved changing these streets to one-way southbound traffic. Staff have finalized the parking plan. The next step is to restripe the streets and install signs and delineators.

This was expected to be complete by June 30th, however it has been delayed due to lack of public works staff capacity.

- The EV Charging Station project was delayed by concerns raised by Pacific Power, but construction is now complete, and the only work left in the project is restriping the street and installing the signage. This was expected to be complete by June 30th, however it has been delayed due to lack of public works staff capacity.

4. CODE COMPLIANCE

- Summary of Actions.

| Case Status | June, 2024 | May, 2024 | 2024 YTD | 2023 Total | 2019-2023 Annual Average |
|--|-------------|-------------|----------|------------|--------------------------|
| New Complaints-Residents | N/A | N/A | 62 | 243 | 128.5 |
| New Complaints-Officer | | | 23 | 39 | 61.3 |
| Violations Resolved | | | 31 | 125 | 213 |
| Complaints Noted with No Violation Found | | | 25 | 111 | 40.8 |
| Open Cases at End of Period | | | 53 | 61 | 32.3 |
| Citations | | | 14 | 30 | 8.4 |
| Abatements | | | 1 | 8 | 2.4 |
| Enforcement Type | April, 2024 | March, 2024 | 2024 YTD | 2023 Total | 2019-2023 Annual Average |
| Animal | N/A | N/A | 9 | 38 | 42.8 |
| Blight | | | 6 | 17 | 4.4 |
| Illegal Burn | | | 4 | 7 | 2.2 |
| Illegal Dumping | | | 0 | 2 | 0.6 |
| Illegal Parking | | | 1 | 3 | 9.6 |
| Illegal Sign | | | 0 | 1 | 2.0 |
| Junk/Abandoned Vehicle | | | 19 | 34 | 15.6 |
| Minimum Housing | | | 1 | 3 | 3 |
| Occupying an RV | | | 9 | 44 | 40 |
| Open Storage | | | 24 | 51 | 57.4 |
| Other | | | 5 | 29 | 14.4 |
| Public Nuisance | | | 4 | 14 | 39.2 |
| Public Right-of-way | | | 0 | 9 | 12 |
| Tall Grass & Weeds | | | 3 | 28 | 93.2 |
| Vacant Lot | | | 0 | 2 | 0.4 |

The City's Code Compliance Officer responds to complaints submitted through the City's website, and actively patrols the City and works to resolve identified code violations. This position is currently vacant, with little to no work taking place in April or May, however some duties are being taken on by our Building Permit Technician.

5. PARKS

- The Park and Tree Committee last met on June 19th. Their next meeting will be July 17th, 2024.
- Work continues on updated the Parks System Master Plan. It was expected to be complete by June 30, 2024, however recent requests by the consultant may delay adoption until the end of summer.
- Staff have applied for a grant from the Oregon Park and Recreation Department for Phase III of Sankey Park improvements, which will include a replacement structure for the now-demolished bandstand and trail connections to the upper portion of the park. The application has passed the first review, and Staff gave a presentation to the grant review committee on June 27th. Staff recently received an award letter for this grant. Staff and the Park & Tree Committee are continuing to solicit and gather donations. A Request for Proposals was issued for the engineering design work, and recently closed. Staff negotiated a contract with the winning bidder, and the cost came in below the threshold required for Council approval, and within the City Manager's approval authority.
- Design work is underway for a new park adjacent to City Hall. The Park will include a donated playground structure and dog park.
- Movies in the Park is back this summer, and will take place on June 16th, July 14th, and August 11th in Sankey Park.

6. OTHER PROJECTS

- Willow Street Neighborhood LID: Staff have finalized a financing plan, and recently received approval from the financing agency. A Request for Proposals was issued, however new information on current conditions has come to light which requires the RFP to be reissued. The City is utilizing its Engineer-of-Record contract to do the initial engineering design, after which an RFP for construction will be issued.
- The ODOT Foster Lake Sidewalk Project: Construction is nearly complete. Staff are working with the Railroad and ODOT on a plan to construct the portion that lies under the railroad trestle.
- Engineering on the 2nd Avenue/Holley Road pedestrian crossing, which is funded by a Safe Routes to School Grant, is complete and a Request for Proposals for the work has been issued. A contract for the remaining work has been signed, and the contractor has ordered materials and equipment. This project has been delayed by ODOT permitting, however permits were recently granted, and Staff are working with the contractor to get the project moving again. Construction is complete, and the project has passed ODOT inspection. Staff are now closing out the grant.




Sweet Home Oregon

July 2023 through June 2024 > Fiscal Year Initial (un-audited) Financial Report

General Overview

Overall, the city is in a good financial position with consideration of revenues and expenditures. The audit for 2022 was completed and we have started on 2023, which I anticipate will be completed before the end of 2024. Once completed, we will begin the 2024 audit and will finally be up to date.



When completing audits, the largest effect on current funds will be the Beginning Balance adjustments once previous years are closed out. Until the city finishes the 2023 and 2024 audits, the beginning balances in all funds are an estimated amount.

