



City Council Agenda

City Manager:

Nancy Newton

City Recorder:

Allyson Pulido
541-726-3700

City Hall
225 Fifth Street
Springfield, Oregon 97477

541-726-3700

Online at www.springfield-or.gov

Mayor

Sean VanGordon

City Council

Michelle Webber, Ward 1

Steve Moe, Ward 2

Kori Rodley, Ward 3

Beth Blackwell, Ward 4

Victoria Doyle, Ward 5

Alan Stout, Ward 6

These meetings will be available via phone, internet using Zoom and in person. Members of the public wishing to attend these meetings electronically can call in or attend virtually by following the directions below. This information can also be found on the City's website.

The meeting location is wheelchair-accessible. For the hearing-impaired, an interpreter can be provided with 48 hours' notice prior to the meeting. For meetings in the Council Meeting Room, a "Personal PA Receiver" for the hearing impaired is available, as well as an Induction Loop for the benefit of hearing aid users.

To arrange for these services, call 541-726-3700.

Meetings will end prior to 10:00 p.m. unless extended by a vote of the Council.

All proceedings before the City Council are recorded.

January 21, 2025

Tuesday

6:30 p.m. Work Session

Council Meeting Room

or

Virtual Attendance

Registration Required:

Attend from your computer, tablet or smartphone:

Zoom

Meeting ID: 861 2539 8821

https://us06web.zoom.us/webinar/register/WN_yIgmAVtNQHCOLLAMXPH2vA

To dial in using your phone in Listen Only Mode:

Dial 1 (971) 247-1195

Toll Free 1 (877) 853-5247

Oregon Relay/TTY: 711 or 800-735-1232

(Council work sessions are reserved for discussion between Council, staff and consultants; therefore, Council will not receive public input during work sessions. Opportunities for public input are given during all regular Council meetings)

CALL TO ORDER

ROLL CALL -- Mayor VanGordon____, Councilors Webber____, Moe____, Rodley____, Blackwell____, Doyle____, and Stout____.

1. Fiscal Year 2024 Annual Comprehensive Financial Report (ACFR)
[Meg Allocco]

(15 mins)

ADJOURNMENT

7:00 p.m. Regular Meeting

Council Meeting Room

or

Virtual Attendance

Registration Required:
Attend from your computer, tablet or smartphone:
Zoom
Meeting ID: 861 2539 8821
https://us06web.zoom.us/webinar/register/WN_yIgmAVtNQHCOLLAMXPH2vA
To dial in using your phone in Listen Only Mode:
Dial 1 (971) 247-1195
Toll Free 1 (877) 853-5247
Oregon Relay/TTY: 711 or 800-735-1232

CALL TO ORDER

ROLL CALL -- Mayor VanGordon____, Councilors Webber ____, Moe____, Rodley____, Blackwell ____, Doyle ____, and Stout ____.

PLEDGE OF ALLEGIANCE

SPRINGFIELD UPBEAT

1. Springfield Representative To The Metropolitan Wastewater Management Commission (MWMC)
[Matt Stouder] (5 mins)

CONSENT CALENDAR

1. **Claims**
2. **Ordinances**
3. **Minutes**
4. **Resolutions**
5. **Other Routine Matters**
 - a. Authorization for Gun Destruction
 - b. January 2024 Severe Winter Storm Public Assistance Reimbursement Grant Agreement
 - c. Fiscal Year 2024 Annual Comprehensive Financial Report (ACFR)
 - d. Arts Commission Applicant Appointments and Arts Commissioner re-appointment -- Corrected

MOTION: APPROVE/REJECT THE CONSENT CALENDAR

ITEMS REMOVED FROM THE CONSENT CALENDAR

PUBLIC HEARINGS - Please limit comments to 3 minutes. Request to speak cards are available at the entrance.
Please present cards to City Recorder. Speakers may not yield their time to others.

BUSINESS FROM THE AUDIENCE - Limited to 20 minutes. Please limit comments to 3 minutes. Request to speak cards are available at the entrance. Please present cards to City Recorder. Speakers may not yield their time to others.

COUNCIL RESPONSE

CORRESPONDENCE AND PETITIONS

BIDS

ORDINANCES

RESOLUTIONS

1. Cornerstone Low Income Rental Housing Property Tax Exemption (LIRHPTE) Application
[Katie Carroll] (10 mins)

Resolution No. 1: A RESOLUTION **APPROVING/DENYING** A LOW-INCOME RENTAL HOUSING PROPERTY TAX EXEMPTION FOR THE ALMA APARTMENTS, LOCATED AT 1875 16TH STREET, ASSESSOR'S MAP 17-03-25-24, TAX LOTS 01800, 01900, AND 02000 (APPLICANT METROPOLITAN AFFORDABLE HOUSING CORPORATION DBA CORNERSTONE COMMUNITY HOUSING ON BEHALF OF THE OWNER SPRINGFIELD AFFORDABLE APARTMENTS LLC)

OPTION 1:

MOTION: APPROVE A RESOLUTION APPROVING A LOW-INCOME RENTAL HOUSING PROPERTY TAX EXEMPTION FOR THE ALMA APARTMENTS, LOCATED AT 1875 16TH STREET, ASSESSOR'S MAP 17-03-25-24, TAX LOTS 01800, 01900, AND 02000 (APPLICANT METROPOLITAN AFFORDABLE HOUSING CORPORATION DBA CORNERSTONE COMMUNITY HOUSING ON BEHALF OF THE OWNER SPRINGFIELD AFFORDABLE APARTMENTS LLC)

OPTION 2:

MOTION: APPROVE A RESOLUTION DENYING A LOW-INCOME RENTAL HOUSING PROPERTY TAX EXEMPTION FOR THE ALMA APARTMENTS, LOCATED AT 1875 16TH STREET, ASSESSOR'S MAP 17-03-25-24, TAX LOTS 01800, 01900, AND 02000 (APPLICANT METROPOLITAN AFFORDABLE HOUSING CORPORATION DBA CORNERSTONE COMMUNITY HOUSING ON BEHALF OF THE OWNER, SPRINGFIELD AFFORDABLE APARTMENTS LLC)

BUSINESS FROM THE CITY COUNCIL

BUSINESS FROM THE CITY MANAGER

1. Enterprise Zone School Support Fee
[Allie Camp] (10 mins)

RESOLUTION NO. 2: A RESOLUTION APPROVING THE RATE OF SCHOOL SUPPORT FEE OF 15 PERCENT WITHIN THE SPRINGFIELD COMMUNITY ENTERPRISE ZONE.

MOTION: ADOPT/NOT ADOPT A RESOLUTION NO. 2

2. City & SUB Street Lighting Intergovernmental Agreement (IGA)
[Scott Miller] (5 mins)

MOTION: AUTHORIZE/NOT AUTHORIZE THE CITY MANAGER TO EXECUTE AN IGA WITH SPRINGFIELD UTILITY BOARD (SUB) IN SUBSTANTIALLY THIS FORM FOR THE MAINTENANCE AND OPERATION OF THE CITY-OWNED STREET LIGHTING SYSTEM.

BUSINESS FROM THE CITY ATTORNEY

ADJOURNMENT

AGENDA ITEM SUMMARY S P R I N G F I E L D C I T Y C O U N C I L	Meeting Date:	01/21/2025
	Meeting Type:	Work Session
	Staff Contact/Dept:	Meg Allocco/Finance
	Staff Phone No:	5417263690
	Estimated Time:	15 Minutes
	Council Goals:	Financially Responsible and Stable Government Services

ITEM TITLE:

Fiscal Year 2024 Annual Comprehensive Financial Report (ACFR)

ACTION REQUESTED:

Review the City's Fiscal Year 2024 Annual Comprehensive Financial Report

ISSUE STATEMENT:

In accordance with Oregon Statutes and the City's charter, the City is required to complete an annual audit and financial statement. The report will be presented to the City Council at the January 21st work session. The Council will be asked to formally accept the report at their regular meeting that same night.

DISCUSSION/FINANCIAL IMPACT:

REDW, LLC (Formerly Grove, Mueller & Swank), the City's independent auditors, have completed their audit of the City's Fiscal Year 2024 ACFR and have issued their opinion thereon. Ryan Pasquarella, of REDW, will review the audit process, the Independent Auditor's Report, and the City's ACFR during the work session.

As a preliminary summary for the Council's information, you may note that the auditor's found no material weaknesses in the City's internal financial controls and they issued an "unmodified opinion" on the City's financial statements. This means that the City is properly accounting for its resources and using adequate financial controls to help prevent the improper use of those resources.

Attachments

1. FY24 City ACFR
2. FY24 Governance Letter

FISCAL | 20 YEAR | 24

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2024
City of Springfield, OR



COMMUNITY |  OPPORTUNITY

Attachment 1 - FY24 ACFR
Page 1 of 230





CITY OF SPRINGFIELD, OREGON

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

Fiscal Year Ended June 30, 2024

Prepared by:

Finance Department
Accounting Division



City of Springfield, Oregon

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended June 30, 2024

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City of Springfield, Oregon

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended June 30, 2024

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Year Ended June 30, 2024

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City of Springfield, Oregon

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended June 30, 2024

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Introductory Section





December 20, 2024

To the Citizens of Springfield, Oregon:

Local ordinances and state statutes require that the City of Springfield issue a report on its financial position and activity within six months of the close of each fiscal year. In addition, this report must be audited in accordance with auditing standards generally accepted in the United States of America by an independent firm of certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the City of Springfield for the fiscal year ended June 30, 2024.

This report consists of management's representations of the City's finances. Consequently, responsibility for the accuracy of the data and for the completeness and fairness of the presentation, including all disclosures, rests with management. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls is designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Springfield's financial statements have been audited by REDW, LLC (formerly Grove, Mueller & Swank), a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Springfield for the fiscal year ended June 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Springfield's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

The City of Springfield was incorporated on February 25, 1885. The City has a council-manager form of government. The six-member City Council sets overall city policy and goals. The City Council also makes laws, or ordinances, which govern the City. Councilors are nominated from each of the six wards and are elected at large for four-year staggered terms. The Mayor, elected at large to a four-year term, is the chief elected officer of the City and is responsible for providing political and policy leadership for the community. The Mayor has no executive power, but presides at City Council meetings and serves as the ceremonial head of the City.

Home to approximately 62,996 people, Springfield is bordered north and south by the McKenzie and Willamette Rivers, covering approximately 15 square miles in Lane County. The Springfield community has rich cultural assets, such as the Springfield Museum and Historic Interpretive Center, Washburne Historic District, Springfield Railroad Depot, Oregon Trail Mural, and Dorris Ranch Living History Farm.

The City provides a full range of municipal services. These services include police, fire, emergency medical services, municipal court, community planning and development, library, wastewater management, stormwater management, general public works, central service administration, and other functions associated with a full-service city.

For financial reporting purposes, the City includes all funds subject to appropriation by the City Council. In addition, the City includes all governmental organizations and activities for which the City Council is financially accountable. Therefore, the financial statements of the Urban Renewal Agency of the City of Springfield, although legally separate, have been blended with those of the City by including them in the appropriate statements and schedules in this report. Other potential component units have been evaluated and determined not to be component units of the City according to the criteria provided by the Governmental Accounting Standards Board.

For financial planning and control, the City prepares and adopts an annual budget in accordance with Oregon law. The law establishes standard procedures for preparing, presenting, and administering the budget. It requires citizen involvement in the preparation of the budget and public disclosure of the budget before final adoption. The activities of all the funds of the City (except the Custodial Fund, which accounts only for non-budgeted pass-through monies) are included in the annual budget, as required by state law. The City prepares its budget, as allowed under Oregon law, using the modified accrual basis of accounting. The legally adopted budget is presented at the departmental level for current expenditures, with separate appropriations established for capital projects, debt service, interfund transfers, miscellaneous fiscal transactions, contingencies, unappropriated fund balances, and reserves.

Under the changes made by Measure 50, Oregon's municipalities now levy their annual property taxes on a partial rate-based levy system. Springfield has been assigned a permanent tax rate of \$4.7403 per thousand dollars of assessed valuation for its annual property tax operating levy. This amount can be supplemented through a voter-approved levy. In November 2020, Springfield voters renewed a special purpose five-year property tax levy for fire and life-safety services at a rate of \$0.38 per thousand beginning July 1, 2021. In November 2022, Springfield voters renewed

a special purpose five-year property tax levy for police, municipal court, and jail services at a rate of \$1.40 per thousand beginning July 1, 2023. Springfield still has the authority to levy an additional dollar value property tax levy for the retirement of its voter-approved general obligation bond debt. For the fiscal year ended June 30, 2024, the amount of the tax levy for general obligation debt was \$0.67 per thousand.

Local Economy July 2023-June 2024

Springfield's accessibility, diversity of industry, and steady pace of new and redevelopment continue to bolster the desirability of the community. Springfield continues to see patterns of investments in local manufacturing and traded sector activities, increased property values, and momentum in private and public projects including infrastructure investments. Springfield is made up of a mix of industries and a balance of mature phase and startup phase companies which only reinforces the benefits of economic diversification. This diversification has contributed to the levels of stability within the local economy during FY24.

Springfield is experiencing a renewed emphasis on delivering much needed housing to the area despite unfavorable commercial lending conditions. The City of Springfield has recently approved hundreds of new units of multifamily housing, and land use applications focusing on increasing density in residential areas continue to remain steady with certain months experiencing higher than average submissions. This indicates that the Springfield market for housing and new development continues to be favorable enough for current projects to proceed to construction and new projects to begin to take steps to development.

Property Values

Per the Lane County Taxation and Assessors office, total assessed property values have steadily increased over the last decade. From tax year 2023 to 2024, median assessed value increased 3.6%, slightly down from FY23's increase of 3.8%. This continued growth reflects the resiliency of the Springfield land market as it is becoming a more desirable place for people to invest in business and households. In total, FY24 assessed property values in the City of Springfield totaled over \$5.9 billion, an increase of \$227 million over FY23.

Population Growth

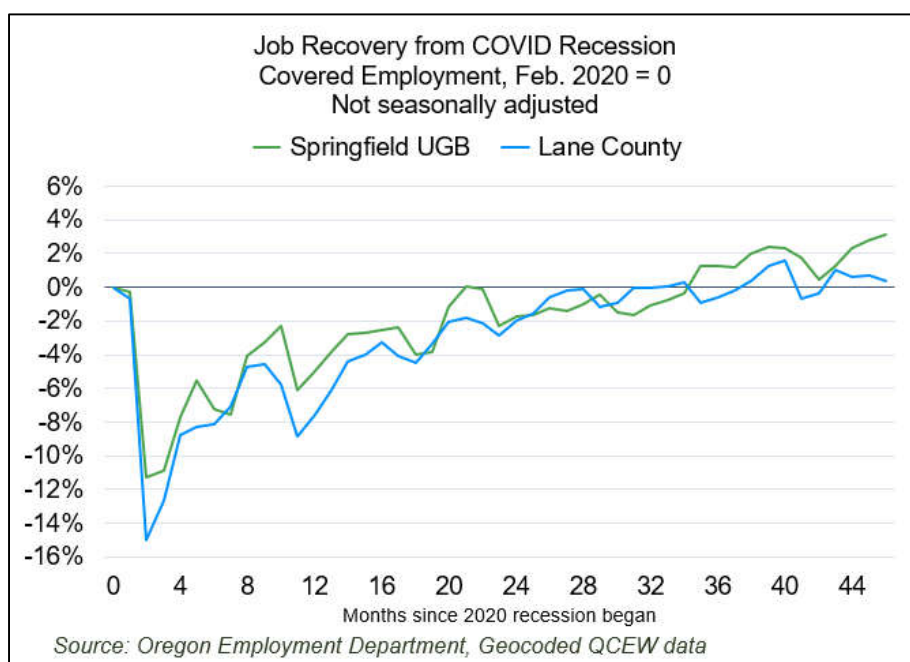
According to the Portland State University Population Research Center, Springfield's population slightly increased in FY24 with an estimated population of 62,996. With the revised 2023 population estimate at 62,377, Springfield experienced an increase of 619 community members (0.99%) from 2023. This increase is higher than the broader Lane County Region and the neighboring community of Eugene, both with population increases of 0.1% from FY23. Residential inventories continue to be competitive, despite less-than-ideal lending conditions. A new 100-acre subdivision is completing construction, and future years are anticipated to reflect sustained population growth.

In general, Springfield's population trends are attributable to several variables, including population estimation methodology used by the Portland State University Population Research

Center, but also impacts of existing limited housing supply and land, rising costs of construction which continues to see high unit and labor pricing, and trends in new single and multi-family housing starts.

Job Growth

Notable trends are reflected in the jobs regained following initial pandemic caused layoffs. Many of these layoffs were seen temporarily in medical and retail fields, with jobs returning as early shutdowns eased and consumers regained confidence in daily activities. While some industries like hospitality and leisure continue to feel the impacts of the changing economy post-COVID, Springfield has fully recovered its employment base from February 2020 and has added three percent more jobs beyond that base due to its strength in manufacturing, transportation, construction, and financial activities sectors.



Springfield Target Industries

Springfield's diversity of target industries has allowed the local economy to remain active throughout FY24. That diversity is attributed most prevalently due to a high concentration of health care, retail, accommodation and food services, manufacturing, construction, and administrative services industries. Specifically, within these industries Springfield's focus has been natural resources, advanced manufacturing, health care, and construction and its supporting trades. These industries also serve as the primary employment bases for the community. The city is home to multiple timber processing facilities, two hospitals, a major health insurance provider, and an array of trades and trades-supporting businesses.

The Springfield business climate remains stable, supportive, and focused on growth and expansion opportunities for these target industries and employers. Years of establishing positive relationships, a strong connection to the Chamber of Commerce, and a reputation for being open

for business assure that future opportunities for growth and expansion remains a priority in Springfield.

Significant Event Sampling

- **Urban Renewal Property Tax Performance.** In FY24 both the Glenwood and Downtown Urban Renewal Areas saw greater than average increases in property tax performance due to continued investments in the areas and property taxes returning to the rolls after tax incentives. For the second year in a row since establishment of Springfield's two Urban Renewal Districts, Downtown outperformed Glenwood in terms of excess assessed value revenue. This is notable because Downtown is a significantly smaller land area with different and unique redevelopment considerations.
- **Marcola Meadows.** Construction continues in the Marcola Meadows subdivision. In late FY20, initial ground and infrastructure work began in the mid-Springfield area Marcola Meadows subdivision. The subdivision includes over 100 acres and an anticipated total 750 residential units comprised of a mix of single-family homes for purchase and multifamily units for lease. Construction began on the first phase of residential units in FY21 with construction of two more phases continuing through FY22. FY24 saw the continuation of construction for multifamily units, continued marketing and sale of single-family homes, and ribbon cutting for the completed apartment units.
- **Glenwood Riverfront Master Planning.** In FY24, the Springfield Economic Development Agency (SEDA) continued work with the consultant team of planners, engineers, land use professionals, and ecological experts for master planning services on the 30-acre parcel. Master planning assures that the area is developed in an intentional and cohesive manner, while leaving flexibility for uses in the future both by the City, SEDA, and the adjacent landowners.

Long-term Financial Planning

The City's long-range financial planning efforts mirror many other cities by producing trend line projections for both revenue and expenditures based upon individual analysis of both primary revenue and expenditures. The annual budget and five-year forecasts for the City's more significant funds serve as the foundation for the City's financial planning.

Financial policies are central to a strategic, long-term approach to financial management. Currently, the City of Springfield has a three-page document representing the Financial Management Policies and recently initiated a project to review the fiscal health of our organization starting with a review and revision of outdated policies. The current City policies have three different update characteristics; these are: (1) policies that *conflict* with current practices; (2) policies that are simply *out-of-date*; and (3) policies that *require clarification*. Additionally, there are important policies that are not currently addressed, as well as policies that are better left to administrative process.

The Finance Department identified nine policies for potential revision with six completed to date. Our objective is to update other financial policies in order to develop a strategic, long-term approach to: (1) minimize the cost of government and reduce financial risk; (2) maintain appropriate financial capacity for present and future needs; and (3) ensure the legal use of financial resources through an effective system of internal controls.

Another objective of the policy reviews was to better understand how budget decisions impact the long-term stability of the City's financial position. A critical component is the make-up of the different accounting funds and how each has its own unique external forces that can impact its financial stability. The last recession did not treat all funds equally and lessons can be learned about the early identification of stress signs and what can be done to be able to respond in a timely manner. A part of this exercise is to ensure that staff is providing adequate guidance for the Council and Budget Committee in these matters.

The City's major operating funds for General, Police Local Option Levy, Special Revenue, Sewer, and Storm Drainage purposes all meet current Council adopted policies for maintaining adequate contingency and working capital. The City's Ambulance Fund is not currently meeting the guidelines for maintaining adequate contingency and working capital at this time; however, City staff are making this fund a top priority in its fiscal health exercise.

Utility enterprise operations such as sanitary sewer and stormwater, where there is the ability for the Council to make choices about raising monthly fees, have been better able to increase revenues to meet expenditure needs. Throughout this period, the combination of tempering expenditures with modest rate increases has allowed these enterprises to continue their vital maintenance needs.

The City updates its Capital Improvement Program (CIP) every two years. The FY25-FY29 CIP was adopted by the City Council in January 2024. More capital projects for the Wastewater programs will be scheduled in the years which began in FY23 as an update of the hydraulic model has been completed and the Wastewater Master Plan has been updated. Planning and projects in the stormwater program are also scheduled in the FY23-FY27 CIP with significant efforts that began in FY24. After borrowing funds in the early 2000's to catch up on capital needs, these utilities have been able to establish adequate reserves to meet current needs.

The City's capital resources for street improvements have not been able to match capital needs and the City asked voters for the approval of a 5-year \$10 million general obligation bond in November of 2018, which passed with 55% voter approval, to address the most immediate needs. All of the bond projects were designed and constructed ahead of schedule and are now complete. In May of 2024, the citizens of Springfield approved another 5-year \$20 million general obligation bond to continue this work. All of these projects are in design.

Public Safety Services:

The City continues to have two special-purpose taxing levies approved by the voters. Both levies were initially approved in 2002 and have been reauthorized by citizens several times. The levy for fire services allows the City to operate a fifth engine company for first response and fire services and was recently renewed for an additional five years beginning in FY22. The levy for

police services funds additional services for patrol, dispatch, records, and our municipal jail and was recently renewed for an additional five years beginning in FY24.

Urban Renewal:

The City established, with voter approval, two urban renewal districts within our community. The Glenwood District, established in 2004, is located at the southwestern edge of the City and presents an area of riverfront opportunity immediately adjacent to Downtown Springfield and the City of Eugene's University and Waterfront areas. The Downtown district, established in 2007, is located in Downtown Springfield and stretches from the Willamette River east to 21st Street. These urban renewal areas provide the community with the tools and resources necessary to influence and generate substantial revitalization and redevelopment.

The Glenwood District is the least developed of the two urban renewal areas and requiring the most infrastructure and revisioning investment. At 618 acres, it is also the largest. Since 2016, SEDA and the City have been assembling land for the redevelopment of the Glenwood Riverfront. That work was completed in FY23, with approximately 13 acres now in ownership. In January 2023, SEDA contracted with a consultant team of planners, engineers, land use professionals, and ecological experts for master planning services that will guide the phasing of development, provision of public facilities and services, determination of specific land uses and densities, identification of potential impacts of proposed developments, and assurances of predictability for long term development potential for property owners. This concept work engaged adjacent landowners and public agency partners, bringing the total Master Plan area to approximately 23 acres. The Master Plan work will continue through FY24.

The Downtown District includes 417 acres encompassing the current Downtown core area, commercial opportunity areas to the east of the Downtown core, and key industrial lands primarily along the south edge of the district. In FY23, a key industrial employer's 2018 facility investment returned to the tax rolls following the expiration of their initial enterprise zone tax abatement window. FY24 was the beginning of over \$100M in investments from Rosboro at their site partially within the downtown District. Rosboro has utilized the standard three-year Enterprise Zone to support this investment.

The impacts of inflation and a significant increase in borrowing costs continue to hamper new investment across the City. Despite these market forces, the SEDA Board continues to be invested in bringing market-rate housing to Downtown and has received inquiries from private sector interested parties for Downtown developments. To continue encouraging housing, the City adopted the Housing Diversity Tax Exemption program which provides for a 10-year property tax exemption on housing development of 5 units or more within key transit corridors. One of these corridors falls within the Downtown District's plan area.

Capital Improvements:

The City of Springfield's Capital Improvement Program (CIP) is a five-year Community Reinvestment Plan which describes the funding and construction of City infrastructure. The Council typically approves biennially a list of public projects, such as transportation and streets,

wastewater, stormwater, and buildings and properties, which are programmed for planning, design, and construction in the next five years. Programming in the CIP is based upon the most-current estimates of available funding. Actual funding decisions are made during the City's annual budgeting process. These projects are aimed at improving neighborhoods, providing for economic growth, improving transportation safety, and maintaining the existing City infrastructure and facilities. Information on our various projects are located on our Current Construction webpage located here <https://springfield-or.gov/city/development-public-works/current-construction-projects/>. Some of the major projects in each of these program areas include the following:

Transportation and Streets:

- **Street Bond Measure 20-351** – The bond proposed a five-year \$20 million general obligation bond to fund repairs of a list of proposed city streets. Thanks to Springfield voters' support, the bond passed during the May 21, 2024 election. The list of streets to be fixed are:
 - Harlow Road from Interstate 5 to the roundabout at Pioneer Parkway and MLK Jr. Parkway
 - Aspen Street from Tamarack Street to Centennial Boulevard
 - 'G' Street from 10th Street to 23rd Street
 - 36th Street from Main Street to Commercial Avenue
 - Daisy Street from South 51st Place to Bob Straub Parkway
 - 58th Street from Main Street to Thurston Road
- **Mill Street Reconstruct: South 'A' Street to Centennial Boulevard** – The reconstruction of Mill Street (construction starting in August) from South 'A' Street to Centennial Boulevard aims to achieve the following:
 - Create a new transportation asset that will serve our community for many years by fully reconstructing in concrete a major collector in complete disrepair.
 - Improve accessibility for pedestrians and bicyclists by building new sidewalks, pedestrian crossings, curb ramps, and fill in a missing gap in the Springfield bicycle network.
 - Improve street lighting to make the area more walkable at night and increase the safety of all users.
 - Reconstruct and rehabilitate wastewater lines. This is necessary to enable the City to maintain compliance with federal and state requirements to eliminate wastewater overflows.
 - Improve stormwater facilities. Stormwater management is an important part of the community's effort to improve water quality, protect fish habitat, and protect properties and infrastructure from flooding. Stormwater flows to storm drains, gutters, ditches, swales, or a system of pipes, eventually ending up in the McKenzie or Willamette rivers. Unlike wastewater from indoor plumbing, stormwater is not treated before being emptied into our waterways.

- **42nd Street Overlay from International Paper to Marcola Road** – The 42nd Street Pavement Preservation Project will improve the travel surface of 42nd Street from the south entrance of International Paper to Marcola Road.
 - The project consists of the following:
 - Pavement two-inch (2”) overlay
 - Striping and signing
 - Further improvements are being considered and will be determined once an analysis of the 42nd Street levee has been completed.
- **Franklin Boulevard.** – The Franklin Boulevard Reconstruction Project includes constructing modern urban standards improvements on the old Hwy 99 alignment in Glenwood called Franklin Boulevard between the Franklin Blvd./Glenwood Blvd. intersection and the Franklin Blvd./ Franklin Blvd (Hwy 225) intersection. The goal of this project is to support Glenwood redevelopment and regional safety and mobility for transit, bicycles/pedestrians, and autos. Phase 1 construction was complete in 2018. Phase 2 includes the remaining design and construction of the roundabout at the intersection of Mississippi Boulevard and Franklin Blvd. In partnership with the City of Eugene, the City applied for and received a federal grant for these Phase 2 improvements.
- **South 28th Street Paving** – The City of Springfield received Congestion Mitigation Air Quality funding to be utilized for paving the gravel portion of South 28th St. from South F St. to the city limits (approximately .25 miles). In addition to paving, new stormwater features to manage and improve stormwater quality will also be constructed. Due to Oregon Department of Transportation and Federal Highway Administration requirements, the City must utilize a certified agency to deliver the project. For this project, the City worked with Lane County through an intergovernmental agreement. The construction is now complete.
- **West ‘D’ Street Improvement Project** – The project is now complete. The project constructed speed humps, a raised crosswalk, ADA ramps, striping, and bike transitions to improve the safety of all users.
- **Transportation Projects In Design** – Many transportation and street projects are in design and include the following:
 - Sidewalk Filling the Gaps
 - Laura Street Reconstruction (design is complete and will be constructed in 2025)
 - South 42nd and Daisy Roundabout
 - South 32nd and Virginia RRFB
 - Franklin Blvd. Hwy 225 Environmental Analysis and Preliminary Design
 - Walking-Biking Network Improvements

Wastewater:

- **Jasper Trunk Sewer – Phase 3** – The City Council approved funding for the extension of the Jasper Trunk Sewer with adoption of the 2020-2024 Capital Improvement Program. Phase 3 will extend wastewater service approximately 5,280 feet southeast across Bob Straub Parkway

terminating near Brand S Road. Further extension of the Jasper Trunk Sewer provides a key City service for urban level development of the Jasper-Natron area. Construction will start late 2024 and continue into 2025.

- **Mill Street Reconstruction** – As part of the reconstruction of Mill Street from South ‘A’ Street to Centennial Blvd., the City will replace the wastewater line from Main Street to just north of ‘G’ Street and line the wastewater laterals. The project will start construction August of 2024 and continue into 2025.
- **70th Street and 72nd Street Wastewater Basin Rehab** – This is a wastewater micro-basin rehabilitation project that includes repair and/or replacement of the publicly maintained wastewater collection system in the 70th St. and 72nd St. area.
- **Local Sewer Extensions** – Within the City of Springfield's city limits and urban growth boundary (UGB) are several areas that are fully developed but lack wastewater service. This project will fund the design and construction of wastewater main line pipes to these areas upon request of affected property owners or annexation, with some or all of the cost possibly reimbursable through assessments.
- **CMOM Planning and Implementation** – The City continues to make the repair, rehabilitation, or replacement of older wastewater pipes throughout the City a high priority in the Capital Improvement Program in an effort to reduce leakage of ground water into the system. The City continues to work on implementation of its Capacity, Management, Operations, and Maintenance (CMOM) program to remain in line with both State and Federal regulations. A flow monitoring plan and update of the collection system and the hydraulic model has been updated. The City is well into the process of micro-basin monitoring and modeling, with two basins identified for rehabilitation and programmed in the upcoming FY23-FY27 CIP. The City will also begin the process of updating the 2008 Wastewater Master Plan in the upcoming year.

Stormwater:

- **42nd Street Levee Study** – An initial study has been completed which identified several existing deficiencies. It also identified areas for further study and investigation of the condition of the High Banks Road (42nd Street) Levee to identify any structural or non-structural deficiencies and to evaluate the potential for obtaining federal accreditation of this levee as a flood control facility under the National Flood Insurance Program and for compliance with the National Levee Safety Program. In October 1983, the City entered into an Agreement with the Soil Conservation Service for the operations and maintenance of the High Banks Road Dike that was constructed by Lane County in the 1950's adjacent to what is now known as 42nd Street. This dike provides flood control protection for areas of Springfield north of Highway 126 and west of 42nd Street from McKenzie River flooding. The Federal Emergency Management Agency (FEMA) has developed an accreditation program for levees that are relied upon under the National Flood Insurance Program (NFIP) and the National Levee Safety Committee has developed recommendations to Congress for a National Levee Safety Program. The City has also started the process of creating an Emergency Action Plan for the levee.

- **Mill Street Reconstruction** – As part of the reconstruction of Mill Street from South ‘A’ Street to Centennial Blvd., the City will replace the stormwater lines, inlets, and laterals. Proprietary StormTree water quality planters will be added to capture and treat stormwater before it leaves the site and eventually enters the Willamette River. The project construction will start in August 2024 and will continue construction into 2025.
- **Laura Street Reconstruction** – As part of the reconstruction of Laura Street, the City will add a stormwater treatment system including new curb and gutter, inlets, pipes, and treatment swales. The project will also replace the failing 36-inch culvert which carries Channel 6 under and across Laura Street with a new 48-inch culvert which is part of the larger Channel 6 improvements to reduce flooding in the area. The project is currently in design with construction planned for 2025.

Major Initiatives

The City Council goals for this year, along with some of the more significant activities and projects addressing those goals, are as follows:

Provide Financially Responsible and Innovative Government Services

- Urban growth boundary expansion to meet industrial zone employment needs
- Infrastructure enterprise funds meet operating and capital requirements
- Information technology infrastructure is available
- Enhancements and customizations to existing applications will meet customer expectations

Encourage Economic Development and Revitalization through Community Partnerships

- There is growth in the level of Glenwood Urban Renewal investment
- There is growth in the level of Downtown Urban Renewal investment
- Room tax receipts are meeting their set outcome measure
- The infrastructure needed for growth is identified and planned
- Target areas are planned and zoned for redevelopment to attract new business and attractions and/or eliminate blighted areas
- Opportunities for affordable and decent housing are increased through partnerships with non-profit housing developers and providing assistance to low and very low-income citizens throughout the community

Foster an Environment that Values Diversity and Inclusion

- Percent of proposers on Public Works formal solicitations that self-identify as minority, women, or emerging small businesses (MWESB)

- City supports and encourages inclusion in advertisements for open positions, procurement, and budgetary objectives
- Effective and appropriate language services are provided while at the Springfield Municipal Court
- Percent of qualified applicants who meet City's workforce diversity goals

Strengthen Public Safety by Leveraging Partnerships and Resources

- High priority calls are dispatched within 60 seconds of receipt
- Medium priority calls are dispatched within five minutes of receipt
- Low priority calls are dispatched within 10 minutes of receipt
- Crime rate for property crimes is decreasing
- Emergency ambulance responses are within eight minutes
- Fire responses are within five minutes

Maintain and Improve Infrastructure and Facilities

- Planned infrastructure maintenance is performed
- Preservation projects are completed on schedule
- Out-of-service signalized intersections repaired within 48 hours of reporting
- Capital projects are constructed to meet expanding needs

Promote and Enhance Our Hometown Feel While Focusing on Livability and Environmental Quality

- Student success and community literacy is supported
- The quality of information services is improved
- Access to Library services and collections is improved
- Trash is reduced and community recycling is increased
- Increase percent of current Stormwater Management Plan activities in compliance with the six minimum measures
- Wastewater infrastructure systems meet regulatory performance requirements
- Revitalization of low-income neighborhoods is supported
- Citizen requests and inquiries are given timely attention
- Technology is used to make it easier for citizens to do business in Springfield through e-permitting and on-line access to information
- Residents' perception of Springfield is positive

Awards and Acknowledgements

Awards:

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. This was the

forty-third consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments:

The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. We also want to acknowledge the cooperation and assistance of other City staff who contributed to the information required for a fair presentation of the City's financial operations.

In closing, without the leadership and support of the Mayor and City Council, preparation of this report would not have been possible.

Respectfully submitted,

CITY OF SPRINGFIELD, OREGON

A handwritten signature in blue ink, appearing to read "Nancy Newton", written over a horizontal line.

Nancy Newton,
City Manager

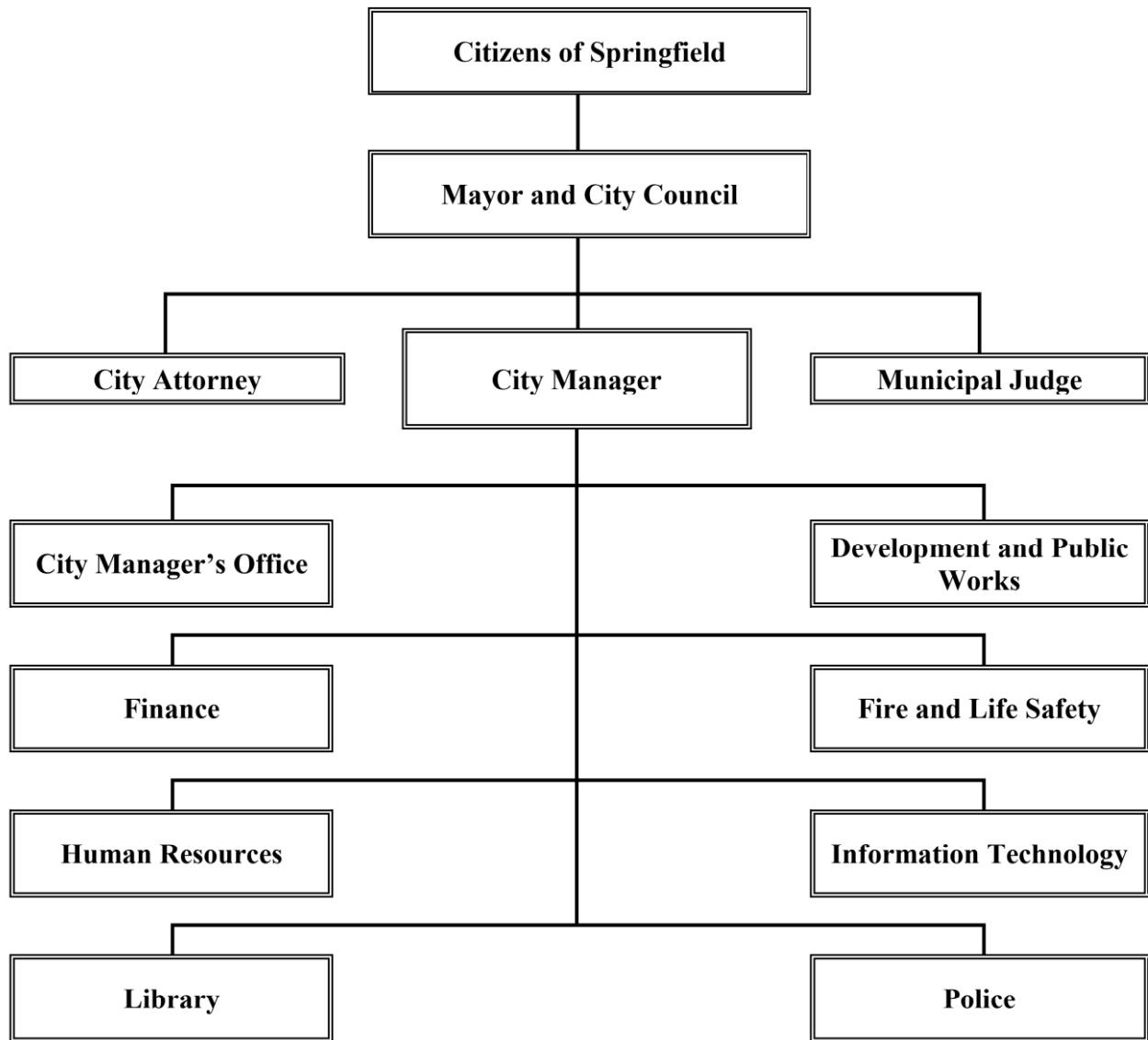
A handwritten signature in blue ink, appearing to read "Nathan Bell", written over a horizontal line.

Nathan Bell,
Finance Director



CITY OF SPRINGFIELD

Organization Chart



City of Springfield, Oregon

Principal City Officials June 30, 2024

Elected Officials
225 Fifth Street
Springfield, Oregon 97477

Mayor

Sean VanGordon

Term Expiration

December 31, 2024

Council Members

Michelle Webber	Ward 1	December 31, 2026
Steve Moe	Ward 2	December 31, 2026
Kori Rodley	Ward 3	December 31, 2024
Beth Blackwell	Ward 4	December 31, 2024
Victoria Doyle	Ward 5	December 31, 2026
Joe Pishioneri	Ward 6	December 31, 2024

The City Council can be contacted at the address above.

Administrative Officials

Nancy Newton
Nathan Bell

City Manager
Finance Director



Government Finance Officers Association

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

Presented to

**City of Springfield
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

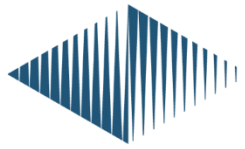


Financial Section



Independent Auditor's Report





GROVE, MUELLER & SWANK

redw
Advisors & CPAs

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor, Members of the
City Council and the City Manager
City of Springfield
Springfield, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Springfield, Oregon (the City) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information (except as mentioned in the following paragraph) because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The schedules of revenues, expenditures, and changes in fund balance (non GAAP budgetary basis) – budget and actual as required supplementary information, are the responsibility of management and were

derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

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

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

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

Management is responsible for the other information included in the ACFR. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 17, 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.

A handwritten signature in black ink, appearing to read 'RP', with a horizontal line extending to the right.

Ryan T. Pasquarella, Principal
For REDW LLC
Salem, Oregon
December 17, 2024

Management's Discussion and Analysis



City of Springfield, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2024

This section of the City of Springfield's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City's total assets and deferred outflows of resources at June 30, 2024 increased \$30.9 million from \$457.9 million to \$488.8 million, or 6.7%, from the prior year. This increase in total assets and deferred outflows of resources was primarily due to \$21.1 million increase in the carrying value of capital assets, a \$.8 million increase in receivables, a \$1.8 million increase in deposits, a \$.4 million increase in cash and investments, and a increase of \$2.7 million in the deferred outflows of resources.
- The City's total liabilities and deferred inflows of resources decreased by \$8.0 million from \$127.4 million to \$119.4 million, or 6.3%, from the prior year. This decrease was primarily due to a \$5.4 million decrease in long term-debt, a \$11.5 million decrease in deferred inflows of resources, and a \$7.5 million decrease in unearned revenue (American Rescue Plan) offset by a \$13.1 million increase in net pension and OPEB liabilities and a \$3.1 million increase in current payables.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$369.4 million at the close of fiscal year 2024. Unrestricted net position totaled \$40.1 million with the remainder of the City's net position invested in capital assets (\$259.0 million), and restricted for capital projects, public safety, transportation, community development, debt service, and other purposes (\$70.3 million).
- At June 30, 2024, the City's governmental funds reported a combined ending fund balance of \$65.7 million, an increase of \$4.8 million (7.9%) from the prior year. Of this total amount, \$11.9 million (18.0%) constitutes unassigned fund balance which is available for spending at the government's discretion, \$53.1 million (81.0%) constitutes either restricted, committed, or assigned fund balance which is not available for new spending because it has already been committed to another purpose, and the remainder of the fund balance, \$0.7 million (1.0%) is in a nonspendable form.
- At the end of fiscal year 2024, the unassigned fund balance in the General Fund was \$11.9 million which was 26.6% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Springfield's basic financial statements. The City's basic financial statements consist of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

Government-wide Financial Statements

The government-wide financial statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position presents

information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include:

- General Government
- Fire and Life Safety
- Police
- Library
- Development and Public Works

The business-type activities of the City include:

- Sanitary Sewer
- Storm Drainage
- Booth-Kelly (operation of the Booth-Kelly Center – a large commercial building and other similar activities)
- Ambulance Service

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate Urban Renewal Agency for which the City is financially accountable.

The Urban Renewal Agency, called the Springfield Economic Development Agency (SEDA), has a governing body that is substantively the same as the City's and City management is responsible for the Agency's operations. For these reasons, the SEDA special revenue and capital project funds are included as an integral part of the City.

The government-wide financial statements can be found on pages 57-59 of the basic financial statements.

Fund Financial Statements

The fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the acquisition and use of current spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and government activities. The reconciliations can be found on pages 60 and 62 in the basic financial statements.

The City maintains 15 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for those funds that are considered significant (major) to the City taken as a whole. These financial statements report four major funds: General Fund, Police Local Option Levy Fund, Special Revenue Fund, and the Street Capital Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all governmental funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the General Fund and other major special revenue funds as required supplementary information on pages 127-129. Budgetary comparisons for all other governmental funds have been provided elsewhere in this report.

The governmental funds financial statements can be found at pages 60-62 in the basic financial statements.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in government-wide financial statements. The City uses enterprise funds to account for its Sanitary Sewer operations, Storm Drainage operations, Ambulance Service, and Booth-Kelly operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its equipment, including its fleet of vehicles and its computer and telecommunication equipment, for employee benefits and risk management activities, and for administrative activities related to the System Development Charge program. Because all three of these services predominantly benefit government rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the Sewer Fund, the Storm Drainage Fund, and the Ambulance Fund, which are all considered to be major funds of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The proprietary fund financial statements can be found on pages 63-65 in the basic financial statements.

Fiduciary funds. The City is the trustee, or *fiduciary*, for certain funds. The City is responsible for ensuring that the assets reported in a fiduciary fund are used for their intended purposes. The City has one fiduciary fund, the Custodial Fund. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

The fiduciary fund financial statements can be found on pages 66-67 in the basic financial statements.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 69-123 of this report.

Required supplementary information. This report also presents certain required supplementary information concerning budgetary comparisons for the general and major funds as well as information about the City's progress in funding its obligation to provide pension and other post employment benefits to its employees. Required supplementary information can be found on pages 127-137 of this report.

Other supplementary information. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds, as well as budgetary comparisons for proprietary funds are included in this report and can be found on pages 143-184.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$369.4 million at the close of the most recent fiscal year.

The largest portion of the City's net position, \$259.0 million (70.1%) reflects its net investment in capital assets (e.g., land and right-of-way, buildings, improvements, equipment, and infrastructure, net of accumulated depreciation), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Springfield's Statement of Net Position

	Governmental <u>Activities</u>		Business-type <u>Activities</u>		<u>Total</u>	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$112,883,235	\$109,499,376	\$ 77,705,481	\$ 74,052,828	\$190,588,716	\$183,552,204
Capital assets, net, where applicable, of accumulated depreciation	195,974,236	180,895,423	80,575,892	74,535,833	276,550,128	255,431,256
Total assets	308,857,471	290,394,799	158,281,373	148,588,661	467,138,844	438,983,460
Deferred outflows of resources	16,739,838	14,444,490	4,894,305	4,465,016	21,634,143	18,909,506
Current liabilities	17,250,287	22,021,664	2,936,314	2,499,511	20,186,601	24,521,175
Other liabilities	67,935,305	60,841,487	23,957,509	23,276,132	91,892,814	84,117,619
Total liabilities	85,185,592	82,863,151	26,893,823	25,775,643	112,079,415	108,638,794
Deferred inflows of resources	4,923,339	14,201,432	2,406,494	4,581,871	7,329,833	18,783,303
Net position:						
Net investment in capital assets	188,074,623	171,506,080	70,935,420	63,542,079	259,010,043	235,048,159
Restricted	52,864,162	47,182,803	17,349,448	14,442,988	70,213,610	61,625,791
Unrestricted	(5,450,407)	(10,914,177)	45,590,493	44,711,097	40,140,086	33,796,920
Total net position (as restated)	\$235,488,378	\$207,774,706	\$133,875,361	\$122,696,164	\$369,363,739	\$330,470,870

A portion of the City's net position, \$70.3 million (19.0%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$40.1 million (10.9%) may be used to meet the government's ongoing obligations to citizens and creditors.

City of Springfield's Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 11,909,675	\$ 12,048,868	\$ 26,193,279	\$ 24,411,572	\$ 38,102,954	\$ 36,460,440
Operating grants and contributions	14,867,451	13,579,392	-	-	14,867,451	13,579,392
Capital grants and contributions	14,959,036	24,391,492	4,262,583	5,463,520	19,221,619	29,855,012
General revenues:						
Taxes	48,241,409	47,258,506	-	-	48,241,409	47,258,506
Payment in lieu of taxes	3,123,757	3,280,621	-	-	3,123,757	3,280,621
Shared revenue	2,172,133	2,242,188	-	-	2,172,133	2,242,188
Investment earnings	5,651,670	2,738,203	3,490,227	1,638,958	9,141,897	4,377,161
Miscellaneous receipts	1,798,002	1,812,277	5,484	(541,659)	1,803,486	1,270,618
Total revenues	<u>102,723,133</u>	<u>107,351,547</u>	<u>33,951,573</u>	<u>30,972,391</u>	<u>136,674,706</u>	<u>138,323,938</u>
Expenses:						
General government	7,347,528	10,806,659	-	-	7,347,528	10,806,659
Fire and life safety	15,743,196	13,789,045	-	-	15,743,196	13,789,045
Police	27,637,119	24,401,419	-	-	27,637,119	24,401,419
Library	2,377,466	2,316,912	-	-	2,377,466	2,316,912
Development & public works	21,589,929	19,632,631	-	-	21,589,929	19,632,631
Depreciation and amortization	42,159	55,244	-	-	42,159	55,244
Interest on long-term debt	258,835	276,787	-	-	258,835	276,787
Sanitary sewer	-	-	8,219,157	8,024,658	8,219,157	8,024,658
Storm drainage	-	-	6,798,561	6,767,197	6,798,561	6,767,197
Booth-Kelly	-	-	512,602	780,317	512,602	780,317
Ambulance	-	-	7,255,284	7,410,608	7,255,284	7,410,608
Total expenses	<u>74,996,233</u>	<u>71,278,697</u>	<u>22,785,604</u>	<u>22,982,780</u>	<u>97,781,837</u>	<u>94,261,477</u>
Increase (decrease) in net position before transfers	27,726,900	36,072,850	11,165,969	7,989,611	38,892,869	44,062,461
Transfers	<u>(13,228)</u>	<u>(240,829)</u>	<u>13,228</u>	<u>240,829</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	27,713,672	35,832,021	11,179,197	8,230,440	38,892,869	44,062,461
Net position - beginning, as restated	<u>207,774,706</u>	<u>171,942,685</u>	<u>122,696,164</u>	<u>114,465,724</u>	<u>330,470,870</u>	<u>286,408,409</u>
Net position - ending as restated	<u>\$235,488,378</u>	<u>\$207,774,706</u>	<u>\$133,875,361</u>	<u>\$122,696,164</u>	<u>\$369,363,739</u>	<u>\$330,470,870</u>

Entity-wide change in net position: Entity-wide net position increased by \$38.9 million in the current fiscal year compared to an increase of \$44.1 million in the prior year. This \$5.2 million year-to-year decrease in the change in entity-wide net position can be attributed to some one-time events in both the previous and current year, the details of which are provided below.

Governmental Activities. The governmental activities during the fiscal year increased the City's net position by \$27.7 million, a decrease from a prior year surplus of \$35.8 million, explained by the following highlights:

- Capital grants and contributions decreased by \$9.4 million (38.7%) from the prior year and can be primarily attributed to a decrease in the transfer of infrastructure and right-of-way from developers to the City. While these transfers can be an indicator on the strength of development occurring within the City, they can also fluctuate from year-to-year based on factors unrelated to the level of development occurring such as the timing of completion of single large projects and when the transfer occurs.
- Operating grants and contributions increased by \$1.3 million (9.5%) from the prior year. This is primarily related to the American Rescue Plan Act (ARPA) funding that is materializing in the current year as the projects are in full swing in FY24. This will continue into FY25 as the projects are completed.
- Charges for services decreased by \$0.1 million (1.2%) from the prior year. This indicates that development was relatively steady from the prior year which included an increase in building fees. Development fees vary from year to year to the extent large projects are charged that may span over several accounting periods. Additionally, police special event services and an increase in the revenue from leasing jail beds helped offset the slight decrease in development revenues.
- Property taxes increased by \$1.3 million (3.2%) from the prior year and can be partially attributed to an increase in property tax receipts resulting from a continuation of appreciation of property values in the City. Specifically, the appreciation in the economic development funds as property tax exemptions sunset and development has been very active. Fuel taxes remained flat as some industries continued the trend of working remotely. The sustained appreciation in property values is a strong indicator of a healthy local economy and a strong housing market.
- Shared revenue remained flat from the prior year. This was a result of a decrease in cigarette apportionment offset by an increase to the City's receipts from the State of Oregon for state tax revenue from the sale of recreational marijuana.
- Investment earnings in total increased by \$2.9 million (106.4%) from the prior year and can be attributed to quickly rising interest rates in fiscal year 2024 as the federal reserve increased rates in order to combat inflation. The City expects this to begin reversing in FY25.
- Primary government expenses as a whole increased by \$3.7 million (5.3%), This increase was mainly in the police department with a smaller increase in fire and life safety. Driving these increases were personnel costs as police began a new negotiated contract. Development and public works had a smaller increase which was driven primarily by projects funded from the American Rescue Plan Act as spending on those activities were still ongoing during the current fiscal year.
- Interest on long-term debt remained relatively flat, decreasing by \$18 thousand (6.5%) from the prior year and can be attributed to the reduction of existing debt and one new (smaller) issuance in the current year.

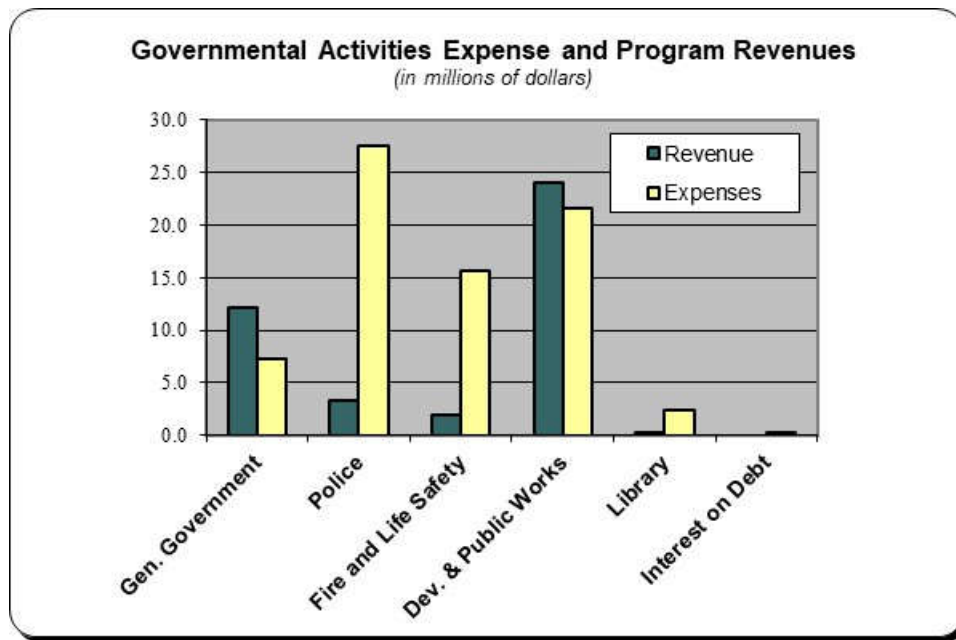


Chart 1

Chart 1 compares program revenues and expenses for the individual governmental activities for the current year. As the chart reflects, most governmental activities relied on general revenues to support the function.

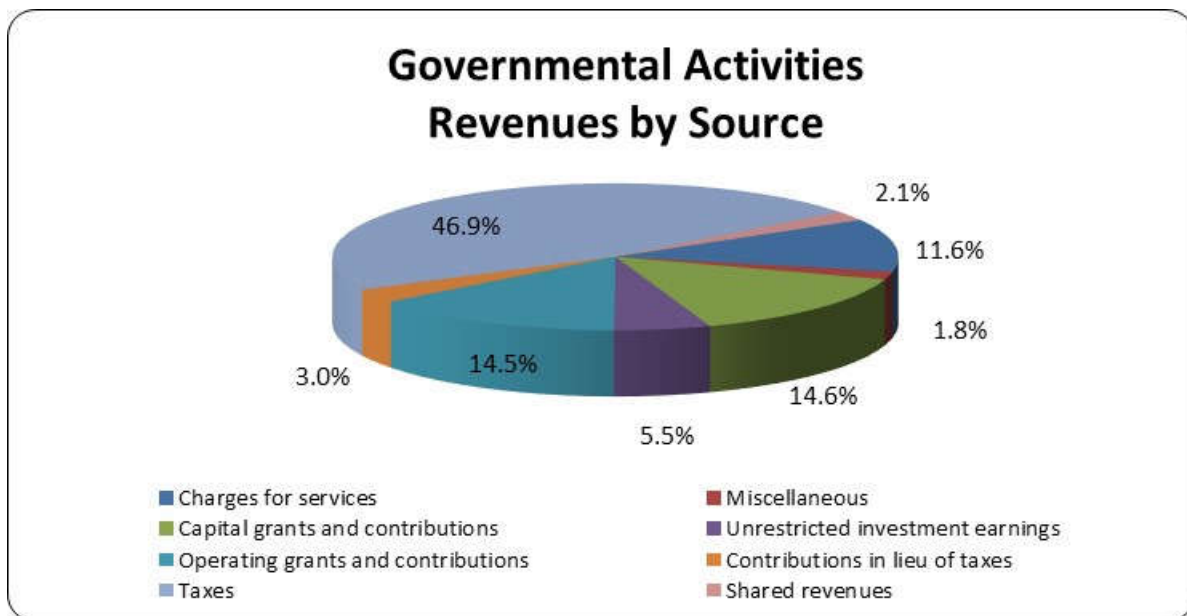


Chart 2

Chart 2 shows the percent of the total for each source of revenue supporting governmental activities. The chart demonstrates that the City depends on taxes as its major source of revenue. The City is making a deliberate effort to increase revenues generated by charges for services both by implementing new fees and by increasing the cost recovery percentage on existing fees.

Business-type Activities. The change in net position for business-type activities increased from a \$8.2 million surplus in the prior year to a \$11.2 million surplus in the current year. This increase of \$3.0 million can be explained by the following highlights:

- Total program revenues increased by \$0.6 million (1.9%) from the prior year and can be primarily attributed to an increase in charges for services of \$350 thousand and \$390 thousand in the Sewer and Storm Drainage funds, respectively, offset by \$1.9 and \$2.9 million decreases in capital contributions also for both the Sewer and Storm Drainage Funds, respectively, and an increase of \$1 million in Ambulance revenues. The increases in the Sewer and Storm Drainage funds charges for services and capital contributions can be attributed to rate increases and the decrease in capital contributions by reduced donated sewer infrastructure. The increase in Ambulance revenues is related to the use of a new software billing platform that is increasing the collections of billing revenues.
- An increase in investment earnings (\$1.8 million), driven by rapidly rising interest rates, more than compensated for the reduction in capital contributions.
- Total operating expenses for all business-type activities increased by \$0.2 (0.8%) from the prior year. The Sewer fund saw an increase consistent with inflation, while Storm Drainage expenses remained relatively flat as personnel costs increases were offset by lower contractual services and depreciation expense. Both the Ambulance and Booth-Kelly funds saw a decrease in contractual services.

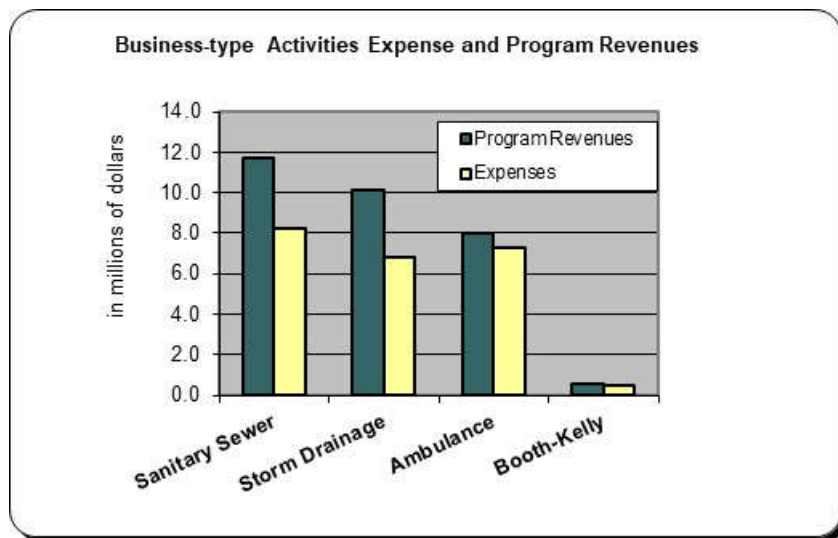


Chart 3

Chart 3 compares program revenues and expenses for the individual business-type activities for the current year.

The Sewer, Storm Drainage, Ambulance, and Booth-Kelly Funds all relied on program revenue to fund operating expenses.

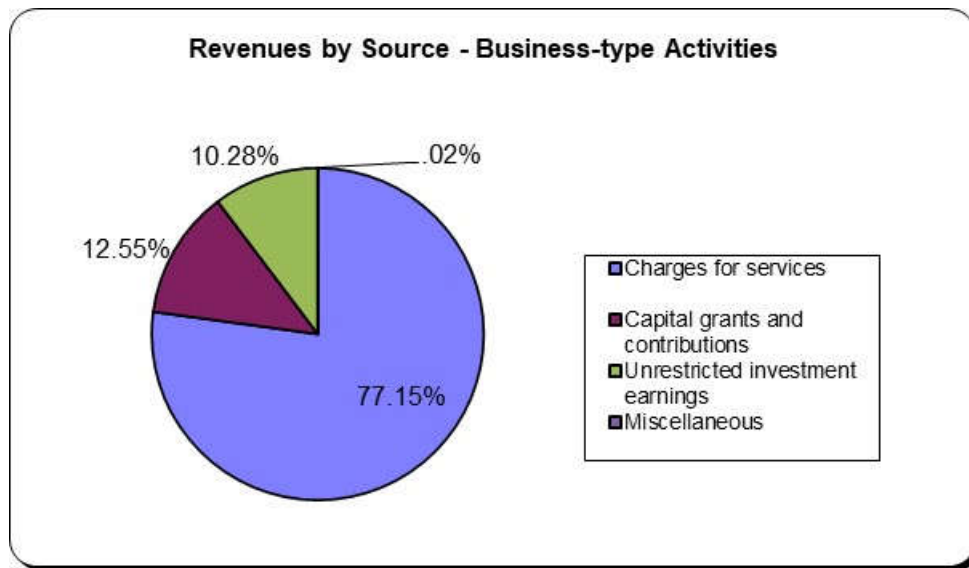


Chart 4

Chart 4 shows the percent of the total for each source of revenue supporting business-type activities. The largest component of business-type fund revenue comes from charges for services.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$65.7 million. Of this total amount, \$11.9 million (18.1%) constitutes unassigned fund balance which is available for spending at the government's discretion, \$53.1 million (80.9%) constitutes either restricted, committed, or assigned fund balance which is not available for new spending because it has already been committed to another purpose, and the remainder of the fund balance, \$0.7 million (1.0%) is in a nonspendable form.

The General Fund is the chief operating fund of the City of Springfield. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$11.9 million, while the total fund balance was \$13.0 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 26.6% of total General Fund expenditures, while total fund balance represents 29.2% of that same amount.

The fund balance of the City's General Fund increased by \$.5 million during the current fiscal year compared to the prior year increase of \$1.5 million. There are some highlights worth mentioning:

- Property taxes increased 2.6% from the prior year. This can be attributed to normal appreciation.

- Licenses, permits, and fees increased 18.0% from the prior year and can be attributed to higher planning fees in the current year as new development projects continue in Springfield. These fees vary from year to year depending on the stages of the development process.
- General government expenditures were higher in the current year and can be primarily attributed to inflationary pressures for both material and services and personnel costs. To help compensate for the unusually high inflation, an off-cycle COLA was implemented in October for administrative staff.
- Fire and Life Safety expenditures increased 6.5% from the prior year as a few positions were filled that remained vacant in the prior year. That attributed to a small portion of the increase. Other positions remained unfilled but personnel savings were offset by increased overtime costs. Contractual services were higher in the current fiscal year due to positions being covered by Eugene staff and cross billed to the City of Springfield.
- Police expenditures experienced an increase of \$1.4 million (8.1%) due to a full year of increased costs for contracted jail health services and personnel costs increased due to the new labor contract for the police union.
- Transfers to other funds decreased by \$0.3 million over the prior year. This is due to a transfer to the ambulance fund in the prior year that was not deemed necessary in FY24.

The Police Local Option Levy fund balance decreased \$0.1 million in the current year, compared to the \$0.4 million increase in FY23. This is driven primarily by personal services due to the new police contract that was in effect for the entire year which caused much of the 13.6% increase in expenditures from the prior year. Revenues increased by 6.8% driven by property taxes and increased jail bed fees, and expenses were proportionately higher due to increased prisoner medical costs and indigent representation costs as well as normal inflationary costs.

The Special Revenue Fund continues to be a major fund this year for the fourth year. The total assets decreased by \$5.4 million, while liabilities also decreased by \$6.9 million in the current fiscal year. This decrease is almost entirely related to the American Rescue Plan Act (ARPA) funds. Most of the projects were substantially completed and all will be finished in FY25.

The Street Capital Projects Fund continues to be a major fund this year for the fifth year. This is driven by large capital project expenses as the City continues implementing the Street Improvement Plan financed by the sale of General Obligation bonds in the fiscal year 2020 of \$10.0 million. In the current year, the fund balance remained level as capital projects funded by the bond were completed. In May 2024, the taxpayers approved a new Street Fund bond for \$20.0 million that closed in September of 2024. This will fund a new list of street projects over the next five years.

The Non-Major Governmental fund balances decreased \$2.9 million in the current year, consistent with the prior year. This was driven by a combination of increased property taxes, primarily in the economic development funds, increased investment earnings of \$0.8 million, and reduced capital project expenditures of \$1.9 million. The bond proceeds in the SEDA Downtown fund were offset by a property purchase.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

As of the end of the current fiscal year, the City's proprietary funds reported a combined ending net position of \$133.9 million. Of this amount, \$45.1 million (33.7%) constitutes unrestricted net position. Proprietary fund highlights are as follows:

The Sewer Fund reported a \$5.5 million increase in net position. The user rate increase for FY24 was 2.5%, down 0.5% from the rate increase of 3.0% in FY23. The sewer rates are set to provide for sufficient net operating revenue to fund capital projects in the sewer system, as well as comply with bond covenants. The change in net position was largely driven by underspending the capital budget, increased SDC revenues, and large donated sewer infrastructure.

The Storm Drainage Fund reported a \$4.7 million increase in net position. The user rate increase for FY24 was 3.0%, up 0.5% from the FY23 increase of 2.5%. The storm sewer rates are set to provide for sufficient net operating revenue to fund capital projects in the sewer system, as well as comply with bond covenants. The change in net position was largely driven by an increase in charges for services revenue, and a decrease in donated infrastructure from the prior year.

The Ambulance Fund reported a \$0.7 million increase in net position compared to last year's decrease of \$0.1 million. This increase was primarily due to a \$1 million increase in operating revenues, resulting from additional billings and collections with a new software billing platform. Additionally, operating expenses decreased by \$0.1 million due to a decrease in contractual services costs between Springfield and the City of Eugene related to the equalization of staffing costs between the two cities. The fund continues to actively seek efficiencies to increase the health of the fund in a challenging and competitive market.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was a net increase of \$1,012,067. Details of this increase are as follows:

- \$ 1,000 decrease in City Manager's Office
- 20,000 decrease in Human Resources
- 10,779 increase in Library
- 302,542 increase in Development Services
- 323,749 increase in Fire & Life Safety
- 62,500 increase in Finance
- 659,650 increase in Police
- 58,670 increase in Transfers
- 384,823 decrease in Contingency
- 351,605 increase in the City reserves
- 1,363,672 increase in beginning cash and revenues

For actual expenditures and transfers out, the City General Fund under-spent the amended budget by \$1,188,909.

Construction and development sectors have continued to experience strong growth, primarily driven by housing. This is due to a combination of a decade of suppressed housing development following the burst of the housing bubble in the mid 2000's and continued positive migration trends to the State. This has resulted in consistent growth in our property tax base as well as growth in our planning and development revenues and State shared revenues. The differences in actual revenue received compared to the amended budget are as follows:

- \$ 84,562 increase in taxes
- 715,194 increase in licenses, permits and fees
- 503,864 decrease in intergovernmental revenues
- 1,597,484 increase in interest and investment earnings
- 100,882 decrease in charges for service
- 10,829 decrease in fines and forfeitures
- 32,333 increase in miscellaneous revenues
- 304,421 decrease in internal transfers and indirect charges
- 967,096 increase in beginning cash (amended over adopted budget)

For the year ended June 30, 2024, the total variance between the final amended budgeted revenue and the actual budget-basis revenue amounts in the General Fund (both less beginning cash) was 4.30%, where actual revenues were more than budgeted revenues. The combined actual current and delinquent property tax revenues exceeded the budgeted amounts by .3%. Licenses and permits exceeded budgeted projections by 25.1% due to increased building activity and an increase in the master fee schedule. However, fines and forfeitures were below amended budget by 1.2% which can be attributed to the impacts of state laws reducing fines in municipal court operations along with state sentencing reforms. Beginning fund balance on July 1, 2023 was \$967,096 more than budgeted (8.4%) while ending fund balance on June 30, 2024 was \$1,602,194 (14.0%) greater than was projected in the FY25 adopted budget.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2024 amounts to \$276.6 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, sewer pipes, improvements, machinery and equipment and roads.

Major capital asset events and improvements during the current fiscal year include the following:

- Donated streets and right-of-way were recorded at an estimated cost of \$9.7 million
- Donated Sewer and Storm sewer lines were recorded at an estimated cost of \$1.4 million
- Projects that are not yet complete will be capitalized to Work In Process (WIP) until completion. Once complete, they are reclassified to a specific asset category and depreciation begins. Among the large projects capitalized to WIP this fiscal year were the Mill Street reconstruction project of \$6.3 million, the Virginia-Daisy bikeway phase two project for \$3.2 million, and the 28th street paving project at \$1.0 million.
- Work was completed on several projects, the prior year Work in Process along with current year expenses were moved to corresponding asset accounts. For FY24, the 2021 ODOT emergency pedestrian crossing project was completed with \$716.3 thousand capitalized.
- Fire Life and Safety purchased new extrication equipment and a new ambulance cot while Public Works and Information Technology also added new equipment for continued operations in their departments. Total equipment purchased was \$140 thousand.
- Twenty-one vehicles were purchased during the year, mostly as replacements for vehicles retired after the end of the fiscal year, including a new fire truck, three large vehicles for public works, and downpayments for three ambulances. The combined cost of these vehicles was \$3.1 million.

Another fire truck was purchased for \$1.5 million under a capital lease and has been recorded under work-in-progress while it is being built.

City of Springfield's Capital Assets
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 91,091,703	\$ 90,069,445	\$ 6,411,506	\$ 6,411,506	\$ 97,503,209	\$ 96,480,951
Land improvements	-	-	25,935	26,811	25,935	26,811
Work in progress	10,454,553	2,422,760	9,478,137	1,413,890	19,932,690	3,836,650
Buildings	12,035,490	12,593,439	63,864,069	65,765,695	75,899,559	78,359,134
Infrastructure	72,333,669	65,432,788	-	-	72,333,669	65,432,788
Machinery & equipment	9,477,736	8,938,640	88,485	102,763	9,566,221	9,041,403
Machinery & equipment - leased	16,900	24,233	-	-	16,900	24,233
Subscriptions - software	374,191	1,124,145	-	-	374,191	1,124,145
Studies	189,994	289,973	707,760	815,168	897,754	1,105,141
Total	<u>\$ 195,974,236</u>	<u>\$ 180,895,423</u>	<u>\$ 80,575,892</u>	<u>\$ 74,535,833</u>	<u>\$ 276,550,128</u>	<u>\$ 255,431,256</u>

Additional information on the City's capital assets can be found in Note F in the Basic Financial Statement section of this report.

Debt Administration. At the end of the current fiscal year, the City had total bonded debt outstanding of \$14.5 million. Of this amount, \$6.7 million comprises debt backed by the full faith and credit of the City. The remainder of the City's debt represents bonds secured solely by specified revenue sources.

City of Springfield's Outstanding Debt
General Obligation and Revenue Bonds

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds -2022	\$ 3,180,147	\$ -	\$ -	\$ -	\$ 3,180,147	\$ -
General obligation bonds -2019	-	2,009,000	-	-	-	2,009,000
General obligation bonds - 2016	3,470,000	5,235,000	-	-	3,470,000	5,235,000
Revenue bonds series 2020	-	-	3,703,364	4,209,528	3,703,364	4,209,528
Revenue bonds series 2017	-	-	4,170,000	5,650,000	4,170,000	5,650,000
Total	<u>\$ 6,650,147</u>	<u>\$ 7,244,000</u>	<u>\$ 7,873,364</u>	<u>\$ 9,859,528</u>	<u>\$ 14,523,511</u>	<u>\$ 17,103,528</u>

The City's total bonded debt decreased by \$2.6 million during the current fiscal year. For additional information on the City's long-term debt, see Note I in the Basic Financial Statement section of this report.

Economic Factors and Next Year's Budgets and Rates

During the preparation of the budget for the ensuing fiscal year, the long-term impacts of the local economy were examined in conjunction with business decisions made by the City. The following are the major assumptions used in developing the FY25 budget:

Revenue Assumptions:

- Property Tax Receipts - Assessed (taxable) value for the City is projected to increase by 3.3%, in-line with the historical average.
- Land Development Revenues - The revenue generated from land development is anticipated to remain steady in the upcoming fiscal year, with building permit and planning revenue expected to be consistent with FY24 revenues.
- Sanitary Sewer and Stormwater User Fees - User rates for both the City's sewer and storm water drainage programs are forecast to increase on July 1, 2024, by 5% and 3% respectively for the fiscal year through June 30, 2025.
- Transient Room Tax Revenues - Transient room tax receipts have returned to pre-pandemic levels and are now leveling off. FY24 receipts came in lower than anticipated, so we are anticipating no increase in FY25.
- Interest Income - The Federal Reserve's decision to hold interest rates steady is expected to have a positive impact on the City's investments, resulting in projected interest earnings of around 5%.

Expenditure Assumptions:

- Personnel Services Inflation - While inflation has come down from its historically high levels over the past few years, it remains higher than the historically low levels we experienced in the decades leading up to the pandemic. We are now seeing the impact of those high inflation years in our contract negotiations. Inflation is a significant factor in the FY25 personnel services budgets.
- Materials and Services Inflation - We continue to experience inflation in contractual services and material purchases and have therefore built in a 3% increase into the materials and services budgets.
- Oregon Public Employees Retirement Program (PERS) - PERS set the City's new two-year rates beginning 7/01/23 (FY24) and those rates will remain in place through FY25. All rates have increased, though not as much as anticipated due to legislative changes to actuarial assumptions made in prior years. In addition to the rates shown below, the City continues to pick-up the employees 6% contribution except for members of IAFF. For FY25, the City had three separate PERS retirement rates for its employees with the lowest percentage rate increase being 6.6% (PERS Tier 1 / 2), 9.12% for OPSRP General Services, and the highest rate increase at 9.28% for OPSRP Public Safety. The estimated dollar impact over the two-year period (FY24-FY25) is \$3.4 million as compared to the prior biennium.
- Health Insurance - The plan year for health insurance is the calendar year. Beginning January 2013, the City initiated a self-funded insurance program with the administration of the program contracted

out to a private provider. The City's experience factors since becoming self-insured have been very positive. For January 1, 2024, the City held rates flat. For the plan year beginning January 1, 2025, the City is not projecting an increase.

- City Retirement Plan - The City contracts for an actuarial study every two years to determine the percentage of funding level and the contribution rates necessary for both current employees and retirees. The first year of the new rates (28.3%) will be effective on 7/1/23 and those same rates will remain in effect until 6/30/25. The stated rate does not include the employer's pick-up of the employees 6%. The additional lump sum contribution was reduced from \$1,352,000 to \$800,000 in FY25.

Personnel Services Assumptions by Labor Group:

- American Federation of State, County and Municipal Employees (AFSCME) current contract expired June 30, 2024. Contract negotiations are complete and City Council ratified the contract in September. The net impact to the budget for FY25 was roughly 6%. The remaining increases are tied to the Consumer Price Index.
- Service Employees International Union (SEIU) and non-represented employees received market pay adjustments on July 1, 2024, based on a market survey completed by the City's compensation consultants, and implemented on a methodology agreed to in labor negotiations during the spring of 2021. After implementation, SEIU and non-represented employees received an average increase of between 5.22% to 5.44%. This has a slightly higher impacts on the FY25 budget than the anticipated 5% increase that was budgeted.
- Springfield Police Association (SPA) employee's current contract covers the three-year period from July 1, 2023 to June 30, 2026. Negotiations for compensation with this labor group have expanded beyond the traditional cost of living adjustments to include additional steps, longevity pay, and various incentive pays. The total financial impact of all these additional forms of pay will result in an estimated 6% increase in wages in FY25.
- The International Association of Fire Fighters (IAFF) has two contracts with the City as the battalion chiefs are now a separate represented unit. Both contracts expired June 30, 2024. Negotiations for new contracts are still ongoing and the full potential impacts on FY25 wages are unknown at this time.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Accounting Manager
City of Springfield
225 Fifth Street
Springfield, OR 97477



City of Springfield, Oregon

Basic Financial Statements



City of Springfield, Oregon
STATEMENT OF NET POSITION
June 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 102,655,464	\$ 66,057,563	\$ 168,713,027
Receivables, net of allowance for uncollectable receivables	6,826,319	7,651,992	14,478,311
Internal balances	(1,120,606)	1,120,606	-
Inventories	312,827	-	312,827
Investment in foreclosed properties	1,970	-	1,970
Prepaid items	491,244	83,121	574,365
Grant receivable	346,540	7,310	353,850
Lease receivable	-	54,938	54,938
Deposits	2,017,073	-	2,017,073
Accrued interest	596,448	349,765	946,213
Net OPEB asset - RHIA	755,956	226,352	982,308
Due from other governments	-	2,153,834	2,153,834
Capital assets:			
Land and work in progress	101,546,256	15,889,643	117,435,899
Other capital assets, net of accumulated depreciation	94,427,980	64,686,249	159,114,229
Total assets	308,857,471	158,281,373	467,138,844
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension outflow	15,539,864	4,321,910	19,861,774
Deferred OPEB outflow	1,129,906	318,183	1,448,089
Deferred charge for debt refunding	70,068	254,212	324,280
Total deferred outflows of resources	16,739,838	4,894,305	21,634,143
LIABILITIES			
Current liabilities:			
Accounts payable	4,664,553	1,796,244	6,460,797
Accrued payroll and other liabilities	6,157,517	1,040,831	7,198,348
Unearned revenue	6,226,716	12,614	6,239,330
Accrued interest payable	28,372	53,646	82,018
Deposits	58,200	32,979	91,179
Due to other governments	114,929	-	114,929
Noncurrent liabilities:			
Due within one year:			
Subscription liability	260,452	-	260,452
Lease payable	118,817	-	118,817
General obligation long-term debt	2,001,363	-	2,001,363
Revenue bonds payable	-	2,050,866	2,050,866
Notes payable	492,323	-	492,323
OPEB liability - City Plan current portion	404,474	100,714	505,188
Due in more than one year:			
Accrued absence payable	1,855,584	329,698	2,185,282
Accrued claims liabilities	117,963	-	117,963
General obligation long-term debt (net of unamortized premium)	5,109,745	-	5,109,745
Revenue bonds payable (net of unamortized discount)	-	6,276,961	6,276,961
Notes and contracts payable	210,000	471,539	681,539
Lease liability	1,395,121	-	1,395,121
Subscription liability	54,092	-	54,092
Net pension liability	49,643,682	13,166,080	62,809,762
OPEB liability - City Plan	6,271,689	1,561,651	7,833,340
Total liabilities	85,185,592	26,893,823	112,079,415
DEFERRED INFLOWS OF RESOURCES			
Deferred pension inflow	4,131,089	1,868,531	5,999,620
Deferred OPEB inflow	792,250	336,184	1,128,434
Deferred on refunding	-	163,315	163,315
Deferred lease resources	-	38,464	38,464
Total deferred inflows of resources	4,923,339	2,406,494	7,329,833
NET POSITION			
Net investment in capital assets	188,074,623	70,935,420	259,010,043
Restricted for:			
Capital projects	1,584,377	17,123,096	18,707,473
Public safety	7,218,945	-	7,218,945
Transportation	26,761,546	-	26,761,546
Urban renewal	3,220,218	-	3,220,218
Community development	10,050,667	-	10,050,667
Debt service	762,166	-	762,166
Other purposes	3,266,243	226,352	3,492,595
Unrestricted	(5,450,407)	45,590,493	40,140,086
Total net position	\$ 235,488,378	\$ 133,875,361	\$ 369,363,739

The accompanying notes are an integral part of this statement

City of Springfield, Oregon
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 7,347,528	\$ 4,004,585	\$ 8,054,409	\$ -
Fire and life safety	15,743,196	1,820,481	118,198	-
Police	27,637,120	1,384,084	446,109	1,500,000
Library	2,377,466	106,658	178,524	-
Development and public works	21,589,929	4,593,867	6,070,211	13,459,036
Depreciation and amortization, unallocated	42,159	-	-	-
Interest on long-term debt	258,835	-	-	-
Total governmental activities	<u>74,996,233</u>	<u>11,909,675</u>	<u>14,867,451</u>	<u>14,959,036</u>
Business-type activities:				
Sanitary sewer	8,219,157	8,584,543	-	3,158,424
Storm drainage	6,798,561	8,961,483	-	1,104,159
Booth-Kelly	512,602	622,056	-	-
Ambulance	7,255,284	8,025,197	-	-
Total business-type activities	<u>22,785,604</u>	<u>26,193,279</u>	<u>-</u>	<u>4,262,583</u>
Total primary government	<u>\$ 97,781,837</u>	<u>\$ 38,102,954</u>	<u>\$ 14,867,451</u>	<u>\$ 19,221,619</u>

General revenues:

- Property taxes
- Payment in lieu of taxes
- Franchise & utility taxes
- Local fuel tax
- Transient room tax
- Shared revenue
- Investment earnings
- Miscellaneous
- Gain (loss) on subscription

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning

Restatement for correction of error (Note S)

Net position, beginning (as restated)

Net position, ending

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Total Governmental Activities	Total Business-type Activities	Total
\$ 4,711,466	\$ -	\$ 4,711,466
(13,804,517)	-	(13,804,517)
(24,306,927)	-	(24,306,927)
(2,092,284)	-	(2,092,284)
2,533,185	-	2,533,185
(42,159)	-	(42,159)
(258,835)	-	(258,835)
(33,260,071)	-	(33,260,071)
-	3,523,810	3,523,810
-	3,267,081	3,267,081
-	109,454	109,454
-	769,913	769,913
-	7,670,258	7,670,258
(33,260,071)	7,670,258	(25,589,813)
43,057,958	-	43,057,958
3,123,757	-	3,123,757
3,120,067	-	3,120,067
877,687	-	877,687
1,185,697	-	1,185,697
2,172,133	-	2,172,133
5,651,670	3,490,227	9,141,897
1,790,757	5,484	1,796,241
7,245	-	7,245
(13,228)	13,228	-
60,973,743	3,508,939	64,482,682
27,713,672	11,179,197	38,892,869
206,388,680	124,585,267	330,973,947
1,386,026	(1,889,103)	(503,077)
207,774,706	122,696,164	330,470,870
\$ 235,488,378	\$ 133,875,361	\$ 369,363,739

City of Springfield, Oregon
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

	General	Police Local Option Levy	Special Revenue	Street Capital	Nonmajor Governmental	Total Governmental
ASSETS						
Cash and investments	\$ 14,401,802	\$ 3,883,826	\$ 11,314,099	\$ 20,971,725	\$ 23,461,406	\$ 74,032,858
Receivables:						
Accounts	1,453,518	18,311	9,974	828,162	1,610,436	3,920,401
Taxes	846,252	294,623	-	-	381,903	1,522,778
Grants	24,531	-	153,778	-	168,181	346,490
Accrued interest	181,813	24,969	-	115,693	135,477	457,952
Assessments and liens	-	-	-	-	17,944	17,944
Notes	-	-	-	-	1,039,606	1,039,606
Deferred system development charges	1,233	-	-	1,022,503	26	1,023,762
Inventories	1,955	-	-	-	271,353	273,308
Investment in foreclosed property	1,970	-	-	-	-	1,970
Deposits	-	-	-	-	800	800
Prepaid items	142,579	115,353	79,164	-	74,963	412,059
Advance to other funds	375,277	-	-	-	-	375,277
Total assets	<u>\$ 17,430,930</u>	<u>\$ 4,337,082</u>	<u>\$ 11,557,015</u>	<u>\$ 22,938,083</u>	<u>\$ 27,162,095</u>	<u>\$ 83,425,205</u>
LIABILITIES						
Accounts payable	\$ 1,387,171	\$ 197,537	\$ 952,832	\$ 146,259	\$ 1,050,460	\$ 3,734,259
Accrued payroll and other liabilities	1,241,382	208,888	62,078	-	276,872	1,789,220
Unearned revenue	82,157	18,101	6,062,104	-	-	6,162,362
Due to other funds	-	-	-	-	57,278	57,278
Deposits	-	-	-	53,075	5,125	58,200
Total liabilities	<u>2,710,710</u>	<u>424,526</u>	<u>7,077,014</u>	<u>199,334</u>	<u>1,389,735</u>	<u>11,801,319</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	1,710,428	284,208	9,804	1,850,666	2,045,932	5,901,038
FUND BALANCES						
Nonspendable	146,504	115,353	79,164	-	347,116	688,137
Restricted	-	3,512,995	1,691,179	20,888,083	19,012,029	45,104,286
Committed	-	-	1,028,929	-	3,200,892	4,229,821
Assigned	1,000,000	-	1,670,925	-	1,166,391	3,837,316
Unassigned	11,863,288	-	-	-	-	11,863,288
Total fund balances	<u>13,009,792</u>	<u>3,628,348</u>	<u>4,470,197</u>	<u>20,888,083</u>	<u>23,726,428</u>	<u>65,722,848</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,430,930</u>	<u>\$ 4,337,082</u>	<u>\$ 11,557,015</u>	<u>\$ 22,938,083</u>	<u>\$ 27,162,095</u>	
Reconciliation to the statement of net position						
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.						5,901,038
Capital assets are not financial resources in governmental funds, but are reported in the statement of net position at their net depreciable value.						187,691,686
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 the governmental funds.						(58,241,814)
Internal service funds are used by management to charge the cost of fleet and equipment management, risk management, and system development charge administration to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position.						34,414,620
Net position of governmental activities						<u>\$ 235,488,378</u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	General	Police Local Option Levy	Special Revenue	Street Capital	Nonmajor Governmental	Total Governmental
Revenues:						
Taxes	\$ 26,223,130	\$ 7,455,231	\$ -	\$ -	\$ 11,791,522	\$ 45,469,883
Licenses, permits and fees	3,562,984	61,797	233,503	-	223,231	4,081,515
Intergovernmental	5,828,362	243,779	9,746,561	2,443,704	6,202,698	24,465,104
Charges for services	6,651,086	874,465	-	1,242,981	3,185,889	11,954,421
Fines and forfeitures	884,371	-	262,697	-	-	1,147,068
Investment earnings	1,716,231	-	23,330	1,172,551	1,359,389	4,271,501
Miscellaneous revenues	344,632	1,611	198,682	8,292	83,816	637,033
Total revenues	45,210,796	8,636,883	10,464,773	4,867,528	22,846,545	92,026,525
Expenditures:						
Current operating:						
General government	7,323,698	748,962	3,976,497	-	764,273	12,813,430
Fire and life safety	13,344,973	-	333,659	-	2,438,142	16,116,774
Police	18,565,026	7,964,240	876,462	-	-	27,405,728
Library	2,011,994	-	142,849	-	270,072	2,424,915
Development and public works	3,251,482	-	4,027,926	107,076	10,237,926	17,624,410
Capital projects	-	-	-	4,695,070	1,751,654	6,446,724
Debt service:						
Principal	125,810	-	-	-	4,663,060	4,788,870
Interest	7,142	-	-	-	466,033	473,175
Total expenditures	44,630,125	8,713,202	9,357,393	4,802,146	20,591,160	88,094,026
Excess of revenues over (under) expenditures	580,671	(76,319)	1,107,380	65,382	2,255,385	3,932,499
Other financing sources (uses):						
Issuance of debt	-	-	-	-	1,100,000	1,100,000
Transfers in	989,020	-	494,418	-	578,804	2,062,242
Transfers out	(1,073,222)	(27,500)	(100,000)	-	(931,007)	(2,131,729)
Total other financing sources (uses)	(84,202)	(27,500)	394,418	-	747,797	1,030,513
Net change in fund balance	496,469	(103,819)	1,501,798	65,382	3,003,182	4,963,012
Fund balances, beginning	12,513,323	3,732,167	2,968,399	20,822,701	20,859,756	60,896,346
Change in reserve for inventories	-	-	-	-	(136,510)	(136,510)
Fund balances, ending	\$ 13,009,792	\$ 3,628,348	\$ 4,470,197	\$ 20,888,083	\$ 23,726,428	\$ 65,722,848

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon

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

For the Year Ended June 30, 2024

Net change in fund balances - total governmental funds	\$ 4,963,012
Amounts reported for governmental activities in the statement of activities are different because:	
Internal service funds are used by management to charge the costs of certain activities, such as insurance, vehicle and equipment replacement, and SDC administration to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	3,567,017
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.	(27,387)
Capital outlay is reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital outlays over their estimated useful lives as depreciation expense.	14,158,463
Governmental funds do not report expenditures for unpaid compensated absences, pension liability, or other post employment benefits 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.	1,152,241
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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	4,036,836
Decreases in inventory in governmental funds increase expenses.	(136,510)
Change in net position of governmental activities	<u>\$ 27,713,672</u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities
				Nonmajor		Internal Service Funds
	Sewer	Storm Drainage	Ambulance	Booth-Kelly	Total	
ASSETS						
Current assets:						
Cash and investments	\$ 37,803,730	\$ 26,919,150	\$ -	\$ 1,334,683	\$ 66,057,563	\$ 28,622,606
Accounts receivable, net of allowance for estimated uncollectibles	2,988,781	1,520,014	3,122,517	20,680	7,651,992	325,590
Prepays	20,566	13,718	48,837	-	83,121	79,185
Grant receivable	1,145	6,165	-	-	7,310	50
Deposits	-	-	-	-	-	200,000
Accrued interest	198,626	144,561	-	6,579	349,766	138,496
Lease receivable, current portion	-	-	-	39,357	-	-
Deferred system development fees	703,107	42,867	-	-	745,974	94,373
Inventory	-	-	-	-	-	39,519
Total current assets	41,715,955	28,646,475	3,171,354	1,401,299	74,935,083	29,499,819
Noncurrent assets:						
Capital assets - net	48,390,828	15,653,568	77,784	564,069	64,686,249	8,282,550
Construction in progress	5,200,030	4,278,107	-	-	9,478,137	-
Land and land rights	2,048,070	1,721,879	-	2,641,557	6,411,506	-
Deposit	-	-	-	-	-	1,816,273
Lease receivable	-	-	-	15,581	15,581	-
Net OPEB asset - RHIA	80,923	62,819	81,164	1,446	226,352	13,653
Due from other governments	2,153,834	-	-	-	2,153,834	-
Total noncurrent assets	57,873,685	21,716,373	158,948	3,222,653	82,971,659	10,112,476
Total assets	99,589,640	50,362,848	3,330,302	4,623,952	157,906,742	39,612,295
DEFERRED OUTFLOWS OF RESOURCES						
Deferred pension outflow	1,586,154	1,246,162	1,446,091	43,503	4,321,910	271,673
Deferred OPEB outflows	109,883	105,480	99,595	3,225	318,183	13,110
Deferred charge for debt refunding	254,212	-	-	-	254,212	-
Total deferred outflows of resources	1,950,249	1,351,642	1,545,686	46,728	4,894,305	284,783
LIABILITIES						
Current liabilities:						
Accounts payable	686,428	517,658	590,116	2,042	1,796,244	930,294
Accrued payroll and other liabilities	474,598	211,161	351,519	3,553	1,040,831	855,425
Subscription liability, current portion	-	-	-	-	-	138,621
Lease obligation, current portion	-	-	-	-	-	111,442
Accrued interest payable	41,472	11,049	1,125	-	53,646	2,362
Due to other funds	-	-	317,998	-	317,998	-
Deposits	-	-	-	32,979	32,979	-
Unearned revenues	-	-	10,814	1,800	12,614	64,354
Revenue bonds payable - current maturity	1,540,000	510,866	-	-	2,050,866	-
OPEB obligation payable - current	29,631	27,110	42,952	1,021	100,714	5,122
Total current liabilities	2,772,129	1,277,844	1,314,524	41,395	5,405,892	2,107,620
Noncurrent liabilities:						
Accrued absence payable	201,956	88,829	38,913	-	329,698	10,688
Accrued claims liabilities	-	-	-	-	-	117,963
Subscription liability, less current portion	-	-	-	-	-	5,680
Lease obligation, less current portion	-	-	-	-	-	1,385,343
Revenue bonds payable (net of unamortized premium)	3,084,463	3,192,498	-	-	6,276,961	-
Contracts payable	471,539	-	-	-	471,539	-
Net pension liability	4,758,504	3,968,194	4,292,767	146,615	13,166,080	842,815
Net OPEB obligation payable	459,460	420,367	665,998	15,826	1,561,651	79,421
Total noncurrent liabilities	8,975,922	7,669,888	4,997,678	162,441	21,805,929	2,441,910
Total liabilities	11,748,051	8,947,732	6,312,202	203,836	27,211,821	4,549,530
DEFERRED INFLOWS OF RESOURCES						
Deferred pension inflow	525,472	504,479	838,580	-	1,868,531	101,281
Deferred OPEB inflow	123,413	117,362	91,197	4,212	336,184	24,088
Deferred amount on refunding	-	163,315	-	-	163,315	-
Deferred lease resources	-	-	-	38,464	38,464	-
Total deferred inflows of resources	648,885	785,156	929,777	42,676	2,406,494	125,369
NET POSITION						
Net investment in capital assets	50,285,548	17,366,462	77,784	3,205,626	70,935,420	8,445,441
Restricted	13,466,099	3,800,739	81,164	1,446	17,349,448	13,653
Unrestricted	25,391,306	20,814,401	(2,524,939)	1,217,096	44,897,864	26,763,085
Total net position	\$ 89,142,953	\$ 41,981,602	\$ (2,365,991)	\$ 4,424,168	133,182,732	\$ 35,222,179
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds.					692,629	
Net position of business-type activities					\$ 133,875,361	

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities
				Nonmajor		Internal Service Funds
	Sewer	Storm Drainage	Ambulance	Booth-Kelly	Total	
Operating revenues						
Charges for services	\$ 8,584,435	\$ 8,916,025	\$ 23,266,219	\$ 622,056	\$ 41,388,735	15,820,653
Less: Contractual adjustments	-	-	(15,365,655)	-	(15,365,655)	-
Licenses, permits, and fees	-	-	-	-	-	229,674
Intergovernmental revenues	108	45,458	124,633	-	170,199	101,135
Miscellaneous revenue	-	2,105	3,722	(343)	5,484	314,763
Total operating revenues	8,584,543	8,963,588	8,028,919	621,713	26,198,763	16,466,225
Operating expenses:						
City manager's office	57,232	57,617	-	60,928	175,777	-
Legal and judicial services	-	-	-	-	-	1,733
Human resources	-	-	-	-	-	10,477,197
Finance	53,563	53,575	-	-	107,138	42,679
Information technology	-	-	-	-	-	583,663
Library	-	-	-	-	-	5,406
Fire and life safety	-	-	7,289,387	-	7,289,387	123,253
Police	-	-	-	-	-	227,780
Development and public works	5,203,052	6,126,255	-	397,135	11,726,442	1,055,459
Depreciation	2,864,363	637,549	11,668	56,576	3,570,156	1,628,989
Total operating expenses	8,178,210	6,874,996	7,301,055	514,639	22,868,900	14,146,159
Operating income (loss)	406,333	2,088,592	727,864	107,074	3,329,863	2,320,066
Nonoperating revenues (expenses):						
Investment earnings/(loss)	2,029,521	1,411,100	(11,824)	61,430	3,490,227	1,353,846
Grant revenues	-	-	-	-	-	50
Interest expense	(144,038)	(19,913)	-	-	(163,951)	2,936
Gain on remeasurement of subscription asset	-	-	-	-	-	21,013
Gain/(loss) on disposition of equipment	-	-	-	-	-	131,847
Total nonoperating revenues (expenses)	1,885,483	1,391,187	(11,824)	61,430	3,326,276	1,509,692
Income (loss) before contributions and transfers	2,291,816	3,479,779	716,040	168,504	6,656,139	3,829,758
Transfers in	-	100,000	-	-	100,000	64,928
Transfers out	-	-	-	(86,772)	(86,772)	(8,669)
Capital contributions	3,158,424	1,104,159	-	-	4,262,583	-
Change in fund net position	5,450,240	4,683,938	716,040	81,732	10,931,950	3,886,017
Net position, beginning of year as originally stated	84,245,778	38,633,702	(3,082,031)	4,342,436		31,336,162
Restatement for correction of error (Note S)	(553,065)	(1,336,038)	-	-		-
Net position, beginning of year	83,692,713	37,297,664	(3,082,031)	4,342,436		31,336,162
Net position, end of year	\$ 89,142,953	\$ 41,981,602	\$ (2,365,991)	\$ 4,424,168		\$ 35,222,179
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					(1,641,856)	
Change in net position of business-type activities					\$ 9,290,094	

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2024

	Business type Activities - Enterprise Funds					Governmental Activities
	Sewer	Storm Drainage	Ambulance	Nonmajor	Total	Internal Service Funds
				Booth-Kelly		
Cash flows from operating activities:						
Cash received from customers	\$ 8,657,123	\$ 8,846,823	\$ 7,109,329	\$ 607,060	\$ 25,220,335	\$ 15,757,211
Cash paid for employee services	(2,332,130)	(4,281,936)	(4,076,120)	(135,553)	(10,825,739)	(536,256)
Cash paid to suppliers for goods and services	(2,304,735)	(1,490,933)	(3,150,374)	(338,108)	(7,284,150)	(11,322,251)
Other operating receipts	(82,328)	46,155	128,355	(343)	91,839	645,667
Net cash provided by (used in) operating activities	<u>3,937,930</u>	<u>3,120,109</u>	<u>11,190</u>	<u>133,056</u>	<u>7,202,285</u>	<u>4,544,371</u>
Cash flows from noncapital financing activities:						
Capital contributions	(457,424)	(2,732,592)	-	-	(3,190,016)	-
Operating transfers in from other funds	-	-	-	-	-	64,928
Transfers to/from other funds	-	100,000	-	(86,772)	13,228	(8,669)
Net cash provided by (used in) noncapital financing activities	<u>(457,424)</u>	<u>(2,632,592)</u>	<u>-</u>	<u>(86,772)</u>	<u>(3,176,788)</u>	<u>56,259</u>
Cash flows from capital and related financing activities:						
System development charges	2,469,254	348,751	-	-	2,818,005	-
Acquisition and construction of capital assets	(4,046,526)	(929,094)	-	-	(4,975,620)	(3,218,541)
Proceeds from the sale of assets	-	-	-	-	-	135,563
Principal paid on due to developer	(584)	-	-	-	(584)	-
Principal paid on long-term debt	(1,464,972)	(478,600)	-	-	(1,943,572)	(195,923)
Interest paid on long-term debt	(325,998)	(48,988)	-	-	(374,986)	(7,148)
Net cash used in capital and related financing activities	<u>(3,368,826)</u>	<u>(1,107,931)</u>	<u>-</u>	<u>-</u>	<u>(4,476,757)</u>	<u>(3,286,049)</u>
Cash flows from investing activities:						
Interest on investments	1,957,491	1,354,894	(10,953)	61,235	3,362,667	1,303,523
Net change in cash and investments	<u>2,069,171</u>	<u>734,480</u>	<u>237</u>	<u>107,519</u>	<u>2,911,407</u>	<u>2,618,104</u>
Cash and investments, beginning of year	<u>35,734,559</u>	<u>26,184,670</u>	<u>(237)</u>	<u>1,227,164</u>	<u>63,146,156</u>	<u>26,004,502</u>
Cash and investments, end of year	<u>\$ 37,803,730</u>	<u>\$ 26,919,150</u>	<u>\$ -</u>	<u>\$ 1,334,683</u>	<u>\$ 66,057,563</u>	<u>\$ 28,622,606</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 406,333	\$ 2,088,592	\$ 727,864	\$ 107,074	\$ 3,329,863	\$ 2,320,066
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	2,864,363	637,549	11,668	56,576	3,570,156	1,628,989
Changes in assets and liabilities:						
Accounts receivable	72,580	(70,426)	(666,602)	183	(664,265)	(63,347)
Due from other governments	(82,176)	5,673	-	-	(76,503)	-
Prepaid expenses	8,264	5,399	(5,383)	-	8,280	97,212
Accounts payable	389,527	348,718	(363,798)	(21,503)	352,944	378,954
Due to/from other funds	-	-	299,183	-	299,183	(6,898)
Accrued payroll and other liabilities	71,749	38,350	40,497	(6,355)	144,241	278,469
Accrued claims liabilities	-	-	-	-	-	(111,856)
Net pension liability and related deferrals	195,129	56,445	83,835	17,519	352,928	12,416
Net OPEB obligation and related deferrals	12,313	9,993	8,559	368	31,233	1,729
Net lease receivable	-	-	-	(5,627)	(5,627)	-
Deposits	-	-	-	(1,818)	(1,818)	-
Unearned revenue	(152)	(184)	(124,633)	(13,361)	(138,330)	8,986
Inventory	-	-	-	-	-	(349)
Net cash provided by (used in) operating activities	<u>\$ 3,937,930</u>	<u>\$ 3,120,109</u>	<u>\$ 11,190</u>	<u>\$ 133,056</u>	<u>\$ 7,202,285</u>	<u>\$ 4,544,371</u>
Noncash capital and related financing activities:						
Contributed capital assets	\$ 593,529	\$ 2,151,962	\$ -	\$ -	\$ 2,745,491	\$ -
Accounts payable on capital assets	-	-	-	-	-	12,295
Subscription liability on capital assets	-	-	-	-	-	144,301
Retainage payable on capital assets	-	-	-	-	-	-
	<u>\$ 593,529</u>	<u>\$ 2,151,962</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,745,491</u>	<u>\$ 156,596</u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
June 30, 2024

ASSETS	
Cash and investments	\$ 131,207,696
Total assets	<u>131,207,696</u>
LIABILITIES	
Accounts payable	5,306,627
Total liabilities	<u>5,306,627</u>
NET POSITION	
Restricted for:	
HRA participants	2,136,119
Bail	78,741
Regional Fiber Consortium	665,661
Metropolitan Wastewater Management Commission	121,602,022
Individuals, organizations, and other governments	<u>1,418,527</u>
Total net position	<u><u>\$ 125,901,070</u></u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND
Year Ended June 30, 2024

ADDITIONS	
HRA contributions from employer	\$ 962,592
Ambulance service collections for other governments	972,027
Bail receipts from individuals	171,340
Miscellaneous receipts from individuals, organizations	3,467,454
Receipts from Regional Fiber Consortium	1,641,737
Receipts from Metropolitan Wastewater Management Commission	<u>316,495,438</u>
Total additions	<u>323,710,587</u>
DEDUCTIONS	
HRA disbursements by employer	932,123
Ambulance service disbursements to other governments	972,027
Bail refunds to individuals	115,482
Miscellaneous disbursements to individuals, organizations	3,702,572
Disbursements by Regional Fiber Consortium	1,548,648
Disbursements by Metropolitan Wastewater Management Commission	<u>304,905,727</u>
Total deductions	<u>312,176,579</u>
CHANGE IN FUND NET POSITION	11,534,009
Fund net position - beginning	<u>114,367,061</u>
Fund net position - ending	<u><u>\$ 125,901,070</u></u>

The accompanying notes are an integral part of this statement.