General Fund

Revenue = 121%

Expenditures = 67% (Overall)

Overall revenues were higher than budgeted. Most of this increase was due to an increase seen in Franchise Fees and Interest. Expenditures were pretty much on budget. The City Council department appears low; however, the actual dollar amount of the available budget was only \$12,000. The City Council department typically has a much lower budget compared to standard departments in the General Fund.

Expenditures by Department:

Administration - 90%

City Council - 58%

Community/Economic Development - 80%

Finance - 97%

Court - 95%

Parks - 93%


General Services - 87%

Police Fund

Revenues = 95%

Expenditures = 97%

The Police Fund received 95% of the budgeted revenue. Property taxes came in a bit under budget however miscellaneous revenue came in much higher than originally budgeted. The city did not budget to receive roughly \$60k from the school district as part of the SRO



agreement along with an additional roughly \$40k from public records, fingerprinting, and other miscellaneous fees. Expenditures were in line with the budget and the Police Fund still carries a healthy beginning balance into the new fiscal year.

Library Fund

Revenues = 104%

Expenditures = 99%

The Library Fund revenues came in just over the budget due mostly to property taxes coming in. Expenditures were right on budget. The Beginning Fund Balance is still considered healthy although it has seen a decrease over the past couple of years due to capital improvements and adjustments after audits. This is something to keep an eye on over the next few years.

Community Center Fund

Revenue = 167%

Expenditures = 97%


The city received additional payments from the past and saw \$20,000 in additional revenue compared to what the budget was. After the 2022 audit was completed however, there was a negative fund balance shown for the Community Center. This will not affect operations and we will need to wait until the 2023 and 2024 audits are completed until we understand the full picture of the Community Center Fund. In 2025, this fund goes away and is placed into the General Fund to avoid potential Oregon Budget Law issues. Expenditures were in line with the budget.

Transportation Fund

Revenue = 137%

Expenditures = 95%

Revenue came in higher than budgeted. State Gas Tax received roughly \$150k more than the budget in addition to \$140k in miscellaneous revenue. \$127k of that \$140k was a one-time payment from ODOT of additional funding not specifically related to state gas tax. Expenditures were on track for this year. The Fund Balance for the Transportation Fund is dwindling and will begin to become an operational issue in the next year or so based on



current revenue and expenditure expectations. Staff will make adjustments in expenditures to attempt to curb the change, however the City Council will need to think about direction, purpose, and intention of the Transportation Fund as we move into the future.

City Enhancement Fund

Revenue = 1,977%

Expenditures = 16%

Revenue is higher than originally budgeted due to a Public Transit Grant received that was not originally budgeted. Other additional revenue was about \$20k from the State of Oregon for a Parks Grant. Expenditures are well under budget, which is mainly since the city appropriates 100% of the funds for use but does not intentionally plan to spend all these funds. Appropriations are approved in case special projects come up that are not known at the time the budget is created.

SDC Funds

Revenue = 103%

Expenditures = 0%


SDC Revenue across all funds (Water, Sewer, Storm, Parks, Transportation) came in just above budget. Beginning balances appear to be accurate based on the 2022 audit. SDCs remain to be funds that are not used often in the City. The city should be identifying what potential projects could be assisted with SDC funds to ensure they are used throughout the years.

Water Fund

Revenue = 103%

Expenditures = 80%

Revenues came in just above budget. Beginning balances are currently shown to be about \$400k less than the budget, however this is just after the 2022 audits so additional adjustments may be needed as the city finished 2023 and 2024 audits. There is no reason for concern at this time. The Distribution and Plant departments spent 90% and 97% of their budgets. The reason the overall expenditures show 80% is because the city did not



spend much of their Capital Outlay budget within the water fund; only \$250k of the \$700k budget was spent.

Sewer Fund

Revenue = 104%

Expenditures = 89%

The sewer fund revenues came in just over budget. Collection and Plant departments spent 96% and 92% of the budgets, however the overall expenditures came in at 89%. Like the Water Fund, the city did not spend Capital Outlay dollars as was originally budgeted. The original Capital Outlay budget was \$1,055,000 but actual expenditures ended at \$770,000.

Storm Fund

Revenue = 123%

Expenditures = 74%

Revenues came in higher than budgeted by about \$45,000 in Storm fees from utility bills. The beginning balance jumped up from the completion of the 2022 audit, however, the city will remain conservative in this part of the budgeting process until the 2023 and 2024 audits are completed. Expenditure totals came in at 74%, which is mainly due to the Capital Outlay not being spent that was originally budgeted.

Economic Development Fund

Revenue = None

Expenditures = 98%

The Economic Development Fund did not budget revenue and relies solely on the beginning balances from previous years. This amount for the fiscal year 2024 was budgeted at \$225,000. Based on the recent 2022 audit, the balance is at \$222,946. Almost all appropriations of expenses were spent this year that will result in a lower rollover balance into fiscal year 2025 of just \$2k. This fund has been used for CEIP awards and other economic development projects over the years. Unless there is a new revenue source, this fund will not have any real available dollars in the future.



Reserve Fund

Revenue = None

Expenditures = 100%

The Reserve Fund adopted no revenue for this year. The only appropriation was a \$300k transfer to the Willow LID fund that was completed, which is why expenditures are shown at 100%.