City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The more significant accounting policies of the City are described below.

1. Financial Reporting Entity

The accompanying financial statements present the City of Springfield and its component unit.

BLENDED COMPONENT UNIT

The Springfield Economic Development Agency (SEDA) is a legally separate body, acting as the Urban Renewal Agency of the City of Springfield. Because the SEDA governing body is substantively the same as the City's, and because City management is responsible for the Agency's operations, the funds of the Agency are blended with those of the City by including them in the appropriate statements and schedules of this Annual Comprehensive Financial Report. Separate financial statements for the Agency can be obtained from the Finance Department of the City of Springfield or viewed on the City's website at www.springfield-or.gov.

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on charges for services for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement focus refers to what is being measured by a fund. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the year being reported. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, transient room taxes, and state shared revenues associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period when collected within 30 days following the year end. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received.

The fiduciary fund reported by the City, the Custodial Fund, uses the economic resources measurement focus and is reported on the full accrual basis of accounting.

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

There are stated minimum criteria for the determination of major funds: percentage of the assets plus deferred outflows, liabilities plus deferred inflows, revenues or expenditures/expenses of either fund category, or the governmental and enterprise funds combined. The City electively added funds as major funds if those funds had debt outstanding or a specific community focus. Non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Police Local Option Levy Fund accounts for revenue received from a five-year Police Local Option Levy to enhance public safety services by adding staff to the Police and Court Departments as well as funding jail operations.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The Special Revenue Fund accounts for revenue received for specific, restricted purposes. Included in this fund are American Rescue Plan Act funding which was received in FY21 and FY22.

The Street Capital Fund accounts for revenue and expenses related to public transportation capital improvements. Financing is provided by bond sales and system development charges.

The City reports the following major proprietary funds:

The Sewer Fund accounts for the operation, construction, and maintenance of the wastewater collection system. Revenue is derived from sewer user fees and system development charges.

The Storm Drainage Fund accounts for operation, construction, and maintenance of the stormwater drainage system. Revenue is derived from storm drainage fees and system development charges.

The Ambulance Fund accounts for the City's ambulance operations. Revenue is derived mainly from ambulance fees. The fund also performs billing and collection of ambulance operations for other Oregon cities. This service is provided for a fee.

Additionally, the government reports the following fund types:

Internal Service Funds account for the ownership and use of rolling vehicle stock and computer equipment, the City's risk and employee benefit program, and costs related to the administration of system development charges. Resources are provided by charges to other funds, including component units.

The Custodial Fund is a fiduciary fund used to account for funds received and held by the City in a custodial capacity. The majority of the activity in this fund is made up of transactions related to being the fiscal agent for the Metropolitan Wastewater Management Commission and Regional Fiber Consortium, Ambulance billing fees collected for other agencies, Health Reimbursement Accounts held on behalf of City employees, and fees collected by the municipal court that are passed on to other entities and government agencies.

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

Accounts recorded as program revenues include charges to customers, operating grants and contributions, and capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues of the Ambulance Fund are ambulance fees and billing and collection charges. Operating revenues of the Sewer Fund are sewer user fees. Operating revenues of the Storm Drainage Fund are drainage fees. Operating revenues of the internal service funds are charges to other funds for depreciation on equipment and for services provided. Operating expenses for the enterprise funds and internal service funds include administrative expenses, depreciation on capital assets and the cost of providing services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

4. Assets, Liabilities, and Net Position

a. Cash and Investments

State statutes authorize the City to invest in obligations of the U.S. Treasury and its agencies, bankers' acceptances, high grade commercial paper, the State of Oregon Local Government Investment Pool and repurchase agreements.

Investments are reported at fair value.

For purposes of the statement of cash flows for proprietary fund types, cash and investments in the City-wide investment pool (including restricted cash and investments) are considered cash and cash equivalents.

The pool has the general characteristics of a demand deposit account in that funds may deposit additional cash at any time and may withdraw cash at any time without prior notice or penalty.

b. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Real and personal property taxes attach as an enforceable lien on property as of July 1st. All taxes are levied as of July 1st and are payable in three installments on November 15th, February 15th, and May 15th. All property taxes are billed and collected by Lane County, Oregon and then turned over to the City. For the year ended June 30, 2024 the City's tax levy did not exceed the Oregon constitutional limitation. The total property tax levy was \$44,394,715. This includes general property taxes to support general obligation bond debt service of \$4,208,974.

The City has foreclosed on properties, collateralizing assessments receivable over the past twenty years. The properties collateralizing the assessments receivable, where the right to redemption still exists by the benefited property owner, are recorded as liens receivable, which include the cost of the original assessment, foreclosure costs and interest to the date of foreclosure, as provided by Oregon Statutes. Once the right to redeem these properties no longer exists (after one year), the properties are deeded to the City and then become investment in foreclosed property. Liens receivable and investment in foreclosed property are offset by unavailable revenue and, accordingly, have not been recorded as revenue in the governmental funds.

The value of these properties, both liens and investment in foreclosed property, has been adjusted to the lower of net realizable value or cost. Net realizable value for the City has been determined by reviewing the true cash value of these properties as recorded by the Lane County assessor, less the underlying property taxes that must be paid upon the sale of the property by the City.

c. Inventories

Inventories of materials and supplies are valued at cost or average cost using the first-in/first-out method and are shown on the balance sheet as an asset with a corresponding nonspendable fund balance. Inventories are charged to operations as consumed in both the government-wide and fund financial statements.

d. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2024 are recorded as prepaid items. These prepaid amounts are recorded in the balance sheet as an asset with a corresponding nonspendable fund balance and are shown as expenditures in the periods that the service is provided, consistent with the "consumption method" of accounting for prepaids.

e. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, multi-use paths and traffic control devices), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Such assets are recorded at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

As permitted by GAAP, the City has limited the retroactive capitalization of governmental fund infrastructure to fiscal years ending after June 30, 1980. Although the majority of such infrastructure was placed in service before that date, it has not been included in these financial statements since it has been substantially depreciated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation and amortization of capital assets are computed on the straight-line method over the estimated useful lives of the related assets. Upon disposal of such assets, the accounts are relieved of the related historical costs and accumulated depreciation, and resulting gains or losses are reflected in income. The estimated useful lives of the various categories of assets are as follows:

<u>Category</u>	<u>Estimated Useful Life</u>
Buildings	10-50 years
Equipment	3-20 years
Infrastructure	20-50 years
Studies	10 years

f. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation leave within limits set by collective bargaining agreements. All employees with accrued vacation leave are paid the outstanding vacation accrual balance, within limits, at separation at the employee's current pay rate. Employees with sick leave accruals and meeting longevity requirements are paid the outstanding sick leave accrual balance, within limits, upon retirement at the employee's current pay rate. All vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund statements. The governmental fund financial statements do not report liabilities for compensated absences unless they are due for payment.

g. Long-term Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized in the year incurred. Deferred charges for refunding are amortized straight-line over the life of the new debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

h. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

The other 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. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

i. Leases

Leases are recognized in accordance with *Governmental Accounting Standards Board (GASB) 87, Leases*.

Leases Receivable. As Lessor, the City recognizes a lease receivable and a deferred inflow of resources. The lease receivable is recognized at the net present value of the rents to be received at a borrowing rate stated in the lease agreement or determined by the City. The receivable is reduced by the payments received. A deferred inflow of resources is recognized in the amount equal to the amount of the initial lease receivable. The deferred inflow of resources is amortized using the straight-line method over the lease term.

Leases Payable. As Lessee, the City reports the right-to-use lease assets and related leases payable in the Statement of Net Position of the government-wide and proprietary statements. In the governmental fund financial statements, the present value of the lease payments for new leases is reported under both other financing sources as issuance of long-term debt, and as capital outlay; payments are recorded as principal and interest payments.

j. Subscription-Based Information Technology Arrangements (SBITA)

Subscription-based information technology arrangements (SBITA) are recognized in accordance with Government Accounting Standards Board (GASB) 96, *Subscription based Information Technology Arrangements*. The City reports the right-to-use SBITA assets and related SBITA payable in the Statement of Net Position of the government-wide and proprietary statements. In the governmental fund financial statements, the present value of SBITA payments for new subscriptions is reported under both other financing sources as issuance of long-term debt, and as capital outlay; payments are recorded as principal and interest payments.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

k. Pensions

Oregon Public Employees Retirement System (OPERS) – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the 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.

City Retirement Plan (CRP) – For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of CRP and additions to/deductions from CRP fiduciary net position have been determined on the same basis as they are reported by the City's actuary. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

l. Net Position

Net position represents the difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources. The City reports the following subcategories of net position:

Net Investment in capital assets represents the difference between capital assets less accumulated depreciation and amortization, deferred outflows of resources, and the outstanding balance of debt (excluding unexpended proceeds) directly attributable to the acquisition, construction, or improvement of those assets.

Restricted net positions are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Unrestricted represents all other net positions that are not restricted and do not meet the definition of net investment in capital assets.

m. Fund Balance

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

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 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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Fund balance is reported as committed when the City Council passes a resolution that places specific constraints on how the resources may be used. The City Council can modify or rescind the commitment at any time through passage of an additional resolution.

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 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 Comprehensive 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 both restricted and unrestricted (committed, assigned, or unassigned) resources are available for use, it is the City's practice to use restricted resources first, then unrestricted resources as needed. When an expenditure is incurred where an unrestricted fund balance classification could be used, the City's practice is to use committed resources first, assigned resources second, and then unassigned amounts as they are needed.

Fund balances by classification for the year ended June 30, 2024, were as follows:

<u>Fund Balances</u>	General	Police Local Option Levy	Special Revenue	Street Capital	Nonmajor Governmental	Total Governmental Funds
Nonspendable:						
Inventories	\$ 1,955	\$ -	\$ -	\$ -	\$ 271,353	\$ 273,308
Prepaid items	142,579	115,353	79,164	-	74,963	412,059
Investment in foreclosed property	1,970	-	-	-	-	1,970
Deposits	-	-	-	-	800	800
Restricted:						
Debt service	-	-	-	-	578,004	578,004
Urban renewal	-	-	-	-	3,043,652	3,043,652
Capital projects	-	-	-	-	1,625,040	1,625,040
Street repairs and maintenance	-	-	-	-	3,023,850	3,023,850
Street improvements	-	-	-	20,888,083	-	20,888,083
Public Safety - Fire	-	-	1,000	-	1,620,275	1,621,275
Public Safety - Police general	-	3,512,995	892,972	-	-	4,405,967
Public Safety - Police forfeitures	-	-	748,398	-	-	748,398
Building code	-	-	-	-	6,555,338	6,555,338
Economic development	-	-	45,329	-	2,565,870	2,611,199
Library services	-	-	3,480	-	-	3,480
Committed:						
Development assessment	-	-	-	-	899,499	899,499
Capital projects	-	-	-	-	2,301,393	2,301,393
Technology fee reserve	-	-	1,028,929	-	-	1,028,929
Assigned:						
Capital projects	-	-	-	-	1,166,391	1,166,391
Contingency reserve	1,000,000	-	-	-	-	1,000,000
Public Safety - Police K9	-	-	107,445	-	-	107,445
Public Safety - Police general	-	-	820,983	-	-	820,983
Other purposes	-	-	742,497	-	-	742,497
Unassigned	11,863,288	-	-	-	-	11,863,288
Total fund balances	<u>\$ 13,009,792</u>	<u>\$ 3,628,348</u>	<u>\$ 4,470,197</u>	<u>\$ 20,888,083</u>	<u>\$ 23,726,428</u>	<u>\$ 65,722,848</u>

City of Springfield, Oregon
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

n. Indirect Expenses Allocation

In the government-wide statement of activities, program costs include incidental indirect costs.

o. Contingency and Working Capital Policy

The City will maintain adequate cash reserves for both contingencies and working capital. Each fund will maintain adequate cash reserves, borrow internally from another City fund, or as a last resort, borrow externally to provide for cash flow and contingency requirements.

5. New Accounting Pronouncements

During the fiscal year ended June 30, 2024, the City implemented the following GASB pronouncements:

- GASB Statement No. 100 – *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The objective of this statement is to enhance reporting requirements for accounting changes and error corrections to provide more understandable, consistent and comparable information. The adoption and implementation of Statement No. 100 did not have a significant impact to the City.
- GASB Statement No. 101 – *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The adoption and implementation of Statement No. 101 did not have a significant impact to the City.
- GASB Statement No. 102 – *Certain Risk Disclosures*. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The adoption and implementation of Statement No. 102 did not have a significant impact to the City.
- GASB Implementation Guide No. 2023-1 – *Implementation Guidance Update 2023*. The objective of this update is to improve the consistency of authoritative literature by addressing practice issues that have been identified during application and implementation of certain GASB Statements

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “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 the governmental funds.” The details of this \$58,241,815 difference are as follows:

Bonds payable, net of original issue premium and deferred charges	\$ 7,041,041
Notes payable	492,323
Interfund loan payable	1,864,109
Due to developer (contracts payable)	210,000
Accrued interest payable	26,008
Lease and subscription liability	187,396
Compensated absences	5,357,767
Net pension liability and related deferrals	37,562,484
Net OPEB obligation and related deferrals	<u>5,500,686</u>
Total	<u>\$ 58,241,814</u>

Another element of that reconciliation states that capital assets are not financial resources in governmental funds, but are reported in the statement of net position at their net depreciable value. The details of this \$187,691,686 are as follows:

Capital assets (net of accumulated depreciation) reported in the Statement of Net Position - governmental activities column:	
Land and work in progress	\$ 101,546,256
Other capital assets (net of accumulated depreciation)	94,427,980
Total capital assets reported in internal service funds included in the Statement of Net Position - governmental activities column (net of accumulated depreciation)	<u>(8,282,550)</u>
	<u>\$ 187,691,686</u>

2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of government activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Capital outlay is reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital outlays over their estimated useful lives as depreciation expense.” The details of this \$14,158,469 difference are as follows:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS –
Continued

Capital outlay	\$ 10,914,966
Donated capital assets	9,854,065
Leased equipment	(7,334)
Subscription assets	(219,914)
Depreciation	<u>(6,383,320)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 14,158,463</u>

Another element of that reconciliation states that the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this \$4,036,835 difference are as follows:

Issuance of note payable	\$ (1,100,000)
Principal repayment of general obligation debt	3,936,076
Principal repayment of note payable	726,984
Amortization of deferred charges	(35,034)
Amortization of bond premiums	230,481
Decrease in interfund loan payable	92
Decrease in lease liability	7,291
Decrease in subscription liability	249,117
Decrease in rebatable arbitrage	14,143
Decrease in accrued interest payable	<u>7,686</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 4,036,836</u>

Another element of the reconciliation states that governmental funds do not report expenditures for unpaid compensated absences or other post-employment benefits since they do not use current financial resources. The details of this \$1,152,239 difference are as follows:

Increase in accrued compensated absences	\$ (192,481)
Decrease in net pension liability and related deferrals	1,265,651
Decrease in net OPEB obligation and related deferrals	<u>79,071</u>
Net adjust to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 1,152,241</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE C – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

In April of each year, the City Manager submits a recommended budget to the Budget Committee (which consists of the City Council and an equal number of citizens of the City). The City's budget is prepared for each fund on the modified accrual basis of accounting. Estimated receipts and expenditures are budgeted for by fund, program and object. Information on the past two years' actual receipts and expenditures and current year amended budgets are included in the budget document.

The Budget Committee conducts public hearings for the purpose of obtaining citizens' comments.

The Budget Committee then presents an approved budget to the City Council for final adoption. The adopted expenditures for each fund may not be increased by more than 10% during the year without a special public hearing of the governing body with notice to the citizens published 5 to 30 days in advance. After the Council adopts the budget and certifies the total of ad valorem taxes to be levied, no additional tax levy may be made for that fiscal year.

The City Council legally adopts the budget before July 1, by resolution. The resolution authorizes fund appropriations as current annual departmental requirements, debt service, capital projects, interfund transfers, interfund loans, statutory payments, contingencies, unappropriated fund balances and reserves. Expenditures cannot legally exceed appropriations at these control levels. Appropriations lapse as of the end of the year.

The City Council may change the budget throughout the year by transferring appropriations between levels of control and by adopting supplemental budgets as authorized by Oregon Revised statutes. Management may administratively transfer budget amounts between individual line items within the control level but cannot make changes between the legal levels of control. During the fiscal year ended June 30, 2024, the City Council approved several transfer resolutions and supplemental budgets for a net increase in appropriations of \$23,709,411.

The Ambulance Fund reported a GAAP basis negative fund balance of \$2,365,991. This negative fund balance was the result of the Fund not receiving the anticipated ambulance billing revenue in the current and prior fiscal years dating back to June 30, 2017.

NOTE D – CASH AND INVESTMENTS

The City of Springfield maintains a common cash and investment pool that is available for use by all funds. As of June 30, 2024, cash and investments are comprised of the following:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE D – CASH AND INVESTMENTS – Continued

Cash on hand	\$ 4,740
Cash with fiscal agent	5,500
Deposits	9,741,304
Local government investment pool accounts	107,378,479
Investments	182,790,700
	<u>\$ 299,920,723</u>

Each fund's portion of this pool is displayed in the Statement of Net Position.

Governmental activities	\$ 102,655,464
Business-type funds	66,057,563
Not appearing on statement of net position	
Fiduciary fund	<u>131,207,696</u>
	<u>\$ 299,920,723</u>

Deposits

Deposits with financial institutions are comprised of checking, money market and certificate of deposit accounts. As of June 30, 2024, the City of Springfield had a book balance of \$9,741,304 and a bank balance of \$10,013,467. The difference is due to transactions in process. Of this amount, \$1,000,000 was covered by federal depository insurance, and the remainder was collateralized by the statewide pool.

Effective July 1, 2008, the State of Oregon formed the Oregon Public Funds Collateralization Program under ORS 295. The collateralization program creates a statewide pool of qualified bank depositories for local governments, providing collateralization for bank balances that exceed the limits of federal depository insurance, and eliminating the need for certificates of participation. The legislation creates a shared liability structure for depository banks but does not guarantee that public funds are 100% protected. The City is also required to verify that amounts in excess of FDIC insurance limits are deposited only in qualified depository banks listed by the Office of the State Treasurer.

Local Government Investment Pool

The City participates in the State of Oregon Local Investment Pool (LGIP or Pool) which is an open-ended, load diversified portfolio created under ORS 294.805 to 294.895 and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The State Treasurer is the investment officer for the Pool and is responsible for all funds in the Pool. These funds must be invested and managed, like that of a prudent investor, exercising reasonable care, skill, and caution. Investments in the funds are further governed by

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE D – CASH AND INVESTMENTS – Continued

portfolio guidelines issued by the Oregon short-term Funds Board, which establish diversification percentages and specify the types of maturities of investments.

The Oregon Audits Division of the Secretary of State's Office audits the Pool annually. The Division's report on the Pool as of and for the year ended June 30, 2024 was unmodified and may be obtained at the Oregon State Treasury, 350 Winter St. NE, Ste 100, Salem, OR 97310 or at www.oregon.gov/treasury. As of June 30, 2024, the fair value of the City's deposits with the LGIP approximates cost.

Cash and Investments

As of June 30, 2024, the City of Springfield held \$182,790,700 of investments in government agency securities.

The City's investment policy requires that the City diversify investments across maturities, security type, and institution to avoid incurring unreasonable risks. Specifically, except for the Local Government Investment Pool and U.S. Treasury Obligations, no more than 25% of the City's total investment portfolio will be invested with a single financial institution, no more than 20% of the total portfolio will be invested with any one security, and lastly, no more than 5% of the total portfolio will be invested with any one corporate entity. The City was in compliance with all of the above stated City investment policy guidelines.

The City's policy for custodial credit risk is outlined in the City's Investment and Portfolio Policies, adopted by the City Council. This investment policy applies to all cash-related assets included within the scope of the City of Springfield's audited financial statements and held directly by the City. Funds will be invested in compliance with the provisions of, but not necessarily limited to the Oregon Revised Statutes (ORS), Chapter 295, other applicable statutes and this policy. Investment of any tax-exempt borrowings proceeds and any related debt service funds will comply with the arbitrage restrictions in all applicable Internal Revenue Service codes. The City will limit investment activities in order to ensure safety, legality, liquidity, diversity, and yield. The standard of prudence used by the City's investment officer in the context of managing the overall portfolio shall be the prudent investor rule.

The scope of the City's investment policy includes not only investments, but all cash-related assets included within the scope of the City of Springfield's financial statements and held directly by the City. The investment policy establishes the City's permitted investments and provides guidelines for managing the various types of risk associated with these investments. The different risks will be discussed below.

A. Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. City staff manages this risk by limiting the maturity of the investments held by the City. The investment policy requires that all short-term investments mature in less than 18 months. The investment policy defines short-term investments as those not reserved for specific capital projects or debt payments. Long-term investments are required to have maturities less than 3 years. Commercial paper is required to have a maturity which does not exceed 270 days. On June 30, 2024, 100% of the total investments were considered short-term and had maturities less than 18 months and none were considered long-term with maturities of more than 18 months but

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE D – CASH AND INVESTMENTS – Continued

less than 3 years. The table below displays the liquidity requirements of the investment policy and the liquidity characteristics of the City's cash and investments on June 30, 2024.

Short-Term Investments:

<u>Maturity</u>	<u>Amount</u>	<u>Actual %</u>	<u>Investment Policy %</u>
Under 30 days	\$ 127,110,923	42%	10 % minimum
Under 90 days	186,765,073	62%	25 % minimum
Under 270 days	250,754,873	84%	50 % minimum
Under one year	275,172,073	92%	80 % minimum
Under 18 months	299,920,723	100%	100 % minimum

B. Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The City's investment policy provides that all corporate debt securities be rated at a minimum of A1 or AA by Standard and Poor's rating service or P1 or Aa by Moody's rating service, or for an Oregon issuer, a minimum of A1 or A or better by S & P; or P1 or Aa by Moody's. As of June 30, 2024, all of the corporate debt in the City's portfolio is in compliance with the investment policy. The Local Government Investment Pool is not rated and is not registered with the U.S. Securities and Exchange Commission.

C. Custodial credit risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of an investment or collateral securities in the possession of an outside party. The City's investment policy requires that broker/dealers meet certain qualifications and that purchased investment securities will be delivered by FED book entry, DTC, or physical delivery, and held in third party safekeeping, registered to the City of Springfield - with a designated custodian. All of the City's investments as of June 30, 2024 were delivered by book entry to the account of BNY Mellon Trust Company, who held the securities for the benefit of the City.

D. Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment policy provides concentration guidelines by both institution and by type of investment. The City diversifies investments across maturities, security type and institution to avoid incurring unreasonable risks. In particular, except for the Local Government Investment Pool, no more than 25% of the City's total investment portfolio will be invested with a single financial institution. In addition, no more than 20% of the total portfolio will be invested with any one security and no more than 5% of the total portfolio will be invested with any one corporate entity. As of June 30, 2024, the City was in compliance with the City's investment policy.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE D – CASH AND INVESTMENTS – Continued

Diversification by Financial Instrument:

<u>Instrument</u>	<u>Amount</u>	<u>% Invested</u>	<u>Maximum % of Portfolio</u>
State of Oregon investment pool	\$ 107,378,479	36%	100%
Interest bearing checking account	1,925,244	1%	50%
Money market account	3,632,386	1%	50%
Time certificates of deposit	4,183,674	1%	25%
Corporate bonds	-	0%	25%
U.S. treasury bonds	182,790,700	61%	100%
Other	10,240	0%	0%
Totals	<u>\$ 299,920,723</u>	<u>100%</u>	

E. Fair value measurements

Fair value is defined as the price that would be received at the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes fair value measurements within the hierarchy established by GASB Statement 72. This hierarchy defines three levels of inputs used to assess fair value which allows financial statement users to identify the level of reliability and determine variance risk between actual amounts received during a sale of assets or transfer of liabilities to that which is reported in the financial statements for the measurement date.

The classification of securities within this fair value hierarchy is based on activity level in the market for the security type, and the inputs used to determine their fair value are as follows:

- Level 1 – Unadjusted quoted prices for identical instruments in active markets.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable based on market data obtained from sources independent of the reporting entity.
- Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable (based on the best information available regarding assumptions market participants would use in pricing the asset).

As of June 30, 2024, the City's investments in corporate and municipal bonds are classified as level 2.

F. Foreign currency

The City of Springfield has not made any investments that are not in US dollar denominations, therefore, the City is not exposed to this risk.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE E – RECEIVABLES AND UNAVAILABLE REVENUE

Receivables as of June 30, 2024 consist of the following:

Fund	Accounts	Property Taxes and Other	Grants	Accrued Interest	Assessments and Liens	Lease	Mortgage Notes	SDC Deferred Receivable	Total Net Receivables
General	\$ 1,453,518	\$ 846,252	\$ 24,531	\$ 181,813	\$ -	\$ -	\$ -	\$ 1,233	\$ 2,507,347
Police local option levy	18,311	294,623	-	24,970	-	-	-	-	337,904
Special revenue	9,975	-	153,777	-	-	-	-	-	163,752
Street capital	828,162	-	-	115,693	-	-	-	1,022,503	1,966,358
Sewer	2,988,781 *	-	1,145	198,626	-	-	-	703,107	3,891,659
Storm drainage	1,520,014 *	-	6,165	144,561	-	-	-	42,867	1,713,607
Ambulance	3,122,517 *	-	-	-	-	-	-	-	3,122,517
Nonmajor governmental	1,610,435	381,903	168,182	135,475	17,944	-	1,039,606	26	3,353,571
Nonmajor enterprise	20,680	-	-	6,579	-	54,938	-	-	82,197
Internal service	325,590	-	50	138,496	-	-	-	94,373	558,509
Totals	<u>\$ 11,897,983</u>	<u>\$ 1,522,778</u>	<u>\$ 353,850</u>	<u>\$ 946,213</u>	<u>\$ 17,944</u>	<u>\$ 54,938</u>	<u>\$ 1,039,606</u>	<u>\$ 1,864,109</u>	<u>\$ 17,697,421</u>

*Net of allowances for uncollectible accounts totalling \$4,073,456

Assessments, liens, and mortgage notes are collateralized by real estate.

Mortgage notes within the non-major governmental Community Development fund are a result of loans made under the CDBG federal program. Repayment is dependent on the type of mortgage note. Deferred payment loans, housing improvement loans, and SHOP loans are due and payable at the time of sale or transfer of title. Most loans are interest free.

In all cases, loans become immediately due and payable if the client fails to meet any contract requirements.

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE E – RECEIVABLES AND UNAVAILABLE REVENUE – Continued

As of June 30, 2024, the various components of unavailable revenue (deferred inflows of resources) consisted of the following:

Fund	Property Taxes Receivable	Fees and Charges	Mortgage Notes Receivable	Assessments	Total Unavailable Revenue
General	\$ 781,348	\$ 929,080	\$ -	\$ -	\$ 1,710,428
Police local option levy	284,208	-	-	-	284,208
Special revenue	-	9,804	-	-	9,804
Street capital	-	1,850,666	-	-	1,850,666
Nonmajor governmental	366,443	732,304	929,242	17,943	2,045,932
Total unavailable revenue	<u>\$ 1,431,999</u>	<u>\$ 3,521,854</u>	<u>\$ 929,242</u>	<u>\$ 17,943</u>	<u>\$ 5,901,038</u>

Lease Receivables:

The City is involved in various leasing arrangements for land, buildings, equipment and land use rights which are leased mainly to commercial and retail customers. The implementation of GASB Statement No. 87 Leases, establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

Lessor lease receivables

In January 2022, the City of Springfield entered into a 24-month lease as Lessor for the use of Booth Kelly Center - Suite 140. As of June 30, 2024, the value of the lease receivable was \$0 due to the end of the lease term. The lessee was required to make monthly fixed payments of \$2,788 and the lease had an interest rate of 1.2480%. The value of the deferred inflow of resources as of June 30, 2024, was \$0. The City received \$19,517 in principal and \$81 in interest payments during the 2024 fiscal year.

In January 2023, the City entered into a 36-month lease as Lessor for the use of Booth Kelly Center - Suite 150. An initial lease receivable was recorded in the amount of \$60,002 but after remeasurement, was adjusted down to \$59,983. As of June 30, 2024, the value of the lease receivable was \$46,328. The lessee is required to make annual fixed payments of \$2,396 and the lease has an interest rate of 2.6560%. After remeasurement, the value of the deferred inflow of resources as of June 30, 2024, was \$29,992. The City received \$13,654 in principal and \$721 in interest payments during the 2024 fiscal year.

In December 2019, the City entered into a 40-month lease as Lessor for the use of Kelly Butte ATT Cell Tower. As of June 30, 2024, the value of the lease receivable was \$8,610. The lessee is required to make monthly fixed payments of \$1,725 and the lease has an interest rate of 0.7270%. The value of the deferred inflow of resources as of June 30, 2024, was \$28,468. The City received \$20,556 in principal and \$144 in interest payments during the 2024 fiscal year.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE E – RECEIVABLES AND UNAVAILABLE REVENUE – Continued

The changes in lease receivables during the 2024 fiscal year were as follows:

<u>Business-type activities</u>	<u>Balance as of July 1, 2023</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance as of June 30, 2024</u>
Lease Receivables					
Buildings					
Booth-Kelly Center - suite 140	\$ 19,436	\$ -	\$ -	\$ (19,436)	\$ -
Booth-Kelly Center - suite 150	<u>60,001</u>	<u>(19)</u>	<u>-</u>	<u>(13,654)</u>	<u>46,328</u>
Total building lease receivable	<u>79,437</u>	<u>(19)</u>	<u>-</u>	<u>(33,090)</u>	<u>46,328</u>
Land					
Kelly Butte ATT cell tower	<u>29,166</u>	<u>-</u>	<u>-</u>	<u>(20,556)</u>	<u>8,610</u>
Total lease receivables	<u>\$ 108,603</u>	<u>\$ (19)</u>	<u>\$ -</u>	<u>\$ (53,646)</u>	<u>\$ 54,938</u>

The lease receivables principal and interest payments expected to maturity are as follows:

<u>Fiscal Year</u>	<u>Business-Type Activities</u>		
	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2025	\$ 39,357	\$ 893	\$ 40,250
2026	<u>15,581</u>	<u>112</u>	<u>15,693</u>
	<u>\$ 54,938</u>	<u>\$ 1,005</u>	<u>\$ 55,943</u>

The changes in deferred inflow of resources during the 2024 fiscal year were as follows:

<u>Business-type activities</u>	<u>Balance as of July 1, 2023</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance as of June 30, 2024</u>
Deferred Inflow of Resources					
Buildings					
Booth-Kelly Center - suite 140	\$ 19,286	\$ -	\$ -	\$ (19,286)	\$ -
Booth-Kelly Center - suite 150	<u>50,002</u>	<u>(16)</u>	<u>-</u>	<u>(19,994)</u>	<u>29,992</u>
Total building deferred inflow of resources	<u>69,288</u>	<u>(16)</u>	<u>-</u>	<u>(39,280)</u>	<u>29,992</u>
Land					
Kelly Butte ATT cell tower	<u>28,468</u>	<u>339</u>	<u>-</u>	<u>(20,335)</u>	<u>8,472</u>
Total deferred inflow of resources	<u>\$ 97,756</u>	<u>\$ 323</u>	<u>\$ -</u>	<u>\$ (59,615)</u>	<u>\$ 38,464</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE F – CAPITAL ASSETS

<u>Governmental activities:</u>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated or amortized:				
Land	\$ 90,069,445	\$ 1,022,258	\$ -	\$ 91,091,703
Work in progress	2,422,760	9,618,146	(1,586,353)	10,454,553
Total capital assets, not being depreciated or amortized	92,492,205	10,640,404	(1,586,353)	101,546,256
Capital assets, being depreciated or amortized:				
Buildings	49,402,861	1,134,172	-	50,537,033
Infrastructure	121,846,627	11,237,597	-	133,084,224
Machinery & equipment	29,488,856	1,871,668	(22,395)	31,338,129
Leased machinery & equipment	36,942	143	-	37,085
Studies	1,350,348	-	-	1,350,348
Subscriptions - software	1,387,245	59,147	(577,626)	868,766
Total capital assets, being depreciated or amortized	203,512,879	14,302,727	(600,021)	217,215,585
Less accumulated depreciation or amortization for:				
Buildings	(36,809,422)	(1,692,121)	-	(38,501,543)
Infrastructure	(56,425,296)	(4,325,259)	-	(60,750,555)
Machinery & equipment	(20,550,216)	(1,728,037)	417,860	(21,860,393)
Leased machinery & equipment	(12,709)	(7,476)	-	(20,185)
Studies	(1,060,375)	(99,979)	-	(1,160,354)
Subscriptions - software	(263,100)	(304,351)	72,876	(494,575)
Total depreciation or amortization	(115,121,118)	(8,157,223)	490,736	(122,787,605)
Total capital assets, being depreciated or amortized, net	88,391,761	6,145,504	(109,285)	94,427,980
Governmental activities capital assets, net	\$ 180,883,966	\$ 16,785,908	\$ (1,695,638)	\$ 195,974,236
<u>Business-type activities:</u>	Ending Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated or amortized:				
Land	\$ 6,411,506	\$ -	\$ -	\$ 6,411,506
Work in progress	1,413,890	8,070,356	(6,109)	9,478,137
Total capital assets, not being depreciated or amortized	7,825,396	8,070,356	(6,109)	15,889,643
Capital assets, being depreciated or amortized:				
Buildings & infrastructure	117,773,359	1,545,968	-	119,319,327
Land improvements	547,420	-	-	547,420
Equipment	1,855,770	-	-	1,855,770
Studies	2,775,243	-	-	2,775,243
Total capital assets, being depreciated or amortized	122,951,792	1,545,968	-	124,497,760
Less accumulated depreciation for:				
Land improvements	(520,609)	(876)	-	(521,485)
Buildings & infrastructure	(52,007,664)	(3,447,594)	-	(55,455,258)
Equipment	(1,753,007)	(14,278)	-	(1,767,285)
Studies	(1,960,075)	(107,408)	-	(2,067,483)
Total depreciation or amortization	(56,241,355)	(3,570,156)	-	(59,811,511)
Total capital assets, being depreciated or amortized, net	66,710,437	(2,024,188)	-	64,686,249
Business-type activities capital assets, net	\$ 74,535,833	\$ 6,046,168	\$ (6,109)	\$ 80,575,892

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE F – CAPITAL ASSETS – Continued

Depreciation and amortization expense was charged to functions of the City as follows:

Governmental activities:	
General government	\$ 437,648
Fire and life safety	589,429
Police	1,607,278
Library	57,557
Development and public works	5,406,666
Unallocated	<u>42,158</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 8,140,736</u>
Business activities:	
Sanitary sewer	\$ 2,864,364
Storm drainage	637,549
Booth-Kelly	56,575
Ambulance	<u>11,668</u>
Total depreciation and amortization expense - business-type activities	<u>\$ 3,570,156</u>

NOTE G – LEASES AND SUBSCRIPTIONS

1. Leases

The City is involved in leasing arrangements equipment which are leased from outside parties. The implementation of GASB Statement No. 87 Leases, establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. For additional information, refer to the disclosures below.

In November 2021, The City entered into a 60-month lease as Lessee for the use of Ricoh Printers - Police Department. As of June 30, 2024, the value of the lease liability was \$14,060. The City is required to make monthly fixed payments of \$492 and the lease has an interest rate of 1.1770%. The Equipment estimated useful life was 60 months as of the contract commencement. After remeasurement, causing a net change of \$(14), the value of the right to use asset was \$29,145 with accumulated amortization of \$15,289 and is included in Note F - Capital Assets under Leased machinery & equipment.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE G – LEASES AND SUBSCRIPTIONS – Continued

In July 2021, The City entered into a 58-month lease as Lessee for the use of Konica Minolta Copier/Printer/Scanner - CMO. As of June 30, 2024, the value of the lease liability was \$3,093. The City is required to make monthly fixed payments of \$136 and the lease has an interest rate of 1.0590%. The Equipment estimated useful life was 60 months as of the contract commencement. After remeasurement, causing a net change of \$2, the value of the right to use asset was \$7,940 with accumulated amortization of \$4,896 and is included in Note F - Capital Assets under Leased machinery & equipment.

The changes in lease liabilities during the 2024 fiscal year were as follows:

<u>Governmental activities</u>	Balance as of <u>July 1, 2023</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Reductions</u>	Balance as of <u>June 30, 2024</u>
Lease Liability					
Equipment					
Ricoh printers	\$ 19,761	\$ -	\$ -	\$ (5,701)	\$ 14,060
Konica Minolta copier/printer/scanner	4,682	-	-	(1,589)	3,093
Total lease liability	<u>\$ 24,443</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,290)</u>	<u>\$ 17,153</u>

The lease liability principal and interest payments expected to maturity are as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>		
	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2025	\$ 7,375	\$ 160	\$ 7,535
2026	7,325	74	7,399
2027	2,453	7	2,460
	<u>\$ 17,153</u>	<u>\$ 241</u>	<u>\$ 17,394</u>

2. Capital Lease

The City entered into a capital lease for the purchase of a fire vehicle for the fiscal year ended June 30, 2024 in the amount of \$1,496,785 along with a \$17,129 down payment. The lease requires annual payments of \$207,237 over the next 10 years at a 6.4% interest rate. The vehicle will not be delivered until fiscal year 2028 and so has been recorded as a work-in-progress asset with no associated depreciation expense.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE G – LEASES AND SUBSCRIPTIONS – Continued

The value of the leased vehicle at June 30, 2024 was as follows:

Vehicle work-in-progress	\$ 1,513,914
Less: Accumulated depreciation	<u>-</u>
Total	<u>\$ 1,513,914</u>

The future minimum lease obligations as of June 30, 2024, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 111,442	\$ 95,795	\$ 207,237
2026	118,575	88,662	207,237
2027	126,163	81,074	207,237
2028	134,238	72,999	207,237
2029	142,829	64,408	207,237
2030-2034	<u>863,538</u>	<u>172,645</u>	<u>1,036,183</u>
Totals	<u>\$ 1,496,785</u>	<u>\$ 575,583</u>	<u>\$ 2,072,368</u>

3. Subscriptions

For the year ended June 30, 2024, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. The useful life of the right-to-use assets is equal to the subscription term. For additional information, refer to the disclosures below:

In September 2022, the City entered into a 36-month subscription for the use of VLA Enterprise Vision Online. An initial subscription liability was recorded in the amount of \$776,027 and remeasured at \$400,196 due to a reduction in the term length of the contract. As of June 30, 2024, the value of the subscription liability was \$133,367. The City is required to make annual fixed payments of \$136,911 and the subscription has an interest rate of 2.1840%. After remeasurement, causing a net change of \$(379,214), the value of the right to use asset as of June 30, 2024, was \$400,196 with accumulated amortization of \$111,166 and is included in Note F - Capital Assets under Subscriptions - Software. The City has 1 extension option for 36 months.

In May 2023, the City entered into a 36-month subscription for the use of Cisco Meraki Enterprise License. An initial subscription liability was recorded in the amount of \$6,104 and remeasured at \$6,402. The entire amount owed was paid in the first year, and so, as of June 30, 2024, the value of the subscription liability was \$0. The subscription has

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE G – LEASES AND SUBSCRIPTIONS – Continued

an interest rate of 2.6560%. After remeasurement, causing a net change of \$282, the value of the right to use asset as of June 30, 2024, was \$6,402 with accumulated amortization of \$2,490 and is included in Note F - Capital Assets under Subscriptions - Software.

In January 2023, the City entered into a 36-month subscription for the use of DigEplan SaaS. After reevaluating the contract terms, it was determined that this does not qualify as a SBITA and the subscription liability of \$34,784 has been removed. As of June 30, 2024, the value of the subscription liability, subscription asset, and accumulated amortization was \$0. With the early removal of the SBITA, a gain of \$7,245 has been recognized.

In July 2022, the City entered into a 44-month subscription for the use of Incode - Court Case Management Suite. As of June 30, 2024, the value of the subscription liability was \$64,090. The City is required to make annual fixed payments of \$65,548 and the subscription has an interest rate of 2.2750%. After remeasurement, causing a net change of \$25,786, the value of the right to use asset as of June 30, 2024, was \$224,886 with accumulated amortization of \$122,665 and is included in Note F - Capital Assets under Subscriptions - Software.

In July 2022, the City entered into a 66-month subscription for the use of Blue Cloud. An initial subscription liability was recorded in the amount of \$274,963 and remeasured at \$176,369. As of June 30, 2024, the value of the subscription liability was \$95,633. The City is required to make annual fixed payments of \$49,631 and the subscription has an interest rate of 2.5200%. After remeasurement, causing a net change of \$(92,693), the value of the right to use asset as of June 30, 2024, was \$176,369 with accumulated amortization of \$88,184 and is included in Note F - Capital Assets under Subscriptions - Software.

In July 2022, the City entered into a 32-month subscription for the use of KnowBe4 Anti-phishing Training Subscription. An initial subscription liability was recorded in the amount of \$14,097 and remeasured at \$13,950. As of June 30, 2024, the value of the subscription liability was \$0. The City was required to make annual fixed payments of \$7,204 and the subscription had an interest rate of 2.1840%. After remeasurement, causing a net change of \$(146), the value of the right to use asset as of June 30, 2024, was \$15,866 with accumulated amortization of \$14,103 and is included in Note F - Capital Assets under Subscriptions - Software.

In August 2022, the City entered into a 36-month subscription for the use of DebtBook Services. An initial subscription liability was recorded in the amount of \$28,712 and remeasured at \$13,950. As of June 30, 2024, the value of the subscription liability was \$10,521. The City is required to make graduated annual payments with \$9,794 being the payment for the current fiscal year. The subscription has an interest rate of 2.1840%. After remeasurement, causing a net change of \$101, the value of the right to use asset as of June 30, 2024, was \$28,815 with accumulated amortization of \$17,609 and is included in Note F - Capital Assets under Subscriptions - Software.

In July 2022, the City entered into a 19-month subscription for the use of RMIS Software License. The final payment on the subscription liability was made in FY2024, and the contract cancelled. As of June 30, 2024, the value of the subscription liability was \$0. The City was required to make annual payments \$55,900 and the subscription had an interest rate of 2.0240%. The value of the right to use asset as of June 30, 2024, was \$54,441 with accumulated amortization of \$54,441 and has been removed from Note F - Capital Assets under Subscriptions - Software.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE G – LEASES AND SUBSCRIPTIONS – Continued

In July 2023, the City entered into a 36-month subscription for the use of VelocityEHS MSDS software. As of June 30, 2024, the value of the subscription liability was \$10,933. The City is required to make graduated annual payments with \$5,299 being the payment for the current fiscal year. The subscription has an interest rate of 2.8480%. The value of the right to use asset as of June 30, 2024, was \$16,232 with accumulated amortization of \$4,959 and is included in Note F - Capital Assets under Subscriptions - Software.

The changes in subscription liabilities during the 2024 fiscal year were as follows:

<u>Governmental activities</u>	<u>Balance as of</u> <u>July 1, 2023</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance as of</u> <u>June 30, 2024</u>
Subscription Liability					
Software					
DebtBook Services	\$ 21,629	\$ (1,314)	\$ -	\$ (9,794)	\$ 10,521
Blue Cloud SirsiDynix	230,446	(88,752)	-	(46,061)	95,633
Incode - Tyler Court Case Management Suite	126,754	-	-	(62,664)	64,090
DigEplan Saas	34,784	-	-	(34,784)	-
Cisco Meraki Enterprise License	5,748	(5,748)	-	-	-
Know B4 Anti-Phishing	8,775	(1,725)	-	(7,050)	-
Volume Licensing Agreement Microsoft/Dell	661,934	(398,649)	-	(129,918)	133,367
Risk Management Information Systems	36,527	-	-	(36,527)	-
MSDS VelocityEHS Software License	-	-	16,232	(5,299)	10,933
Total subscription liability	<u>\$ 1,126,597</u>	<u>\$ (496,188)</u>	<u>\$ 16,232</u>	<u>\$ (332,097)</u>	<u>\$ 314,544</u>

The subscription liability principal and interest payments expected to maturity are as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>		
	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2025	\$ 260,452	\$ 7,952	\$ 268,404
2026	54,092	1,382	55,474
	<u>\$ 314,544</u>	<u>\$ 9,334</u>	<u>\$ 323,878</u>

NOTE H - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, errors and omissions, loss or damage to assets, employee injury or illness, and natural disasters.

The City maintains professional risk management and health and wellness programs. Various loss-control techniques are used to minimize or prevent losses. These techniques and programs include but are not limited to contracting for risk and benefit broker services, contracting for legal services, operation of a wellness clinic, accident investigation and training, fleet management, verification of employee qualifications, and employee and supervisory training.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE H - RISK MANAGEMENT – Continued

The City has established an internal service fund to account for and finance its risks of loss. The City maintains a self-insured health benefit program that provides medical, dental, and vision coverage to all regular full and part-time employees and their dependents as well as non-Medicare eligible retirees and their dependents. The City has established a self-insurance reserve to pay medical, dental, and vision claims up to the self-insurance retention limit of \$150,000 per covered individual.

The following changes occurred in the health and dental claims liability in the current and previous fiscal years:

Fiscal year ended June 30	Liability balance at beginning of year	Current year claims and changes in estimates	Claim Payments	Liability balance at end of year
2013	\$ -	\$2,256,826	\$ (1,791,735)	\$ 465,091
2014	465,091	4,894,984	(4,960,500)	399,575
2015	399,575	6,007,389	(5,359,049)	1,047,915
2016	1,047,915	5,343,218	(5,895,677)	495,456
2017	495,456	5,771,608	(5,531,337)	735,727
2018	735,727	6,293,791	(6,292,611)	736,907
2019	736,907	6,417,464	(6,040,112)	1,114,259
2020	1,114,259	5,599,898	(5,975,269)	738,888
2021	738,888	5,699,761	(5,638,464)	800,185
2022	800,185	5,551,941	(5,886,199)	465,927
2023	465,927	5,151,040	(5,244,899)	372,068
2024	372,068	5,822,650	(5,505,541)	689,177

The City of Springfield purchases third-party coverage for workers' compensation insurance but was previously self-insured. Under the previous self-insured model, the City estimates liability for incurred losses for reported and unreported claims for worker's compensation, and this will continue until the previous claims' liabilities are satisfied. Workers' compensation estimates are primarily based on individual case estimates for reported claims and through historical data for unreported claims as determined by the City's Risk Management Services and independent actuarial studies. The estimated outstanding liability for the period ending June 30, 2024 was \$117,963. Liabilities are based on estimated ultimate cost of settling claims, including effects of inflation and other societal and economic factors.

The City purchases third-party coverage or is part of the City County Insurance Services Insurance Pool for all lines of coverage. These include but are not limited to personal injury, public officials' errors and omissions, automobile, employer's liability, workers' compensation, and property. Settled claims have not exceeded insurance coverage in any of the past five fiscal years.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE I - LONG-TERM DEBT

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are backed by the full faith and credit of the City and are serviced by general property tax revenues.

The original amount of the Series 2016 general obligation bonds was \$14,690,000 which was a refunding of earlier general obligation bonds.

The original amount of the Series 2019 general obligation bonds was \$10,000,000. This issue was a direct placement and is subject to a default interest rate that is 1.50% higher than the bond interest rate. A default is defined as failure to pay principal or interest within ten days of the due date, a determination by the Internal Revenue Service that interest on the bond is includable in gross income due to actions or omissions of the Borrower or failure by the City to comply with any of its obligations, or to perform any of its duties under the bond, which failure continues and is not cured for a period of more than 60 days after the Lender has made written demand on the City to cure such failure. As of June 30, 2024, the Series 2019 general obligation bonds were retired.

On November 29, 2022 SEDA issued an Urban Renewal Bond in the amount of \$5,000,000 to be accessed on a draw down basis. At closing, a draw of \$250,000 occurred with an additional draw on May 26, 2023 of \$2,000,000. On July 13, 2023, draw two happened in the amount of \$1,100,000, leaving a balance left to draw of \$1,650,000. This bond was issued to finance land purchases for development of the Glenwood district. The bond is backed with tax increment revenue pledged as collateral.

General obligation bonds payable transactions for the year ended June 30, 2024 are as follows:

	Issue Date	Final Maturity Date	Effective Interest Rate	Outstanding July 1, 2023	Issued During year	Retired During Year	Outstanding June 30, 2024	Due Within One Year
Series 2016	6/29/2016	2026	1.36%	\$ 5,235,000	\$ -	\$ (1,765,000)	\$ 3,470,000	\$ 1,830,000
Series 2019	8/6/2019	2024	1.80%	2,009,000	-	(2,009,000)	-	-
Series 2022	11/29/2022	2037	5.73%	2,242,223	1,100,000	(162,076)	3,180,147	171,363
					Unamortized premium		460,961	
					Due in current year		(2,001,363)	
					Total general obligation long-term debt		<u>\$ 5,109,745</u>	

Revenue Bonds

The City issues revenue bonds to finance major construction projects in business-type activities. Revenue bonds are secured and serviced by system revenues. The original amount of revenue bonds issued in prior years was \$18,809,936.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE I - LONG-TERM DEBT – Continued

In a prior fiscal year, the City did an advance refunding of the 2010 issuance and replaced it with the 2020 series. The 2020 issue was a direct placement and is subject to a default interest rate that is 4.0% higher than the bond interest rate until such time that the default is cured. A default is defined as failure to pay principal or interest when due, a failure to comply with any obligations or to perform any of its duties under the bonds, which continues and is not cured for a period of more than 60 days after the lender has made a written demand, or a material misrepresentation by the borrower to the lender. The Series 2010 Sewer System Revenue bonds were retired.

Also in a prior fiscal year, the City did an advance refunding of the 2009 sewer bonds and replaced them with the 2017 series. These are not secured by a reserve and the City has pledged future sewer revenues to be used to pay interest and principal on these bonds. The Series 2009 Sewer System Revenue bonds were retired.

The City has committed to establish utility user charges sufficient to pay principal and interest when due. If user charges are not sufficient, the City is required by covenant to raise utility rates sufficient to pay maturing principal and interest. Debt service on the revenue bonds is paid solely from user fees.

Revenue obligation bonds payable transactions for the year ended June 30, 2024 are as follows:

	Issue Date	Final Maturity Date	Effective Interest Rate	Outstanding July 1, 2023	Issued During year	Retired During Year	Outstanding June 30, 2024	Due Within One Year
Series 2017	6/27/2017	2027	1.725%	\$ 5,650,000	\$ -	\$ (1,480,000)	\$ 4,170,000	\$ 1,540,000
Series 2020	11/10/2020	2031	1.200%	4,209,528	-	(506,164)	3,703,364	510,866
					Unamortized premium		454,463	
					Deferred on refunding		(339,182)	
					Due in current year		<u>(2,050,866)</u>	
					Total revenue bonds payable		<u>\$ 5,937,779</u>	

Maturities of bond principal and interest are as follows:

Year	General Obligation Bonds		Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024-25	\$ 2,001,363	\$ 321,022	\$ 2,050,866	\$ 208,175	\$ 4,052,229	\$ 529,197
2025-26	1,821,182	238,003	2,119,820	140,421	3,941,002	378,424
2026-27	191,564	162,022	1,547,947	69,994	1,739,511	232,016
2027-28	202,541	151,045	530,166	22,676	732,707	173,721
2028-29	214,146	139,439	536,466	16,276	750,612	155,715
2029-35	1,568,629	552,886	1,088,099	13,084	2,656,728	565,970
2035-37	650,722	56,449	-	-	650,722	56,449
Total	<u>\$ 6,650,147</u>	<u>\$ 1,620,866</u>	<u>\$ 7,873,364</u>	<u>\$ 470,626</u>	<u>\$ 14,523,511</u>	<u>\$ 2,091,492</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE I - LONG-TERM DEBT – Continued

The City issues debt backed solely by future fees received for certain services. At June 30, 2024, future pledged revenues are as follows:

Purpose	Revenue Stream	Year end of final payments	Future pledged revenue debt outstanding	Approx % of future revenues pledged to gross revenues	Revenue, net of related expenses Y/E 6/30/2024	Debt payments Y/E 6/30/2024	2024 Gross Revenues
Revenue bonds:							
Sewer System series 2017	Sewer system fees	2027	\$ 3,661,000	9.7%	\$ 8,742,201 *	\$ 1,706,000	\$ 17,502,565
Revenue bonds:							
Storm System series 2020	Sewer system fees	2031	<u>3,602,383</u>	3.2%	8,742,201 *	<u>553,641</u>	
Business-type activities			<u>\$ 7,263,383</u>			<u>\$ 2,259,641</u>	

* same revenue source pledged for two purposes

The Springfield Economic Development Agency (SEDA) entered into two direct placement Notes Payable, one in 2016 and one in 2018. The Notes are not subject to any acceleration clauses and are not subject to finance related consequences due to events of default. Both Notes are subject to covenants regarding continuing disclosure and prepayment fees. The 2016 Note has a variable interest rate which will reset in October 2021 based on the 3 year FHLB Des Moines Fixed-Rate Advances symmetrical index, plus 1.40 basis points. Both notes also require that the SEDA maintain an unassigned fund balance of at least \$125,000.

Notes Payable

At June 30, 2024 notes payable are as follows:

Bank of Cascades (SEDA), payable in monthly installments including interest at 2.34%, due 2025	\$ 92,732
Bank of Cascades (SEDA), payable in monthly installments including interest at 4.15%, due 2025	<u>399,591</u>
Total governmental activities	<u>\$ 492,323</u>

Principal amounts due on these notes payable in each of the next five years and thereafter are as follows:

Fiscal Year	Governmental Activities
2024-25	\$ 492,323
	<u>\$ 492,323</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE I - LONG-TERM DEBT – Continued

The contract payable included in governmental activities represents an amount due to Sycan B Corporation for a land purchase, with a due date to be established by mutual agreement of both parties.

The contract payable included in business-type activities represents an amount due to Peacehealth. The City gave Peacehealth a credit against future System Development Charges in return for Peacehealth constructing infrastructure that exceeded capacity requirements at the time the Riverbend Hospital was built, in anticipation of future development's demand for that infrastructure.

Legal Debt Margin

The City of Springfield is subject to a debt limit that is 3% of the real fair value of taxable property. As of June 30, 2024, that amount was \$399,676,762. As of June 30, 2024, the total outstanding debt applicable to the limit was \$6,650,147 which is 1.66% of the total debt limit.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE I - LONG-TERM DEBT – Continued

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
General obligation bonds	\$ 9,486,224	\$ 1,100,000	\$ (3,936,077)	\$ 6,650,147	\$ 2,001,363
Less deferred amounts for issuance premiums	691,442	-	(230,481)	460,961	-
Total bonds payable	10,177,666	1,100,000	(4,166,558)	7,111,108	2,001,363
Notes payable	1,219,307	-	(726,984)	492,323	492,323
Contracts payable	210,000	-	-	210,000	-
Leases	24,444	-	(7,291)	17,153	7,535
Subscription liability	1,126,597	16,232	(828,285)	314,544	260,452
Capital lease	-	1,496,785	-	1,496,785	111,442
Accrued claims liability	229,819	-	(111,856)	117,963	-
Compensated absences	5,192,742	3,604,592	(3,405,684)	5,391,650	3,536,067
OPEB liability - City Plan	6,624,544	51,619	-	6,676,163	404,474
Net pension liability	39,474,849	10,168,834	-	49,643,683	-
Governmental activity long-term liabilities	<u>\$ 64,279,968</u>	<u>\$ 16,438,062</u>	<u>\$ (9,246,658)</u>	<u>\$ 71,471,372</u>	<u>\$ 6,813,656</u>
<u>Business-type activities:</u>					
Bonds payable:					
Revenue bonds	\$ 9,859,528	\$ -	\$ (1,986,164)	\$ 7,873,364	\$ 2,050,866
Less deferred amounts for issuance premiums	606,367	-	(151,904)	454,463	-
Total bonds payable	10,465,895	-	(2,138,068)	8,327,827	2,050,866
Notes and contracts payable	472,123	-	(584)	471,539	-
Compensated absences	931,877	693,317	(629,962)	995,232	665,534
OPEB liability - City Plan	1,645,207	17,159	-	1,662,366	100,714
Net pension liability	10,267,778	2,898,302	-	13,166,080	-
Business-type activities long-term liabilities	<u>\$ 23,782,880</u>	<u>\$ 3,608,778</u>	<u>\$ (2,768,614)</u>	<u>\$ 24,623,044</u>	<u>\$ 2,817,114</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE J – RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY

Interfund Payables & Receivables

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Sewer	Internal service funds	\$ 206,234
Storm Drainage	Internal service funds	230,263
Booth-Kelly	Internal service funds	14,720
Ambulance	Internal service funds	241,412
Total due to/from other funds (different fund types)		<u>\$ 692,629</u>

The balances shown above are for services rendered and are generally paid within 30 days.

In an effort to encourage development within the two urban renewal districts, the Springfield Economic Development Agency (SEDA) implemented a program to pay the system development fees on any new commercial or industrial development within the boundaries of the two districts. Additionally, the City has agreed to defer payment from SEDA up to the date the Agency sunsets. That date is not defined and is dependent on the Agency accomplishing its stated goals. The earliest it would reasonably sunset is late 2024. Being a noncash transaction and due to the uncertainty and timing of the payments, authoritative accounting standards indicate that no transaction would need to be recorded (GASB statement No. 34, paragraph 112a(1)). However, due to the size of these deferred payments and impact they would have on affected funds, the City has chosen to recognize a receivable and deferred revenue in the governmental funds statements and a receivable and revenue in the government-wide and proprietary fund statements. For the offsetting liability, a corresponding expense and liability has been recognized in the government-wide statements, however, no expenditure or corresponding liability has been recognized in the governmental funds statements. The details of these deferred fees are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Sewer	SEDA Glenwood	\$ 498,057
Sewer	SEDA Downtown	205,050
Storm Drainage	SEDA Glenwood	42,545
Storm Drainage	SEDA Downtown	322
Total Advance to/from other funds (different fund types)		<u>\$ 745,974</u>

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Street Capital	SEDA Glenwood	\$ 669,424
Street Capital	SEDA Downtown	353,080
Internal Service Funds	SEDA Glenwood	66,450
Internal Service Funds	SEDA Downtown	27,923
General Fund	SEDA Glenwood	1,234
Building Code	SEDA Glenwood	25
Total due to/from other funds (similar fund types)		<u>\$ 1,118,136</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE J – RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY – Continued

Interfund Transfers

Fund description	General	Street	Special Revenue	Nonmajor Governmental Funds	Internal Service	Storm Drainage	Total Transfers Out
General	\$ -	\$ 522,492	\$ 494,418	\$ 56,312	\$ -	\$ -	\$ 1,073,222
Street	-	-	-	-	37,428	-	37,428
Special Revenue	-	-	-	-	-	100,000	100,000
Police Local Option Levy	-	-	-	-	27,500	-	27,500
Nonmajor Governmental	893,579	-	-	-	-	-	893,579
Nonmajor Proprietary	86,772	-	-	-	-	-	86,772
Internal Service Funds	8,669	-	-	-	-	-	8,669
Total Transfers In	<u>\$ 989,020</u>	<u>\$ 522,492</u>	<u>\$ 494,418</u>	<u>\$ 56,312</u>	<u>\$ 64,928</u>	<u>\$ 100,000</u>	<u>\$ 2,227,170</u>

Transfers are routinely made for the following purposes:

- To move unrestricted revenues collected in the General Fund to finance various programs and activities accounted for in other funds in accordance with budgetary authorizations.
- To move unrestricted revenues collected in other funds to the General Fund to finance government programs.
- To move revenues appropriated for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due.
- To move revenues from the fund the statute or budget requires to collect them in to the fund the statute or budget requires to expend them.

NOTE K – REBATABLE ARBITRAGE

The City has three general obligation bonds payable. The Series 2016 bond, originally issued for \$14,690,000, has no arbitrage liability as of June 30, 2024.

The Series 2019 bond, originally issued for \$10,000,000, has a contingent arbitrage liability of \$14,144 as of June 30, 2023. Arbitrage reporting on this bond was done in June, 2024 and the liability was reduced to \$12,803 and was paid in full.

The Series 2022 bond, originally issued for \$5,000,000 has no arbitrage liability as of June 30, 2024.

The City has two revenue bonds payable. The Sewer Series 2017 bond, originally issued for \$13,610,000 and the Series 2020 Sewer Refunding bond, originally issued for \$5,199,936 have no arbitrage liability as of June 30, 2024.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE L – CITY DEFINED BENEFIT PENSION PLAN

Plan Description – The City sponsors a pension plan for Springfield Police Association employees hired before April 1, 1996 (City of Springfield, Oregon Retirement Plan – CRP). CRP is a governmental single-employer plan maintained and operated by the City of Springfield. The plan is closed to new entrants and all participants are fully vested. The CRP covers full-time regular employees covered by the Springfield Police Association, Fire management, and all Police management employees hired before April 1, 1996, and all disability retirees formerly in the Money Purchase Pension Plan. As of June 30, 2024, there were 8 participants in the plan, of which 3 are active employees and 5 are inactive employees or their beneficiaries. The CRP is subject to Oregon PERS “equal to or better than” statutory requirements. PERS completed its latest “equal to or better than” testing in July of 2005. The most recent testing prior to July 2005 was in 1995. The plan does not issue a separate stand-alone report.

City Retirement Plan Benefits

Pension Benefits – The City will contribute, as an employer’s contribution to an individual’s retirement account, a percentage of pay for all annual covered salary. The current percentage is 12.8% for sworn public safety employees, 10% for police dispatchers and 7% for other union employees. In addition, the City contributes 6% of salaries as employee contributions. The annual interest earnings to be credited to plan participants’ accounts remains at a guarantee of 9% for emergency service employees while employed with the City, but includes additional provisions on the withdrawal of individual retirement funds once employment is terminated. Police management employees accepted the same terms and conditions for their participation in the CRP.

Distribution of Benefits – Upon severance of employment of a participant other than by death, a participant’s vested account balances shall be distributed to the participant as soon as administratively feasible. Participants who retired prior to June 30, 2006 could elect to leave their account balances in the plan up until the age of 70-1/2 with a 9% interest guarantee. Participants that terminate employment with the City subsequent to June 30, 2006 and have reached the age of 50 may elect to leave their account balances in the plan up until the age of 70-1/2 with a 9% interest guarantee the 1st year, 6% for years 2 and 3, 4% for years 4 and 5, and 0% thereafter. For participants who terminate employment with the City after June 30, 2006 and before the age of 50, the interest guarantee is 9% for the 1st year and 0% thereafter. All distributions must be lump sum.

Death Benefits – Upon the death of a participant, the participant’s vested account balances shall be distributed to the participant’s beneficiary no later than one year after the date of death.

Disability Benefits – A participant who becomes permanently disabled while employed by the City so that the participant is unable to perform all essential duties will continue to earn credits for service up through the earlier of age 60, death, or the date the participant is no longer disabled. Participant accounts will be distributed at the earlier of age 65 or death.

Contributions – The CRP is funded through a tax-exempt trust that holds assets and funds benefits for the plan. The assets of the CRP are held for the exclusive benefit of participants and beneficiaries under the terms of the plan and cannot be used to pay any benefits or expenses of any other retirement plan or trust. The benefits are funded by employer contributions and earnings from plan investments. The City’s Council adopted a formal CRP Funding Policy in 2015 that established a policy to systematically fund the liabilities of the plan on a sound actuarial basis, taking into account the closed status of the plan. The funding policy may be amended by the City Council at any time for any reason.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE L – CITY DEFINED BENEFIT PENSION PLAN – Continued

The City completes an actuarial study of the CRP as of June 30 every two years. In part, because of the closed membership nature of the plan, the City has implemented a new funding strategy for the CRP. The City now contributes annually to the plan a consistent percentage for all covered salary across all employee groups and an annual single lump sum in each year of the bi-annual cycle. The percentage contribution for all covered salary was 28.3% through June 30, 2024. The annual lump sum contribution for the current bi-annual period is \$1,352,000.

Employer contributions for the year ended June 30, 2024 were \$1,479,816. The General Fund is the governmental fund that will be used to liquidate the net CRP pension liability.

Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2024, the City reported a net pension liability of \$62,809,762 between the City Retirement Plan and PERS. The net pension liability and fiduciary net position for the City Retirement Plan were measured as of June 30, 2024. The total pension liability was determined using actuarial valuation results as of July 1, 2022 rolled forward to June 30, 2024. The following table presents the changes in the net pension liability for the fiscal year ended June 30, 2024:

<u>Changes in Net Pension Liability</u>	Total Pension Liability City Plan	Plan Fiduciary Net Position City Plan	Net Pension Liability City Plan	Net Pension Liability PERS (Note M)	Total NPL
Balances as of June 30, 2023	\$ 19,559,740	\$ 15,742,748	\$ 3,816,992	\$ 45,925,635	\$ 49,742,627
Changes for the year:					
PERS changes	-	-	-	14,727,097	14,727,097
Service cost	166,585	-	166,585	-	166,585
Interest on total pension liability	785,372	-	785,372	-	785,372
Effect of economic/demographic (gains) or losses	-	-	-	-	-
Benefit payments	(8,037,754)	(8,037,754)	-	-	-
Administrative expenses	-	(50,436)	50,436	-	50,436
Net investment income	-	1,182,539	(1,182,539)	-	(1,182,539)
Employer contributions	-	1,479,816	(1,479,816)	-	(1,479,816)
Net changes	<u>(7,085,797)</u>	<u>(5,425,835)</u>	<u>(1,659,962)</u>	<u>14,727,097</u>	<u>13,067,135</u>
Balances as of June 30, 2024	<u>\$ 12,473,943</u>	<u>\$ 10,316,913</u>	<u>\$ 2,157,030</u>	<u>\$ 60,652,732</u>	<u>\$ 62,809,762</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE L – CITY DEFINED BENEFIT PENSION PLAN – Continued

For the year ended June 30, 2024, the City recognized pension expense of \$8,597,973 between the City Retirement Plan and PERS, the details of which are presented in the following table:

	City Retirement Plan	PERS (Note M)	Total July 1, 2023 to June 30, 2024
<u>Pension expense</u>			
Service Cost	\$ 166,585	\$ 10,597,232	\$ 10,763,817
Interest on total pension liability	785,372	-	785,372
Administrative expenses	50,436	-	50,436
Expected investment return net of investment expenses	(621,928)	-	(621,928)
Net amortization of employer-specific deferred amounts from:			
Changes in proportionate share	-	537,800	537,800
Differences between employer contributions and proportionate share of system contributions	-	(1,697,747)	(1,697,747)
Recognition of Deferred (Inflows)/Outflows of Resources:			
Recognition of economic/demographic (gains) losses	(911,362)	-	(911,362)
Recognition of assumption changes or inputs	82,135	-	82,135
Recognition of investment (gains) losses	(390,550)	-	(390,550)
Pension Expense	<u>\$ (839,312)</u>	<u>\$ 9,437,285</u>	<u>\$ 8,597,973</u>

At June 30, 2024, the City reported deferred inflows and outflows of resources related to pensions from the following sources:

<u>Deferred Inflows/Outflows of Resources</u>	<u>City Plan Deferred Inflows of Resources</u>	<u>PERS (Note M) Deferred Inflows of Resources</u>	<u>PERS (Note M) Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (240,493)	\$ 2,966,104
Changes of assumptions or inputs	-	(40,173)	5,388,030
Net difference between projected and actual earnings	(386,761)	-	1,090,178
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	(880,866)	2,982,837
Differences between employer contributions and employer's proportionate share of system contributions	-	(4,451,327)	-
Total (prior to post measurement date contributions)	<u>(386,761)</u>	<u>(5,612,859)</u>	<u>\$ 12,427,149</u>
Contributions subsequent to the measurement date	-	-	7,434,625
Total Deferred Outflow/Inflow of Resources	<u>\$ (386,761)</u>	<u>\$ (5,612,859)</u>	<u>\$ 19,861,774</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE L – CITY DEFINED BENEFIT PENSION PLAN – Continued

The \$(386,761) net deferred inflows/outflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2025	\$ (397,923)
2026	444,427
2027	(321,142)
2028	(112,123)
Total	<u>\$ (386,761)</u>

Actuarial Valuations – The total pension liability in the July 1, 2022 actuarial valuation rolled forward to June 30, 2024 was determined using the following actuarial assumptions:

Actuarial Valuation Assumptions

Valuation date	July 1, 2022 rolled forward to June 30, 2024.
Actuarial cost method	Individual entry age normal, level percentage of base salary
Amortization method	Fixed amortization period of 14 years starting July 1, 2022, with payments calculated in level dollar installments.
Asset valuation method	Five-year smoothing of fair value investment gains and losses, with the resulting smoothed asset value within 10% of market value.
Actuarial assumptions:	
Investment rate of return	5.00%
Projected salary increases	3.0% per year for wage inflation with merit increases
Administrative expenses	\$75,000 per year
Mortality	None assumed

Discount Rate – The Plan’s fiduciary net position plus anticipated future contributions in adherence with the funding policy is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return of 5.0%.

Discount Rate Sensitivity Analysis – The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 5.0%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.0%) or 1-percentage-point higher (6.0%) than the current rate:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE L – CITY DEFINED BENEFIT PENSION PLAN – Continued

	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
Total pension liability	\$ 12,804,918	\$ 12,473,943	\$ 12,166,573
Fiduciary net position	10,316,913	10,316,913	10,316,913
Net pension liability	<u>\$ 2,488,005</u>	<u>\$ 2,157,030</u>	<u>\$ 1,849,660</u>

Long-Term Expected Rate of Return – To help select the long-term expected rate of return assumption, the plan’s actuary, Milliman Inc, reviewed the plan’s asset allocation as of the most recent July 1, 2022 valuation date. The table below shows Milliman’s assumptions for the general asset classes in which the plan was invested at that time. Each asset class return assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Allocation	Compound Annual Return (20-Year Geometric)
Cash	3.3%	2.65%
Core Fixed Income	37.3%	3.89%
Broad US Equities	7.7%	6.00%
Large Cap US Equities	18.3%	5.90%
Small Cap US Equities	18.7%	6.19%
Developed Economy Foreign Equities	11.8%	7.00%
Emerging Markets Equity	2.9%	7.75%
Assumed Inflation – Mean		2.50%

NOTE M – PUBLIC EMPLOYEE RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (PERS)

Plan Description – Qualifying employees of the city, consisting of police public safety personnel – covered by the Springfield Police Association (SPA) – and fire public safety personnel, hired on or after April 1, 1996, as well as all general service personnel beginning April 1, 2002, are provided pensions through the Oregon Public Employees Retirement System (OPERS). These pensions are part of a cost-sharing multiple-employer defined benefit plan administered and managed by the Public Employees Retirement System Board. All related benefits were

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

established by the legislature pursuant to ORS Chapters 238 and 238A. OPERS issues a publicly available Annual Comprehensive Financial Report and Actuarial Valuation that can be obtained at <http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>, or by calling (888) 320-7377, or by writing the Oregon Public Employees Retirement System at PO Box 23700, Tigard, Oregon 97281-3700.

Tier One/Tier Two Plan Benefits

Pension Benefits – This pension program (ORS Chapter 238A) is closed to new members hired on or after August 29, 2003. 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% 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.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire). General Service members may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service member 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.

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

Benefit Changes After Retirement – Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the fair value of equity investments. Under ORS 238.360 monthly benefits may change annually through cost-of-living adjustments (COLA). Under current law, the COLA is capped at 2.0%.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

Oregon Public Service Retirement Plan (OPSRP) Plan Benefits

Pension Benefits – This 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 with a formula for members who attain normal retirement age; for Police and Fire, age 60 or 53 with 25 years of retirement credit, 1.8% is multiplied by the number of years of service and the final average salary; for General Service, age 65 or 58 with 30 years of retirement credit, 1.5% is multiplied by the number of years of service and the final average salary.

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% of the pension that would otherwise have been paid to the deceased member. The surviving spouse, or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached the age of their federally required minimum distribution.

Disability Benefits – A member who has accrued 10 or more years of retirement credits before the member becomes disabled, or a member who becomes disabled due to job-related injury, shall receive a disability benefit of 45% of the member's salary determined by the last full month of employment before the disability occurred.

Benefit Changes After Retirement – Under ORS 238A.210, post retirement monthly benefits will change annually through cost-of-living adjustments. Under current law, the cap on the COLA in fiscal year 2018 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. This funding policy applies to the PERS Defined Benefit Plan and Other Postemployment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2021 actuarial valuation. The City contribution rates in effect for the fiscal year ended June 30, 2024 were 23.11% for Tier One/Tier Two covered members, 21.07% for OPSRP Pension Program Police and Fire Members, and 16.28% for OPSRP Pension Program General Service Members.

Employer contributions for the year ended June 30, 2024 were \$7,434,626. The General Fund is the governmental fund that will be primarily used to liquidate the net PERS pension liability based on the high level of staffing that is funded from this fund.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2024, the City reported a liability of \$60,652,732 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to June 30, 2023. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2023, the City's proportion was 0.32381%, which was changed from 0.29993% measured as of June 30, 2022.

For the year ended June 30, 2024, the City recognized pension expense of \$9,437,285. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,966,104	\$ (240,493)
Changes of assumptions	5,388,030	(40,173)
Net difference between projected and actual earnings of pension plan investments	1,090,178	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,982,837	(880,866)
Differences between employer contributions and employer's proportionate share of system contributions	-	(4,451,327)
Total (prior to post measurement date contributions)	12,427,149	(5,612,859)
Contributions subsequent to the measurement date	7,434,625	-
Total Deferred Outflow/Inflow of Resources	\$ 19,861,774	\$ (5,612,859)

The \$7,434,626 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2025	\$ 355,878
2026	(2,166,009)
2027	5,891,440
2028	2,328,437
2029	404,544
Total	\$ 6,814,290

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

Actuarial Valuations – The employer contribution rates effective July 1, 2023, through June 30, 2025, were set using the entry age normal actuarial cost method. Under this cost method, each active member's entry age present value of projected benefits is allocated over the member's service from their date of entry until their assumed date of exit, taking into consideration expected future compensation increases.

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

Actuarial Assumptions

Valuation Date	December 31, 2021
Measurement Date	June 30, 2023
Experience Study Report	2022, published July, 2023
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision: Blend based on service.
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled Retirees: Pub-2010 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

The actuarial valuation calculations are based on the benefit provided under the terms of the plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2022 Experience Study which reviewed experience for the four-year period ending on December 31, 2022.

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

Depletion Date Projection – GASB Statement No. 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan’s Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses.

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

	1 % Decrease (5.90%)	Current Discount Rate (6.90%)	1 % Increase (7.90%)
City’s proportionate share of the net pension liability (asset)	\$100,186,893	\$60,652,732	\$27,566,829

Long-Term Expected Rate of Return – To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2023 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The following table shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target	20-Year Annualized (Geometric) Mean
Global Equity	27.50 %	7.07 %
Private Equity	25.50	8.83
Core Fixed Income	25.00	4.50
Real Estate	12.25	5.83
Master Limited Partnerships	0.75	6.02
Infrastructure	1.50	6.51
Hedge Fund of Funds - Multistrategy	1.25	6.27
Hedge Fund Equity - Hedge	0.63	6.48
Hedge Fund - Macro	5.62	4.83
Assumed Inflation - Mean	-	2.35

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report. The effect of OPERS on the City's net position has been determined on the same basis used by OPERS.

NOTE N – PERS DEFINED CONTRIBUTION PENSION PLAN

Plan Description – OPSRP Individual Account Program (IAP) is a defined contribution pension plan for Tier One/Tier Two and OPSRP plan members. All benefits of the system are established by the legislature pursuant to ORS Chapters 238 and 238A.

Plan Benefits – An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, or 20-year period or anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE N – PERS DEFINED CONTRIBUTION PENSION PLAN – Continued

Death Benefits – Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Recordkeeping – PERS contracts with VOYA Financial to maintain IAP participant records.

Contributions – State statute requires that covered employees contribute 6% of their covered salary to the IAP plan effective January 1, 2004. Statute allows that the employer may elect to pay any or all of the employee's required IAP contributions.

The City has elected to pay all of the employees' required IAP contribution, except for employees who are members of the City's International Association of Fire Fighters (IAFF) union, which elected to pay the required employee contribution.

For the fiscal year ending June 30, 2024, the City's contribution to the IAP plan was \$1,767,515.

NOTE O – OTHER POSTEMPLOYMENT BENEFITS

The other postemployment benefits (OPEB) for the City combines two separate plans. The City provides an implicit rate subsidy for retiree medical 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:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE O – OTHER POSTEMPLOYMENT BENEFITS – Continued

	Implicit Rate Subsidy Plan	RHIA Cost Sharing Plan	Total Reported
OPEB Liability	\$ (8,338,530)	\$ -	\$ (8,338,530)
OPEB Asset	-	982,308	982,308
Deferred Outflows of Resources			
Difference in expected and actual experience	724,323	2,786	727,109
Changes of assumptions	140,113	-	140,113
Changes in proportionate share	-	70,064	70,064
Contributions after the measurement date	505,066	5,738	510,804
Deferred Inflows of Resources			
Difference in expected and actual experience	-	(24,661)	(24,661)
Changes of assumptions	(1,093,184)	(10,592)	(1,103,776)
Net difference between projected and actual earnings on investments	-	-	-
Change in proportionate share	-	-	-
OPEB Expense	500,780	(105,969)	394,811

IMPLICIT RATE SUBSIDY PLAN

Plan Description

Plan Description - The City administers a single-employer defined benefit healthcare plan as established through negotiations between the City and collective bargaining units. The healthcare plan provides post-retirement medical, dental, vision and wellness center only coverage for eligible retirees, spouses, and dependents. The following groups are eligible: Non-Medicare eligible regular retirees, disability retirees, Non-Medicare eligible early retirees eligible for pension under a City Plan or OPERS with at least 2 years of benefited service at the City, and Non-Medicare eligible early retirees whose age plus years of service equal 70 or greater at their time of retirement. At June 30, 2024, 44 qualified retirees are eligible to receive this benefit. The retiree is responsible for the full premium as established by the City for all participants of the plan less a subsidy of \$115 per month provided by the City. The City treats this subsidy as a single-employer, defined benefit OPEB plan administered by the City only to satisfy the accounting and financial reporting requirements of GASB 75, and a separate financial report is not issued. The total cost of providing this subsidy for the fiscal year ended June 30, 2024 was \$54,764. There are no investments as this is a pay-as you-go plan and all cash is held in a cash account.

The City also provides disability retirement contributions for employees who cease working because of a permanent disability. The following groups are eligible: employees, who at the time of disability retirement were covered under the City Retirement Plan, and employees, who at the time of disability retirement were covered under the Money Purchase Pension Plan. The authority for this coverage is in the pension plan documents. All of the disability retirees are members of the City Retirement Plan.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE O – OTHER POSTEMPLOYMENT BENEFITS – Continued

For these employees, the amount of the pension contribution is either 7%, 8%, or 9% of the employee's last monthly salary, depending on what the employee's contribution rate was before retirement. At June 30, 2024, there were no employees receiving this benefit.

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 \$8,338,530 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022 (plan details outlined in the next page).

For the fiscal year ended June 30, 2024, the City recognized OPEB expense from this plan of \$500,780. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources	Net Deferred (Inflows)/Outflows of Resources
Difference in expected and actual experience	\$ -	\$ 724,323	\$ 724,323
Changes of assumptions or inputs	(1,093,184)	140,113	(953,071)
Contributions made subsequent to measurement date	-	505,066	505,066
	<u>\$ (1,093,184)</u>	<u>\$ 1,369,502</u>	<u>\$ 276,318</u>

Deferred outflows of resources related to OPEB of \$505,066 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 ending June 30, 2025. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	Annual Recognition
2025	\$ (136,904)
2026	(131,334)
2027	(81,186)
2028	(13,538)
2029	29,954
Thereafter	<u>104,260</u>
Total	<u>\$ (228,748)</u>

Actuarial Assumptions and Other Inputs - The total OPEB liability in the July 1, 2022 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE O – OTHER POSTEMPLOYMENT BENEFITS – Continued

Valuation date	July 1, 2022
Measurement Date	June 30, 2023
Discount rate	3.65%
Inflation	2.40%
Salary Increases	3.40%
Withdrawal, retirement, and mortality rates	December 31, 2021 Oregon PERS valuation and July 1, 2022 Springfield Retirement Plan valuation
Election and Lapse Rates	60% of members eligible for the explicit employer-paid benefit. 35% of other eligible employees. 60% of male members and 35% of female members will elect spouse coverage. 3% annual lapse rate
Actuarial cost method	Entry Age Normal

Changes in the Total OPEB Liability (Implicit Rate Subsidy Plan)

Balance as of June 30, 2023	\$	8,269,752
Changes for the year:		
Service cost		341,710
Interest on total OPEB liability		295,974
Effect of economic/demographic gains or losses		-
Effect of assumptions changes or inputs		(67,676)
Benefit payments		<u>(501,230)</u>
Balance as of June 30, 2024	\$	<u>8,338,530</u>

Sensitivity of the Total OPEB Liability - The following presents the total OPEB liability of the Plan, calculated using the discount rate of 3.65%, as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65%) or 1 percentage point higher (4.65%) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE O – OTHER POSTEMPLOYMENT BENEFITS – Continued

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	\$ 8,979,359	\$ 8,338,530	\$ 7,744,884

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 7,661,169	\$ 8,338,530	\$ 9,193,949

PERS RETIREMENT HEALTH INSURANCE ACCOUNT (RHIA)

Plan Description - The City contributes to the Oregon Public Employees Retirement System' (PERS) Retiree Health Insurance Account (RHIA), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the Public Employees Retirement Board (PERB). The authority to establish and amend the benefit provisions of the plan rests with the Oregon Legislature. The plan, which was established under ORS 238.420, provides a payment of up to \$60 per month towards the costs of health insurance for eligible PERS retirees. RHIA post-employment benefits are set by state statute. The annual comprehensive financial report of the funds administered by the PERB may be obtained by writing to Oregon Public Employees Retirement System at PO Box 23700, Tigard, Oregon 97281-3700, by calling (888) 320-7377, or by accessing the PERS website at <http://www.oregon.gov/PERS/>.

Funding Policy and contributions - Participating employers are contractually required to contribute at a rate assessed bi-annually by the PERB, currently 0.05% of annual covered payroll for PERS Plan members, and 0.0% for OPSRP Plan members. The PERB sets the employer contribution rate based on an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any actuarial liabilities of the plan over a period not to exceed five years. The City's total for the year ended June 30, 2024 contributions was \$5,738.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflow of Resources Related to OPEB - For the employer cost-sharing plan, the OPEB liability was based on the employer's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. At June 30, 2024, the City's proportion was 0.2683%, which was a decrease from its proportion of 0.2965% at the prior measurement date.

For the year ended June 30, 2024, the City recognized deferred outflows of resources and deferred inflows of resources in the amount of \$78,588 and \$35,253. For the year ended June 30, 2024, the City recognized OPEB expense of \$(105,969) for this plan.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE O – OTHER POSTEMPLOYMENT BENEFITS – Continued

	Deferred Inflows of Resources	Deferred Outflows of Resources	Net Deferred (Inflows)/Outflows of Resources
Differences in expected and actual experience	\$ (24,661)	\$ -	\$ (24,661)
Changes of assumptions	(10,592)	-	(10,592)
Net difference between projected and actual earnings	-	2,786	2,786
Changes in proportionate share	-	70,064	70,064
Subtotal	(35,253)	72,850	37,597
Contributions subsequent to the measurement date	-	5,738	5,738
Total	\$ (35,253)	\$ 78,588	\$ 43,335

Other amounts reported as deferred inflows related to the Oregon's PERS cost-sharing plan will be recognized in OPEB expense as follows:

Year Ended June 30,	Annual Recognition
2025	\$ 13,786
2026	(25,512)
2027	36,303
2028	13,020
Total	\$ 37,597

Change in Net OPEB Liability (RHIA)

Oregon Public Employees Retirement System Cost-sharing Plan	2024
Net OPEB Liability:	
Difference between expected and actual experience	\$ (24,661)
Changes in assumptions	(10,592)
Net difference between projected and actual earnings	2,786
Change in proportionate share	204,217
OPEB income	(105,969)
Benefit payments	5,738
Net changes in OPEB liability	71,519
Net OPEB liability (asset) - beginning	(1,053,827)
Net OPEB liability (asset) - ending	\$ (982,308)
City's proportionate share at measurement date	0.26826873%
City's covered employee payroll	\$ 42,941,217
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-2.3%

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE O – OTHER POSTEMPLOYMENT BENEFITS – Continued

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

Sensitivity of the Net OPEB Liability 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:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Net OPEB Liability (Asset)	\$ (892,920)	\$ (982,308)	\$ (1,059,003)

Actuarial Methods and Assumptions - All actuarial methods and assumptions are consistent with those disclosed for the OPERS Pension Plan. See Note M for additional information on assumptions and methods, the Long-Term Expected Rate of Return, and the Discount Rate.

NOTE P – COMMITMENTS AND CONTINGENCIES

At June 30, 2024, the City was obligated under incomplete construction contracts in the amount of \$1,290,036.

The Sick Leave Reserve Program allows AFSCME, SEIU and Non-Union employees to join annually for a calendar year of coverage during open enrollment by contributing hours from their accrued sick leave or PTO bank. The number of hours required to join is based on the employee's FTE and is pro-rated for mid-year hires who elect to join the program for the remainder of the calendar year at hire. Employees may draw from the reserve bank under certain circumstances as defined in the policy. Prior to drawing, employees must exhaust all their own leave accruals first. At June 30, 2024, the Sick Leave Reserve Program bank contained 8,260 hours. The value of these hours is not included in the liability for compensated absences because there is no estimate of the number of hours that will be used.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE P – COMMITMENTS AND CONTINGENCIES – Continued

The City provides funding for health reimbursement accounts for its employees to offset the high deductible medical plan. Once charged to the department, the funds are owned by the individual employees and are held in a fiduciary capacity in the Custodial fund until either paid to the Plan Administrator if the funds are used, or rolled into the employees outside Voluntary Employees Beneficiary Association (VEBA) account upon retirement. These funds no longer belong to the City of Springfield, but are sometimes held for years until employees draw on them.

NOTE Q – CONSTITUTIONAL PROPERTY TAX LIMITATION

The State of Oregon has a constitutional limit on property taxes for governmental operations. The limitation specifies a maximum rate for local government operations of \$10.00 per \$1,000 of assessed value.

In May 1997, the voters approved a citizen initiative (Measure 50) that rolls back assessed property values to 90 percent of their 1995-96 real fair value amount and limits future increases to 3 percent per year, except for major improvements. Under Measure 50, voters may approve new local initiatives provided a majority approves at either a general election in an even numbered year, or at any other election in which at least 50 percent of registered voters cast a ballot. This double majority requirement for local initiatives is no longer required as a result of the passage of statewide measure 56, passed on November 4, 2008.

NOTE R – TAX ABATEMENT

As of June 30, 2024, the City of Springfield provided tax abatements through the Enterprise Zone and Low Income Rental Housing programs.

Enterprise Zone (ORS 285C.175)

The purpose of the Enterprise Zone program is to stimulate and protect economic success by providing tax incentives for employment, business, industry and commerce and by providing adequate levels of complementary assistance to community strategies for such interrelated goals as environmental protection, growth management and efficient infrastructure. To be an eligible business firm, a business firm must be engaged, or proposing to engage, within the enterprise zone, in the business of providing goods, products or services to businesses or other organizations through activities including, but not limited to, manufacturing, assembly, fabrication, processing, shipping or storage. Qualified real and personal property owned or leased and newly placed into service by a qualified business in an enterprise zone is exempt from property tax for three years. The exemption period may be increased to a total of four or five consecutive years. For the basic, three-year enterprise zone exemption period, the business needs to:

- Increase full-time, permanent employment of the firm inside the enterprise zone by the greater of one new job or 10% (or less with special-case local sponsor waivers);
- Generally have no concurrent job losses outside the zone boundary inside Oregon;
- Maintain minimum employment level during the exemption period;
- Enter into a first-source agreement with local job training providers; and
- Satisfy any additional local condition that has been established (only) in an urban zone.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE R – TAX ABATEMENT – Continued

Low Income Rental Housing (ORS 307.517)

Low Income Rental Housing property, or a portion of the property, qualifies for this exemption if it is offered for rent or held for the purpose of developing low income rental housing for a period not exceeding a reasonable maximum period, if any, adopted by the governing body. The property, if occupied, must be occupied solely by low income persons; the required rent payment reflects the full value of the property tax exemption; the exemption has been approved as provided in ORS 307-523, pursuant to an application filed before July 1, 2030; the housing units on the property were constructed after the local governing body adopted the provisions of ORS 307.515 to 307.523 and the information disclosed on the application filed pursuant to ORS 307.521 meets any other criteria adopted by the governing body.

For the fiscal year ended June 30, 2024, the City of Springfield abated taxes totaling \$524,637 under the Enterprise Zone and Low Income Rental Housing programs.

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated During the Fiscal Year</u>
Enterprise Zone	\$ 520,525
Low Income Rental Housing	4,113
	<u>\$ 524,637</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2024

NOTE S – RESTATEMENT OF NET POSITION

During the course of analyzing the fixed asset activity in the current year, it was discovered that errors were made in the prior year calculations. These included assets from ARPA projects that should have been included in work-in-process and an error in the calculations of donated storm and sewer lines. These adjustments resulted in a decrease to beginning net position in the amount of \$503,077 to the government. These are recorded on the basic financial statements as follows:

	Government-wide		
	Governmental Activities	Business-Type Activities	Total
Change in net position	\$ 27,713,672	\$ 11,179,197	\$ 38,892,869
Net position - beginning as previously reported	206,388,680	124,585,267	330,973,947
Adjustment for correction of error entity-wide	1,386,026	-	1,386,026
Adjustment for correction of error sewer fund	-	(553,065)	(553,065)
Adjustment for correction of error storm fund	-	(1,336,038)	(1,336,038)
Net position - beginning as restated	<u>207,774,706</u>	<u>122,696,164</u>	<u>330,470,870</u>
Net position - ending	<u>\$ 235,488,378</u>	<u>\$ 133,875,361</u>	<u>\$ 369,363,739</u>

NOTE T – SUBSEQUENT EVENTS

On May 21, 2024, the Springfield voters approved Ballot Measure 20-351 authorizing the City to issue a maximum of \$20 million of general obligation bonds to fix City streets as described in the measure. These bonds were issued September 10, 2024 with a mix of tax-exempt and taxable bonds totaling \$20 million to be repaid over a period of 5 years.



Required Supplementary Information



City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2024

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 26,138,568	\$ 26,138,568	\$ 26,223,130	\$ 84,562	\$ -	\$ 26,223,130
Licenses, permits and fees	2,847,790	2,847,790	3,562,984	715,194	-	3,562,984
Intergovernmental	6,219,166	6,324,742	5,820,878	(503,864)	7,484	5,828,362
Charges for services	6,658,968	6,751,968	6,651,086	(100,882)	-	6,651,086
Fines and forfeitures	895,200	895,200	884,371	(10,829)	-	884,371
Investment earnings	161,500	161,500	1,758,984	1,597,484	(42,753)	1,716,231
Miscellaneous	312,299	312,299	344,632	32,333	-	344,632
Total revenues	<u>43,233,491</u>	<u>43,432,067</u>	<u>45,246,065</u>	<u>1,813,998</u>	<u>(35,269)</u>	<u>45,210,796</u>
Expenditures:						
Current operating:						
City manager's office	1,665,389	1,664,389	1,444,850	219,539	24,798	1,469,648
Legal and judicial services	959,862	959,862	943,268	16,594	-	943,268
Human resources	969,736	949,736	858,136	91,600	-	858,136
Finance	2,660,599	2,723,099	2,531,233	191,866	(30,381)	2,500,852
Information technology	1,652,478	1,652,478	1,551,794	100,684	-	1,551,794
Fire and life safety	13,151,343	13,475,092	13,324,520	150,572	20,453	13,344,973
Police	18,123,044	18,782,694	18,563,971	218,723	1,055	18,565,026
Library	2,104,887	2,115,666	2,061,625	54,041	(49,631)	2,011,994
Development and public works	3,095,222	3,397,764	3,252,476	145,288	(994)	3,251,482
Contingency	1,000,000	615,177	-	615,177	-	-
Debt service:						
Principal	-	-	-	-	125,810	125,810
Interest	-	-	-	-	7,142	7,142
Total expenditures	<u>45,382,560</u>	<u>46,335,957</u>	<u>44,531,873</u>	<u>1,804,084</u>	<u>98,252</u>	<u>44,630,125</u>
Excess of revenues over (under) expenditures	<u>(2,149,069)</u>	<u>(2,903,890)</u>	<u>714,192</u>	<u>3,618,082</u>	<u>(133,521)</u>	<u>580,671</u>
Other financing sources (uses):						
Transfers in	1,086,772	1,284,772	980,351	(304,421)	8,669	989,020
Transfers out	(1,095,497)	(1,154,167)	(1,073,222)	80,945	-	(1,073,222)
Total other financing sources (uses)	<u>(8,725)</u>	<u>130,605</u>	<u>(92,871)</u>	<u>(223,476)</u>	<u>8,669</u>	<u>(84,202)</u>
Net change in fund balance	<u>(2,157,794)</u>	<u>(2,773,285)</u>	<u>621,321</u>	<u>3,394,606</u>	<u>(124,852)</u>	<u>496,469</u>
Fund balance, beginning of year	<u>11,447,631</u>	<u>12,414,727</u>	<u>12,414,727</u>	<u>-</u>	<u>98,596</u>	<u>12,513,323</u>
Fund balance, end of year	<u>\$ 9,289,837</u>	<u>\$ 9,641,442</u>	<u>\$ 13,036,048</u>	<u>\$ 3,394,606</u>	<u>\$ (26,256)</u>	<u>\$ 13,009,792</u>

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
POLICE LOCAL OPTION LEVY FUND
Year Ended June 30, 2024

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 7,540,680	\$ 7,540,680	\$ 7,455,231	\$ (85,449)	\$ -	\$ 7,455,231
Licenses, permits, and fees	71,000	71,000	61,797	(9,203)	-	61,797
Charge for services	875,700	875,700	874,465	(1,235)	-	874,465
Fines and forfeitures	-	-	-	-	-	-
Investment earnings	40,000	40,000	247,001	207,001	(3,222)	243,779
Intergovernmental	-	-	-	-	-	-
Miscellaneous	-	-	1,611	1,611	-	1,611
Total revenues	<u>8,527,380</u>	<u>8,527,380</u>	<u>8,640,105</u>	<u>112,725</u>	<u>(3,222)</u>	<u>8,636,883</u>
Expenditures:						
Current operating:						
Finance	754,399	754,399	657,815	96,584	-	657,815
Legal services	93,280	93,280	91,147	2,133	-	91,147
Police	7,929,538	8,004,538	7,960,258	44,280	3,982	7,964,240
Contingency	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>8,927,217</u>	<u>9,002,217</u>	<u>8,709,220</u>	<u>292,997</u>	<u>3,982</u>	<u>8,713,202</u>
Excess of revenues over (under) expenditures	(399,837)	(474,837)	(69,115)	405,722	(7,204)	(76,319)
Other financing sources (uses):						
Transfers out	<u>(27,500)</u>	<u>(27,500)</u>	<u>(27,500)</u>	<u>-</u>	<u>-</u>	<u>(27,500)</u>
Net change in fund balance	(427,337)	(502,337)	(96,615)	405,722	(7,204)	(103,819)
Fund balance, beginning of year	<u>2,807,658</u>	<u>3,721,717</u>	<u>3,721,717</u>	<u>-</u>	<u>10,450</u>	<u>3,732,167</u>
Fund balance, end of year	<u>\$ 2,380,321</u>	<u>\$ 3,219,380</u>	<u>\$ 3,625,102</u>	<u>\$ 405,722</u>	<u>\$ 3,246</u>	<u>\$ 3,628,348</u>

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
Year Ended June 30, 2024

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Licenses, permits and fees	\$ 232,000	\$ 232,000	\$ 233,503	\$ 1,503	\$ -	\$ 233,503
Intergovernmental	306,093	2,331,198	2,401,855	70,657	7,344,706	9,746,561
Fines and forfeitures	25,000	102,000	262,697	160,697	-	262,697
Investment earnings	-	-	23,330	23,330	-	23,330
Miscellaneous	76,122	147,609	212,877	65,268	(14,195)	198,682
Total revenues	639,215	2,812,807	3,134,262	321,455	7,330,511	10,464,773
Expenditures:						
Current operating:						
City manager's office	3,726,570	3,807,392	2,993,487	813,905	5,788	2,999,275
Information Technology	133,866	230,736	217,576	13,160	-	217,576
Human Resources	104,835	104,835	92,432	12,403	-	92,432
Finance	816,705	1,014,428	667,214	347,215	-	667,214
Fire	266,209	378,492	333,659	44,833	-	333,659
Police	479,800	1,353,532	920,989	432,543	(44,527)	876,462
Library	124,218	288,932	141,849	147,083	1,000	142,849
Development and public works	5,866,836	7,411,475	4,027,656	3,383,819	270	4,027,926
Total expenditures	11,519,039	14,589,822	9,394,862	5,194,961	(37,469)	9,357,393
Excess of revenues over (under) expenditures	(10,879,824)	(11,777,015)	(6,260,600)	5,516,415	7,367,980	1,107,380
Other financing sources (uses):						
Transfers in	493,418	494,418	494,418	-	-	494,418
Transfers out	-	(100,000)	(100,000)	-	-	(100,000)
Total other financing sources (uses)	493,418	394,418	394,418	-	-	394,418
Net change in fund balance	(10,386,406)	(11,382,597)	(5,866,182)	5,516,415	7,367,980	1,501,798
Fund balance, beginning of year	15,880,072	16,357,765	16,357,765	-	(13,389,366)	2,968,399
Fund balance, end of year	\$ 5,493,666	\$ 4,975,168	\$ 10,491,583	\$ 5,516,415	\$ (6,021,386)	\$ 4,470,197

City of Springfield, Oregon
REQUIRED SUPPLEMENTARY INFORMATION
CITY RETIREMENT PLAN (CRP)
Year Ended June 30, 2024

Schedule of CRP Employer Contributions

	2024	2023	2022
Actuarially determined contribution	\$ 748,000	\$ 1,130,000	\$ 1,190,000
Actual employer contribution	1,480,000	1,568,000	1,633,149
Contribution deficiency (Excess)	(732,000)	(438,000)	(443,149)
Covered payroll	666,589	655,186	836,804
Contribution as a % of covered payroll	222.03%	239.32%	195.17%
Valuation Date	7/1/2022	7/1/2020	7/1/2020
Investment Rate of Return Assumption	5.00%	5.00%	5.00%

Schedule of Changes in Total Pension Liability, Fiduciary Net Position, and Related Ratios

	2024	2023	2022
Total Pension Liability			
Service cost	\$ 166,585	\$ 178,979	\$ 442,046
Interest on total pension liability	785,372	1,132,491	1,346,214
Effect of economic/demographic (gains) or losses	-	(1,813,512)	-
Effect of assumptions changes or inputs	-	-	-
Benefit payments	(8,037,754)	(4,818,111)	(6,781,187)
Net change in total pension liability	(7,085,797)	(5,320,153)	(4,992,927)
Total pension liability, beginning	19,559,740	24,879,893	29,872,820
Total pension liability, ending (a)	12,473,943	19,559,740	24,879,893
Fiduciary Net Position			
Employer contributions	1,479,816	1,567,966	1,633,149
Investment income net of investment expenses	1,182,539	1,824,255	(2,699,056)
Benefit payments	(8,037,754)	(4,818,111)	(6,781,187)
Administrative expenses	(50,436)	(79,241)	(109,447)
Net change in plan net position	(5,425,835)	(1,505,131)	(7,956,541)
Fiduciary net position, beginning	15,742,748	17,247,879	25,204,420
Fiduciary net position, ending (b)	10,316,913	15,742,748	17,247,879
Net pension liability, ending (a) - (b)	\$ 2,157,030	\$ 3,816,992	\$ 7,632,014
Fiduciary net position as a % of total pension liability	83%	80%	69%
Covered payroll	\$ 666,589	\$ 655,186	\$ 836,804
Net pension liability as a % of covered payroll	324%	583%	912%

* Note: GAAP serves as the basis of budgeting

Fiscal Year Ended June 30,

2021	2020	2019	2018	2017	2016	2015
\$ 1,336,000	\$ 1,469,000	\$ 1,652,000	\$ 1,754,000	\$ 1,874,000	\$ 1,875,000	\$ 1,936,000
1,700,288	1,895,516	1,842,671	1,949,686	1,916,262	1,953,954	1,964,977
(364,288)	(426,516)	(190,671)	(195,686)	(42)	(79)	(29)
1,085,680	1,529,732	1,573,655	1,915,136	2,027,175	2,034,238	2,100,871
156.61%	123.91%	117.09%	101.80%	94.52%	96.07%	93.53%
7/1/2018	7/1/2018	7/1/2016	7/1/2016	7/1/2014	7/1/2014	7/1/2012
5.50%	5.50%	6.50%	6.50%	6.50%	6.50%	6.50%

Fiscal Year Ended June 30,

2021	2020	2019	2018	2017	2016	2015
\$ 424,658	\$ 473,416	\$ 409,467	\$ 576,750	\$ 596,684	\$ 608,191	\$ 611,102
1,648,210	1,690,860	1,942,409	2,137,457	2,333,205	2,199,860	2,186,388
(313,972)	-	(606,741)	-	(1,642,892)	-	-
492,811	-	1,241,053	-	70,885	-	-
(3,843,362)	(1,938,600)	(2,442,290)	(8,653,011)	(45,910)	(1,444,246)	(3,730,383)
(1,591,655)	225,676	543,898	(5,938,804)	1,311,972	1,363,805	(932,893)
31,464,475	31,238,799	30,694,901	36,633,705	35,321,733	33,957,928	34,890,821
29,872,820	31,464,475	31,238,799	30,694,901	36,633,705	35,321,733	33,957,928
1,700,288	1,895,516	1,842,671	1,949,686	1,916,262	1,953,954	1,964,977
5,264,296	1,123,428	1,387,284	1,973,759	2,717,812	(12,259)	708,524
(3,843,362)	(1,938,600)	(2,442,290)	(8,653,011)	(45,910)	(1,444,246)	(3,730,383)
(78,351)	(73,200)	(71,812)	(86,436)	(76,423)	(68,077)	(70,078)
3,042,871	1,007,144	715,853	(4,816,002)	4,511,741	429,372	(1,126,960)
22,161,549	21,154,405	20,438,552	25,254,554	20,742,813	20,313,441	21,440,401
25,204,420	22,161,549	21,154,405	20,438,552	25,254,554	20,742,813	20,313,441
\$ 4,668,400	\$ 9,302,926	\$ 10,084,394	\$ 10,256,349	\$ 11,379,151	\$ 14,578,920	\$ 13,644,487
84%	70%	68%	67%	69%	59%	60%
\$ 1,085,680	\$ 1,529,732	\$ 1,573,655	\$ 1,915,136	\$ 2,027,175	\$ 2,034,238	\$ 2,100,871
430%	608%	641%	536%	561%	717%	649%

City of Springfield, Oregon
REQUIRED SUPPLEMENTARY INFORMATION
OREGON PUBLIC EMPLOYEE RETIREMENT SYSTEM (OPERS)
Year Ended June 30, 2024

OPERS RETIREMENT PLAN PENSION BENEFITS

Schedule of Proportionate Share of the Net Pension Liability (Asset)

	2024	2023	2022
Proportion of the net pension liability (asset)	0.3238%	0.2999%	0.3044%
Proportionate share of the net pension liability (asset)	\$ 60,652,732	\$ 45,925,635	\$ 36,420,240
Covered payroll	38,495,936	36,805,071	34,220,410
Proportionate share of the pension liability (asset) as a percentage of its covered payroll	157.56%	124.78%	106.43%
Plan net position as a percentage of the total pension liability	81.7%	84.5%	87.6%

* Amounts presented are as of the measurement date, which is one year in arrears.

** No assets accumulated in a trust that meets the criteria of GASB to pay related benefits for the pension plan.

Schedule of Contributions

	2024	2023	2022
Contractually required contribution	\$ 7,434,626	\$ 6,988,773	\$ 6,422,871
Contributions in relation to the contractually required contribution	7,434,626	6,988,773	6,422,871
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ 42,941,217	\$ 38,495,936	\$ 36,805,071
Contributions as a percentage of covered payroll	17.31%	18.15%	17.45%

* Note: GAAP serves as the basis of budgeting

Fiscal Year Ended June 30,

2021	2020	2019	2017	2017	2016	2015
0.3059%	0.3141%	0.3009%	0.2894%	0.2894%	0.3089%	0.2801%
\$ 66,759,811	\$ 54,332,518	\$ 45,585,971	\$ 43,443,622	\$ 43,443,622	\$ 17,733,343	\$ (6,349,764)
31,984,379	31,987,774	29,957,604	28,785,414	28,785,414	27,340,088	26,270,045
208.73%	169.85%	152.17%	150.92%	150.92%	64.86%	-24.17%
75.8%	80.2%	82.1%	80.5%	80.5%	91.9%	103.6%

Fiscal Year Ended June 30,

2021	2020	2019	2017	2017	2016	2015
\$ 5,878,193	\$ 5,667,777	\$ 4,190,470	\$ 2,875,247	\$ 2,875,247	\$ 2,718,458	\$ 2,393,904
5,878,193	5,667,777	4,190,470	2,875,247	2,875,247	2,718,458	2,393,904
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 34,220,410	\$ 31,984,379	\$ 31,987,774	\$ 29,371,018	\$ 29,371,018	\$ 28,785,414	\$ 27,340,088
17.18%	17.72%	13.10%	9.79%	9.79%	9.44%	8.76%

City of Springfield, Oregon
REQUIRED SUPPLEMENTARY INFORMATION
IMPLICIT RATE SUBSIDY PLAN
Year Ended June 30, 2024

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY

	Fiscal Year Ended June 30,		
	2024	2023	2022
Total OPEB Liability:			
Services cost	\$ 341,710	\$ 424,442	\$ 411,626
Interest on total OPEB liability	295,974	164,180	161,350
Difference between expected and actual experience			
Effect of economic/demographic (gains) or losses	-	636,440	-
Effect of assumptions, changes or inputs	(67,676)	20,044	28,478
Benefit payments	(501,230)	(303,646)	(324,876)
Net change in total OPEB liability	<u>\$ 68,778</u>	<u>\$ 941,460</u>	<u>\$ 276,578</u>
 Total OPEB liability - beginning	 8,269,752	 7,328,292	 7,051,714
Restatement for GASB 75 Implementation	<u>-</u>	<u>-</u>	<u>-</u>
 Total OPEB liability - beginning as restated	 <u>8,269,752</u>	 <u>7,328,292</u>	 <u>7,051,714</u>
Total OPEB liability - ending	<u>\$ 8,338,530</u>	<u>\$ 8,269,752</u>	<u>\$ 7,328,292</u>
 Covered-employee payroll	 \$ 38,495,936	 \$ 36,805,071	 \$ 34,220,410
Total OPEB liability as a percentage of covered-employee payroll	21.7%	22.5%	21.4%

*This schedule is intended to show a 10-year trend of changes in the net pension liability. However, until a full 10-year trend is compiled, information will only be presented for those years in which it is available.

**Amounts presented are as of the measurement date, which is one year in arrears

*** No assets accumulated in a trust that meets the criteria of GASB to pay related benefits for the OPEB plan.

**** Note: GAAP serves as the basis of budgeting

2021	2020	2019	2018
\$ 414,080	\$ 372,531	\$ 395,930	\$ 453,737
262,383	266,338	273,058	223,423
326,881	-	159,236	-
(892,059)	226,366	(1,219,048)	(495,892)
(284,290)	(300,212)	(361,763)	(309,306)
<u>\$ (173,005)</u>	<u>\$ 565,023</u>	<u>\$ (752,587)</u>	<u>\$ (128,038)</u>
7,224,719	6,659,696	7,412,283	6,559,960
-	-	-	980,361
7,224,719	6,659,696	7,412,283	7,540,321
<u>\$ 7,051,714</u>	<u>\$ 7,224,719</u>	<u>\$ 6,659,696</u>	<u>\$ 7,412,283</u>
\$ 31,984,379	31,987,774	\$ 29,957,604	\$ 29,371,018
22.0%	22.6%	22.2%	25.2%

City of Springfield, Oregon
REQUIRED SUPPLEMENTARY INFORMATION
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
RHIA COST SHARING PLAN
Year Ended June 30, 2024

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)

	Fiscal Year Ended June 30,		
	2024	2023	2022
Net OPEB Liability:			
Proportion of the net pension liability (asset)	0.2683%	0.2966%	0.3370%
Proportionate share of the net pension liability (asset)	\$ (982,308)	\$ (1,053,827)	\$ (1,157,375)
Covered payroll	38,495,936	36,805,071	34,220,410
Proportionate share of the pension liability (asset) as a percentage of its covered payroll	-2.6%	-2.7%	-3.4%
Plan net position as a percentage of the total pension liability	201.6%	194.6%	183.9%

*This schedule is intended to show a 10-year trend of contributions. However, until a full 10-year trend is compiled, information will only be presented for those years in which it is available.

**Amounts presented are as of the measurement date, which is one year in arrears

SCHEDULE OF CONTRIBUTIONS

	Fiscal Year Ended June 30,		
	2024	2023	2022
Contractually required contribution	\$ 223	\$ 5,287	\$ 7,310
Contributions in relation to the contractually required contribution	5,738	7,291	9,988
Contribution deficiency (excess)	<u>\$ (5,515)</u>	<u>\$ (2,004)</u>	<u>\$ (2,678)</u>
Covered payroll	\$ 42,941,217	\$ 38,495,936	\$ 36,805,071
Contributions as a percentage of covered payroll	0.00%	0.01%	0.02%

*This schedule is intended to show a 10-year trend of contributions. However, until a full 10-year trend is compiled, information will only be presented for those years in which it is available.

**Note: GAAP serves as the basis of budgeting

2021	2020	2019	2018
0.1955%	0.2985%	0.2885%	0.2986%
\$ (398,376)	\$ (576,806)	\$ (322,081)	\$ (124,618)
31,984,379	31,987,774	29,957,604	29,371,018
-1.2%	-1.8%	-1.1%	-0.4%
150.1%	144.4%	124.0%	108.9%

2021	2020	2019	2018
\$ 9,018	\$ 13,962	\$ 147,942	\$ 139,708
12,434	148,101	138,490	148,660
<u>\$ (3,416)</u>	<u>\$ (134,139)</u>	<u>\$ 9,452</u>	<u>\$ (8,952)</u>
\$ 34,220,410	\$ 31,984,379	\$ 31,987,774	\$ 29,957,604
0.03%	0.04%	0.46%	0.47%



Other Supplementary Information



Nonmajor Governmental Funds Combining Statements



City of Springfield, Oregon
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2024

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 16,685,978	\$ 559,406	\$ 6,216,022	\$ 23,461,406
Receivables:				
Accounts	1,610,436	-	-	1,610,436
Taxes	192,178	189,725	-	381,903
Grants	168,181	-	-	168,181
Accrued interest	89,702	13,035	32,740	135,477
Assessments and liens	-	-	17,944	17,944
Notes	1,039,606	-	-	1,039,606
Deferred system development charges	26	-	-	26
Prepaid items	74,963	-	-	74,963
Deposits	800	-	-	800
Inventory	271,353	-	-	271,353
Total assets	<u>\$ 20,133,223</u>	<u>\$ 762,166</u>	<u>\$ 6,266,706</u>	<u>\$ 27,162,095</u>
LIABILITIES				
Accounts payable	\$ 794,021	\$ -	\$ 256,439	\$ 1,050,460
Accrued payroll and other liabilities	276,872	-	-	276,872
Due to other fund	57,278	-	-	57,278
Deposits	5,125	-	-	5,125
Total liabilities	<u>1,133,296</u>	<u>-</u>	<u>256,439</u>	<u>1,389,735</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	<u>1,843,826</u>	<u>184,162</u>	<u>17,944</u>	<u>2,045,932</u>
FUND BALANCES				
Nonspendable	347,116	-	-	347,116
Restricted	16,808,985	578,004	1,625,040	19,012,029
Committed	-	-	3,200,892	3,200,892
Assigned	-	-	1,166,391	1,166,391
Total fund balances	<u>17,156,101</u>	<u>578,004</u>	<u>5,992,323</u>	<u>23,726,428</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 20,133,223</u>	<u>\$ 762,166</u>	<u>\$ 6,266,706</u>	<u>\$ 27,162,095</u>

City of Springfield, Oregon

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 7,944,531	\$ 3,846,991	\$ -	\$ 11,791,522
Licenses, permits and fees	223,231	-	-	223,231
Intergovernmental	6,202,670	-	28	6,202,698
Charges for services	2,872,006	-	313,883	3,185,889
Investment earnings	909,107	125,369	324,913	1,359,389
Miscellaneous	83,816	-	-	83,816
Total revenues	18,235,361	3,972,360	638,824	22,846,545
Expenditures:				
Current operating:				
General government	764,273	-	-	764,273
Fire and life safety	2,438,142	-	-	2,438,142
Library	270,072	-	-	270,072
Development and public works	9,864,022	-	373,904	10,237,926
Capital projects	1,268,683	-	482,971	1,751,654
Debt service:				
Principal	889,060	3,774,000	-	4,663,060
Interest	220,471	245,562	-	466,033
Total expenditures	15,714,723	4,019,562	856,875	20,591,160
Excess of revenues over (under) expenditures	2,520,638	(47,202)	(218,051)	2,255,385
Other financing sources (uses):				
Issuance of debt	1,100,000	-	-	1,100,000
Transfers in	522,492	-	56,312	578,804
Transfers out	(897,484)	-	(33,523)	(931,007)
Total other financing sources (uses)	725,008	-	22,789	747,797
Net change in fund balances	3,245,646	(47,202)	(195,262)	3,003,182
Fund balance, beginning of year	14,046,965	625,206	6,187,585	20,859,756
Change in reserve for inventory	(136,510)	-	-	(136,510)
Fund balance, end of year	\$ 17,156,101	\$ 578,004	\$ 5,992,323	\$ 23,726,428

Special Revenue Funds

Combining statements for all individual nonmajor special revenue funds are reported here. The combined totals are reported in the combining nonmajor governmental fund statements. Fund statements for major special revenue funds are reported in the basic financial statements.

Schedules of revenues, expenses, and changes in fund balance – budget and actual are presented here for each individual nonmajor special revenue fund. Budget and actual comparisons for major special revenue funds are reported as required supplementary information.

Major Special Revenue Funds:

Police Local Option Levy Fund – This fund accounts for revenue received from a five-year Police Local Option Levy to enhance public safety services by adding staff to the Police and Court Departments as well as funding jail operations.

Special Revenue Fund – This fund accounts for the receipt of 911 taxes collected to provide an emergency communications system and the receipt and expenditure of grant monies from various state and federal government agencies.

Nonmajor Special Revenue Funds:

Street Fund – This fund accounts for revenues from state gasoline taxes apportioned from the State of Oregon and expenditures as specified under Article IX, Section 3 of the Constitution of the State of Oregon.

Transient Room Tax Fund – This fund accounts for revenues from hotel and motel taxes and expenditures related and restricted to the economic development of the area.

Community Development Fund – This fund accounts for the receipt and expenditure of monies received from the United States Government under the Community Development Block Grant Program.

Building Code Fund – This fund accounts for the dedicated revenues generated in providing building permit and inspection services.

SEDA Glenwood Fund – This fund accounts for the general fund of the Springfield Economic Development Agency Glenwood Urban Renewal District.

SEDA Downtown General Fund – This fund accounts for the general fund of the Springfield Economic Development Agency Downtown Urban Renewal District.

Fire Local Option Levy Fund – This fund accounts for revenue received from a five-year Fire Local Option Levy to restore staffing to Fire Station #3.



City of Springfield, Oregon
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2024

	Street	Transient Room Tax	Community Development	Building Code	SEDA Glenwood General	SEDA Downtown General	Fire Local Option Levy	Total
ASSETS								
Cash and investments	\$ 3,009,538	\$ 2,356,240	\$ -	\$ 6,573,495	\$ 533,024	\$ 2,480,598	\$ 1,733,083	\$ 16,685,978
Receivables:								
Accounts	1,202,599	357,658	-	192	14,215	7,151	28,621	1,610,436
Taxes	-	-	-	-	50,965	56,729	84,484	192,178
Grants	8,484	62	159,635	-	-	-	-	168,181
Accrued interest	21,967	11,743	-	31,866	3,655	8,936	11,535	89,702
Notes	-	-	929,242	-	-	110,364	-	1,039,606
Deferred system development fees	-	-	-	26	-	-	-	26
Prepaid items	74,963	-	-	-	-	-	-	74,963
Deposits	-	-	-	-	800	-	-	800
Inventory	271,353	-	-	-	-	-	-	271,353
Total assets	<u>\$ 4,588,904</u>	<u>\$ 2,725,703</u>	<u>\$ 1,088,877</u>	<u>\$ 6,605,579</u>	<u>\$ 602,659</u>	<u>\$ 2,663,778</u>	<u>\$ 1,857,723</u>	<u>\$ 20,133,223</u>
LIABILITIES								
Accounts payable	\$ 392,881	\$ 207,586	\$ 38,028	\$ 6,930	\$ 86,847	\$ 12,054	\$ 49,695	\$ 794,021
Accrued payroll and other liabilities	139,737	10,300	6,276	43,094	-	-	77,465	276,872
Deposits	-	-	-	-	5,125	-	-	5,125
Due to other funds	-	-	57,278	-	-	-	-	57,278
Total liabilities	<u>532,618</u>	<u>217,886</u>	<u>101,582</u>	<u>50,024</u>	<u>91,972</u>	<u>12,054</u>	<u>127,160</u>	<u>1,133,296</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	686,120	-	929,242	217	59,752	58,207	110,288	1,843,826
FUND BALANCES								
Nonspendable	346,316	-	-	-	800	-	-	347,116
Restricted	3,023,850	2,507,817	58,053	6,555,338	450,135	2,593,517	1,620,275	16,808,985
Total fund balances	<u>3,370,166</u>	<u>2,507,817</u>	<u>58,053</u>	<u>6,555,338</u>	<u>450,935</u>	<u>2,593,517</u>	<u>1,620,275</u>	<u>17,156,101</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,588,904</u>	<u>\$ 2,725,703</u>	<u>\$ 1,088,877</u>	<u>\$ 6,605,579</u>	<u>\$ 602,659</u>	<u>\$ 2,663,778</u>	<u>\$ 1,857,723</u>	<u>\$ 20,133,223</u>

City of Springfield, Oregon
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
Year ended June 30, 2024

	Street	Transient Room Tax	Community Development	Building Code	SEDA Glenwood General	SEDA Downtown General	Fire Local Option Levy	Total
Revenues:								
Taxes	\$ 875,454	\$ 1,548,978	\$ -	\$ -	\$ 1,548,823	\$ 1,947,958	\$ 2,023,318	\$ 7,944,531
Licenses, permits and fees	223,231	-	-	-	-	-	-	223,231
Intergovernmental	5,858,802	5	334,692	-	7,469	1,702	-	6,202,670
Charges for services	385,210	-	-	2,350,111	120,666	16,019	-	2,872,006
Investment earnings	223,303	114,754	-	317,945	35,210	104,124	113,771	909,107
Miscellaneous	10,761	-	61,613	-	1,273	10,169	-	83,816
Total revenues	<u>7,576,761</u>	<u>1,663,737</u>	<u>396,305</u>	<u>2,668,056</u>	<u>1,713,441</u>	<u>2,079,972</u>	<u>2,137,089</u>	<u>18,235,361</u>
Expenditures:								
Current operating:								
General government:								
City manager's office	39,575	171,094	-	12,847	198,734	245,896	-	668,146
Finance	56,312	-	19,483	-	9,882	10,450	-	96,127
Fire and life safety	-	-	-	87,132	-	-	2,351,010	2,438,142
Library	-	270,072	-	-	-	-	-	270,072
Development and public works	7,635,174	26,015	671,035	1,531,798	-	-	-	9,864,022
Capital projects	-	-	-	-	1,268,683	-	-	1,268,683
Debt service:								
Principal	-	-	-	-	889,060	-	-	889,060
Interest	-	-	-	-	220,471	-	-	220,471
Total expenditures	<u>7,731,061</u>	<u>467,181</u>	<u>690,518</u>	<u>1,631,777</u>	<u>2,586,830</u>	<u>256,346</u>	<u>2,351,010</u>	<u>15,714,723</u>
Excess of revenues over (under) expenditures	<u>(154,300)</u>	<u>1,196,556</u>	<u>(294,213)</u>	<u>1,036,279</u>	<u>(873,389)</u>	<u>1,823,626</u>	<u>(213,921)</u>	<u>2,520,638</u>
Other financing sources (uses):								
Issuance of debt	-	-	-	-	1,100,000	-	-	1,100,000
Transfers in	522,492	-	-	-	-	-	-	522,492
Transfers out	(37,428)	(860,056)	-	-	-	-	-	(897,484)
Total other financing sources (uses)	<u>485,064</u>	<u>(860,056)</u>	<u>-</u>	<u>-</u>	<u>1,100,000</u>	<u>-</u>	<u>-</u>	<u>725,008</u>
Net change in fund balances	<u>330,764</u>	<u>336,500</u>	<u>(294,213)</u>	<u>1,036,279</u>	<u>226,611</u>	<u>1,823,626</u>	<u>(213,921)</u>	<u>3,245,646</u>
Fund balances, beginning of year	3,175,912	2,171,317	352,266	5,519,059	224,324	769,891	1,834,196	14,046,965
Change in reserve for inventory	<u>(136,510)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(136,510)</u>
Fund balances, end of year	<u>\$ 3,370,166</u>	<u>\$ 2,507,817</u>	<u>\$ 58,053</u>	<u>\$ 6,555,338</u>	<u>\$ 450,935</u>	<u>\$ 2,593,517</u>	<u>\$ 1,620,275</u>	<u>\$ 17,156,101</u>

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
STREET FUND
Year Ended June 30, 2024

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 900,000	\$ 900,000	\$ 875,454	\$ (24,546)	\$ -	\$ 875,454
Licenses, permits and fees	211,773	211,773	223,231	11,458	-	223,231
Intergovernmental	5,542,786	5,542,786	5,861,827	319,041	(3,025)	5,858,802
Charges for services	170,823	170,823	385,210	214,387	-	385,210
Investment earnings	18,000	18,000	223,031	205,031	272	223,303
Miscellaneous	10,000	10,000	10,761	761	-	10,761
Total revenues	<u>6,853,382</u>	<u>6,853,382</u>	<u>7,579,514</u>	<u>726,132</u>	<u>(2,753)</u>	<u>7,576,761</u>
Expenditures:						
Current operating:						
City managers office	55,784	55,784	40,311	15,473	(736)	39,575
Development and public works	7,131,783	7,839,218	7,673,218	166,000	(38,044)	7,635,174
Finance	70,456	70,456	56,312	14,144	-	56,312
Contingency	200,000	200,000	-	200,000	-	-
Total expenditures	<u>7,458,023</u>	<u>8,165,458</u>	<u>7,769,841</u>	<u>395,617</u>	<u>(38,780)</u>	<u>7,731,061</u>
Excess of revenues over (under) expenditures	(604,641)	(1,312,076)	(190,327)	1,121,749	36,027	(154,300)
Other financing sources (uses):						
Transfers in	485,130	532,670	522,492	(10,178)	-	522,492
Transfers out	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>	<u>150,000</u>	<u>(37,428)</u>	<u>(37,428)</u>
Total other financing sources (uses)	<u>335,130</u>	<u>382,670</u>	<u>522,492</u>	<u>139,822</u>	<u>(37,428)</u>	<u>485,064</u>
Net change in fund balance	(269,511)	(929,406)	332,165	1,261,571	(1,401)	330,764
Fund balance, beginning of year	3,002,717	2,917,632	2,917,627	(5)	258,285	3,175,912
Change in reserve for inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(136,510)</u>	<u>(136,510)</u>
Fund balance, end of year	<u>\$ 2,733,206</u>	<u>\$ 1,988,226</u>	<u>\$ 3,249,792</u>	<u>\$ 1,261,566</u>	<u>\$ 120,374</u>	<u>\$ 3,370,166</u>

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
TRANSIENT ROOM TAX FUND
Year Ended June 30, 2024

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,800,000	\$ 1,800,000	\$ 1,548,978	\$ (251,022)	\$ -	\$ 1,548,978
Investment earnings	35,000	35,000	116,231	81,231	(1,477)	114,754
Intergovernmental	-	-	62	62	(57)	5
Total revenues	<u>1,835,000</u>	<u>1,835,000</u>	<u>1,665,271</u>	<u>(169,729)</u>	<u>(1,534)</u>	<u>1,663,737</u>
Expenditures:						
Current operating:						
City manager's office	235,194	235,194	171,094	64,100	-	171,094
Library	273,808	274,408	270,352	4,056	(280)	270,072
Development and public works	<u>29,923</u>	<u>29,923</u>	<u>26,015</u>	<u>3,908</u>	<u>-</u>	<u>26,015</u>
Total expenditures	<u>538,925</u>	<u>539,525</u>	<u>467,461</u>	<u>72,064</u>	<u>(280)</u>	<u>467,181</u>
Excess of revenues over (under) expenditures	1,296,075	1,295,475	1,197,810	(97,665)	(1,254)	1,196,556
Other financing sources (uses):						
Transfers out	<u>(1,100,000)</u>	<u>(1,100,000)</u>	<u>(860,056)</u>	<u>239,944</u>	<u>-</u>	<u>(860,056)</u>
Fund balance, beginning of year	<u>2,073,698</u>	<u>2,166,664</u>	<u>2,166,664</u>	<u>-</u>	<u>4,653</u>	<u>2,171,317</u>
Fund balance, end of year	<u>\$ 2,269,773</u>	<u>\$ 2,362,139</u>	<u>\$ 2,504,418</u>	<u>\$ 142,279</u>	<u>\$ 3,399</u>	<u>\$ 2,507,817</u>

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT FUND
Year Ended June 30, 2024

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental	\$ 1,150,828	\$ 1,557,985	\$ 334,692	\$ (1,223,293)	\$ -	\$ 334,692
Miscellaneous	<u>36,147</u>	<u>36,147</u>	<u>61,613</u>	<u>25,466</u>	<u>-</u>	<u>61,613</u>
Total revenues	<u>1,186,975</u>	<u>1,594,132</u>	<u>396,305</u>	<u>(1,197,827)</u>	<u>-</u>	<u>396,305</u>
Expenditures:						
Current operating:						
Finance	27,516	27,516	19,483	8,033	-	19,483
Development and public works	<u>1,159,459</u>	<u>1,566,616</u>	<u>671,035</u>	<u>895,581</u>	<u>-</u>	<u>671,035</u>
Total expenditures	<u>1,186,975</u>	<u>1,594,132</u>	<u>690,518</u>	<u>903,614</u>	<u>-</u>	<u>690,518</u>
Net change in fund balance	-	-	(294,213)	(294,213)	-	(294,213)
Fund balance, beginning of year	<u>250,000</u>	<u>352,266</u>	<u>352,266</u>	<u>-</u>	<u>-</u>	<u>352,266</u>
Fund balance, end of year	<u>\$ 250,000</u>	<u>\$ 352,266</u>	<u>\$ 58,053</u>	<u>\$ (294,213)</u>	<u>\$ -</u>	<u>\$ 58,053</u>

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
BUILDING CODE FUND
Year Ended June 30, 2024

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 1,501,500	\$ 1,501,500	\$ 2,350,111	\$ 848,611	\$ -	\$ 2,350,111
Investment earnings	55,000	55,000	319,650	264,650	(1,705)	317,945
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>1,556,500</u>	<u>1,556,500</u>	<u>2,669,761</u>	<u>1,113,261</u>	<u>(1,705)</u>	<u>2,668,056</u>
Expenditures:						
Current operating:						
City manager office	23,185	23,185	12,847	10,338	-	12,847
Fire and life safety	85,645	87,132	87,132	-	-	87,132
Development and public works	1,531,993	1,531,993	1,531,798	195	-	1,531,798
Contingency	<u>35,000</u>	<u>33,513</u>	<u>-</u>	<u>33,513</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,675,823</u>	<u>1,675,823</u>	<u>1,631,777</u>	<u>44,046</u>	<u>-</u>	<u>1,631,777</u>
Net change in fund balance	(119,323)	(119,323)	1,037,984	1,157,307	(1,705)	1,036,279
Fund balance, beginning of year	<u>4,330,281</u>	<u>5,508,130</u>	<u>5,508,130</u>	<u>-</u>	<u>10,929</u>	<u>5,519,059</u>
Fund balance, end of year	<u>\$ 4,210,958</u>	<u>\$ 5,388,807</u>	<u>\$ 6,546,114</u>	<u>\$ 1,157,307</u>	<u>\$ 9,224</u>	<u>\$ 6,555,338</u>

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
SEDA GLENWOOD GENERAL FUND
Year Ended June 30, 2024

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,505,994	\$ 1,505,994	\$ 1,548,823	\$ 42,829	\$ -	\$ 1,548,823
Intergovernmental	4,000	4,000	7,469	3,469	-	7,469
Charges for services	55,000	55,000	120,666	65,666	-	120,666
Investment earnings	1,000	1,000	36,121	35,121	(911)	35,210
Miscellaneous revenue	-	-	201	201	1,072	1,273
Total revenues	<u>1,565,994</u>	<u>1,565,994</u>	<u>1,713,280</u>	<u>147,286</u>	<u>161</u>	<u>1,713,441</u>
Expenditures:						
Current operating:						
City manager's office	284,764	284,764	196,193	88,571	2,541	198,734
Finance	12,000	12,000	9,882	2,118	-	9,882
Capital projects	3,194,000	2,157,624	1,268,683	888,941	-	1,268,683
Debt service:						
Principal	931,390	931,390	889,060	42,330	-	889,060
Interest	<u>313,250</u>	<u>313,250</u>	<u>220,471</u>	<u>92,779</u>	<u>-</u>	<u>220,471</u>
Total expenditures	<u>4,735,404</u>	<u>3,699,028</u>	<u>2,584,289</u>	<u>1,114,739</u>	<u>2,541</u>	<u>2,586,830</u>
Excess of revenues over (under) expenditures	(3,169,410)	(2,133,034)	(871,009)	1,262,025	(2,380)	(873,389)
Other financing sources (uses):						
Issuance of debt	<u>-</u>	<u>2,750,000</u>	<u>1,100,000</u>	<u>(1,650,000)</u>	<u>-</u>	<u>1,100,000</u>
Net change in fund balance	(3,169,410)	616,966	228,991	(387,975)	(2,380)	226,611
Fund balance, beginning of year	<u>3,737,349</u>	<u>223,427</u>	<u>223,427</u>	<u>-</u>	<u>897</u>	<u>224,324</u>
Fund balance, end of year	<u>\$ 567,939</u>	<u>\$ 840,393</u>	<u>\$ 452,418</u>	<u>\$ (387,975)</u>	<u>\$ (1,483)</u>	<u>\$ 450,935</u>

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
SEDA DOWNTOWN GENERAL FUND
Year Ended June 30, 2024

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,886,050	\$ 1,886,050	\$ 1,947,958	\$ 61,908	\$ -	\$ 1,947,958
Intergovernmental	483	483	1,702	1,219	-	1,702
Charges for services	20,000	20,000	9,600	(10,400)	6,419	16,019
Investment earnings	24,500	24,500	103,873	79,373	251	104,124
Miscellaneous	-	-	10,169	10,169	-	10,169
Total revenues	<u>1,931,033</u>	<u>1,931,033</u>	<u>2,073,302</u>	<u>142,269</u>	<u>6,670</u>	<u>2,079,972</u>
Expenditures:						
Current operating:						
City manager's office	427,992	427,992	226,438	201,554	19,458	245,896
Finance	12,000	12,000	10,450	1,550	-	10,450
Capital projects	550,000	1,500,000	-	1,500,000	-	-
Debt service:						
Principal	485,000	-	-	-	-	-
Interest	<u>770,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,244,992</u>	<u>1,939,992</u>	<u>236,888</u>	<u>1,703,104</u>	<u>19,458</u>	<u>256,346</u>
Excess of revenues over (under) expenditures	(313,959)	(8,959)	1,836,414	1,845,373	(12,788)	1,823,626
Other financing sources (uses):						
Interfund loan repaid	<u>(900,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(900,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,213,959)	(8,959)	1,836,414	1,845,373	(12,788)	1,823,626
Fund balance, beginning of year	<u>2,087,088</u>	<u>646,694</u>	<u>646,694</u>	<u>-</u>	<u>123,197</u>	<u>769,891</u>
Fund balance, end of year	<u>\$ 873,129</u>	<u>\$ 637,735</u>	<u>\$ 2,483,108</u>	<u>\$ 1,845,373</u>	<u>\$ 110,409</u>	<u>\$ 2,593,517</u>

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
FIRE LOCAL OPTION LEVY FUND
Year Ended June 30, 2024

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 2,059,542	\$ 2,059,542	\$ 2,023,318	\$ (36,224)	\$ -	\$ 2,023,318
Investment earnings	10,000	10,000	114,852	104,852	(1,081)	113,771
Intergovernmental	-	28,621	-	(28,621)	-	-
Total revenues	<u>2,069,542</u>	<u>2,098,163</u>	<u>2,138,170</u>	<u>40,007</u>	<u>(1,081)</u>	<u>2,137,089</u>
Expenditures:						
Current operating:						
Fire and life safety	1,725,722	2,353,347	2,351,010	2,337	-	2,351,010
Contingency	<u>45,000</u>	<u>14,278</u>	<u>-</u>	<u>14,278</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,770,722</u>	<u>2,367,625</u>	<u>2,351,010</u>	<u>16,615</u>	<u>-</u>	<u>2,351,010</u>
Net change in fund balance	298,820	(269,462)	(212,840)	56,622	(1,081)	(213,921)
Fund balance, beginning of year	<u>1,972,720</u>	<u>1,829,776</u>	<u>1,829,776</u>	<u>-</u>	<u>4,420</u>	<u>1,834,196</u>
Fund balance, end of year	<u>\$ 2,271,540</u>	<u>\$ 1,560,314</u>	<u>\$ 1,616,936</u>	<u>\$ 56,622</u>	<u>\$ 3,339</u>	<u>\$ 1,620,275</u>



Debt Service Funds

Combining statements for all individual nonmajor debt service funds are reported here. The combined totals are reported in the combining nonmajor governmental fund statements. The City has no major debt service funds.

Schedules of revenues, expenses, and changes in fund balance – budget and actual are presented here for each individual debt service fund.

Nonmajor Debt Service Funds:

General Obligation Debt Service Fund – This fund is used to account for payments on all general obligation debt, except for debt secured by assessment liens. Ad valorem property taxes are levied to make the debt service payments.



City of Springfield, Oregon
BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
June 30, 2024

	General Obligation Debt Service
ASSETS	
Cash and investments	\$ 559,406
Receivables:	
Property taxes	189,725
Accrued interest	<u>13,035</u>
Total assets	<u><u>\$ 762,166</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
Deferred inflows of resources:	
Unavailable revenue	<u>\$ 184,162</u>
Fund balance restricted	<u>578,004</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 762,166</u></u>

City of Springfield, Oregon
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR DEBT SERVICE FUNDS
Year Ended June 30, 2024

	General Obligation Debt Service
Revenues:	
Taxes	\$ 3,846,991
Investment earnings	<u>125,369</u>
Total revenues	<u>3,972,360</u>
Expenditures:	
Debt service:	
Principal	3,774,000
Interest	<u>245,562</u>
Total expenditures	<u>4,019,562</u>
Excess of revenues over (under) expenditures	<u>(47,202)</u>
Net change in fund balance	(47,202)
Fund balance, beginning of year	<u>625,206</u>
Fund balance, end of year	<u><u>\$ 578,004</u></u>

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
GENERAL OBLIGATION DEBT SERVICE FUND
Year Ended June 30, 2024

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 3,860,000	\$ 3,860,000	\$ 3,846,991	\$ (13,009)	\$ -	\$ 3,846,991
Investment earnings	18,000	18,000	127,718	109,718	(2,349)	125,369
Total revenues	3,878,000	3,878,000	3,974,709	96,709	(2,349)	3,972,360
Expenditures:						
Debt service:						
Principal	3,774,000	3,774,000	3,774,000	-	-	3,774,000
Interest	245,570	245,570	245,562	8	-	245,562
Total expenditures	4,019,570	4,019,570	4,019,562	8	-	4,019,562
Excess of revenues over (under) expenditures	(141,570)	(141,570)	(44,853)	96,717	(2,349)	(47,202)
Net change in fund balance	(141,570)	(141,570)	(44,853)	96,717	(2,349)	(47,202)
Fund balance, beginning of year	629,815	619,083	619,083	-	6,123	625,206
Fund balance, end of year	\$ 488,245	\$ 477,513	\$ 574,230	\$ 96,717	\$ 3,774	\$ 578,004



Capital Projects Funds

The City has three nonmajor capital projects funds. The combining Balance Sheet and the combining Statement of Revenues, Expenditures and Changes in Fund Balance for these funds are presented here. The combined totals are reported on the combining nonmajor governmental fund statements.

Schedules of revenues, expenses, and changes in fund balance – budget and actual are presented here for each individual capital projects fund.

Major Capital Projects Funds:

Street Capital Projects Fund – This fund accounts for public transportation capital improvement costs and local capacity-increasing public transportation improvements. Financing is provided by transfers from the Street Fund, interest on investments, and system development charges.

Nonmajor Capital Projects Funds:

Development Assessments Capital Projects Fund – This fund is used to account for costs of constructing public improvements. Financing is provided by assessing benefiting property owners.

Development Capital Projects Fund – This fund is used to account for costs of constructing and improving City-owned buildings and for infrastructure projects with shared funding. Financing is provided by grants, contracts, intergovernmental revenues, and other non-recurring revenues.

SEDA Glenwood Capital Projects Fund – This fund is used to account for capital projects undertaken by the Springfield Economic Development Agency in Glenwood. Tax increment financing is in place.



City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
STREET CAPITAL PROJECTS FUND
Year Ended June 30, 2024

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Investment earnings	\$ 180,000	\$ 180,000	\$ 1,186,059	\$ 1,006,059	\$ (13,508)	\$ 1,172,551
Charges for services	850,000	850,000	1,242,981	392,981	-	1,242,981
Miscellaneous	-	-	8,292	8,292	-	8,292
Intergovernmental	-	3,100,000	2,443,704	(656,296)	-	2,443,704
Total revenues	<u>1,030,000</u>	<u>4,130,000</u>	<u>4,881,036</u>	<u>751,036</u>	<u>(13,508)</u>	<u>4,867,528</u>
Expenditures:						
Current operating						
Development and public works	118,785	118,785	107,076	11,709	-	107,076
Capital projects	<u>17,208,277</u>	<u>18,708,277</u>	<u>4,698,099</u>	<u>14,010,178</u>	<u>(3,029)</u>	<u>4,695,070</u>
Total expenditures	<u>17,327,062</u>	<u>18,827,062</u>	<u>4,805,175</u>	<u>14,021,887</u>	<u>(3,029)</u>	<u>4,802,146</u>
Excess of revenues over (under) expenditures	(16,297,062)	(14,697,062)	75,861	14,772,923	(10,479)	65,382
Other financing sources (uses):						
Transfer in	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(16,147,062)	(14,547,062)	75,861	14,622,923	(10,479)	65,382
Fund balance, beginning of year	<u>21,084,815</u>	<u>20,779,225</u>	<u>20,779,225</u>	<u>-</u>	<u>43,476</u>	<u>20,822,701</u>
Fund balance, end of year	<u>\$ 4,937,753</u>	<u>\$ 6,232,163</u>	<u>\$ 20,855,086</u>	<u>\$ 14,622,923</u>	<u>\$ 32,997</u>	<u>\$ 20,888,083</u>

City of Springfield, Oregon
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
June 30, 2024

	Development Assessments Capital Projects	Development Capital Projects	SEDA Glenwood Capital Projects	Total
ASSETS				
Cash and investments	\$ 895,172	\$ 5,262,243	\$ 58,607	\$ 6,216,022
Receivables:				
Accrued interest	4,327	28,413	-	32,740
Assessments and liens	17,944	-	-	17,944
Total assets	<u>\$ 917,443</u>	<u>\$ 5,290,656</u>	<u>\$ 58,607</u>	<u>\$ 6,266,706</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts and contracts payable	\$ -	\$ 256,439	\$ -	\$ 256,439
Deferred inflows of resources:				
Unavailable revenue	17,944	-	-	17,944
Fund balances:				
Restricted	-	1,566,433	58,607	1,625,040
Committed	899,499	2,301,393	-	3,200,892
Assigned	-	1,166,391	-	1,166,391
Total fund balances	<u>899,499</u>	<u>5,034,217</u>	<u>58,607</u>	<u>5,992,323</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 917,443</u>	<u>\$ 5,290,656</u>	<u>\$ 58,607</u>	<u>\$ 6,266,706</u>

City of Springfield, Oregon

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

NONMAJOR CAPITAL PROJECTS FUNDS

Year Ended June 30, 2024

	Development Assessments Capital Projects	Development Capital Projects	SEDA Glenwood Capital Projects	Total
Revenues:				
Intergovernmental	\$ 28	\$ -	\$ -	\$ 28
Charges for services	-	313,883	-	313,883
Investment earnings	42,249	282,664	-	324,913
Total revenues	42,277	596,547	-	638,824
Expenditures:				
Current operating:				
Development and public works	-	373,904	-	373,904
Capital projects	-	482,971	-	482,971
Total expenditures	-	856,875	-	856,875
Excess of revenues over (under) expenditures	42,277	(260,328)	-	(218,051)
Other financing sources (uses):				
Transfer in	56,312	-	-	56,312
Transfer out	-	(33,523)	-	(33,523)
Total other financing sources (uses)	56,312	(33,523)	-	22,789
Net change in fund balance	98,589	(293,851)	-	(195,262)
Fund balance, beginning of year	800,910	5,328,068	58,607	6,187,585
Fund balance, end of year	\$ 899,499	\$ 5,034,217	\$ 58,607	\$ 5,992,323

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
DEVELOPMENT ASSESSMENTS CAPITAL PROJECTS FUND
Year Ended June 30, 2024

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ -	\$ -	\$ 28	\$ 28	\$ -	\$ 28
Investment earnings	18,800	18,800	42,804	24,004	(555)	42,249
Special assessments	2,500	2,500	-	(2,500)	-	-
Total revenues	21,300	21,300	42,832	21,532	(555)	42,277
Expenditures:						
Development and public works	-	500,000	-	-	-	-
Excess of revenues over (under) expenditures	21,300	(478,700)	42,832	21,532	(555)	42,277
Other financing sources (uses):						
Transfer in	56,312	56,312	56,312	-	-	56,312
Net change in fund balance	77,612	(422,388)	99,144	21,532	(555)	98,589
Fund balance, beginning of year	785,359	799,103	799,103	-	1,807	800,910
Fund balance, end of year	<u>\$ 862,971</u>	<u>\$ 376,715</u>	<u>\$ 898,247</u>	<u>\$ 21,532</u>	<u>\$ 1,252</u>	<u>\$ 899,499</u>

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
DEVELOPMENT CAPITAL PROJECTS FUND
Year Ended June 30, 2024

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 313,884	\$ 313,884	\$ 313,883	\$ (1)	\$ -	\$ 313,883
Investment earnings	90,000	90,000	284,475	194,475	(1,811)	282,664
Total revenues	403,884	403,884	598,358	194,474	(1,811)	596,547
Expenditures:						
Development and public works	-	1,000,000	373,904	626,096	-	373,904
Capital projects	313,884	750,697	482,971	267,726	-	482,971
	313,884	1,750,697	856,875		-	856,875
Excess of revenues over (under) expenditures	90,000	(1,346,813)	(258,517)	194,474	(1,811)	(260,328)
Other financing sources (uses):						
Interfund loan repayments	900,000	900,000	-	(900,000)	-	-
Transfer out	-	(98,000)	(33,523)	64,477	-	(33,523)
Total other financing sources (uses)	900,000	802,000	(33,523)	(835,523)	-	(33,523)
Net change in fund balance	990,000	(544,813)	(292,040)	(641,049)	(1,811)	(293,851)
Fund balance, beginning of year	4,230,387	5,318,032	5,318,032	-	10,036	5,328,068
Fund balance, end of year	<u>\$ 5,220,387</u>	<u>\$ 4,773,219</u>	<u>\$ 5,025,992</u>	<u>\$ (641,049)</u>	<u>\$ 8,225</u>	<u>\$ 5,034,217</u>

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
SEDA GLENWOOD CAPITAL PROJECTS FUND
Year Ended June 30, 2024

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Expenditures:						
Capital projects	\$ 56,191	\$ 56,191	\$ -	\$ 56,191	\$ -	\$ -
Net change in fund balance	(56,191)	(56,191)	-	56,191	-	-
Fund balance, beginning of year	58,607	58,607	58,607	-	-	58,607
Fund balance, end of year	<u>\$ 2,416</u>	<u>\$ 2,416</u>	<u>\$ 58,607</u>	<u>\$ 56,191</u>	<u>\$ -</u>	<u>\$ 58,607</u>

Enterprise Funds

Combining statements for all individual nonmajor enterprise funds are reported in this section. Fund statements for major enterprise funds are reported in the basic financial statements.

Schedules of revenues, expenses, and changes in fund net position – budget and actual are presented here for each individual enterprise fund.

Major Enterprise Funds:

Sewer Fund – This fund accounts for the operation, construction, and maintenance of the wastewater collection system. Primary revenues are sewer user fees and system development charges.

Storm Drainage Fund – This fund accounts for the operation, construction, and maintenance of the stormwater drainage system. Primary revenues are storm drainage fees and system development charges.

Ambulance Fund – This fund accounts for the City's ambulance operations. Revenue sources include ambulance transport fees, ambulance billing services fees, and FireMed program memberships.

Nonmajor Enterprise Fund:

Booth-Kelly Fund – This fund accounts for the cost of managing and maintaining City-owned income properties. The primary revenue source is rental income.



City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
SEWER FUND
Year Ended June 30, 2024

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 8,202,000	\$ 8,202,000	\$ 8,536,839	\$ 334,839	\$ 47,596	\$ 8,584,435
Investment earnings	355,000	355,000	2,058,228	1,703,228	(28,707)	2,029,521
Intergovernmental	-	-	1,145	1,145	(1,037)	108
Miscellaneous	-	-	-	-	-	-
Total revenues	8,557,000	8,557,000	10,596,212	2,039,212	17,852	10,614,064
Expenses:						
Current operating:						
Development and public works	5,202,120	5,221,207	4,888,225	332,982	314,827	5,203,052
City managers office	83,600	83,600	57,969	25,631	(737)	57,232
Finance	62,704	62,704	53,563	9,141	-	53,563
Debt service:						
Principal	1,480,000	1,480,000	1,480,000	-	(1,480,000)	-
Interest	226,000	226,000	226,000	-	(81,962)	144,038
Capital projects	11,391,962	14,641,962	4,639,448	10,002,514	(4,639,448)	-
Depreciation	-	-	-	-	2,864,363	2,864,363
Total expenses	18,446,386	21,715,473	11,345,205	10,370,268	(3,022,957)	8,322,248
Excess of revenues over (under) expenses	(9,889,386)	(13,158,473)	(748,993)	12,409,480	3,040,809	2,291,816
Other financing sources (uses):						
Capital contributions	1,350,000	1,350,000	2,564,895	1,214,895	593,529	3,158,424
Change in net position	(8,539,386)	(11,808,473)	1,815,902	13,624,375	3,634,338	5,450,240
Net position, beginning of year	35,193,185	36,052,457	36,052,457	-	48,193,321	84,245,778
Restatement for correction of an error (Note S)	-	-	-	-	(553,065)	(553,065)
Net position, beginning of year, as restated	35,193,185	36,052,457	36,052,457	-	47,640,256	83,692,713
Net position, end of year	\$ 26,653,799	\$ 24,243,984	\$ 37,868,359	\$ 13,624,375	\$ 51,274,594	\$ 89,142,953

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
STORM DRAINAGE FUND
Year Ended June 30, 2024

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 8,500,000	\$ 8,500,000	\$ 8,866,271	\$ 366,271	\$ 49,754	\$ 8,916,025
Investment earnings	230,000	230,000	1,429,306	1,199,306	(18,206)	1,411,100
Intergovernmental	40,000	40,000	46,682	6,682	(1,224)	45,458
Miscellaneous	-	-	2,105	2,105	-	2,105
Total revenues	8,770,000	8,770,000	10,344,364	1,574,364	30,324	10,374,688
Expenses:						
Current operating:						
Development and public works	7,648,631	7,669,613	5,984,455	(1,685,158)	141,800	6,126,255
City managers office	83,921	83,921	58,354	(25,567)	(737)	57,617
Finance	62,717	62,717	53,575	(9,142)	-	53,575
Debt service:						
Principal	506,164	506,164	506,164	-	(506,164)	-
Interest	47,477	47,477	47,477	-	(27,564)	19,913
Capital projects	9,892,797	12,892,797	3,647,170	(9,245,627)	(3,647,170)	-
Depreciation	-	-	-	-	637,549	637,549
Total expenses	18,241,707	21,262,689	10,297,195	(10,965,494)	(3,402,286)	6,894,909
Excess of revenues over (under) expenses	(9,471,707)	(12,492,689)	47,169	12,539,858	3,432,610	3,479,779
Other financing sources (uses):						
Capital contributions	640,000	640,000	354,155	(285,845)	750,004	1,104,159
Transfers in	-	100,000	100,000	-	-	100,000
Total other financing sources (uses)	640,000	740,000	454,155	(285,845)	750,004	1,204,159
Change in net position	(8,831,707)	(11,752,689)	501,324	12,254,013	4,182,614	4,683,938
Net position, beginning of year, as originally stated	25,397,322	26,636,600	26,636,600	-	11,997,102	38,633,702
Restatement for correction of an error (Note S)	-	-	-	-	(1,336,038)	(1,336,038)
Net position, beginning of year	25,397,322	26,636,600	26,636,600	-	10,661,064	37,297,664
Net position, end of year	\$ 16,565,615	\$ 14,883,911	\$ 27,137,924	\$ 12,254,013	\$ 14,843,678	\$ 41,981,602

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
AMBULANCE FUND
Year Ended June 30, 2024

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 6,865,000	\$ 7,517,271	\$ 7,272,863	\$ (244,408)	\$ 15,993,356	\$ 23,266,219
Less: Contractual adjustments	-	-	-	-	(15,365,655)	(15,365,655)
Intergovernmental	-	-	-	-	124,633	124,633
Investment earnings	-	-	(11,671)	(11,671)	(153)	(11,824)
Miscellaneous	5,000	5,000	3,722	(1,278)	-	3,722
Total revenues	6,870,000	7,522,271	7,264,914	(257,357)	752,181	8,017,095
Expenses:						
Current operating:						
Fire and life safety	6,862,659	7,199,930	7,199,930	(1)	89,457	7,289,387
Depreciation	-	-	-	-	11,668	11,668
Contingency	150,000	-	-	-	-	-
Total expenses	7,012,659	7,199,930	7,199,930	(1)	101,125	7,301,055
Excess of revenues over (under) expenses	(142,659)	322,342	64,984	(257,358)	651,056	716,040
Other financing sources (uses):						
Transfers in	50,767	50,767	-	(50,767)	-	-
Change in net position	(91,892)	373,109	64,984	(308,125)	651,056	716,040
Net position, beginning of year	91,892	(372,193)	(372,193)	-	(2,709,838)	(3,082,031)
Net position, end of year	\$ -	\$ 916	\$ (307,209)	\$ (308,125)	\$ (2,058,782)	\$ (2,365,991)

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
BOOTH-KELLY FUND
Year Ended June 30, 2024

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 611,345	\$ 611,345	\$ 617,439	\$ 6,094	\$ 4,617	\$ 622,056
Investment earnings	7,800	7,800	63,190	55,390	(1,760)	61,430
Miscellaneous	-	-	-	-	(343)	(343)
Total revenues	<u>619,145</u>	<u>619,145</u>	<u>680,629</u>	<u>61,484</u>	<u>2,514</u>	<u>683,143</u>
Expenses:						
Current operating:						
City Manager's Office	257,038	257,038	60,928	196,110	-	60,928
Development and public works	484,304	484,304	384,265	100,039	12,870	397,135
Capital projects	190,000	190,000	-	190,000	-	-
Depreciation	-	-	-	-	56,576	56,576
Contingency	15,000	15,000	-	15,000	-	-
Total expenses	<u>946,342</u>	<u>946,342</u>	<u>445,193</u>	<u>501,149</u>	<u>69,446</u>	<u>514,639</u>
Excess of revenues over (under) expenses	(327,197)	(327,197)	235,436	562,633	(66,932)	168,504
Other financing sources (uses):						
Transfers out	<u>(86,772)</u>	<u>(86,772)</u>	<u>(86,772)</u>	<u>-</u>	<u>-</u>	<u>(86,772)</u>
Change in net position	(413,969)	(413,969)	148,664	562,633	(66,932)	81,732
Net position, beginning of year	<u>990,526</u>	<u>1,150,639</u>	<u>1,150,639</u>	<u>-</u>	<u>3,191,797</u>	<u>4,342,436</u>
Net position, end of year	<u>\$ 576,557</u>	<u>\$ 736,670</u>	<u>\$ 1,299,303</u>	<u>\$ 562,633</u>	<u>\$ 3,124,865</u>	<u>\$ 4,424,168</u>

Internal Service Funds

Combining statements for all internal service funds are reported here. The combined totals are reported alongside the individual enterprise funds in the basic financial statements.

Schedules of revenues, expenses, and changes in fund net position – budget and actual are presented here for each individual internal service fund.

Vehicle and Equipment Fund – This fund accounts for the ownership and use of major equipment. Resources are provided by charges to other City funds.

Insurance Fund – This fund accounts for the accumulation of resources to provide for the City's insurance, the worker's compensation program, and the employee benefits programs. Resources are provided by charges to other City funds.

SDC Administration Fund – This fund accounts for the activities required to administer the City's various system development charges. Resources are provided primarily by charges to other City funds.



City of Springfield, Oregon
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
Year Ended June 30, 2024

	Vehicle and Equipment	Insurance	SDC Administration	Total
ASSETS				
Current assets:				
Cash and investments	\$ 8,671,545	\$ 19,250,597	\$ 700,464	\$ 28,622,606
Prepays	72,589	4,180	2,416	79,185
Deposits	-	200,000	-	200,000
Accounts receivable	15,478	122,432	187,680	325,590
Grant receivable	-	-	50	50
Accrued interest receivable	50,566	85,330	2,600	138,496
Deferred system development fees	-	-	94,373	94,373
Inventory	39,519	-	-	39,519
Total current assets	8,849,697	19,662,539	987,583	29,499,819
Noncurrent assets:				
Capital assets				
Machinery and equipment	23,026,262	-	-	23,026,262
Less accumulated depreciation	(16,871,025)	-	-	(16,871,025)
Subscription asset	416,062	16,232	-	432,294
Less accumulated amortization	(258,667)	(4,960)	-	(263,627)
Total net depreciable assets	6,312,632	11,272	-	6,323,904
Construction in progress	1,958,646	-	-	1,958,646
Total net capital assets	8,271,278	11,272	-	8,282,550
Net OPEB asset - RHIA	-	6,885	6,768	13,653
Deposit	1,816,273	-	-	1,816,273
Total non-current assets	10,087,551	18,157	6,768	10,112,476
Total assets	18,937,248	19,680,696	994,351	39,612,295
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension outflow	-	138,920	132,753	271,673
Deferred OPEB outflow	-	7,737	5,373	13,110
Total deferred outflows	-	146,657	138,126	284,783
LIABILITIES				
Current liabilities:				
Accounts payable	155,442	774,487	365	930,294
Accrued interest payable	2,362	-	-	2,362
Lease obligation, current portion	111,442	-	-	111,442
Subscription liability, current portion	133,368	5,253	-	138,621
Accrued payroll and other related liabilities	-	845,396	10,029	855,425
Unearned revenue	-	64,354	-	64,354
Total current liabilities	402,614	1,689,490	10,394	2,102,498
Noncurrent liabilities:				
Accrued absence payable	-	10,688	-	10,688
Lease obligation, less current portion	1,385,343	-	-	1,385,343
Subscription liability, less current portion	-	5,680	-	5,680
Accrued claims liabilities, less current port	-	117,963	-	117,963
Net pension liability	-	432,602	410,213	842,815
Net OPEB obligation payable	-	46,351	38,192	84,543
Total noncurrent liabilities	1,385,343	613,284	448,405	2,447,032
Total liabilities	1,787,957	2,302,774	458,799	4,549,530
DEFERRED INFLOWS OF RESOURCES				
Deferred pension inflow	-	37,758	63,523	101,281
Deferred OPEB inflow	-	11,990	12,098	24,088
Total deferred inflows	-	49,748	75,621	125,369
NET POSITION				
Net investment in capital assets	8,445,102	339	-	8,445,441
Unrestricted	8,704,189	17,474,492	598,057	26,776,738
Total net position	\$ 17,149,291	\$ 17,474,831	\$ 598,057	\$ 35,222,179

City of Springfield, Oregon
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year Ended June 30, 2024

	Vehicle and Equipment	Insurance	SDC Administration	Total
Operating revenues:				
Intergovernmental	\$ -	\$ 101,135	\$ -	\$ 101,135
Charges for services	2,851,463	12,683,436	285,754	15,820,653
Licenses and permits	-	-	229,674	229,674
Miscellaneous	-	314,763	-	314,763
Total operating revenues	2,851,463	13,099,334	515,428	16,466,225
Operating expenses:				
Current operating:				
Legal and judicial services	1,733	-	-	1,733
Human resources	3,397	10,473,800	-	10,477,197
Finance	-	-	42,679	42,679
Information technology	583,663	-	-	583,663
Library	5,406	-	-	5,406
Fire and life safety	123,253	-	-	123,253
Police	227,780	-	-	227,780
Development and public works	666,895	-	388,564	1,055,459
Depreciation and amortization	1,602,527	26,462	-	1,628,989
Total operating expenses	3,214,654	10,500,262	431,243	14,146,159
Operating income	(363,191)	2,599,072	84,185	2,320,066
Nonoperating revenues (expenses):				
Investment earnings	486,997	834,167	32,682	1,353,846
Grant revenue	-	-	50	50
Interest expense	2,679	257	-	2,936
Gain on remeasurement of subscription asset	21,013	-	-	21,013
Gain/(loss) on disposition of equipment	131,847	-	-	131,847
Total nonoperating revenues (expenses)	642,536	834,424	32,732	1,509,692
Income before capital contributions and transfers	279,345	3,433,496	116,917	3,829,758
Other financing sources (uses)				
Transfers in	64,928	-	-	64,928
Transfers out	(8,669)	-	-	(8,669)
Total other financing sources (uses)	56,259	-	-	56,259
Change in net position	335,604	3,433,496	116,917	3,886,017
Net position, beginning of year	16,813,687	14,041,335	481,140	31,336,162
Net position, end of year	\$ 17,149,291	\$ 17,474,831	\$ 598,057	\$ 35,222,179

City of Springfield, Oregon
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2024

	Vehicle and Equipment	Insurance	SDC Administration	Total
Cash flows from operating activities:				
Cash received from interfund services provided	\$ 2,867,916	\$ 12,600,810	\$ 288,485	\$ 15,757,211
Cash paid for employee services	-	(207,460)	(328,796)	(536,256)
Cash paid to suppliers for goods and services	(1,499,437)	(9,729,234)	(93,580)	(11,322,251)
Other operating receipts	-	415,898	229,769	645,667
Net cash provided by operating activities	1,368,479	3,080,014	95,878	4,544,371
Cash flows from noncapital financing activities:				
Operating transfers in from other funds	64,928	-	-	64,928
Transfers to other funds	(8,669)	-	-	(8,669)
Net cash provided by noncapital financing activities	56,259	-	-	56,259
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(3,218,541)	-	-	(3,218,541)
Proceeds from the sale of assets	135,563	-	-	135,563
Principal on long term debt	(154,097)	(41,826)	-	(195,923)
Interest on long term debt	(7,148)	-	-	(7,148)
Net cash used in capital and related financing activities	(3,244,223)	(41,826)	-	(3,286,049)
Cash flows from investing activities:				
Interest received	470,988	800,752	31,783	1,303,523
Net change in cash and investments	(1,348,497)	3,838,940	127,661	2,618,104
Cash and investments, beginning of year	10,020,042	15,411,657	572,803	26,004,502
Cash and investments, end of year	\$ 8,671,545	\$ 19,250,597	\$ 700,464	\$ 28,622,606
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ (363,191)	\$ 2,599,072	\$ 84,185	\$ 2,320,066
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	1,602,527	26,462	-	1,628,989
Changes in assets and liabilities:				
Prepays	57,282	39,076	854	97,212
Accounts receivable	16,453	(82,626)	2,826	(63,347)
Due to/from other funds	-	(6,898)	-	(6,898)
Inventory	(349)	-	-	(349)
Net pension liability and related deferrals	-	6,367	6,049	12,416
Accounts payable	55,757	323,037	160	378,954
Accrued payroll and other liabilities	-	279,023	(554)	278,469
Accrued claims liabilities	-	(111,856)	-	(111,856)
Unearned revenue	-	8,986	-	8,986
Net OPEB obligation and related deferrals	-	(629)	2,358	1,729
Net cash provided by operating activities	\$ 1,368,479	\$ 3,080,014	\$ 95,878	\$ 4,544,371
Noncash capital and related financing activities:				
Accounts payable on capital assets	\$ 12,295	\$ -	\$ -	\$ 12,295
Subscription liability on capital assets	133,368	10,933	-	144,301
	\$ 145,663	\$ 10,933	\$ -	\$ 156,596

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
VEHICLE AND EQUIPMENT FUND
Year Ended June 30, 2024

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 2,850,831	\$ 2,850,831	\$ 2,861,246	\$ 10,415	\$ (9,783)	\$ 2,851,463
Investment earnings	92,881	92,881	495,873	402,992	(8,876)	486,997
Miscellaneous	-	-	135,563	135,563	(114,550)	21,013
Total revenues	<u>2,943,712</u>	<u>2,943,712</u>	<u>3,492,682</u>	<u>548,970</u>	<u>(133,209)</u>	<u>3,359,473</u>
Expenses:						
Current operating:						
Legal services	2,300	2,300	1,733	567	-	1,733
Human resources	-	4,000	3,397	603	-	3,397
Information technology	776,368	776,368	722,655	53,713	(138,992)	583,663
Library	16,000	16,000	11,171	4,829	(5,765)	5,406
Fire and life safety	237,250	3,358,373	2,324,332	1,034,041	(2,201,079)	123,253
Police	688,500	952,500	540,895	411,605	(313,115)	227,780
Development and public works	1,598,001	2,352,694	1,334,351	1,018,343	(667,456)	666,895
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	(2,679)	(2,679)
Depreciation and amortization	-	-	-	-	1,602,527	1,602,527
Total expenses	<u>3,318,419</u>	<u>7,462,235</u>	<u>4,938,534</u>	<u>2,523,701</u>	<u>(1,726,559)</u>	<u>3,211,975</u>
Excess of revenues over (under) expenses	<u>(374,707)</u>	<u>(4,518,523)</u>	<u>(1,445,852)</u>	<u>3,072,671</u>	<u>1,593,350</u>	<u>147,498</u>
Other financing sources (uses):						
Gain on disposal of assets	-	-	-	-	131,847	131,847
Transfers out	-	-	-	-	(8,669)	(8,669)
Transfers in	<u>27,500</u>	<u>27,500</u>	<u>27,500</u>	<u>-</u>	<u>37,428</u>	<u>64,928</u>
Total other financing sources (uses)	<u>27,500</u>	<u>27,500</u>	<u>27,500</u>	<u>-</u>	<u>160,606</u>	<u>188,106</u>
Change in net position	<u>(347,207)</u>	<u>(4,491,023)</u>	<u>(1,418,352)</u>	<u>3,072,671</u>	<u>1,753,956</u>	<u>335,604</u>
Net position, beginning of year	<u>9,508,170</u>	<u>10,121,892</u>	<u>10,121,892</u>	<u>-</u>	<u>6,691,795</u>	<u>16,813,687</u>
Net position, end of year	<u>\$ 9,160,963</u>	<u>\$ 5,630,869</u>	<u>\$ 8,703,540</u>	<u>\$ 3,072,671</u>	<u>\$ 8,445,751</u>	<u>\$ 17,149,291</u>

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
INSURANCE FUND
Year Ended June 30, 2024

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental	\$ 51,382	\$ 51,382	\$ 131,773	\$ 80,391	\$ (30,638)	\$ 101,135
Charges for services	12,281,018	12,281,018	12,683,436	402,418	-	12,683,436
Investment earnings	139,407	139,407	844,790	705,383	(10,624)	834,166
Miscellaneous	5,500	5,500	235,766	230,266	78,998	314,764
Total revenues	12,477,307	12,477,307	13,895,765	1,418,458	37,736	13,933,501
Expenses:						
Current operating:						
Human resources	533,140	553,140	553,139	1	364,976	918,115
Health insurance	8,535,823	8,535,823	7,467,835	1,067,988	(25,629)	7,442,206
Risk services	2,693,742	2,693,742	2,120,377	573,365	(6,898)	2,113,479
Debt Service:						
Interest	-	-	-	-	(257)	(257)
Depreciation and amortization	-	-	-	-	26,462	26,462
Contingency	200,000	200,000	-	200,000	-	-
Total expenses	11,962,705	11,982,705	10,141,351	1,841,354	358,654	10,500,005
Excess of revenues over (under) expenses	514,602	494,602	3,754,414	3,259,812	(320,918)	3,433,496
Other financing sources (uses):						
Transfers in	-	20,000		20,000	-	-
Change in net position	514,602	514,602	3,754,414	3,279,812	(320,918)	3,433,496
Net position, beginning of year	13,753,107	14,547,176	14,547,176	-	(505,841)	14,041,335
Net position, end of year	\$ 14,267,709	\$ 15,061,778	\$ 18,301,590	\$ 3,279,812	\$ (826,759)	\$ 17,474,831

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
SDC ADMINISTRATION FUND
Year Ended June 30, 2024

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 375,000	\$ 375,000	\$ 279,387	\$ (95,613)	\$ 6,412	\$ 285,799
Licenses and permits	103,000	103,000	238,817	135,817	(9,143)	229,674
Investment earnings	5,000	5,000	33,085	28,085	(405)	32,680
Intergovernmental	-	-	50	50	(45)	5
Total revenues	483,000	483,000	551,339	68,339	(3,181)	548,158
Expenses:						
Current operating:						
Finance	46,223	46,223	42,679	3,544	-	42,679
Development and public works	414,423	414,423	380,156	34,267	8,406	388,562
Contingency	10,000	10,000	-	10,000	-	-
Total expenses	470,646	470,646	422,835	47,811	8,406	431,241
Change in net position	12,354	12,354	128,504	116,150	(11,587)	116,917
Net position, beginning of year	249,070	565,830	565,830	-	(84,690)	481,140
Net position, end of year	<u>\$ 261,424</u>	<u>\$ 578,184</u>	<u>\$ 694,334</u>	<u>\$ 116,150</u>	<u>\$ (96,277)</u>	<u>\$ 598,057</u>

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	188-195
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	199-203
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	207-212
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	215-216
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	218-223

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



Financial Trend Information

City of Springfield, Oregon
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities				
Net investment in capital assets	\$ 112,632,832	\$ 115,176,581	\$ 122,230,625	\$ 120,175,702
Restricted	18,977,155	17,357,721	17,295,648	22,674,644
Unrestricted	4,394,678	(5,988,448)	(11,706,242)	(15,369,959)
Total governmental activities net position	<u>\$ 136,004,665</u>	<u>\$ 126,545,854</u>	<u>\$ 127,820,031</u>	<u>\$ 127,480,387</u>
Business-type activities				
Net investment in capital assets	\$ 52,836,347	\$ 54,212,835	\$ 54,802,364	\$ 55,901,549
Restricted	3,348,526	3,976,909	4,733,337	5,457,331
Unrestricted	27,590,908	28,145,472	31,242,641	32,027,245
Total business-type activities net position	<u>\$ 83,775,781</u>	<u>\$ 86,335,216</u>	<u>\$ 90,778,342</u>	<u>\$ 93,386,125</u>
Primary government				
Net investment in capital assets	\$ 165,469,179	\$ 169,389,416	\$ 177,032,989	\$ 176,077,251
Restricted	22,325,681	21,334,630	22,028,985	28,131,975
Unrestricted	31,985,586	22,157,024	19,536,399	16,657,286
Total primary government net position	<u>\$ 219,780,446</u>	<u>\$ 212,881,070</u>	<u>\$ 218,598,373</u>	<u>\$ 220,866,512</u>

Source: Financial Statements

Fiscal Year

2019	2020	2021	2022	2023	2024
\$ 129,324,764	\$ 122,555,408	\$ 139,384,434	\$ 156,787,166	\$ 170,120,054	\$ 188,074,623
20,647,784	20,426,784	18,318,226	31,386,128	47,182,803	52,864,162
(11,948,772)	(1,909,951)	(6,430,326)	(16,230,609)	(10,914,177)	(5,450,407)
<u>\$ 138,023,776</u>	<u>\$ 141,072,241</u>	<u>\$ 151,272,334</u>	<u>\$ 171,942,685</u>	<u>\$ 206,388,680</u>	<u>\$ 235,488,378</u>
\$ 57,366,837	\$ 56,619,451	\$ 59,677,720	\$ 61,382,119	\$ 65,431,182	\$ 70,935,420
6,575,305	8,505,363	9,429,173	11,980,398	14,442,988	17,349,448
34,958,604	37,282,183	35,556,795	41,103,207	44,711,097	45,590,493
<u>\$ 98,900,746</u>	<u>\$ 102,406,997</u>	<u>\$ 104,663,688</u>	<u>\$ 114,465,724</u>	<u>\$ 124,585,267</u>	<u>\$ 133,875,361</u>
\$ 186,691,601	\$ 179,174,859	\$ 199,062,154	\$ 218,169,285	\$ 235,551,236	\$ 259,010,043
27,223,089	28,932,147	27,747,399	43,366,526	61,625,791	70,213,610
23,009,832	35,372,232	29,126,469	24,872,598	33,796,920	40,140,086
<u>\$ 236,924,522</u>	<u>\$ 243,479,238</u>	<u>\$ 255,936,022</u>	<u>\$ 286,408,409</u>	<u>\$ 330,973,947</u>	<u>\$ 369,363,739</u>

City of Springfield, Oregon
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2015	2016	2017	2018	2019
Expenses					
Governmental activities:					
General government	\$ 5,194,119	\$ 8,055,900	\$ 8,105,716	\$ 7,450,495	\$ 8,570,530
Fire and life safety	9,905,694	14,789,977	13,351,001	13,890,821	14,187,421
Police	18,007,975	26,060,501	22,068,423	22,233,956	23,962,665
Library	1,477,854	2,131,183	1,981,508	1,727,501	2,065,860
Development and public works	10,605,607	15,857,538	12,483,443	12,687,939	13,921,361
Depreciation, unallocated	270,619	250,942	250,435	250,435	207,852
Interest on long-term debt	909,122	744,674	518,495	457,480	488,109
Total governmental activities expense	46,370,990	67,890,715	58,759,021	58,698,627	63,403,798
Business-type activities:					
Sanitary sewer	6,340,495	7,523,149	7,158,008	7,269,835	7,304,346
Storm drainage	4,259,913	5,982,172	5,559,128	6,316,516	5,968,181
Booth-Kelly	1,649,088	1,507,253	1,424,527	1,410,609	1,300,368
Ambulance	5,082,272	7,073,633	6,574,936	6,515,453	7,212,214
Business-type activities expenses	17,331,768	22,086,207	20,716,599	21,512,413	21,785,109
Total primary government expenses	\$ 63,702,758	\$ 89,976,922	\$ 79,475,620	\$ 80,211,040	\$ 85,188,907
Program Revenue					
Governmental activities:					
Charges for services:					
General government	\$ 3,868,870	\$ 3,888,018	\$ 4,078,095	\$ 4,248,830	\$ 4,194,777
Fire and life safety	1,809,091	1,921,748	1,984,859	1,916,552	2,012,641
Police	408,750	346,629	422,625	715,863	1,041,123
Library	125,482	106,200	120,912	117,114	118,372
Development and public works	2,710,606	3,420,717	2,884,311	2,626,049	2,880,108
Operating grants and contributions	4,444,185	4,184,978	4,954,592	5,135,869	5,626,172
Capital grants and contributions	9,934,788	4,841,296	4,085,842	2,177,260	4,181,484
Total governmental activities program revenues	23,301,772	18,709,586	18,531,236	16,937,537	20,054,677
Business-type activities:					
Charges for services:					
Sanitary sewer	7,738,487	7,224,927	8,798,173	7,709,636	7,541,750
Storm drainage	6,613,264	6,892,114	7,408,192	7,194,627	7,259,708
Booth-Kelly	1,412,722	1,532,687	1,537,293	1,630,764	1,481,538
Ambulance	6,119,908	6,599,690	6,046,048	5,383,760	7,239,771
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	199,269	2,088,254	1,033,069	1,164,761	2,540,505
Total business-type activities program revenues	22,083,650	24,337,672	24,822,775	23,083,548	26,063,272
Total primary government program revenues	\$ 45,385,422	\$ 43,047,258	\$ 43,354,011	\$ 40,021,085	\$ 46,117,949
Net (Expense) Revenue					
Governmental activities	\$ (23,069,218)	\$ (49,181,129)	\$ (40,227,785)	\$ (41,761,090)	\$ (43,349,121)
Business-type activities	4,751,882	2,251,465	4,106,176	1,571,135	4,278,163
Total primary government net expense	\$ (18,317,336)	\$ (46,929,664)	\$ (36,121,609)	\$ (40,189,955)	\$ (39,070,958)
Governmental activities:					
Taxes:					
Property taxes	\$ 30,497,567	\$ 29,449,109	\$ 30,691,286	\$ 30,910,303	\$ 33,272,981
Room tax	1,219,497	1,373,464	1,445,031	1,553,872	1,356,155
Other taxes	3,288,462	3,387,888	3,446,975	3,567,850	3,473,477
Payment in lieu of taxes	2,404,859	2,392,729	2,353,365	2,414,018	2,403,565
Investment earnings	305,267	416,909	573,280	783,330	1,557,790
Miscellaneous	857,657	867,789	972,473	1,345,586	1,351,036
Gain (loss) on disposition of capital assets	-	149,687	-	-	-
Shared revenue	1,579,978	1,584,743	2,019,553	1,743,533	2,026,255
Debt forgiveness	-	-	-	-	-
Transfers	71,311	100,000	-	63,000	67,548
Total governmental activities	40,224,598	39,722,318	41,501,963	42,381,492	45,508,807
Business-type activities:					
Investment earnings	162,671	227,641	317,398	528,250	1,176,791
Miscellaneous	446,106	180,329	19,552	209,703	127,215
Gain (loss) on disposition of capital assets	-	-	-	-	-
Transfers	(71,311)	(100,000)	-	(63,000)	(67,548)
Total business-type activities	537,466	307,970	336,950	674,953	1,236,458
Total primary government	\$ 40,762,064	\$ 40,030,288	\$ 41,838,913	\$ 43,056,445	\$ 46,745,265
Change In Net Position					
Governmental activities	\$ 17,155,380	\$ (9,458,811)	\$ 1,274,178	\$ 620,402	\$ 2,159,686
Business-type activities	5,289,348	2,559,435	4,443,126	2,246,088	5,514,621
Total primary government	\$ 22,444,728	\$ (6,899,376)	\$ 5,717,304	\$ 2,866,490	\$ 7,674,307

1 This schedule reports using the accrual basis of accounting.

2 Expenses include allocated indirect expenses.

Source: Financial Statements

Fiscal Year				
2020	2021	2022	2023	2024
\$ 8,652,793	\$ 8,809,340	\$ 9,053,662	\$ 10,806,659	\$ 7,347,528
14,732,495	15,675,680	13,521,804	14,415,836	15,743,196
25,654,527	25,222,243	22,635,549	24,401,419	27,637,120
2,266,167	2,245,447	2,116,123	2,316,912	2,377,466
16,950,960	15,977,248	13,014,042	20,391,866	21,589,929
231,808	231,809	147,249	55,244	42,159
556,436	452,538	325,776	276,787	258,835
69,045,186	68,614,305	60,814,205	72,664,723	74,996,233
7,212,599	7,591,941	7,470,840	8,024,658	8,219,156
6,633,084	6,860,432	6,326,880	6,767,197	6,798,561
837,049	502,562	553,805	780,317	512,602
6,886,133	7,194,162	7,036,505	7,410,608	7,255,285
21,568,865	22,149,097	21,388,030	22,982,780	22,785,604
\$ 90,614,051	\$ 90,763,402	\$ 82,202,235	\$ 95,647,503	\$ 97,781,837
\$ 4,116,660	\$ 4,046,675	\$ 3,851,633	\$ 3,919,667	\$ 4,004,585
1,963,379	1,970,004	1,969,783	1,980,460	1,820,481
1,013,728	636,755	768,141	1,299,113	1,384,084
97,423	80,274	92,961	100,089	106,658
3,617,802	3,042,558	4,146,968	4,749,539	4,593,867
7,465,635	7,781,066	6,055,257	13,579,392	14,867,451
4,820,681	10,947,796	13,921,588	24,391,492	14,959,036
23,095,308	28,505,128	30,806,331	50,019,752	41,736,162
7,698,075	7,740,534	8,060,782	8,234,652	8,584,543
7,483,023	7,766,070	8,341,425	8,568,413	8,961,483
638,301	547,906	549,184	605,035	622,056
6,060,953	4,854,619	8,355,277	7,003,472	8,025,197
222,080	167,977	52,239	-	-
1,874,362	3,922,047	5,863,574	7,352,623	4,262,583
23,976,794	24,999,153	31,222,481	31,764,195	30,455,862
\$ 47,072,102	\$ 53,504,281	\$ 62,028,812	\$ 81,783,947	\$ 72,192,024
\$ (45,949,878)	\$ (40,109,177)	\$ (30,007,874)	\$ (22,644,971)	\$ (33,260,071)
2,407,929	2,850,056	9,834,451	8,781,415	7,670,258
\$ (43,541,949)	\$ (37,259,121)	\$ (20,173,423)	\$ (13,863,556)	\$ (25,589,813)
\$ 36,796,537	\$ 37,426,263	\$ 38,733,351	\$ 41,709,190	\$ 43,057,958
1,119,292	1,206,485	1,885,268	1,628,477	1,185,697
3,618,162	3,744,708	3,768,793	3,920,839	3,997,754
2,336,861	2,318,473	2,821,285	3,280,621	3,123,757
1,745,096	600,210	(156,863)	2,738,203	5,651,670
1,227,437	1,789,005	2,098,685	1,803,375	1,790,757
-	-	-	8,902	7,245
2,212,330	2,334,354	2,152,946	2,242,188	2,172,133
-	-	-	-	-
80,000	889,772	(625,240)	(240,829)	(13,228)
49,135,715	50,309,270	50,678,225	57,090,966	60,973,743
1,154,005	283,940	(264,079)	1,638,958	3,490,227
24,317	12,467	91,665	5,594	5,484
-	-	-	(547,253)	-
(80,000)	(889,772)	625,240	240,829	13,228
1,098,322	(593,365)	452,826	1,338,128	3,508,939
\$ 50,234,037	\$ 49,715,905	\$ 51,131,051	\$ 58,429,094	\$ 64,482,682
\$ 3,185,837	\$ 10,200,093	\$ 20,670,351	\$ 34,445,995	\$ 27,713,672
3,506,251	2,256,691	10,287,277	10,119,543	11,179,197
\$ 6,692,088	\$ 12,456,784	\$ 30,957,628	\$ 44,565,538	\$ 38,892,869

City of Springfield, Oregon
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
General Fund				
Nonspendable	\$ 86,584	\$ 98,292	\$ 83,602	\$ 64,408
Restricted	-	-	-	-
Committed	83,224	172,840	293,004	293,004
Assigned	600,000	600,000	1,000,000	1,000,000
Unassigned	8,553,497	7,999,863	7,387,428	8,388,052
Total general fund	<u>\$ 9,323,305</u>	<u>\$ 8,870,995</u>	<u>\$ 8,764,034</u>	<u>\$ 9,745,464</u>
 All Other Governmental Funds				
Nonspendable	\$ 205,477	\$ 223,261	\$ 219,897	\$ 243,998
Restricted	13,642,430	14,194,470	13,672,194	18,873,553
Committed	2,617,234	1,980,130	2,036,262	2,200,742
Assigned	644,492	1,493,031	808,377	920,076
Unassigned	(23,321)	(37,306)	(142,091)	-
Total all other governmental funds	<u>\$ 17,086,312</u>	<u>\$ 17,853,586</u>	<u>\$ 16,594,639</u>	<u>\$ 22,238,369</u>

Source: Financial Statements

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 118,343	\$ 110,259	\$ 169,293	\$ 194,341	\$ 160,623	\$ 146,504
-	-	-	-	-	-
472,153	-	-	-	-	-
1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
9,176,504	9,931,764	10,353,531	9,848,436	11,352,700	11,863,288
<u>\$ 10,767,000</u>	<u>\$ 11,042,023</u>	<u>\$ 11,522,824</u>	<u>\$ 11,042,777</u>	<u>\$ 12,513,323</u>	<u>\$ 13,009,792</u>
\$ 520,564	\$ 344,309	\$ 301,174	\$ 337,668	\$ 607,851	\$ 541,633
16,461,113	28,651,926	26,053,526	25,897,514	41,588,250	45,104,286
2,569,918	3,209,955	3,384,079	3,600,074	4,044,690	4,229,821
1,261,961	1,341,713	1,849,430	1,906,931	2,142,232	2,837,316
-	-	-	-	-	-
<u>\$ 20,813,556</u>	<u>\$ 33,547,903</u>	<u>\$ 31,588,209</u>	<u>\$ 31,742,187</u>	<u>\$ 48,383,023</u>	<u>\$ 52,713,056</u>

City of Springfield, Oregon
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year		
	2015	2016	2017
Taxes	\$ 33,065,500	\$ 31,862,305	\$ 33,098,818
Licenses and permits	2,783,280	3,122,149	3,325,162
Intergovernmental	12,172,857	8,484,882	9,224,182
Charges for services	7,670,658	9,247,507	8,410,972
Fines & forfeitures	1,688,251	1,652,415	1,655,009
Use of money & property	109,373	170,631	276,286
Special assessments	45,618	25,265	18,989
Miscellaneous	708,847	775,308	743,777
Total Revenues	58,244,384	55,340,462	56,753,195
Current Operating:			
General government	6,643,279	8,240,463	8,509,994
Fire and life safety	11,237,818	11,848,268	12,380,622
Police	18,997,316	20,231,011	19,388,013
Library	1,610,330	1,706,475	1,848,510
Development and public works	9,233,725	9,063,061	9,285,822
Capital Projects	1,354,801	2,187,974	6,204,622
Debt service:			
Principal	2,602,206	1,630,000	2,156,706
Interest	913,103	807,469	650,730
Total expenditures	52,592,578	55,714,721	60,425,019
Excess of revenues over (under) expenditures	5,651,806	(505,464)	(3,671,824)
 Transfers in	4,874,912	6,369,454	1,775,328
Transfers out	(4,506,705)	(5,801,301)	(1,459,296)
Bond sale costs	-	-	-
Issuance of debt	-	16,994,808	2,000,000
Payment to refunded bond escrow agent	-	(16,863,603)	-
Total other financing sources (uses)	368,207	699,358	2,316,032
Net changes in fund balances	\$ 6,020,013	\$ 193,894	\$ (1,355,792)
 Debt services as a percentage of noncapital expenditures	6.84%	4.61%	5.21%

Notes:

- a) Debt service represents principal and interest incurred during the year.
- b) Noncapital expenditures do not include capital outlay for land, construction in progress, buildings and improvements, machinery and equipment and other infrastructure.

Source: Financial Statements

Fiscal Year						
2018	2019	2020	2021	2022	2023	2024
\$ 33,794,986	\$ 36,634,081	\$ 38,889,782	\$ 39,448,636	\$ 41,397,614	\$ 44,293,541	\$ 45,469,883
3,251,909	3,184,547	3,384,446	3,421,932	3,580,016	3,523,266	4,081,515
9,515,619	10,388,913	12,054,048	13,433,515	12,308,507	32,981,255	24,465,103
8,740,655	8,255,515	9,824,965	9,912,595	11,047,635	12,384,329	11,954,421
1,813,942	1,819,429	1,577,656	1,316,405	1,138,554	1,148,627	1,147,068
427,571	1,017,688	1,205,189	275,832	(271,088)	1,943,731	4,271,501
13,082	17,098	15,062	6,621	18,111	1,351	-
785,899	1,205,665	1,057,800	1,566,002	1,347,267	1,292,768	637,034
58,343,663	62,522,936	68,008,948	69,381,538	70,566,616	97,568,868	92,026,525
7,901,804	8,571,201	8,616,360	9,085,862	9,248,427	11,483,829	12,813,430
12,894,682	13,114,125	13,149,807	14,318,920	14,386,945	15,169,214	16,116,774
19,748,479	21,115,709	22,052,943	22,352,091	23,010,099	24,659,831	27,405,728
1,646,799	1,904,135	2,063,085	2,055,401	2,291,515	2,443,004	2,424,915
9,036,058	9,628,378	11,004,908	12,330,771	10,988,756	17,278,220	17,624,410
967,170	6,095,447	2,758,368	6,831,924	5,796,262	5,693,185	6,446,724
1,695,530	2,021,673	4,247,965	4,093,807	4,214,331	4,472,828	4,788,870
653,657	674,222	735,544	653,938	531,621	440,942	473,175
54,544,179	63,124,890	64,628,980	71,722,714	70,467,956	81,641,053	88,094,026
3,799,484	(601,954)	3,379,968	(2,241,176)	98,660	15,927,815	3,932,499
2,729,248	1,458,838	2,025,984	2,739,379	1,757,269	1,977,756	2,062,242
1,229,455	(1,278,261)	(2,271,493)	(1,913,875)	(2,218,817)	(2,165,929)	(2,131,729)
-	-	(39,159)	-	-	-	-
(1,166,455)	-	10,000,000	-	-	2,250,000	1,100,000
-	-	-	-	-	-	-
2,792,248	180,577	9,715,332	825,504	(461,548)	2,061,827	1,030,513
\$ 6,591,732	\$ (421,377)	\$ 13,095,300	\$ (1,415,672)	\$ (362,888)	\$ 17,989,642	\$ 4,963,012
4.39%	4.71%	7.87%	7.43%	7.27%	6.41%	6.80%



Revenue Capacity Information



City of Springfield, Oregon

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal year ended June 30,	Real Property	Manufactured Structures	Personal Property	Utilities	Total Taxable Assessed Value Including Urban Renewal and Exempt Property	Total City Direct Tax Rate	Total Urban Renewal Tax Rate	Estimated Actual Taxable Value
2015	*	*	*	*	\$ 4,253,901,084	7.03	0.22	\$ 6,782,631,808
2016	*	*	*	*	4,339,850,283	6.78	0.21	6,939,893,310
2017	*	*	*	*	4,471,924,355	6.79	0.21	7,145,332,593
2018	*	*	*	*	4,624,303,479	6.68	0.24	7,841,457,283
2019	\$ 4,541,773,087	\$ 29,429,233	\$ 197,693,142	\$ 88,220,300	4,857,115,762	6.77	0.30	8,492,723,597
2020	4,685,349,599	32,414,522	193,329,553	83,515,100	4,994,608,774	7.27	0.29	9,110,886,037
2021	4,984,917,360	37,273,263	194,341,228	86,663,100	5,303,194,951	7.20	0.30	9,594,834,513
2022	5,370,435,687	39,574,783	193,427,657	93,675,700	5,697,113,827	7.19	0.32	10,535,427,628
2023	5,586,328,747	39,928,605	206,771,625	91,146,914	5,924,175,891	7.05	0.46	12,438,521,879
2024	5,802,335,477	41,322,485	219,159,776	89,902,556	6,152,720,294	6.99	0.51	13,322,558,734

Source: Lane County Department of Assessment and Taxation

* Breakdown of assessed value into categories is not available

City of Springfield, Oregon

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS

City Direct Rates					
Fiscal Year	Basic Rate	General Obligation Debt Service	Police Operating Levy	Fire Operating Levy	Total Direct
2015	\$ 4.65	\$ 0.74	\$ 1.28	\$ 0.36	\$ 7.03
2016	4.65	0.49	1.28	0.36	6.78
2017	4.65	0.50	1.28	0.36	6.79
2018	4.64	0.40	1.28	0.36	6.68
2019	4.62	0.39	1.40	0.36	6.77
2020	4.62	0.89	1.40	0.36	7.27
2021	4.62	0.82	1.40	0.36	7.20
2022	4.61	0.80	1.40	0.38	7.19
2023	4.56	0.71	1.40	0.38	7.05
2024	4.54	0.67	1.40	0.38	6.99

Source: Lane County Department of Assessment & Taxation

Overlapping Rates

School District No. 19	Lane County	Lane Community College	Lane County I.E.D. (E.S.D.)	Willamalane Park District	Springfield Economic Development Agency	Upper Willamette Soil & Water
\$ 5.61	\$ 1.91	\$ 0.85	\$ 0.22	\$ 2.33	\$ 0.22	-
5.79	1.80	0.81	0.22	2.30	0.21	-
5.88	1.65	0.83	0.22	2.31	0.21	-
5.84	1.64	0.83	0.22	2.28	0.24	-
5.78	1.77	0.83	0.22	2.25	0.30	-
5.79	1.81	0.82	0.22	2.24	0.29	-
5.79	1.81	0.95	0.22	2.21	0.30	-
5.73	1.82	0.94	0.22	2.18	0.32	0.07
5.63	1.81	0.92	0.21	2.11	0.46	0.07
5.58	1.96	0.92	0.21	2.08	0.51	0.07

City of Springfield, Oregon

PRINCIPAL PROPERTY TAX PAYERS

Current Year and Nine Years Ago

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank *	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank *	Percentage of Total City Taxable Assessed Value
PeaceHealth	\$ 569,190,072	1	9.61%	\$ 68,740,115	2	1.62%
IP Eat Three LLC (Weyerhaeuser)	324,567,580	2	5.48%	238,611,592	1	5.61%
McKenzie Willamette Regional Medical C	94,070,872	3	1.59%			
Swanson Group MFG LLC	74,094,373	4	1.25%			
BRFI Gateway LLC	61,475,788	5	1.04%	58,685,772	3	1.38%
United States bakery	58,338,888	6	0.99%	33,007,369	7	0.78%
Rosboro Company LLC	57,686,886	7	0.97%	33,204,918	6	0.78%
Pacificsource Properties LLC	49,804,615	8	0.84%			
Kingsford Manufacturing	37,965,028	9	0.64%			
Borden Chemical	36,905,415	10	0.62%			
Symantec Corporation				53,540,363	4	1.26%
RC Springfield 2007 LLC				26,372,096	10	0.62%
Comcast Corporation				43,579,800	5	1.02%
Shepard investment group LLC				29,973,524	8	0.70%
Symantec Corporation				26,638,629	9	0.63%
Total	<u>\$ 1,364,099,517</u>		<u>23.03%</u>	<u>\$ 543,614,063</u>		<u>14.40%</u>

Source: Lane County Department of Assessment and Taxation

* Ranked by total taxes paid

City of Springfield, Oregon

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections & Adjustments	Total Collections and Adjustments to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 31,427,683	\$ 29,665,353	94.4%	\$ 1,754,601	\$ 31,419,954	99.98%
2016	30,360,092	28,616,502	94.3%	1,735,297	30,351,799	99.97%
2017	31,525,757	29,852,562	94.7%	1,663,448	31,516,010	99.97%
2018	32,210,580	30,617,910	95.1%	1,581,387	32,199,297	99.96%
2019	34,341,345	32,759,524	95.4%	1,565,827	34,325,351	99.95%
2020	37,806,421	36,043,062	95.3%	1,707,915	37,750,977	99.85%
2021	38,412,008	36,786,581	95.8%	1,553,981	38,340,562	99.81%
2022	39,739,637	38,067,836	95.8%	1,515,061	39,582,897	99.61%
2023	42,778,704	40,981,634	95.8%	1,492,528	42,474,162	99.29%
2024	44,394,715	42,398,253	95.5%	1,151,376	43,549,629	98.10%

Sources: Lane County Department of Assessments and
Taxation; Annual Financial Reports



Debt Capacity Information



City of Springfield, Oregon

RATIO OF OUTSTANDING DEBT, BY TYPE

Last Ten Fiscal Years

	Governmental Activities					Business-Type Activities				
Fiscal Year	General Obligation Bonds	Leases	Subscription Liability	Notes Payable	Contracts Payable	Revenue Bonds	Notes Payable	Total Primary Government	Percentage of Personal Income	Per Capita
2015	\$ 18,400,955	\$ 676,209	\$ -	\$ 715,000	\$ 210,000	\$ 26,752,681	\$ 3,011,742	\$ 49,766,587	0.34%	828
2016	17,194,064	535,062	-	520,000	210,000	25,318,704	2,198,125	45,975,955	0.30%	764
2017	15,717,891	789,049	-	1,873,246	210,000	23,123,478	1,494,105	43,207,769	0.27%	712
2018	13,992,095	440,990	-	4,296,965	210,000	21,190,522	739,418	40,869,990	*	674
2019	13,243,365	297,355	-	3,720,293	210,000	19,317,564	505,833	37,294,410	*	608
2020	19,332,885	150,385	-	3,152,328	210,000	17,399,607	478,956	40,724,161	*	662
2021	15,628,404	-	-	2,532,522	210,000	14,555,111	478,621	33,404,658	*	536
2022	11,833,923	31,652	-	1,887,480	210,000	12,541,012	476,986	26,981,053	*	431
2023	10,177,666	24,444	1,126,597	1,219,307	210,000	10,465,895	472,123	23,696,032	*	377
2024	7,111,108	17,153	314,544	492,323	210,000	8,327,827	471,540	16,944,495	*	269

Source: Annual Financial Reports

* not yet available

City of Springfield, Oregon

RATIO OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2015	18,400,955	0.43%	306
2016	17,194,064	0.40%	286
2017	15,717,891	0.35%	260
2018	13,992,095	0.30%	230
2019	13,243,365	0.27%	216
2020	19,332,885	0.39%	314
2021	15,628,404	0.29%	251
2022	11,833,923	0.21%	189
2023	10,177,666	0.17%	162
2024	7,111,108	0.12%	113

Source: Annual Financial Statements,
Lane County Department of Assessment & Taxation
Population Research Center Portland State University

City of Springfield, Oregon

COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

JUNE 30, 2024

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage applicable to the City</u>	<u>City's share of overlapping debt</u>
City of Springfield - general obligation bonds	\$ 7,111,108	100.00%	\$ 7,111,108
City of Springfield - notes payable	492,323	100.00%	492,323
City of Springfield - contracts payable	210,000	100.00%	210,000
City of Springfield - leases	1,513,938	100.00%	1,513,938
City of Springfield - subscriptions	<u>314,544</u>	100.00%	<u>314,544</u>
Total Direct debt	<u>\$ 9,641,913</u>		<u>\$ 9,641,913</u>
<u>Overlapping Debt</u>			
Lane Community College	\$ 225,535,000	14.36%	\$ 32,386,826
Lane County	314,600,554	14.58%	45,868,761
School District 19	216,394,139	75.29%	162,923,148
School District 4J	438,630,402	4.32%	18,948,833
Lane Education Service District	4,219,881	14.62%	616,947
Willamalane Park & Recreation District	9,785,000	93.80%	9,178,330
Lane County Housing Authority	7,446,290	14.58%	1,085,669
Total overlapping debt	1,216,611,266		<u>271,008,514</u>
Total direct and overlapping debt			<u>\$ 280,650,427</u>

Source: Oregon State Treasury

Notes:

- a. Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. The State of Oregon, Debt Management Division, provides overlapping debt data based on fair market valuation of properties for each jurisdiction.
- b. Total direct debt and overlapping debt is total direct debt plus gross overlapping debt.

City of Springfield, Oregon

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

	<u>June 30, 2024</u>
Real Market Value for City of Springfield	\$ 13,322,558,734
General Obligation Debt Limit - 3% of Real Market Value	399,676,762
Net Debt Subject to 3% Limitation	<u>6,650,147</u>
Legal Debt Margin for General Obligation Debt	<u><u>\$ 393,026,615</u></u>

	<u>Fiscal Year</u>			
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt Limit	\$ 203,478,954	\$ 208,196,799	\$ 214,359,978	\$ 235,243,718
Total net debt applicable to limit	<u>19,070,000</u>	<u>15,975,000</u>	<u>14,465,000</u>	<u>13,075,000</u>
Legal debt margin	<u><u>\$ 184,408,954</u></u>	<u><u>\$ 192,221,799</u></u>	<u><u>\$ 199,894,978</u></u>	<u><u>\$ 222,168,718</u></u>
Total net debt applicable to the limit as a percentage of debt limit	9.37%	7.67%	6.75%	5.56%

Source: Lane County Assessment & Taxation
City of Springfield Financials

Fiscal Year

2019	2020	2021	2022	2023	2024
\$ 254,781,708	\$ 273,326,581	\$ 287,845,035	\$ 316,062,829	\$ 373,155,656	\$ 399,676,762
11,630,000	17,950,000	14,476,000	10,912,000	9,486,223	6,650,147
<u>\$ 243,151,708</u>	<u>\$ 255,376,581</u>	<u>\$ 273,369,035</u>	<u>\$ 305,150,829</u>	<u>\$ 363,669,433</u>	<u>\$ 393,026,615</u>
4.56%	6.57%	5.03%	3.45%	2.54%	1.66%

City of Springfield, Oregon
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS

Fiscal Year	Local Sewer Revenue Bonds					
	System Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2015	\$ 14,819,959	\$ 7,270,726	\$ 7,549,233	\$ 1,560,000	\$ 1,097,325	2.84
2016	15,814,960	9,925,186	5,889,774	1,380,000	1,039,531	2.43
2017	17,544,930	8,584,216	8,960,714	1,425,000	988,281	3.71
2018	16,755,001	9,430,586	7,324,415	1,755,000	656,409	3.04
2019	17,132,240	9,117,789	8,014,451	1,695,000	724,400	3.31
2020	17,822,336	9,955,541	7,866,795	1,740,000	673,400	3.26
2021	17,576,152	11,031,158	6,544,994	1,795,000	533,790	2.81
2022	19,215,611	10,314,375	8,901,236	1,862,195	397,246	3.94
2023	20,590,122	11,133,048	9,457,074	1,923,213	336,504	4.19
2024	23,806,758	11,578,370	12,228,388	1,986,164	273,477	5.41

Source: Annual Financial Reports

System revenues include user fees, system development charges and miscellaneous revenue.

Demographic and Economic Information



City of Springfield, Oregon

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN CALENDAR YEARS

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2015	60,135	\$ 14,597,955	\$ 40,259	10,249	5.7%
2016	60,140	15,160,278	41,027	10,315	5.0%
2017	60,655	16,275,200	43,430	10,366	4.4%
2018	60,865	17,050,394	45,018	10,133	4.3%
2019	61,355	17,859,486	46,752	10,200	4.0%
2020	61,857	19,634,078	51,272	9,746	7.9%
2021	61,973	21,131,525	55,146	9,779	5.5%
2022	62,262	21,483,599	56,188	9,619	4.0%
2023	62,377	23,493,863	61,634	9,635	4.0%
2024	62,996 ¹	*	*	9,664	4.1%

Sources: Population information provided by the Population Research Center, Portland State University.

Personal income and Per Capita income provided by Bureau of Economic Analysis and represents all of Lane County.

School enrollment data provided by Springfield School District No. 19.

Unemployment data provided by Bureau of Labor and statistics and represents the annual average for the entire Eugene-Springfield Metropolitan area

* Not yet available

¹ Most recent information from Population Research Center at PSU is 2024 Estimate

City of Springfield, Oregon

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

	2024		
<u>Employer**</u>	<u>Estimated average Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Peace Health Oregon Region	3,543	1	13.82%
McKenzie Willamette Hospital	1,400	2	5.46%
Springfield School District #19	1,609	3	6.28%
Top 3 Technology Employers	906	4	3.53%
Top 3 Wood product employers	843	5	3.29%
Top 3 Food and beverage employers	526	6	2.05%
City of Springfield	413	7	1.61%
Willamalane Park and Recreation District	369	8	1.44%
State government	352	9	1.44%
Federal Government	210	10	0.82%
Total	<u>10,171</u>		<u>39.74%</u>

	2015		
<u>Employer**</u>	<u>Estimated average Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Peace Health Oregon Region	3,985	1	15.86%
Symantic	1,600	2	6.37%
Springfield School District #19	1,197	3	4.76%
Royal Caribbean Cruise Lines	900	4	3.58%
McKenzie Willamette Hospital	892	5	3.55%
City of Springfield	408	6	1.62%
Willamalane Park and Recreation District	404	7	1.61%
Pacific Source	372	8	1.48%
Wal-Mart	352	9	1.40%
Peace Health Medical Laboratories	346	10	1.38%
Total	<u>10,456</u>		<u>41.61%</u>

Source: City Economic Development Division

** Due to confidentiality - the department of labor no longer discloses employee numbers for private companies.

Operating Information

City of Springfield, Oregon
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>Fiscal Year</u>			
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General government				
City management	7.50	7.50	7.50	7.00
Finance	9.50	11.70	11.70	9.70
Human resources	6.00	6.00	8.00	8.00
Information technology	10.00	15.00	15.00	14.80
Legal/Judicial services	8.84	8.84	8.84	8.84
Police	123.00	123.00	124.00	123.00
Fire and Life Safety	99.00	99.00	97.50	95.75
Development and public works	130.00	123.00	123.00	126.38
Library	13.10	13.50	13.50	14.13
Total	<u>406.94</u>	<u>407.54</u>	<u>409.04</u>	<u>407.60</u>

Source:

City Budget Office - Based on published Budgeted FTE as of July 1, prior year

Fiscal Year					
<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
7.00	7.00	7.00	7.00	9.00	9.00
9.70	9.65	9.95	9.95	19.14	19.14
7.00	7.00	7.00	7.00	8.00	9.00
15.80	15.80	14.80	14.80	10.00	9.00
11.84	12.09	12.09	12.09	3.00	3.00
123.00	123.00	123.50	122.00	124.00	124.00
101.65	101.65	92.00	91.00	93.00	93.00
126.55	128.55	134.05	136.05	144.85	150.85
15.06	15.13	16.03	16.63	16.00	16.30
<u>417.60</u>	<u>419.87</u>	<u>416.42</u>	<u>416.52</u>	<u>426.99</u>	<u>433.29</u>

City of Springfield, Oregon
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>Fiscal Year</u>		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
Police			
Criminal arrests (charges)	7,672	8,506	9,348
Parking violations	209	244	607
Traffic violations	7,775	8,219	8,087
Fire and life safety			
Number of fire stations	5	5	5
Incident responses	8,651	8,626	8,625
Fire incidents	177	185	167
Inspections	138	123	214
Library			
Number of public computer log-ins ****	56,666	53,733	25,683
Number of patron visits ****			
Total volumes loaned ****	365,497	364,823	355,848
Development and public works			
Crack sealing (in miles)	11	12	0.14
Potholes repaired	775	***	***
Storm lines high velocity cleaning (in feet)	2,200	1,500	2,000
Sanitary lines high velocity cleaning (in feet)	426,466	601,920	786,000
Number of building permits **	466	224	427
Building valuation (in thousands)	\$ 51,818	\$ 77,150	\$ 91,011

Sources: Various city departments

* City of Eugene provides Fire and life safety statistics - between 2011 and 2014, the Cities of Eugene and Springfield merged the departments. From 2014 on, the statics represent Incident Responses, Fire Incidents and Inspections done inside the City of Springfield by employees who may be Springfield or Eugene employees.
Prior to 2014, comparable data is unavailable.

** New constructions permits

*** Data not available

**** During FY21, the Library was mostly not open to patrons due to COVID19, instead of patron visits the number of phone calls received was recorded above. For FY22 we returned to number of patron visits. In FY21, loaned materials were delivered curbside to patrons who reserved them online and public computers were seldom available. During FY23, the Library was having issues with the door tracking software, which is why FY23 is so much lower than FY22

Fiscal Year						
2018	2019	2020	2021	2022	2023	2024
9,367	8,462	7,282	6,721	7,543	3,719	4,414
558	818	736	599	673	756	866
7,997	7,644	7,633	6,130	6,834	5,571	5,299
5	5	5	5	5	5	5
8,714	9,283	8,985	9,159	10,344	10,353	10,269
162	180	132	221	190	202	196
262	257	236	67	135	158	346
21,958	22,220	14,373	1,990	6,277	12,481	8,291
			4,225	202,618	107,912	105,272
365,763	376,622	321,688	107,256	193,782	206,648	208,877
2	4	18	7	11	5	3
1,103	1,634	1,705	1,705	1,699	1,119	389
4,661	20,000	3,600	3,613	2,933	0	0
646,635	510,000	331,601	333,600	452,500	491,569	558,064
1,541	2,236	2,349	2,575	2,829	2,728	2,834
\$ 71,631	\$ 88,928	\$ 115,946	\$ 91,536	\$ 147,667	\$ 187,826	\$ 195,107

City of Springfield, Oregon

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

<u>Function/Program</u>	Fiscal Year				
	2015	2016	2017	2018	2019
Police					
Stations	1	1	1	1	1
Patrol units	20	20	24	24	26
Fire stations	5	5	5	5	5
Public works					
Streets (lane miles)	444	442	443	447	447
Street lights	4,362	4,338	4,227	4,431	4,518
Traffic signals	83	93	78	72	44

Sources: Various city departments

* Number of traffic signals for 2019 includes only those owned by Springfield.
Prior years include signals installed within Springfield but owned by ODOT
(Oregon Department of Transportation)

** Unavailable

Fiscal Year

2020	2021	2022	2023	2024
1	1	1	1	1
30	30	30	36	37
5	5	5	5	5
448	449.6	451.5	455.8	457
**	4,385	4,726	4,751	4,751
40	43	43	43	43

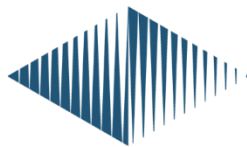


Compliance Section



Audit Comments





GROVE, MUELLER & SWANK

redw
Advisors & CPAs

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

To the Honorable Mayor, Members of the
City Council and the City Manager
City of Springfield
Springfield, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the City of Springfield, Oregon as of and for the year ended June 30, 2024, and have issued our report thereon dated December 17, 2024.

Compliance and Other Matters

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

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

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

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

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.

Restriction on Use

This report is intended solely for the information and use of the Honorable Mayor, City Council and management of the City of Springfield, Oregon and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

A handwritten signature in black ink, appearing to read 'RP', followed by a horizontal line.

Ryan T. Pasquarella, Principal
For REDW LLC
Salem, Oregon
December 17, 2024



GROVE, MUELLER & SWANK

redw
Advisors & CPAs

December 17, 2024

To the Honorable Mayor, Members of the
City Council and the City Manager
City of Springfield
Springfield, Oregon

We have audited the financial statements of the City of Springfield and the Springfield Economic Development Agency (collectively known as the City) as of and for the year ended June 30, 2024, and have issued our report thereon dated December 17, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our statement of work letter dated March 1, 2024, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks:

The possibility that management could override the system of controls. This risk is always identified and addressed by our planned audit procedures. This is not indicative of any unusual circumstances observed within your organization.

The possibility the Emergency Medical Services (EMS) revenues are miscalculated. This risk was identified as EMS revenues:

- Continue to utilize two billing system software programs to account for client billings,
- EMS billings are subject to large write-off's and write-downs by either a contractual or non-contractual obligation as determined by the reviewing technician, and
- Allowance for bad debt determination.

Qualitative Aspects of the City's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in the notes to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

- Management's estimate of other post-employment benefits, based on calculations from an independent third-party actuary.
- Management's estimate of the net pension liability related to OPERS and the City Retirement Plan, based on calculations from an independent third-party actuary.
- Management's estimate of the carrying value of capital assets, based on management's determination of the useful lives and future economic benefit of the assets.
- Management's estimate of the allowance for doubtful accounts, based on past experience with uncollected accounts.
- Management's estimate of the fair market value of investments, based on third-party brokerage information.
- Management's estimate of the self-insured health insurance liability, based on claims actually paid following year-end.
- Management's estimate of the self-insured workers compensation liability, based on calculations from an independent third-party actuary.

We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City's financial statements relate to the fair value estimates related to the City's investments and the estimated liabilities related to OPERS, the City Retirement Plan, OPEB and self-insurance.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were no corrected or uncorrected misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated December 17, 2024.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

Restriction on Use

This report is intended solely for the information and use of the City Council and management of the City of Springfield and is not intended to be and should not be used by anyone other than these specified parties.

REDW LLC

Salem, Oregon

December 17, 2024

FINANCE DEPARTMENT

ACCOUNTING / REPORTING
ACCOUNTS RECEIVABLE / PAYABLE
ASSESSMENTS
BUDGETING / TREASURY
PAYROLL
PURCHASING



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December 17, 2024

REDW LLC

475 Cottage Street NE, Suite 200
Salem, OR 97301

This representation letter is provided in connection with your audit of the financial statements of the City of Springfield, Oregon and the Springfield Economic Development Agency (collectively known as the City), which comprise the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information as of June 30, 2024 and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 17, 2024, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit statement of work letter dated June 10, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 10) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the City or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have provided to you our evaluation of the City's ability to continue as a going concern, including significant conditions and events present, and we believe that our use of the going concern basis of accounting is appropriate.
- 14) We have no knowledge of any fraud or suspected fraud that affects the City and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the names of the City's related parties and all the related party relationships and transactions.

Government-specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 21) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.

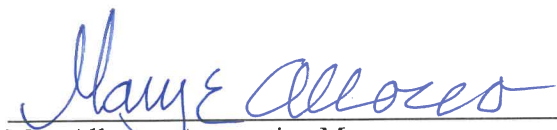
- 22) The City has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or equity.
- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 24) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 25) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 26) As part of your audit, you assisted with preparation of the auditee section of the Data Collection Form as required by the Uniform Guidance. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved and accepted responsibility for the auditee section of the Data Collection Form before submission.
- 27) The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 28) The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 29) The financial statements include all component units, joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 30) The financial statements include all fiduciary activities required by GASB Statement No. 84, as amended.
- 31) The financial statements properly classify all funds and activities in accordance with GAAP.
- 32) All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 33) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 34) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
- 35) Provisions for uncollectible receivables have been properly identified and recorded.
- 36) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 37) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 38) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 39) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
- 40) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 41) We believe that the actuarial assumptions and methods used to measure pension, OPEB, and self-insurance liabilities and costs for financial accounting purposes are appropriate in the circumstances.

- 42) We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 43) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 44) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 45) With respect to the combining and individual fund financial statements and schedules, other financial schedules, and the schedule of expenditures of federal awards:
- a) We acknowledge our responsibility for presenting the combining and individual fund financial statements and schedules, other financial schedules, and the schedule of expenditures of federal awards in accordance with accounting principles generally accepted in the United States of America, and we believe the combining and individual fund financial statements and schedules, other financial schedules, and the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the combining and individual fund financial statements and schedules, other financial schedules, and the schedule of expenditures of federal awards have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the combining and individual fund financial statements and schedules, other financial schedules, and the schedule of expenditures of federal awards is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 46) With respect to federal award programs:
- a) We are responsible for understanding and complying with and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.
 - b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards (SEFA) and related disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
 - c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
 - d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
 - e) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
 - f) We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for federal programs that provides

reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

- g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
 - h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
 - i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you, if any), including when applicable, those set forth in the OMB Compliance Supplement, relating to federal awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
 - j) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
 - k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
 - l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).
 - m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
 - n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
 - o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
 - p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
 - q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
 - r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
 - s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
 - t) We have charged costs to federal awards in accordance with applicable cost principles.
 - u) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
 - v) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
 - w) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- 47) We have no knowledge of any noncompliance or alleged noncompliance 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 as they apply to the City.

48) We have evaluated and classified any subsequent events as recognized or non-recognized through the date of this letter. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.



Meg Allocco, Accounting Manager



Nathan Bell, Finance Director

AGENDA ITEM SUMMARY S P R I N G F I E L D C I T Y C O U N C I L	Meeting Date:	01/21/2025
	Meeting Type:	Regular Meeting
	Staff Contact/Dept:	Matt Stouder/Environmental Services Division
	Staff Phone No:	
	Estimated Time:	5 Minutes
	Council Goals:	Mandate

ITEM TITLE:

Springfield Representative To The Metropolitan Wastewater Management Commission (MWMC)

ACTION REQUESTED:

The City Council is requested to appoint Doug Keeler to the MWMC for the term ending January 31, 2028.

ISSUE STATEMENT:

The current term of Springfield's citizen representative, Doug Keeler, on the MWMC ends on January 31, 2025. The Council is requested to reappoint Mr. Keeler to the MWMC to fill the upcoming 3-year term.

DISCUSSION/FINANCIAL IMPACT:

The MWMC was formed under an intergovernmental agreement in 1977 by the Governing Bodies of Springfield, Eugene, and Lane County, and provides regional wastewater treatment and conveyance services to the Eugene-Springfield Metropolitan area, including oversight for more than \$450 million in regional wastewater assets. The MWMC's work is driven by 5 key outcomes including:

- High Environmental Standards
- Fiscal Management that is effective and efficient
- A successful intergovernmental partnership
- Maximum reliability and useful life of regional assets and infrastructure
- Public awareness and understanding of MWMC, the regional wastewater system, and its objective for maintaining water quality and a sustainable environment

The MWMC's governance structure includes a seven-member Commission, with representation from each Governing Body and members serving 3-year terms. As outlined in the MWMC's IGA, Eugene has three Commission members (one Councilor and two appointed citizens), Lane County has two Commission members (one County Commissioner and one appointed citizen) and Springfield has two Commission members (one Councilor and one appointed citizen). Springfield is currently represented by City Councilor Joe Pishioneri, and appointed citizen Doug Keeler. Mr. Keeler has represented Springfield on the Commission since 1997.

At the Tuesday, January 21, 2025 regular Council meeting, the Council is requested to appoint Mr. Keeler as the Springfield citizen representative to the MWMC for the upcoming 3-year term ending January 31, 2028.

There is no financial impact associated with this item.

AGENDA ITEM SUMMARY S P R I N G F I E L D C I T Y C O U N C I L	Meeting Date:	01/21/2025
	Meeting Type:	Regular Meeting
	Staff Contact/Dept:	George Crolly/Springfield Police Department
	Staff Phone No:	5417444165
	Estimated Time:	Consent Calendar
	Council Goals:	Mandate

ITEM TITLE:

Authorization for Gun Destruction

ACTION REQUESTED:

Provide authorization for Springfield Police Department to remove certain firearms from its property inventory pursuant to Springfield Municipal Code (SMC) 2.760(4).

ISSUE STATEMENT:

SPD is seeking to remove and have rendered inoperable certain firearms in its evidence/property room pursuant to SMC 2.760(4).

DISCUSSION/FINANCIAL IMPACT:

The SPD property/evidence inventory includes a number of firearms as a result of police seizures, found property, or criminal cases that have accumulated over many years. We are currently seeking to continue the reduction in that inventory by rendering inoperable some of those firearms held in property/evidence per state law and municipal code. SPD is approaching this project in phases, beginning with the elimination of firearms that are inoperable, where destruction requests from the rightful owners exist, are designated "ghost guns", or are of little or no value monetarily. SMC 2.760(4) requires Council approval to destroy guns. The firearms will be destroyed/rendered inoperable in accordance with ATF approved destruction via incinerator witnessed by SPD Property Control and a Police Sergeant or Lieutenant.

SPD intends to seek additional Council approval at a later date for other weapons after they have been through the unclaimed property process pursuant to SMC.

Attachments

1. Inventory

SPD Firearms Destruction H List

DESTRUCTION DATE: _____

LOCATION: _____

Total	Initials	Case #	Grp#	Description	Make	Model	Caliber	Serial Number	Reason	Date Checked
1		17-5553	1	Shotgun	Maverick	88	12	MV93200G	abandoned	
2		18-7944	1	Pistol-SA	Hi-Point	ACP	380	P800968	abandoned	
3		21-3550	1	Revolver	Smith & Wesson		357	CCH6873	SUICIDE	
4		21-9032	2	Pistol-SA	Sig	P230	9	SI38668	NOK-destroy	
5		23-908	1	Pistol	Flare gun			NA6318	surrendered	
6		23-1432	1	Pistol	Citadel	1911	45	obliterated		
7		23-2773	1	Pistol-SA	P80		9	(none)	illegal	
8		23-4163	1	Pistol-SA	P80		9	(none)	illegal	
9		23-4163	10	Revolver	Ruger	LCP	380	379115329	EGC FORF	
10		24-296	1	Pistol-SA	Smith & Wesson	MP	40	DSY7758	surrendered	
11		24-330	1	Revolver	Ruger	38	38	280228	surrendered	
12		24-940	1	Shotgun	Savage	B	16	(none)	surrendered	
13		24-940	2	Rifle	Wards Western		22	(none)	surrendered	
14		24-940	3	Rifle	Marlin	Glenwood 70	22	19412676	surrendered	
15		24-964	1	Pistol	Sterling	22LR	22	E40191	surrendered	
16		24-2405	1	Rifle	Mossburg	22	22	(none)	surrendered/illegal	
17		24-2519	1	Pistol-SA	RG Industries	RG26	25	U112389	abandoned	
18		24-3011	1	Revolver	Smith & Wesson	19-4	38	52K4380	surrendered	
19		24-5110	1	Shotgun	Stevens		410	(none)	surrendered	
20		24-5946	1	Handgun	Ruger	LCP	380	372182952	surrendered	
21		24-5946	2	Handgun	Heritage	Rough Rider	22	Y26439	surrendered	
22		24-5946	3	Handgun	Phoenix	HP22A	22	4547575	surrendered	
23		24-5946	4	Rifle	Heritage Arms	Barkeep	22	1BH649367	surrendered	
24		24-5946	5	Rifle	Rossi	RS22	22	7CA162556N	surrendered	
25		24-5946	6	Rifle	Marlin	100	22	(none)	surrendered	

Chief of Police Authorization: _____
 Firearms Prep for Destruction: _____
 Firearms Prep for Destruction: _____
 Property Report Updated: _____

Firearms Destroyed / Property Controller: _____
 Firearms Destroyed Supervisor: _____
 Firearms Destroyed / City Employee: _____
 P&E Module Updated: _____

SPD Firearms Destruction I List

DESTRUCTION DATE: _____

LOCATION: _____

Total	Initials	Case #	Grp#	Description	Make	Model	Caliber	Serial Number	Reason	Date Checked
1		16-8332	3	Pistol-SA	Smith & Wesson	38 spl	38	CSW1325 BG38	abandoned	
2		16-9836	3	Pistol-SA	Lorcin	L22	22	91471	NOK-destruction	
3		17-9613	4	Pistol-SA	HiPoint	JHP	45	X451139	abandoned	
4		17-9613	17	Rifle	BullPup	muzzlelfe	22	(none)	abandoned	
5		17-9613	18	Rifle	Mossberg	M16	22	EM14015105	abandoned	
6		18-6499	2	Pistol-SA	SCCY	CPX-2	9	659439	abandoned	
7		18-6499	3	Pistol-SA	Glock	27	40	PNR160	unk owner	
8		19-1025	3	Pistol-SA	Broco Arms	Jennings 9	9	1893299	unk owner	
9		19-4758	3	Revolver	Charter Arms	38 special	38	496319	suicide	
10		19-8329	1	Revolver	Ruger	GP100	357	17496430	owner deceased	
11		20-537	2	Revolver	RG Industries		22	IC-175403	suicide	
12		20-3174	1	Shotgun	Huglu	CZ1012	12	18R4542	NOK-destruction	
13		20-3430	2	Revolver	Smith & Wesson	66	357	6K80343	suicide	
14		20-8561	1	Pistol-SA	Taurus	Millennium G2	9	TJU49319	FPF	
15		20-8682	2	Pistol-SA	Glock	19	9	PDC988	FPF	
16		21-1428	2	Pistol	Remington	RM380	380	RM019905C	owner deceased	
17		21-1428	3	Pistol	Taurus	G2C	9	AAL013285	owner deceased	
18		21-1428	4	Revolver	Heritage Arms		22	3BR036401	owner deceased	
19		21-1428	6	Rifle	American Tactical	GSG-MP40	45	A846055	owner deceased	
20		21-3242	1	Pistol	Glock	21	9	BABZ183	FPF	
21		21-3837	5	Pistol	Walther	PPX	9	FAM8851	FPF	
22		21-3837	6	Rifle	Ruger	AR-556	556	85111833	FPF	
23		21-5955	1	Pistol	Iberia	40	40	P130003	found	
24		21-6356	4	Revolver	Smith & Wesson	Bodyguard	38	CVPO417	FPF	
25		24-6809	1	Rifle	Howa	1500	308	B451042	surrendered	

Chief of Police Authorization: _____
 Firearms Destroyed / Property Controller: _____
 Firearms Prep for Destruction: _____
 Firearms Destroyed Supervisor: _____
 Firearms Prep for Destruction: _____
 Property Report Updated: _____
 Firearms Destroyed / City Employee: _____
 P&E Module Updated: _____

SPD Firearms Destruction J List

DESTRUCTION DATE: _____

LOCATION: _____

Total	Initials	Case #	Grp#	Description	Make	Model	Caliber	Serial Number	Reason	Date Checked
1		96-614	4	Pistol-SA	JEI		22	322995	FPF	
2		96-614	5	Pistol-SA	Sterling		25	S25562	FPF	
3		03-10458	2	Pistol-SA	InterArms	Firestar	9	2095889	FPF	
4		04-11348	12	Shotgun-Pump	Mossberg	500 ATP6	12	H051829	FPF	
5		05-6164	11	Rifle-SA - sawed off	Ruger		22	12072404	Illegal size	
6		06-7936	7	Rifle-SA	Norinco	SKS	762	19037463	FPF	
7		13-74	2	Shotgun-Pump	Winchester	1200 Saw-off	12	458606	FPF	
8		13-74	11	Pistol-SA	Taurus	PT 100AF	40	SVF18131	FPF/FORF	
9		14-7904	4	Revolver	HWM	357	357	1709554	FPF	
10		15-9465	1	Shotgun	Stoeger		12	60770108	ABAN	
11		15-10165	5	Pistol-SA	Smith & Wesson	3953	9	VAS9460	UNK OWNER/FPF	
12		16-2331	1	Revolver	Colt	Police Positive	38	A13044	UNK OWNER	
13		16-2331	17	Rifle	Savage	187R	22	243769	UNK OWNER	
14		16-2331	3	Revolver			38	10592	OWNER NOT WANT	
15		16-5110	7	Pistol-SA	Taurus	PT809	9	TY71250	PARTIAL	
16		16-6741	5	Rifle	Sportking	A-102	22	(none)	UNK OWNER	
17		16-7090	6	Revolver	Taurus		38	GM81490	FPF	
18		16-10482	1	Derringer	Sport Arms		22	22544	ABAN	
19		17-3265	1	Pistol	Sig Sauer	SP2022	9	24B211513	ABAN	
20		17-11393	6	Pistol -SA	Colt		38	PL11367	INET/FORF	
21		17-11393	14	Shotgun	H & R		12	HX217214	INET/FORF	
22		17-11404	1	Pistol- SA	Kahr		9	Y02483	INET/FORF	
23		17-11404	4	Pistol-SA	Glock		380	ABLK325	INET/FORF	
24		18-468	2	Pistol-SA	Beretta	21A-22LR	22	BBS37793U	FPF	
25		18-468	3	Revolver	H.Schmidt		22	453286	FPF	

Chief of Police Authorization: _____

Firearms Prep for Destruction: _____

Firearms Prep for Destruction: _____

Property Report Updated: _____

Firearms Destroyed / Property Controller: _____

Firearms Destroyed Supervisor: _____

Firearms Destroyed / City Employee: _____

P&E Module Updated: _____

SPD Firearms Destruction K List

DESTRUCTION DATE: _____

LOCATION: _____

Total	Initials	Case #	Grp#	Description	Make	Model	Caliber	Serial Number	Reason	Date Checked
1		97-4330	8	Pistol - SA			765	V03044	W/UNK OWNER	
2		97-4330	9	Pistol - SA	Lorcin		380	70888	W/UNK OWNER	
3		97-4330	10	Pistol - SA	Jennings		22	85779	W/UNK OWNER	
4		04-8147	5	Pistol - SA	Lorcin	L380	380	184231	OWNER REQUEST	
5		18-5658	2	Pistol - SA	Ruger	LCP	380	371432855	FPF	
6		18-5658	14	Shotgun	Remington	870	12		FPF	
7		18-6355	6	Pistol - SA	Cobra	CA-380	380	CP077201	FPF	
8		19-868	3	Pistol - SA	Interarms	Star Eibar	380	1893299	FPF	
9		19-1995	8	2 SLIDES	Taurus	Millennium		NAT60146	NK OWNER/ABAN	
10		19-2490	4	Shotgun	HC Higgins		12		FPF	
11		19-2490	5	Rifle	Remington	722	300	34570	FPF	
12		19-5501	2	Pistol - SA	Jennings	J22	22	433788	FPF	
13		19-8533	5	Shotgun	Winchester	1400	12	N593871	FPF	
14		19-9167	2	Revolver	Taurus		357	EU465905	NK OWNER/ABAN	
15		19-9798	8	Revolver	Smith & Wesson	28-2	357	N158569	PF/UNK OWNER	
16		19-9798	13	Pistol	Sig-Sauer	P230	380	S113652	PF/UNK OWNER	
17		20-3018	1	Pistol - SA	Ruger	LC9	9	32189223	ABAN	
18		20-3260	1	Pistol	Hi Point	C9	9	P10015685	ABAN	
19		20-3466	2	Rifle		AR Platform	223		FORF	
20		20-3466	3	Pistol			223		FORF	
21		20-3466	4	Rifle		AR Platform	223		FORF	
22		20-3466	19				9		FORF	
23		20-3466	20	Pistol	Sig Sauer	P320	40		FORF	
24		20-3466	21	Pistol			9		FORF	
25		20-7339	8	Revolver	Ruger	Magnum	357		UNK OWNER	

Chief of Police Authorization: _____ Firearms Destroyed / Property Controller: _____

Firearms Prep for Destruction: _____ Firearms Destroyed Supervisor: _____

Firearms Prep for Destruction: _____ Firearms Destroyed / City Employee: _____

Property Report Updated: _____ P&E Module Updated: _____

SPD Firearms Destruction L List

DESTRUCTION DATE: _____

LOCATION: _____

Total	Initials	Case #	Grp#	Description	Make	Model	Caliber	Serial Number	Reason	Date Checked
1		85-1234	1	PISTOL	STERLING		25	80399	ABAN	
2		85-1234	2	SA RIFLE	STEVENS	110E	3006	D767262	ABAN	
3		87-3811	1	REVOLVER	HI STANDARD		22	570465	ABAN	
4		90-6010	1	SA PISTOL	LORCIN	L25	25	A022821	ABAN	
5		94-2061	4	PUMP SHOTGUN	ITHICA	37	12	371585492	ABAN	
6		94-2061	5	LA RIFLE	WINCHESTER	3030	3030	3917019	ABAN	
7		94-2061	6	REVOLVER	S&W	36	38	813852	ABAN	
8		94-2061	7	REVOLVER	H&R	929	22	AR12792	ABAN	
9		94-2622	6	PISTOL	DAVIS INDUS	P380	380	AP357992	ABAN	
10		94-3368	7	REVOLVER	RG		22	347295	ABAN	
11		94-5956	7	DERRINGER	DAVIS INDUS		32	403426	ABAN	
12		94-11110	5	HILALEAH REVOLVE	EAA CORP		22	E17866	ABAN	
13		94-11259	1	SHOTGUN	WINCHESTER	12	12	1458198	ABAN	
14		95-4338	1	SA PISTOL	FB RADOM VIS	35	9	N0379	ABAN	
15		95-12479	1	PUMP SHOTGUN	HIGH STANDARD BRAVO		12	3029143	ABAN	
16		96-1559	4	RIFLE BOLT	WINCHESTER	67	22	NONE	ABAN	
17		96-2241	7	SA RIFLE W/SCOPE	REMINGTON	700	7	A6738734	ABAN	
18		96-3678	1	REVOLVER	SPORTARMS (SIERRA)		22	763675	ABAN	
19		96-3921	1	SA RIFLE	WESTERN AUTO	120	22	NONE	ABAN	
20		96-3921	2	SA PISTOL	JENNINGS		22	26279V	ABAN	
21		96-7155	1	SA PISTOL	RAVEN		25	1619909	ABAN	
22		96-8227	1	SA RIFLE	REMINGTON	742	3006	205181	ABAN	
23		96-10395	2	SA PISTOL	DAVIS INDUS	P380	380	AP157718	ABAN	
24		97-1085	1	SA PISTOL	JENNINGS	J-22		627924	ABAN	
25		97-8873	1	BOLT RIFLE	MARLIN	25N	22	8602601	ABAN	

Chief of Police Authorization: _____ Firearms Destroyed / Property Controller: _____

Firearms Prep for Destruction: _____ Firearms Destroyed Supervisor: _____

Firearms Prep for Destruction: _____ Firearms Destroyed / City Employee: _____

Property Report Updated: _____ P&E Module Updated: _____

SPD Firearms Destruction M List

DESTRUCTION DATE: _____

LOCATION: _____

Total	Initials	Case #	Grp#	Description	Make	Model	Caliber	Serial Number	Reason	Date Checked
1		97-1847	1	PUMP SHOTGUN	REMINGTON	10A		153370	ABAN	
2		97-7514	1	SA PISTOL	DAVIS INDUS	P380	380	AP376906	ABAN	
3		97-8093	1	LA RIFLE	WINCHESTER		3030	6076802	ABAN	
4		97-8873	1	PISTOL	S&W	5904	9	TDE2640	ABAN	
5		97-11953	1	PISTOL	COLT		25	ODD1492	ABAN	
6		97-12568	1	REVOLVER	RUGER	SINGLE SIX	22	7614425	ABAN	
7		97-13032	1	SA PISTOL	PHOENIX ARMS		22	4114102	ABAN	
8		98-283	1	SA PISTOL	RAVEN	P25	25	519497	ABAN	
9		98-577	1	REVOLVER	S&W	940-1	9	BRU0751	ABAN	
10		98-2230	1	REVOLVER	S&W		22	30426	ABAN	
11		98-2465	1	SA PISTOL	TITAN		25	B56249	ABAN	
12		98-2772	1	REVOLVER	RG	38 SPC	38	Q073797	ABAN	
13		98-4322	1	REVOLVER	COLT		32	175502	ABAN	
14		98-5056	1	SA PISTOL	STAR		9	1867078	ABAN	
15		98-6483	1	RIFLE BOLT	WINCHESTER	320	22	D17317	ABAN	
16		98-6501	1	SA PISTOL	BROWNING		380	598834	ABAN	
17		98-6521	1	SS PISTOL	BUTLER		22	B49766	ABAN	
18		98-12798	1	SA PISTOL	JENNINGS		22	527089	ABAN	
19		99-2530	1	SA RIFLE	STEVENS	62		L300474	ABAN	
20		99-2605	1	REVOLVER	S&W	29-3	44	AYE2857	ABAN	
21		99-3594	3	SA PISTOL	S&W		45	TBR3883	ABAN	
22		99-4879	5	RIFLE	MARLIN	60	22	9338367	ABAN	
23		99-4970	1	SA PISTOL	JENNINGS		22	608812	ABAN	
24		99-10870	7	SHOTGUN	WINCHESTER	37A		C707459	ABAN	
25		00-12376	4	SA PISTOL	HI POINT	JH	45	308447	ABAN	

Chief of Police Authorization: _____ Firearms Destroyed / Property Controller: _____

Firearms Prep for Destruction: _____ Firearms Destroyed Supervisor: _____

Firearms Prep for Destruction: _____ Firearms Destroyed / City Employee: _____

Property Report Updated: _____ P&E Module Updated: _____

SPD Firearms Destruction N List

DESTRUCTION DATE: _____

LOCATION: _____

Total	Initials	Case #	Grp#	Description	Make	Model	Caliber	Serial Number	Reason	Date Checked
1		00-699	1	REVOLVER	RUGER	SINGLE SIX	22	105741	ABAN	
2		00-699	2	SA RIFLE	SAVAGE	298	22	NONE	ABAN	
3		00-699	3	PUMP SHOTGUN	SEARS JC HIGGINS	20-12		NONE	ABAN	
4		00-1032	1	SA PISTOL	PHOENIX ARMS	HP22		4128400	ABAN	
5		00-2925	1	SA PISTOL	MAKAROV		9	J037280	ABAN	
6		00-5986	6	SA PISTOL	HI POINT		9	P046058	ABAN	
7		00-8232	1	SA PISTOL	BERETTA	71	22	B49659U	ABAN	
8		00-8625	1	BOLT RIFLE	WARDS WESTERNF	M815	22	NONE	ABAN	
9		00-8968	1	BOLT RIFLE	BRITISH		303	30476	ABAN	
10		00-10251	1	SA RIFLE	SKS			14121489	ABAN	
11		00-10885	3	SA PISTOL	RAIBAL		380	BHT2070	ABAN	
12		00-11830	1	SA PISTOL	BERETTA	950BS	22	BER43336T	ABAN	
13		01-2038	1	SA PISTOL	RIGARMI-BRESCIA		22	67428	ABAN	
14		01-2056	5	SA PISTOL	IVER JOHNSON		22	AE22703	ABAN	
15		01-3376	1	REVOLVER	TAURUS	38 SPECIAL	38	PB45601	ABAN	
16		01-3376	2	PUMP SHOTGUN	MOSSBURG	500E	410	LB90869	ABAN	
17		01-8096	1	SA PISTOL	BERETTA	TOMCAT	32	DAA285747	ABAN	
18		01-8186	1	SA PISTOL	LORCIN		25	346723	ABAN	
19		01-9007	1	REVOLVER	SCHMIDTOSTHEIM/RHOEN		22	NONE	ABAN	
20		02-7400	13	SA RIFLE W/SCOPE	RUGER	10-22		117-20562	ABAN	
21		02-9585	1	REVOLVER	S&W	586-2	357	AZE0216	ABAN	
22		02-10584	1	REVOLVER	TAURUS	38 SPC	38	TA95851	ABAN	
23		03-2620	4	LA RIFLE	MARLIN 3030	336		6941921	ABAN	
24		04-2425	1	SA RIFLE	WINCHESTER	190	22	B1327851	ABAN	
25		05-1428	8	LA RIFLE	SAVAGE		300	397281	ABAN	

Chief of Police Authorization: _____

Firearms Prep for Destruction: _____

Firearms Prep for Destruction: _____

Property Report Updated: _____

Firearms Destroyed / Property Controller: _____

Firearms Destroyed Supervisor: _____

Firearms Destroyed / City Employee: _____

P&E Module Updated: _____

SPD Firearms Destruction O List

DESTRUCTION DATE: _____

LOCATION: _____

Total	Initials	Case #	Grp#	Description	Make	Model	Caliber	Serial Number	Reason	Date Checked
1		05-15230	2	SA PISTOL	RAVEN	P25	25	403171	ABAN	
2		05-15482	2	REVOLVER	S&W	6 SHOT	32	48910	ABAN	
3		06-9312	2	SA PISTOL	KELTEC	P32	22	C1Q10	ABAN	
4		07-8387	1	SA PISTOL	HI POINT	C9	9	P161485	ABAN	
5		08-1532	1	SA PISTOL	BRYCO ARMS JENN	JENNING 9	9	1377558	ABAN	
6		08-1968	2	SS SHOTGUN	NEW ENGLAND		12	292371	ABAN	
8		09-215	1	SA PISTOL	HI POINT	C9	9	P1352764	ABAN	
9		09-7343	1	REVOLVER	RG IND	RG38S	38	V027629	ABAN	
10		09-10394	1	LA RIFLE	ITHACA	72		72053886	ABAN	
12		10-8888	1	SA RIFLE	NORINCO SKS	SKS	762	M210296 70914835	ABAN	
13		11-2612	2	SA RIFLE	WINCHESTER		308	14210	ABAN	
14		11-5657	1	PUMP SHOTGUN	NEW ENGLAND (CH	H&R 1871	12	HW504361	ABAN	
15		11-7990	1	PUMP SHOTGUN	MOSSBERG	500	12	T895055	ABAN	
16		12-1670	1	SA PISTOL	STERLING ARMS		22	A99394	ABAN	
17		12-6580	1	SA PISTOL	GLOCK	17	9	FDC439	ABAN	
18		12-9586	1	SHOTGUN PUMP	REMINGTON	WINGMASTER	12	58178863V	ABAN	
19		13-8660	1	SA PISTOL	JENNINGS	J22	22	737838	ABAN	
20		13-10617	1	SA PISTOL	S&W		380	EAL7040	ABAN	
21		13-11307	1	REVOLVER	RG	RG39	32	X037937	ABAN	
22		13-11765	1	SHOTGUN	MOSSBERG	500	12	U377376	ABAN	
23		13-11765	2	BLK PELLET RIFLE	GAMO	1250	45	04-1C-064191	ABAN	
24		14-135	1	PISTOL	CHIAPPA	M9-22	22	12C66769	ABAN	
25		14-4359	1	SA PISTOL	JIMENEZ		380	23910	ABAN	

Chief of Police Authorization: _____

Firearms Destroyed / Property Controller: _____

Firearms Prep for Destruction: _____

Firearms Destroyed Supervisor: _____

Firearms Prep for Destruction: _____

Firearms Destroyed / City Employee: _____

Property Report Updated: _____

P&E Module Updated: _____

SPD Firearms Destruction P List

DESTRUCTION DATE: _____

LOCATION: _____

Total	Initials	Case #	Grp#	Description	Make	Model	Caliber	Serial Number	Reason	Date Checked
1		14-7266	3	SA PISTOL	GLOCK	17	9	CZB909	ABAN	
2		14-7266	7	SA RIFLE	BUSHMASTER	AR15	223	BFT022361	ABAN	
3		14-7525	2-1	PUMP RIFLE	REMINGTON	FIELD MASTER	22	1886487	ABAN	
4		14-7525	2-2	LA RIFLE (1871-197	WINCHESTER	94	3030	14637	ABAN	
5		14-11222	1	DERRINGER 22MAG	NORTH AMERICAN		22	E051058	ABAN	
6		19-5793	2	SA PISTOL	HI POINT	JHP		X4248646	FORF	
7		20-7513	1	PISTOL	RUGER	P89	9	30924371	FPF/ABAN	
8		20-8011	2	SA PISTOL	DIAMOND BACK	380	380	Z26202 (OBLITERATE	FPF/UNK OWN	
9		20-8465	10	PISTOL	SMITH & WESSON		9	VBJ7963	FPF/UNK OWN	
10		21-98	1	REVOLVER	SMITH & WESSON	654	357	BRM1801	DECEASED	
11		21-98	6	PISTOL	RUGER	P94	40	34144367	DECEASED	
12		21-98	8	PISTOL	GLOCK	36	45	RWU985	DECEASED	
13		21-3040	1	PISTOL	KAHR	K9		BF1030	FPF/UNK OWN	
14		21-3211	1	PISTOL	TAURUS	G2C	9	TLU73027	ABAN	
15		21-6138	1	DERRINGER	ROHM	RG17	38	8574	UNK OWNER	
16		21-8417	1	RIFLE	TED WILLIAMS	3T	22	R191757	DECEASED	
17		22-5175	3	PISTOL	SCCY	CPX1	9	885693	FORF	
18		23-521	4	PISTOL	RAVEN	MP25	25	1400880	FPF/UNK OWN	
19		23-3692	1	SA PISTOL	PHOENIX	HP22A	22	4354054	FPF/UNK OWN	
20		23-3847	1	PISTOL	TAURUS	G3C	9	ADM969073	FPF/UNK OWN	
21		23-7151	1	PISTOL	GLOCK	19	9	AHDH302	FORF	
22		23-7673	2	SA PISTOL	TAURUS	MILLENNIUM G2	9	TJS58452	FORF	
23		24-4169	2	PISTOL	GHOST GUN				ILLEGAL	
24		24-7408	1	PISTOL	COLT	GOVT	45	284057C	SURRENDERED	
25		19-7825	2	PISTOL	SUNDANCE	A25	25	2362	FORF	

Chief of Police Authorization: _____ Firearms Destroyed / Property Controller: _____

Firearms Prep for Destruction: _____ Firearms Destroyed Supervisor: _____

Firearms Prep for Destruction: _____ Firearms Destroyed / City Employee: _____

Property Report Updated: _____ P&E Module Updated: _____

AGENDA ITEM SUMMARY S P R I N G F I E L D C I T Y C O U N C I L	Meeting Date:	01/21/2025
	Meeting Type:	Regular Meeting
	Staff Contact/Dept:	Kenneth Vogeney/Operations Division
	Staff Phone No:	541-736-1026
	Estimated Time:	Consent Calendar
	Council Goals:	Financially Responsible and Stable Government Services

ITEM TITLE:

January 2024 Severe Winter Storm Public Assistance Reimbursement Grant Agreement

ACTION REQUESTED:

Authorize/not authorize the City Manager to execute Infrastructure Contract 4768-DR-OR with the Oregon Department of Emergency Management for the city's participation in the Federal Emergency Management Agency's (FEMA's) Public Assistance program following the January 2024 severe winter storm.

ISSUE STATEMENT:

The Infrastructure Contract establishes the relationship between the Oregon Department of Emergency Management (OEM) and the City so that the OEM can disburse funds received from FEMA to reimburse the City for a portion of its costs incurred from the severe winter storm response and recovery.

DISCUSSION/FINANCIAL IMPACT:

FEMA's Public Assistance Program provides reimbursement grants to public agencies to reimburse a portion of their eligible costs and activities necessary for the repair and restoration of public facilities damaged as a result of an incident which has been declared a major disaster by the president. FEMA provides the funding, while OEM administers the process of passing the funding through to the local public agencies. The Infrastructure Contract establishes the relationship between OEM and the City, so OEM can disburse the reimbursement funds to the City. Some of the storm damage repairs are continuing. Therefore, staff do not have a final amount of the total costs or reimbursements at this time. Staff currently estimate the reimbursement will be about \$1.2 million.

Attachments

1. OEM Infrastructure Contract - DR4768-OR
2. FY24 DHS Standard Terms & Conditions

STATE OF OREGON
DEPARTMENT OF EMERGENCY MANAGEMENT
INFRASTRUCTURE CONTRACT 4768-DR-OR

1.0 PARTIES TO THIS AGREEMENT

This Agreement is made and entered into by and between the State of Oregon, by and through the Oregon Department of Emergency Management, hereinafter referred to as “OEM” and _____ a political subdivision of the State of Oregon, hereinafter referred to as the “SUBRECIPIENT”. This Agreement includes Exhibit A, which is incorporated by reference.

This Agreement shall be effective upon execution by the parties and receipt of any approvals required by law and shall terminate on the earlier of: (i) as provided in Section 17 of this Agreement, (ii) the end of the Agreement Period specified below or (iii) April 13, 2028.

WHEREAS the President of the United States has declared that a major disaster exists in the State of Oregon based on damage resulting from the Severe Winter Storms, Storms, Straight-line Winds, Landslides and Mudslides from January 10, 2024, through January 22, 2024.

WHEREAS OEM is authorized by the 2024 FEMA-State Agreement for the Severe Winter Storms, Straight-line Winds, Landslides and Mudslides to execute on behalf of the State of Oregon all necessary documents for public assistance, including approval of sub-grants and certification of claims.

THEREFORE, the Parties mutually agree to the following:

2.0 PURPOSE

Federal funding is provided by the Federal Emergency Management Agency (FEMA) and is administered by OEM. Under the authority of Presidential Major Disaster Declaration FEMA 4768-DR-OR (“FEMA Declaration”), OEM is reimbursing the SUBRECIPIENT for those eligible costs and activities necessary for the repair and restoration of public facilities damaged during the period of January 10, 2024 through January 22, 2024, in the manner described herein and in accordance with the completed Project Worksheets sheets submitted by SUBRECIPIENT and approved by FEMA and OEM. The parties understand and agree that after the project(s) described in a Project Worksheet is reviewed and approved by FEMA and OEM and determined to be eligible for funding under the FEMA Declaration in terms of an eligible SUBRECIPIENT, project and amount, then the amount(s) set forth in the Project Worksheet will be transferred from FEMA to OEM for disbursement on a reimbursement basis as set forth in this Agreement. For any project(s) that SUBRECIPIENT seeks reimbursement for under the FEMA Declaration, SUBRECIPIENT shall obtain a completed, executed, and approved Project Worksheet substantially in the form of the enclosed Exhibit B.

3.0 TIME OF PERFORMANCE

Activities payable under this Agreement and to be performed by the SUBRECIPIENT under this Agreement shall be those activities which occurred on or subsequent to the

incident period defined in the FEMA-State Agreement and shall terminate upon completion of the project(s) approved by federal and state officials, including completion of close out and audit, all as detailed in the applicable FEMA application and Project Worksheet. This period shall be referred to as the "Agreement Period."

4.0 CLOSE-OUT

It shall be the responsibility of OEM to issue close-out instructions to the SUBRECIPIENT upon completion of the project(s). It is the responsibility of the SUBRECIPIENT to notify OEM of project completion.

5.0 FUNDING

OEM will administer the disaster assistance program and reimburse any eligible costs for eligible projects to the SUBRECIPIENT which are identified under the auspices of the Presidential Major Disaster Declaration FEMA-4768-DR-OR and in the Project Worksheet. It is understood that no final dollar figure is committed to at the time that this Agreement is executed, but that financial commitments will be made as Project Worksheets are completed in the field and projects are authorized by state and federal officials. Each Project Worksheet that is completed, signed by FEMA and SUBRECIPIENT, and approved by OEM will constitute a new agreement that consists of the terms and conditions set forth in this Agreement and the completed Project Worksheet. OEM's obligation to disburse funds under this Agreement is contingent upon receipt of sufficient funds under the FEMA Declaration and sufficient appropriation, limitation, allotment, or other expenditure authorization to make the disbursement.

The parties understand that FEMA will contribute 75 percent of the eligible project costs identified in the Project Worksheet for any eligible project, that a Subrecipient allowance may be made at the end of a project, subject to FEMA approval of documentation submitted by OEM and as provided for in subsection 3 of Section 6.0 of this Agreement, and that no state funds are obligated for contribution under this Agreement.

The SUBRECIPIENT will commit and is responsible for providing the required 25 percent match to any eligible project costs identified in the Project Worksheet.

6.0 PAYMENTS

OEM, using funds granted for the purposes of the Presidential Major Disaster Declaration from FEMA and allocated by FEMA pursuant to the applicable Project Worksheet, shall issue payments to the SUBRECIPIENT as follows:

1. Small Projects:
 - a) Small Projects are eligible for funding up to an amount designated by FEMA as provided in 44 CFR 206.205(a) Payment of claims. For FEMA-4768-DR-OR, that amount is \$1,037,000.
 - b) Payments are made for all small projects to the SUBRECIPIENT upon submission of a State of Oregon Request for Reimbursement Form to OEM, and the subsequent approval by OEM in accordance with OEM Small Project Procedures.
2. Large Projects
 - a) Large Projects are eligible for funding in excess of the amount allowed for initial approval, as provided in 44 CFR 206.205(b).

- b) Partial Payments: Partial payment of funds for costs already incurred on large projects may be made to the SUBRECIPIENT upon submission of a State of Oregon Request for Reimbursement Form, with appropriate supporting documentation, to OEM, upon approval by OEM.
- c) Final Payment: Final payment will be made upon submission by the SUBRECIPIENT of CERTIFICATION OF LARGE PROJECT COST, completion of project(s), completion of all final inspections by OEM, and final approval by FEMA. Final payment may also be conditioned upon a financial review, if determined necessary by OEM or FEMA. Adjustments to the final payment may be made following any audits conducted by the Oregon Secretary of State's Audits Division or the United States Inspector General's Office.

All payment requests shall be made on a State of Oregon Disaster Assistance Payment Request Form to OEM, which references the appropriate Project Worksheet (PW), and appropriate documentation as required.

- 3. Funding shall not exceed the total federal contributions eligible for the repair and restoration costs under this Presidential Major Disaster Declaration FEMA-4768-DR-OR and the amount(s) approved in the applicable PW. OEM at any time reserves the right to make inspections or hold a retainage of reimbursement during the duration of this Agreement, until final reconciliation at closeout.

7.0 RECORDS MAINTENANCE

The SUBRECIPIENT shall maintain books, records, documents, and other evidence and accounting procedures and practices, which sufficiently and properly reflect all direct costs of any nature expended in the performance of this Agreement. These records shall be subject at all reasonable times to inspection, review, or audit by OEM personnel, other personnel duly authorized by OEM, the Secretary of State's Audits Division or the United States Inspector General. The SUBRECIPIENT will retain all books, records, documents, and other material relevant to this Agreement for six years after date of final payment, or an extended period as established by FEMA in 2 CFR § 200.334, Retention requirements for records.

8.0 PROPERTY/EQUIPMENT MANAGEMENT AND RECORDS CONTROL AND RETENTION OF RECORDS and REPORTING

- 1. Property/Equipment Management and Records Control. The Subrecipient agrees to comply with all requirements set forth in 2 CFR §200 Subpart D, Property Standards for the active tracking and monitoring of property/equipment. Procedures for managing property/equipment, whether acquired in whole or in part with grant funds, until disposition takes place, will, at a minimum, meet the requirements set forth in 2 CFR §200.313 Equipment, 314 Supplies and 334 Retention requirements for records, and the following requirements:
 - a. All property/equipment purchased under this agreement, whether by the Subrecipient or a subcontractor, will be recorded and maintained in the Subrecipient's property/equipment inventory system.
 - b. The Subrecipient shall maintain property/equipment records that include: a description of the property/equipment, the manufacturer's serial

number, model number, or other identification number, the source of the property/equipment, including the, Project Worksheet number, Catalog of Federal Assistance Listing / CFDA number, who holds title; the acquisition date; the cost of the property/equipment and the percentage of Federal participation in the cost, the location, use and condition of the property/equipment, and any ultimate disposition data including the date of disposition and sale price of the property/equipment.

- c. A physical inventory of the property/equipment must be taken, and the results reconciled with the property/equipment records, at least once every two years.
 - d. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property/equipment. Any loss, damage or theft shall be investigated.
 - e. Adequate maintenance procedures must be developed to keep the property/equipment in good condition.
 - f. If the Subrecipient is authorized to sell the property/equipment, proper sales procedures must be established to ensure the highest possible return.
 - g. The Subrecipient shall pass on property/equipment management requirements that meet or exceed the requirements outlined above for all subcontractors, consultants and the Subrecipients who receive pass-through funding from this grant agreement.
2. Retention of Property/Equipment Records. Records for property/equipment shall be retained for a period of six years from the date of the disposition or replacement or transfer at the discretion of the awarding agency. Title to all property/equipment and supplies purchased with funds made available under the FEMA Public Assistance program shall vest in the Subrecipient agency that purchased the property/equipment, except as may be provided in 2 CFR §200.313.

9.0 AUDITS

If Subrecipient expends \$750,000 or more from all federal funding sources during its fiscal year, Subrecipient must submit an organization-wide financial and compliance audit report. The audit must be performed in accordance with the requirements of Government and Accountability Office's (GAO) Government Auditing Standards, located at <https://www.gao.gov/about/what-gao-does/audit-role>, and the requirements of Subpart F of 2 CFR Part 200. The SUBRECIPIENT is to procure, at its own cost, audit services based on the following guidelines:

As applicable, the SUBRECIPIENT must ensure the audit is performed in accordance with Generally Accepted Accounting Principles and Generally Accepted Government Auditing Standards developed by the Comptroller General; and all state and federal laws and regulations governing the program.

The SUBRECIPIENT must prepare a Schedule of Financial Assistance for federal funds that includes Recipient/Pass-through entity name (OEM), program name, Federal

Listing Number (ALN-97.036), total award amount, beginning balance, current year revenues, current year expenditures and ending balance. With the submission and completion of each Project Worksheet, OEM is required by 2 CFR 200.332 Requirements for pass-through entities to complete the information set forth in Exhibit A to this Agreement. SUBRECIPIENT shall submit with each Project Worksheet any information requested by OEM that is necessary to accurately complete Exhibit A.

The SUBRECIPIENT shall maintain records and accounts as described in Section 7.0 of this agreement. The SUBRECIPIENT is responsible for any audit exceptions incurred by itself or by its contractors. OEM reserves the right to recover from the SUBRECIPIENT disallowed costs resulting from the final audit.

The SUBRECIPIENT shall send the audit report to OEM's Project Administrator as soon as it is available, but no later than nine months after the end of the SUBRECIPIENT's fiscal year in which SUBRECIPIENT receives any funds under this Agreement. Responses to previous management findings and disallowed or questioned costs shall be included with the audit report. The SUBRECIPIENT will respond to OEM's requests for information or corrective action concerning audit issues within 30 days of the request.

The SUBRECIPIENT shall include these requirements in any subcontracts.

10.0 RECOVERY OF FUNDS

In the event that the SUBRECIPIENT fails to complete the project(s), fails to expend, or is overpaid federal funds in accordance with federal or state disaster assistance laws or programs, or is found by audit or investigation to owe funds to the State or to FEMA, OEM reserves the right to recapture funds in accordance with federal or state laws and requirements. Repayment by the SUBRECIPIENT of funds under this recovery provision shall occur within 30 days of demand. In the event that OEM is required to initiate legal proceedings to enforce this recovery provision, OEM shall be entitled to its costs thereof, including reasonable attorney fees.

The SUBRECIPIENT shall be responsible for pursuing recovery of monies paid under this Agreement in providing disaster assistance against any party that might be liable, and further the SUBRECIPIENT shall cooperate in a reasonable manner with the State and the United States in efforts to recover expenditures under this Agreement.

In the event the SUBRECIPIENT obtains recovery from a responsible party, the SUBRECIPIENT shall first be reimbursed its reasonable costs of litigation from such recovered funds. The SUBRECIPIENT shall pay to the state the proportionate federal share of all project funds recovered in excess of costs of litigation.

11.0 CONFLICT OF INTEREST

The SUBRECIPIENT will prohibit any employee, governing body, contractor, subcontractor, or organization from participating if the employee or entity has an actual or potential conflict of interest that a public official would have under ORS Chapter 244. In addition, SUBRECIPIENT must disclose in a timely manner and in writing to OEM, all violations of Federal criminal law involving fraud, bribery, or gratuity potentially affecting the funds provided under this Agreement as provided in 2 CFR § 200.113 Mandatory disclosures.

12.0 POLITICAL ACTIVITY

No portion of the funds provided herein shall be used for any partisan political activity or to further the election or defeat of any candidate for public office or influence the approval or defeat of any ballot measure.

13.0 ASSIGNMENT

This Agreement, and any claim arising under this Agreement, is not assignable or delegable by the SUBRECIPIENT either in whole or in part.

14.0 SUBCONTRACTS FOR ENGINEERING SERVICES

In the event that the SUBRECIPIENT subcontracts for engineering services, the SUBRECIPIENT shall require that the engineering firm be covered by errors and omissions insurance in an amount not less than the amount of the firm's subcontract. If the firm is unable to obtain errors and omissions insurance, the firm shall post a bond with the SUBRECIPIENT for the benefit of the SUBRECIPIENT of not less than the amount of its subcontract. Such insurance or bond shall remain in effect for the entire term of the subcontract. The subcontract shall provide that cancellation or lapse of the bond or insurance during the term of the subcontract shall constitute a material breach of the subcontract and cause for subcontract termination. The SUBRECIPIENT shall cause the subcontractor to provide it with a 30-day notice of cancellation issued by the insurance company.

15.0 APPEALS

Consistent with the Code of Federal Regulations, 44 CFR 206.206 Appeals and arbitrations, the SUBRECIPIENT may appeal any determination previously made related to the federal assistance for the SUBRECIPIENT. The SUBRECIPIENT's appeal shall be made in writing and submitted to OEM within 60 days after receipt of notice of the action which is being appealed. The appeal shall contain documented justification supporting the SUBRECIPIENT's position.

Upon receipt of a SUBRECIPIENT's appeal, OEM will review the material submitted, make such additional investigations as necessary, and shall forward the appeal with a written recommendation to FEMA within 120 days of the determination that is the subject of the appeal. Within 90 days following receipt of the appeal, FEMA shall advise OEM, in writing, as to the disposition of the appeal or the need for additional information. If the decision is to grant the appeal, then FEMA will take the appropriate implementing action.

16.0 GOVERNING LAW AND VENUE

This Agreement shall be governed and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively "Claim") between OEM and SUBRECIPIENT that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Marion County for the State of Oregon provided, however, if the Claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively with the United States District Court for the District of Oregon. SUBRECIPIENT, BY EXECUTION OF THIS AGREEMENT, HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF SAID COURTS.

17.0 TERMINATION

1. Except as otherwise provided in this Agreement, either party may terminate this Agreement (which includes the applicable Project Worksheet(s)) upon giving thirty (30) days written notice to the other party. In the event of termination of this Agreement, each party shall be liable only for project costs and allowable expenses incurred by the other party, prior to the effective date of termination.
2. OEM may terminate all or part of this Agreement or may change the project specifications set forth in a Project Worksheet if there is a reduction in federal funds which are the basis for this Agreement, and OEM approves the reduction.
3. OEM may terminate this Agreement, in whole or in part, immediately upon written notice to SUBRECIPIENT, or at such later date as OEM may establish in such notice, if SUBRECIPIENT commits any material breach or default of any covenant, warranty, obligation, or certification under this Agreement. In its notice, OEM may permit SUBRECIPIENT an opportunity to cure the breach, default or failure in such time and on such terms as OEM may specify in such notice.

18.0 WAIVERS

The failure of OEM to exercise, and any delay in exercising, any right, power, or privilege under this Agreement shall not operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or privilege under this Agreement preclude any further exercise thereof or the exercise of any other such right, power or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

19.0 INDEMNIFICATION

To the extent permitted by any constitutional and statutory limitations applicable to SUBRECIPIENT, including, but not limited to, provisions relating to debt limits, tort claims limits and workers' compensation, the SUBRECIPIENT shall, as required by ORS 401.178, indemnify, defend, save and hold harmless the United States and its agencies, officers, employees, agents and members, and the State of Oregon and its agencies, officers, employees, agents and members, from and against all claims, damages, losses, expenses, suits or actions of any nature arising out of or resulting from the activities of SUBRECIPIENT, its agencies, officers, employees, agents, members, contractors or subcontractors under this Agreement.

20.0 SUBRECIPIENT ASSURANCES

SUBRECIPIENT represents and warrants to OEM as follows:

1. SUBRECIPIENT is the political subdivision of the State of Oregon. SUBRECIPIENT has full power, authority, and legal right to execute and deliver this Agreement and incur and perform its obligations hereunder.
2. This Agreement has been duly authorized, executed and delivered on behalf of Subrecipient and constitutes the legal, valid, and binding obligation of Subrecipient, enforceable in accordance with its terms.
3. The SUBRECIPIENT hereby assures and certifies that it will comply with all applicable state and federal laws and regulations that were in effect at the time of

the Major Disaster Declaration date of April 13, 2024, including, but not limited to, the provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 USC §§ 5121-5206 (Public Law 93-288, as amended; hereafter "Stafford Act"); 44 CFR Parts 7, 18 and 206, and Subchapters B, C and D; 2 CFR Part 200 (including Appendix II); the Oregon State Public Assistance Administrative Plan DR4768; Wages, Hours and Records Laws (ORS Chapter 652) Minimum Wages; Employment Conditions; Minors (ORS Chapter 653) and Unemployment Insurance Laws (ORS Chapter 657).

4. The emergency or disaster relief work for which federal assistance is requested herein does not or will not duplicate benefits received for the same loss from any other source.
5. The SUBRECIPIENT will operate and maintain the facilities being restored using funds provided under this Agreement in accordance with the minimum standards as may be required or prescribed by the applicable federal, state, and local agencies for the maintenance and operation of such facilities.
6. The SUBRECIPIENT will, for any repairs or construction financed herewith, comply with applicable standards of safety, decency, and sanitation and in conformity with applicable codes, specifications, and standards, and will evaluate the hazards in areas in which the proceeds of the grant are to be used and take appropriate action to mitigate such hazards, including safe land use and construction practices. SUBRECIPIENT will, prior to the start of any construction activity, ensure that all applicable federal, state, and local permits and clearances are obtained including FEMA compliance with the National Environmental Policy Act, the National Historic Preservation Act, the Endangered Species Act and all other federal and state environmental laws.
7. The SUBRECIPIENT will not enter into a contract with a contractor who is on the General Services Administration (GSA) List of Parties Excluded from Federal Procurement or Non-procurement Programs.
8. The SUBRECIPIENT will comply with minimum wage and maximum hours provision of the Federal Fair Labor Standards Act.
9. The SUBRECIPIENT shall comply with all applicable federal and state non-discrimination laws, regulations, and policies. No person shall, on the grounds of age, race, color, sex, religion, national origin, marital status, or disability (physical or mental) be denied the benefits of, or otherwise be subjected to discrimination under any project, program, or activity, funded, in whole or in part, under this Agreement (as required by Executive Orders 11246, 11375, 41 CFR Part 60-1.4(b), the provisions of which are incorporated herein by reference). A violation of this provision is a material breach and cause for termination under Section 17.0 of this Agreement.
10. The SUBRECIPIENT shall utilize certified minority-owned and women-owned businesses (MWBE's) to the maximum extent possible in the performance of this Agreement.
11. The SUBRECIPIENT will comply with all Department of Homeland Security Standard Terms and Conditions in effect on the date of the Declaration, available

at [DHS Standard Term and Conditions](#), which are incorporated by reference into this Agreement.

12. The SUBRECIPIENT and its contractors, subcontractors and other employers providing work, labor, or materials as a result of the application are subject employers under the Oregon Workers' Compensation Law. All employers, including SUBRECIPIENT, that employ subject workers who work under this Agreement in the State of Oregon shall comply with ORS 656.017 and provide the required Workers' Compensation coverage, unless such employers are exempt under ORS 656.126. Contractor shall ensure that each of its Subcontractors complies with these requirements. This shall include Employer's Liability Insurance with coverage limits of not less than \$100,000 for each accident.
13. Reserved
14. Reserved
15. Subrecipients will comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708) as supplemented by Department of Labor regulations (29 CFR Part 5).
16. Notice of awarding agency requirements and regulations pertaining to reporting.
– Reporting requirements: The Subrecipient will submit a Quarterly Project Status Report (OEM Form) on all Large projects or certain Small projects at discretion of OEM on a 3-month interval. OEM will submit quarterly progress reports to FEMA that will contain the status of all large projects that have not received final payment. The first quarterly report will be submitted on a quarterly schedule mutually agreed upon between FEMA and OEM. The SUBRECIPIENT is responsible for submitting Quarterly reports after that date and will be due to OEM by July 15, October 15, January 15, and April 15.
17. Subrecipient will comply with all applicable standards, orders or requirements issued under the Clean Air Act (42 U.S.C. 7401 *et seq.*), section 508 of the Clean Water Act (33 U.S.C. 1251 *et seq.*), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR 1.1 *et seq.*).
18. Subrecipient shall comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

21.0 OWNERSHIP OF PROJECT/CAPITAL FACILITIES

OEM makes no claim to any capital facilities or real property improved or constructed with funds under this Agreement, and by this grant of funds does not and will not acquire any ownership interest or title to such property of the SUBRECIPIENT.

22.0 ACKNOWLEDGMENTS

The SUBRECIPIENT shall include language which acknowledges the funding contribution of the Federal Emergency Management Agency (FEMA) to the project in any release or other publication developed or modified for or referring to the project.

23.0 INSURANCE

The SUBRECIPIENT will comply with the insurance requirements of the Stafford Act, as amended, and obtain and maintain any other insurance as may be reasonable, adequate, and necessary to protect against further loss to any property which was replaced, restored, repaired, or constructed with this assistance.

24.0 SEVERABILITY

If any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions and applications of this Agreement shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this Agreement did not contain the particular term or provision held to be invalid.

25.0 HEADINGS

The section headings in this Agreement are included for convenience only, do not give full notice of the terms of any portion of this Agreement and are not relevant to the interpretation of any provision of this Agreement.

26.0 AGREEMENT ADMINISTRATION

The Parties' representatives for purposes of this Agreement are:

For SUBRECIPIENT:

For OEM:

Patence Winningham
Alternate Governor's Authorized Representative
Office of Emergency Management
P. O. Box 14370
Salem, OR 97309-5062
Phone: (971) 301-0238

Notices under this Agreement shall be given in writing by personal delivery, facsimile, email or by regular or certified mail to the person identified in this Section, or to such other person or at such other address as either party may hereafter indicate pursuant to this section. Any notice delivered personally shall be deemed received upon delivery.

Notice by facsimile shall be deemed given receipt of the transmission is generated by the transmitting machine. Notice by email is deemed received up a return email or other acknowledgment of receipt by the receiver and notice by certified or registered mail is deemed received on the date the receipt is signed or delivery is refused by the addressee.

27.0 ENTIRE AGREEMENT

This Agreement, when combined with one or more completed Project Worksheets, sets forth the entire agreement between the parties with respect to the subject matter hereof. Except for the completion of Project Worksheets, any additional terms and conditions imposed by the Federal Emergency Management Agency or OEM will be incorporated into a written amendment to this Agreement. Commitments, warranties, representations and understandings or agreements not contained, or referred to, in this Agreement with completed Project Worksheets or written amendment hereto shall not be binding on either party. Except as may be expressly provided herein, no alteration of any of the terms or conditions of this Agreement will be effective without the written consent of both parties.

28.0 SURVIVAL

The following provisions survive the expiration or termination of this Agreement: Sections 7.0, 9.0, 10.0, 16.0, 19.0 and 28.0.

IN WITNESS WHEREOF, OEM and the SUBRECIPIENT have executed this Agreement as of the date and year written below.

Patence Winningham, Alternate GAR
Department of Emergency Management

Date: _____

Subrecipient Signature

Printed Name

Title: _____

Date: _____

APPROVED
FOR LEGAL SUFFICIENCY

SUBRECIPIENT - PLEASE PRINT THE
FOLLOWING TO EXPEDITE PROCESSING

Sam Zeigler
Assistant Attorney General
By Email

Date: _____

OEM
P. O. Box 14370
Salem, OR 97309-5062
ALN:

REVIEWED & APPROVED
AS TO FORM

Kristina Kraaz
DATE: 1/10/25
SPRINGFIELD CITY ATTORNEY'S OFFICE

Exhibit A
Information Required by 2 CFR § 200.332(a)
This is a subaward to a subrecipient.

1. Subrecipient Name (which must match the name associated with UEI # below): City of Springfield
2. Subrecipient's Unique Entity Identifier (UEI): WHJKU32AHET5
3. Federal Award Identification Number (FAIN): 4767DRORP000
4. Federal Award Date: 04/13/2024
5. Sub-award Period of Performance Start and End Date:
From 01/10/2024 To _____
6. Sub-award Budget Period Start and End Date:
From 01/10/2024 To _____
7. Total Amount of Federal Funds Obligated by this Agreement: \$____
8. Date of Obligation: _____
9. Total Amount of Federal Funds Obligated to Subrecipient by the pass-through entity, including this Agreement: \$____
10. Total Amount of Federal Funds committed to Subrecipient by the pass-through entity: \$____
11. Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA):
12. Name of Federal awarding agency, pass-through entity, and the contact information for awarding official of the pass-through entity:
 - a. Name of the Federal awarding agency: Federal Emergency Management Agency (FEMA)
 - b. Name of the pass-through entity: Oregon Department of Emergency Management
 - c. Contact information for Awarding Official of the pass-through entity:

Alternate Governor's Authorized Representative (AGAR) Patence Winningham,
503-378-3434, patence.winningham@oem.oregon.gov
13. Federal Award:
 - a. Assistance Listing number and Title: 97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)

b. Amount: \$_____

c. Disaster Declaration Date: 04/13/2024

d. Incident Period: 01/10/2024-01/22/2024

14. Is Award Research and Development? No

15. Indirect Cost Rate: 0%

FY 2024 DHS STANDARD TERMS AND CONDITIONS

The Fiscal Year (FY) 2024 Department of Homeland Security (DHS) Standard Terms and Conditions apply to all new federal awards of federal financial assistance (federal awards) for which the federal award date occurs in FY 2024 and flow down to subrecipients unless a term or condition specifically indicates otherwise. For federal awards that may involve continuation awards made in subsequent FYs, these FY 2024 DHS Standard Terms and Conditions will apply to the continuation award unless otherwise specified in the terms and conditions of the continuation award. The United States has the right to seek judicial enforcement of these terms and conditions.

All legislation and digital resources are referenced with no digital links. These FY 2024 DHS Standard Terms and Conditions are maintained on the DHS website at www.dhs.gov/publication/fy15-dhs-standard-terms-and-conditions.

A. Assurances, Administrative Requirements, Cost Principles, Representations, and Certifications

- I. Recipients must complete either the Office of Management and Budget (OMB) Standard Form 424B Assurances – Non- Construction Programs, or OMB Standard Form 424D Assurances – Construction Programs, as applicable. Certain assurances in these documents may not be applicable to your program and the DHS financial assistance office (DHS FAO) may require applicants to certify additional assurances. Applicants are required to fill out the assurances as instructed by the federal awarding agency.

B. Recipients are required to follow the applicable provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in effect as of the federal award date and located at 2 C.F.R. Part 200 and adopted by DHS at 2 C.F.R. § 3002.10. General Acknowledgements and Assurances

All recipients and subrecipients must acknowledge and agree to provide DHS access to records, accounts, documents, information, facilities, and staff pursuant to 2 C.F.R. § 200.337.

- I. Recipients must cooperate with any DHS compliance reviews or compliance investigations.
- II. Recipients must give DHS access to examine and copy records, accounts, and other documents and sources of information related to the federal financial assistance award and permit access to facilities and personnel.
- III. Recipients must submit timely, complete, and accurate reports to the appropriate DHS officials and maintain appropriate backup documentation to support the reports.
- IV. Recipients must comply with all other special reporting, data collection, and evaluation requirements required by law, federal regulation, Notice of Funding Opportunity, federal award specific terms and conditions, and/or federal awarding agency program guidance.
- V. Recipients must complete the DHS Civil Rights Evaluation Tool within thirty (30) days of receiving the Notice of Award for the first award under which this term applies. Recipients of multiple federal awards from DHS should only submit one completed tool for their organization, not per federal award. After the initial submission, recipients are required to complete the tool once every two (2) years if they have an active federal award, not every time a federal award is made. Recipients must submit the completed tool, including supporting materials, to CivilRightsEvaluation@hq.dhs.gov. This tool clarifies the civil rights obligations and related reporting requirements contained in these DHS Standard Terms and

FY 2024 DHS STANDARD TERMS AND CONDITIONS

Conditions. Subrecipients are not required to complete and submit this tool to DHS. The evaluation tool can be found at <https://www.dhs.gov/publication/dhs-civil-rights-evaluation-tool>. DHS Civil Rights Evaluation Tool | Homeland Security

The DHS Office for Civil Rights and Civil Liberties will consider, in its discretion, granting an extension to the 30-day deadline if the recipient identifies steps and a timeline for completing the tool. Recipients must request extensions by emailing the request to CivilRightsEvaluation@hq.dhs.gov prior to expiration of the 30-day deadline.

C. Standard Terms & Conditions

I. Acknowledgement of Federal Funding from DHS

Recipients must acknowledge their use of federal award funding when issuing statements, press releases, requests for proposal, bid invitations, and other documents describing projects or programs funded in whole or in part with federal award funds.

II. Activities Conducted Abroad

Recipients must coordinate with appropriate government authorities when performing project activities outside the United States obtain all appropriate licenses, permits, or approvals.

III. Age Discrimination Act of 1975

Recipients must comply with the requirements of the Age Discrimination Act of 1975, Pub. L. No. 94-135 (codified as amended at 42 U.S.C. § 6101 *et seq.*), which prohibits discrimination on the basis of age in any program or activity receiving federal financial assistance.

IV. Americans with Disabilities Act of 1990

Recipients must comply with the requirements of Titles I, II, and III of the Americans with Disabilities Act, Pub. L. No. 101-336 (1990) (codified as amended at 42 U.S.C. §§ 12101– 12213), which prohibits recipients from discriminating on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities.

V. Best Practices for Collection and Use of Personally Identifiable Information

Recipients who collect personally identifiable information (PII) as part of carrying out the scope of work under a federal award are required to have a publicly available privacy policy that describes standards on the usage and maintenance of the PII they collect. DHS defines PII as any information that permits the identity of an individual to be directly or indirectly inferred, including any information that is linked or linkable to that individual. Recipients may also find the DHS Privacy Impact Assessments: Privacy Guidance and Privacy Template as useful resources respectively.

VI. Civil Rights Act of 1964 – Title VI

Recipients must comply with the requirements of Title VI of the Civil Rights Act of 1964, Pub. L. No. 88-352 (codified as amended at 42 U.S.C. § 2000d *et seq.*), which provides that no person in the United States will, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. DHS implementing regulations for the Act are found at 6 C.F.R. Part 21. Recipients of an award from the Federal Emergency Management Agency (FEMA) must also comply with FEMA's implementing regulations at 44 C.F.R. Part 7.

FY 2024 DHS STANDARD TERMS AND CONDITIONS

VII. Civil Rights Act of 1968

Recipients must comply with Title VIII of the Civil Rights Act of 1968, Pub. L. No. 90-284 (codified as amended at 42 U.S.C. § 3601 *et seq.*) which prohibits recipients from discriminating in the sale, rental, financing, and advertising of dwellings, or in the provision of services in connection therewith, on the basis of race, color, national origin, religion, disability, familial status, and sex, as implemented by the U.S. Department of Housing and Urban Development at 24 C.F.R. Part 100. The prohibition on disability discrimination includes the requirement that new multifamily housing with four or more dwelling units—i.e., the public and common use areas and individual apartment units (all units in buildings with elevators and ground-floor units in buildings without elevators)—be designed and constructed with certain accessible features. (See 24 C.F.R. Part 100, Subpart D.)

VIII. Copyright

Recipients must affix the applicable copyright notices of 17 U.S.C. §§ 401 or 402 to any work first produced under federal awards and also include an acknowledgement that the work was produced under a federal award (including the federal award number and federal awarding agency). As detailed in 2 C.F.R. § 200.315, a federal awarding agency reserves a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use the work for federal purposes and to authorize others to do so.

IX. Debarment and Suspension

Recipients must comply with the non-procurement debarment and suspension regulations implementing Executive Orders (E.O.) 12549 and 12689 set forth at 2 C.F.R. Part 180 as implemented by DHS at 2 C.F.R. Part 3000. These regulations prohibit recipients from entering into covered transactions (such as subawards and contracts) with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs or activities.

X. Drug-Free Workplace Regulations

Recipients must comply with drug-free workplace requirements in Subpart B (or Subpart C, if the recipient is an individual) of 2 C.F.R. Part 3001, which adopts the Government-wide implementation (2 C.F.R. Part 182) of the Drug-Free Workplace Act of 1988 (41 U.S.C. §§ 8101-8106).

XI. Duplicative Costs

Recipients are prohibited from charging any cost to this federal award that will be included as a cost or used to meet cost sharing or matching requirements of any other federal award in either the current or a prior budget period. (See 2 C.F.R. § 200.403(f)). However, recipients may shift costs that are allowable under two or more federal awards where otherwise permitted by federal statutes, regulations, or the federal financial assistance award terms and conditions.

XII. Education Amendments of 1972 (Equal Opportunity in Education Act) – Title IX

Recipients must comply with the requirements of Title IX of the Education Amendments of 1972, Pub. L. No. 92-318 (codified as amended at 20 U.S.C. § 1681 *et seq.*), which provide that no person in the United States will, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any educational program or activity receiving federal financial assistance. DHS implementing regulations are codified at 6 C.F.R. Part 17. Recipients of an award from the Federal Emergency Management Agency (FEMA) must also comply with FEMA's implementing regulations at 44 C.F.R. Part 19.

XIII. Energy Policy and Conservation Act

Recipients must comply with the requirements of the Energy Policy and Conservation Act,

FY 2024 DHS STANDARD TERMS AND CONDITIONS

Pub. L. No. 94-163 (1975) (codified as amended at 42 U.S.C. § 6201 *et seq.*), which contain policies relating to energy efficiency that are defined in the state energy conservation plan issued in compliance with this Act.

XIV. False Claims Act and Program Fraud Civil Remedies

Recipients must comply with the requirements of the False Claims Act, 31 U.S.C. §§ 3729-3733, which prohibit the submission of false or fraudulent claims for payment to the Federal Government. (See 31 U.S.C. §§ 3801-3812, which details the administrative remedies for false claims and statements made.)

XV. Federal Debt Status

All recipients are required to be non-delinquent in their repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowances, and benefit overpayments. (See OMB Circular A-129.)

XVI. Federal Leadership on Reducing Text Messaging while Driving

Recipients are encouraged to adopt and enforce policies that ban text messaging while driving recipient-owned, recipient-rented, or privately owned vehicles when on official government business or when performing any work for or on behalf of the Federal Government. Recipients are also encouraged to conduct the initiatives of the type described in Section 3(a) of E.O. 13513.

XVII. Fly America Act of 1974

Recipients must comply with Preference for U.S. Flag Air Carriers (a list of certified air carriers can be found at: [Certificated Air Carriers List | US Department of Transportation, https://www.transportation.gov/policy/aviation-policy/certificated-air-carriers-list](https://www.transportation.gov/policy/aviation-policy/certificated-air-carriers-list)) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974, 49 U.S.C. § 40118, and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B-138942.

XVIII. Hotel and Motel Fire Safety Act of 1990

Recipients must ensure that all conference, meeting, convention, or training space funded entirely or in part by federal award funds complies with the fire prevention and control guidelines of Section 6 of the Hotel and Motel Fire Safety Act of 1990, 15 U.S.C. § 2225a.

XIX. John S. McCain National Defense Authorization Act of Fiscal Year 2019

Recipients, subrecipients, and their contractors and subcontractors are subject to the prohibitions described in section 889 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, Pub. L. No. 115-232 (2018) and 2 C.F.R. §§ 200.216, 200.327, 200.471, and Appendix II to 2 C.F.R. Part 200. The statute – as it applies to DHS recipients, subrecipients, and their contractors and subcontractors – prohibits obligating or expending federal award funds on certain telecommunications and video surveillance products and contracting with certain entities for national security reasons.

XX. Limited English Proficiency (Civil Rights Act of 1964, Title VI)

Recipients must comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*) prohibition against discrimination on the basis of national origin, which requires that recipients of federal financial assistance take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP) to their programs and services. For additional assistance and information regarding language access obligations, please refer to the DHS Recipient Guidance: <https://www.dhs.gov/guidance-published-help-department-supported-organizations-provide-meaningful-access-people-limited> and additional resources on <http://www.lep.gov>.

FY 2024 DHS STANDARD TERMS AND CONDITIONS

XXI. Lobbying Prohibitions

Recipients must comply with 31 U.S.C. § 1352 and 6 C.F.R. Part 9, which provide that none of the funds provided under a federal award may be expended by the recipient to pay any person to influence, or attempt to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any federal action related to a federal award or contract, including any extension, continuation, renewal, amendment, or modification. Per 6 C.F.R. Part 9, recipients must file a lobbying certification form as described in Appendix A to 6 C.F.R. Part 9 or available on Grants.gov as the Grants.gov Lobbying Form and file a lobbying disclosure form as described in Appendix B to 6 C.F.R. Part 9 or available on Grants.gov as the Disclosure of Lobbying Activities (SF-LLL).

XXII. National Environmental Policy Act

Recipients must comply with the requirements of the National Environmental Policy Act of 1969, Pub. L. No. 91-190 (1970) (codified as amended at 42 U.S.C. § 4321 *et seq.*) (NEPA) and the Council on Environmental Quality (CEQ) Regulations for Implementing the Procedural Provisions of NEPA, which require recipients to use all practicable means within their authority, and consistent with other essential considerations of national policy, to create and maintain conditions under which people and nature can exist in productive harmony and fulfill the social, economic, and other needs of present and future generations of Americans.

XXIII. Nondiscrimination in Matters Pertaining to Faith-Based Organizations

It is DHS policy to ensure the equal treatment of faith-based organizations in social service programs administered or supported by DHS or its component agencies, enabling those organizations to participate in providing important social services to beneficiaries. Recipients must comply with the equal treatment policies and requirements contained in 6 C.F.R. Part 19 and other applicable statutes, regulations, and guidance governing the participations of faith-based organizations in individual DHS programs.

XXIV. Non-Supplanting Requirement

Recipients of federal awards under programs that prohibit supplanting by law must ensure that federal funds supplement but do not supplant non-federal funds that, in the absence of such federal funds, would otherwise have been made available for the same purpose.

XXV. Notice of Funding Opportunity Requirements

All the instructions, guidance, limitations, scope of work, and other conditions set forth in the Notice of Funding Opportunity (NOFO) for this federal award are incorporated by reference. All recipients must comply with any such requirements set forth in the NOFO. If a condition of the NOFO is inconsistent with these terms and conditions and any such terms of the Award, the condition in the NOFO shall be invalid to the extent of the inconsistency. The remainder of that condition and all other conditions set forth in the NOFO shall remain in effect.

XXVI. Patents and Intellectual Property Rights

Recipients are subject to the Bayh-Dole Act, 35 U.S.C. § 200 *et seq.* and applicable regulations governing inventions and patents, including the regulations issued by the Department of Commerce at 37 C.F.R. Part 401 (Rights to Inventions Made by Nonprofit Organizations and Small Business Firms under Government Awards, Contracts, and Cooperative Agreements) and the standard patent rights clause set forth at 37 C.F.R. § 401.14.

XXVII. Procurement of Recovered Materials

States, political subdivisions of states, and their contractors must comply with Section

FY 2024 DHS STANDARD TERMS AND CONDITIONS

6002 of the Solid Waste Disposal Act, Pub. L. No. 89-272 (1965) (codified as amended by the Resource Conservation and Recovery Act at 42 U.S.C. § 6962) and 2 C.F.R. § 200.323. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition.

XXVIII. Rehabilitation Act of 1973

Recipients must comply with the requirements of Section 504 of the Rehabilitation Act of 1973, Pub. L. No. 93-112 (codified as amended at 29 U.S.C. § 794), which provides that no otherwise qualified handicapped individuals in the United States will, solely by reason of the handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

XXIX. Reporting of Matters Related to Recipient Integrity and Performance

If the total value of any currently active grants, cooperative agreements, and procurement contracts from all federal awarding agencies exceeds \$10,000,000 for any period of time during the period of performance of the federal award, then the recipient must comply with the requirements set forth in the government-wide Award Term and Condition for Recipient Integrity and Performance Matters located at 2 C.F.R. Part 200, Appendix XII, the full text of which is incorporated by reference.

XXX. Reporting Subawards and Executive Compensation

For federal awards that equal or exceed \$30,000, recipients are required to comply with the requirements set forth in the government-wide award term on Reporting Subawards and Executive Compensation set forth at 2 C.F.R. Part 170, Appendix A, the full text of which is incorporated by reference.

XXXI. Required Use of American Iron, Steel, Manufactured Products, and Construction Materials

Recipients of an award of Federal financial assistance from a program for infrastructure are hereby notified that none of the funds provided under this award may be used for a project for infrastructure unless:

- (1) all iron and steel used in the project are produced in the United States—this means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States;
- (2) all manufactured products used in the project are produced in the United States—this means the manufactured product was manufactured in the United States; and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation; and
- (3) all construction materials are manufactured in the United States—this means that all manufacturing processes for the construction material occurred in the United States.

The Buy America preference only applies to articles, materials, and supplies that are consumed in, incorporated into, or affixed to an infrastructure project. As such, it does not apply to tools, equipment, and supplies, such as temporary scaffolding, brought to the construction site and removed at or before the completion of the infrastructure project. Nor does a Buy America preference apply to equipment and furnishings, such as movable chairs, desks, and portable computer equipment, that are used at or within the finished infrastructure project but are not an integral part of the structure or permanently affixed to the infrastructure project.

FY 2024 DHS STANDARD TERMS AND CONDITIONS

Waivers

When necessary, recipients may apply for, and the agency may grant, a waiver from these requirements. The agency should notify the recipient for information on the process for requesting a waiver from these requirements.

- (a) When the Federal agency has determined that one of the following exceptions applies, the awarding official may waive the application of the domestic content procurement preference in any case in which the agency determines that:
 - (1) applying the domestic content procurement preference would be inconsistent with the public interest;
 - (2) the types of iron, steel, manufactured products, or construction materials are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality; or
 - (3) the inclusion of iron, steel, manufactured products, or construction materials produced in the United States will increase the cost of the overall project by more than 25 percent.

A request to waive the application of the domestic content procurement preference must be in writing. The agency will provide instructions on the format, contents, and supporting materials required for any waiver request. Waiver requests are subject to public comment periods of no less than 15 days and must be reviewed by the Made in America Office.

There may be instances where an award qualifies, in whole or in part, for an existing waiver described at ["Buy America" Preference in FEMA Financial Assistance Programs for Infrastructure | FEMA.gov](#).

Definitions

The definitions applicable to this term are set forth at 2 C.F.R. § 184.3, the full text of which is incorporated by reference.

XXXII. SAFECOM

Recipients receiving federal financial assistance awards made under programs that provide emergency communication equipment and its related activities must comply with the SAFECOM Guidance for Emergency Communication Grants, including provisions on technical standards that ensure and enhance interoperable communications. The SAFECOM Guidance is updated annually and can be found at [Funding and Sustainment | CISA](#).

XXXIII. Terrorist Financing

Recipients must comply with E.O. 13224 and applicable statutory prohibitions on transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism. Recipients are legally responsible for ensuring compliance with the E.O. and laws.

XXXIV. Trafficking Victims Protection Act of 2000 (TVPA)

Recipients must comply with the requirements of the government-wide financial assistance award term which implements Trafficking Victims Protection Act of 2000, Pub. L. No. 106-386, § 106 (codified as amended at 22 U.S.C. § 7104). The award term is located at 2 C.F.R. § 175.15, the full text of which is incorporated by reference.

FY 2024 DHS STANDARD TERMS AND CONDITIONS

XXXV. Universal Identifier and System of Award Management

Recipients are required to comply with the requirements set forth in the government-wide financial assistance award term regarding the System for Award Management and Universal Identifier Requirements located at 2 C.F.R. Part 25, Appendix A, the full text of which is incorporated reference.

XXXVI. USA PATRIOT Act of 2001

Recipients must comply with requirements of Section 817 of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), which amends 18 U.S.C. §§ 175–175c.

XXXVII. Use of DHS Seal, Logo and Flags

Recipients must obtain written permission from DHS prior to using the DHS seals, logos, crests, or reproductions of flags, or likenesses of DHS agency officials. This includes use of DHS component (e.g., FEMA, CISA, etc.) seals, logos, crests, or reproductions of flags, or likenesses of component officials.

XXXVIII. Whistleblower Protection Act

Recipients must comply with the statutory requirements for whistleblower protections at 10 U.S.C § 470141 U.S.C. § 4712.

AGENDA ITEM SUMMARY S P R I N G F I E L D C I T Y C O U N C I L	Meeting Date:	01/21/2025
	Meeting Type:	Regular Meeting
	Staff Contact/Dept:	Meg Allocco/Finance
	Staff Phone No:	5417263690
	Estimated Time:	Consent Calendar
	Council Goals:	Financially Responsible and Stable Government Services

ITEM TITLE:

Fiscal Year 2024 Annual Comprehensive Financial Report (ACFR)

ACTION REQUESTED:

Motion to Formally Accept the City's Fiscal Year 2024 Annual Comprehensive Financial Report

ISSUE STATEMENT:

In accordance with Oregon Statutes and the City's charter, the City is required to complete an annual audit and financial statement. The report will be presented to the City Council at the January 21st work session. The Council will be asked to formally accept the report at their regular meeting that same night.

DISCUSSION/FINANCIAL IMPACT:

REDW, LLC (Formerly Grove, Mueller & Swank), the City's independent auditors, have completed their audit of the City's Fiscal Year 2024 ACFR and have issued their opinion thereon. Ryan Pasquarella, of REDW, reviewed the audit process, the Independent Auditor's Report, and the City's ACFR during the work session.

As a preliminary summary for the Council's information, you may note that the auditor's found no material weaknesses in the City's internal financial controls and they issued an "unmodified opinion" on the City's financial statements. This means that the City is properly accounting for its resources and using adequate financial controls to help prevent the improper use of those resources.

AGENDA ITEM SUMMARY S P R I N G F I E L D C I T Y C O U N C I L	Meeting Date:	01/21/2025
	Meeting Type:	Work Session
	Staff Contact/Dept:	Mindy Linder/Library and Museum
	Staff Phone No:	
	Estimated Time:	Consent Calendar
	Council Goals:	Mandate

ITEM TITLE:

Arts Commission Applicant Appointments and Arts Commissioner re-appointment -- Corrected

ACTION REQUESTED:

Appoint commissioners to corrected term dates as listed below:

Update the re-appointment term of one (1) Springfield Arts Commissioner, Adam Gutierrez, who recently completed his first partial term on December 31, 2024, for a full term position with an expiration date ending December 31, 2028.

Update the appointment of one (1) Jane Boggs to the Springfield Arts Commission for a full term position with an expiration ending December 31, 2028; and one (1) Dave Henderson to the Springfield Arts Commission for a partial term position with an expiration date ending December 31, 2026.

ISSUE STATEMENT:

There were two errors on the November 4, 2024, Agenda Item Summary, which this Consent Calendar item seeks to correct.

One error was the miscalculation of term ending dates for one re-appointment and two new appointments to the Arts Commission.

The second error was the number of vacancies on the Springfield Arts Commission. The Springfield Arts Commission has one (1) vacancy and no new applicants at this time. The November 4, 2024, Agenda Item Summary ought to have indicated there were three (3) vacancies and two (2) applicants at that time. In response to City Council's decision for boards, commissions and committees to have nine (9) members, as of January 2025, the Springfield Arts Commission currently has eight (8) members.

DISCUSSION/FINANCIAL IMPACT:

The Springfield Arts Commission had three (3) vacancies. Jane Boggs and Dave Henderson applied and were interviewed at the October 14, 2024, City Council Work Session. Council approved to appoint both (2) applicants to the two (2) of the three (3) vacancies at the November 4, 2024, Regular Meeting.

The Springfield Arts Commission also had one (1) current Arts Commissioner, Adam Gutierrez, who completed his first partial term on December 31, 2024, and was seeking re-appointment for a full term position. Council approved to appoint one (1) current Arts Commissioner to their re-appointment at the November 4, 2024, Regular Meeting.

The Springfield Arts Commission requests that Council formally ratify the corrected appointments and note the correct number of vacancies during the regular meeting.

AGENDA ITEM SUMMARY S P R I N G F I E L D C I T Y C O U N C I L	Meeting Date:	01/21/2025
	Meeting Type:	Regular Meeting
	Staff Contact/Dept:	Katherine Carroll/Community Development
	Staff Phone No:	
	Estimated Time:	10 Minutes
	Council Goals:	Promote and Enhance our Hometown Feel while Focusing on Livability and Environmental Quality

ITEM TITLE:

Cornerstone Low Income Rental Housing Property Tax Exemption (LIRHPTE) Application

ACTION REQUESTED:

Adopt one of the following resolutions:

A RESOLUTION APPROVING A LOW-INCOME RENTAL HOUSING PROPERTY TAX EXEMPTION FOR THE ALMA APARTMENTS, LOCATED AT 1875 16TH STREET, ASSESSOR'S MAP 17-03-25-24, TAX LOTS 01800, 01900, AND 02000 (APPLICANT METROPOLITAN AFFORDABLE HOUSING CORPORATION DBA CORNERSTONE COMMUNITY HOUSING ON BEHALF OF THE OWNER SPRINGFIELD AFFORDABLE APARTMENTS LLC)

A RESOLUTION DENYING A LOW-INCOME RENTAL HOUSING PROPERTY TAX EXEMPTION FOR THE ALMA APARTMENTS, LOCATED AT 1875 16TH STREET, ASSESSOR'S MAP 17-03-25-24, TAX LOTS 01800, 01900, AND 02000 (APPLICANT METROPOLITAN AFFORDABLE HOUSING CORPORATION DBA CORNERSTONE COMMUNITY HOUSING ON BEHALF OF THE OWNER, SPRINGFIELD AFFORDABLE APARTMENTS LLC)

ISSUE STATEMENT:

Cornerstone Community Housing submitted an application for the Low-Income Rental Housing Property Tax Exemption (LIRHPTE) program on November 26, 2024 for the Alma Apartments, a 39-unit apartment complex under construction at 1876 16th Street which will be affordable to households with incomes at or below 60% of the area median income. The exemption is requested to begin July 1, 2025. Staff have reviewed the application, find that it meets the criteria set forth for the program, and recommend Council's adoption of a Resolution approving the exemption (Attachment 2).

DISCUSSION/FINANCIAL IMPACT:

To grant a LIRHPTE, the Council must find that the application conforms with the program criteria set forth in the Springfield Municipal Code and adopted LIRHPTE Standards and Guidelines (Attachment 4). Staff have analyzed Cornerstone's application for conformance with the criteria (Exhibit A). If granted, the City would waive collection of property taxes for 20 years beginning July 2025.

Attachments

1. Council Briefing Memo
2. Resolution Approving LIRHPTE
2. Exhibit A- Analysis and Recommendation
2. Exhibit B- Cornerstone LIRHPTE Application
2. Exhibit C- Property Legal Description
3. Resolution Denying LIRHPTE
3. Exhibit D- Placeholder for Findings
4. LIRHPTE Standards and Guidelines

MEMORANDUM

City of Springfield

Date: 1/21/2025
To: Nancy Newton
From: Jeff Paschall, Community Development Director
Katie Carroll, Housing Analyst
Subject: Cornerstone LIRHPTE Application

COUNCIL
BRIEFING
MEMORANDUM

ISSUE:

Cornerstone Community Housing submitted an application for the Low-Income Rental Housing Property Tax Exemption (LIRHPTE) program on November 26, 2024 for the Alma Apartments, a 39-unit apartment complex under construction at 1876 16th Street which will be affordable to households with incomes at or below 60% of the area median income. The exemption is requested to begin July 1, 2025. Staff have reviewed the application, find that it meets the criteria set forth for the program, and recommend Council's adoption of a Resolution approving the exemption (Attachment 2).

COUNCIL GOALS/MANDATE:

Promote and Enhance our Hometown Feel While Focusing on Livability and Environmental Quality

BACKGROUND:

The Low-Income Rental Housing Property Tax Exemption (LIRHPTE) program is a State-authorized property tax exemption which cities can choose to implement to encourage the development and financial sustainability of income-qualified housing. Springfield City Council originally adopted the LIRHPTE in 1993 (Ordinance 5667). Following changes to the program at the State level, the Council adopted amendments to Springfield's program in 2018 (Ordinance 6383) and codified in Springfield Municipal Code (SMC) sections 3.500-3.508 and the LIRHPTE Standards and Guidelines (Attachment 4). Since 2018, the Council has received and approved one LIRHPTE application for St. Vincent de Paul's Myrtlewood Apartments in January 2019.

The LIRHPTE is a 20-year property tax exemption which applies to both land and improvements. To qualify for the exemption, projects must create at least four new units of housing that will be rented to low-income households earning at or below 60% of the area median income (AMI), among other requirements as further described in the application (see Analysis and Recommendation, Exhibit A to the Resolutions). The current income limits for 60% AMI are as follows:

Eugene-Springfield HUD Income Limits (60% AMI)

1-person HH	\$37,440	5-person HH	\$57,780
2-person HH	\$42,780	6-person HH	\$62,040
3-person HH	\$48,120	7-person HH	\$66,300
4-person HH	\$53,460	8-person HH	\$70,620

Cornerstone's Alma Apartments

Metropolitan Affordable Housing Corporation dba Cornerstone Community Housing (Cornerstone) submitted a LIRHPTE application for the Alma Apartments (Exhibit B to the Resolutions), a 39-unit apartment complex off Q Street at 1875 16th Street which will be affordable to households with low incomes earning at or below 60% AMI. The project will

include three studio units, thirty 1-bed units, and six 2-bed units. Ten of the units will be set aside for clients of Hope and Safety Alliance which serves survivors of domestic and sexual violence. Construction is underway and expected to be completed in August 2025. The City has thus far supported the project with State general funds and federal HOME funds. In its LIRHPTE application, Cornerstone explains that, if granted, the LIRHPTE will keep the property financially solvent and the tax savings will supplement rent affordability and be applied towards property maintenance and improvements.

Review Process

Per the SMC, applications must be filed on or before December 1 preceding the first assessment year for which the exemption is requested. The City Manager must review the application and make a written recommendation to the Council with sufficient time to allow the Council to act within 60 days from the date the application is filed. Cornerstone submitted its LIRHPTE application on November 26, 2024, which makes Council's action due by January 25, 2025. Council action must be in the form of a resolution granting the property tax exemption (Attachment 2) or a resolution denying the property tax exemption, including reasons for denial (Attachment 3). An analysis of the application's conformance with the LIRHPTE requirements and staff's recommendation is attached as Exhibit A.

RECOMMENDED ACTION:

Based upon the staff analysis contained in Exhibit A, staff find that the application conforms with all criteria set forth in the Springfield Municipal Code and LIRHPTE Standards and Guidelines. Staff recommend that the Council adopt the following resolution approving the tax exemption:

A RESOLUTION **APPROVING** A LOW-INCOME RENTAL HOUSING PROPERTY TAX EXEMPTION FOR THE ALMA APARTMENTS, LOCATED AT 1875 16TH STREET, ASSESSOR'S MAP 17-03-25-24, TAX LOTS 01800, 01900, AND 02000 (APPLICANT METROPOLITAN AFFORDABLE HOUSING CORPORATION DBA CORNERSTONE COMMUNITY HOUSING ON BEHALF OF THE OWNER SPRINGFIELD AFFORDABLE APARTMENTS LLC)

CITY OF SPRINGFIELD, OREGON
RESOLUTION NO. _____

**A RESOLUTION APPROVING A LOW-INCOME RENTAL HOUSING PROPERTY TAX
EXEMPTION FOR THE ALMA APARTMENTS, LOCATED AT 1875 16TH STREET, ASSESSOR'S
MAP 17-03-25-24, TAX LOTS 01800, 01900, AND 02000 (APPLICANT METROPOLITAN
AFFORDABLE HOUSING CORPORATION DBA CORNERSTONE COMMUNITY HOUSING ON
BEHALF OF THE OWNER SPRINGFIELD AFFORDABLE APARTMENTS LLC)**

WHEREAS, Springfield Affordable Apartments LLC, which owns property located at 1875 16th Street, Springfield, Oregon, Assessor's Map 17-03-25-24, Tax Lots 01800, 01900, and 02000, is constructing the Alma Apartments, a 39-unit housing development which will be affordable to households with low-incomes as defined in Springfield Municipal Code Section 3.502;

WHEREAS, Metropolitan Affordable Housing Corporation dba Cornerstone Community Housing (hereinafter "Cornerstone") is the registered agent and sole member of the Springfield Affordable Apartments LLC and will manage the Alma Apartments;

WHEREAS, Cornerstone applied to the City of Springfield for a Low-Income Rental Housing Property Tax Exemption for The Alma Apartments on November 26, 2024 on behalf of the property owner, Springfield Affordable Apartments LLC, located at 1175 Charnelton Street, Eugene, OR, 97401, with a mailing address of P.O. Box 11923, Eugene, OR 97440;

WHEREAS, the Alma Apartments are currently under construction and estimated to be completed August 2025;

WHEREAS, the Community Development Director of the Department of Development and Public Works, as designee of the City Manager, has reviewed the application, attached hereto as Exhibit B, and submitted an Analysis and Recommendation, which is attached hereto as Exhibit A;

WHEREAS, Cornerstone submitted all materials required by Section 3.504 of the Springfield Municipal Code, and is in compliance with the policies set forth in the Standards and Guidelines adopted by Resolution No. 2018-17; and

WHEREAS, the application satisfactorily meets the criteria for approval as set forth in Section 3.506 of the Springfield Municipal Code, as shown in the Analysis and Recommendation;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF SPRINGFIELD:

Section 1: Based on the above findings, the City Council approves the application of Cornerstone on behalf of Springfield Affordable Apartments LLC for an ad valorem property tax exemption under the City's Low-Income Rental Housing Property Tax Exemption program for The Alma Apartments, 39 units of low-income rental housing to be located at 1875 16th Street in Springfield, Assessor's Map 17-03-25-24 and Tax Lots 01800, 01900, and 02000, Tax Account numbers 0205813, 0205805, and 0205797.

Section 2: This resolution serves as the certification that the portion of the property necessary for the low-income housing units, described in Exhibit C, is exempt from ad valorem property taxation commencing July 1, 2025, and continuing for a period of 20 years.

Section 3: In the event the Applicant fails to comply with the criteria and requirements as

set forth in ORS 307.515 through 307.357, Sections 3.500 through 3.508 of the Springfield Municipal Code, Standards and Guidelines adopted by Resolution No. 2018-17 for the City's Low-Income Rental Housing Property Tax Exemption program, and Analysis and Recommendation of the Community Development Director of the Department of Development and Public Works, Exhibit A, the City Manager may terminate the exemption, following the procedures established in Section 3.508 of the Springfield Municipal Code and applicable requirements under ORS 307.515 through 307.537.

Section 4: The City Manager, or the Manger's designee, is requested to forward a copy of this Resolution to the applicant within 10 days from the date of adoption of this Resolution, and to cause a copy of this Resolution to be filed with the Lane County Assessor on or before April 1, 2025.

Section 5: This Resolution will take effect upon adoption by the Council.

ADOPTED by the Common Council of the City of Springfield this ____ day of _____, _____, by a vote of _____ for and _____ against.

ATTEST:

City Recorder

ANALYSIS AND RECOMMENDATION
on the Application of Cornerstone Community Housing for a
Low-Income Rental Housing Property Tax Exemption
for the Alma Apartments, 1875 16th Street, Springfield, Oregon

Metropolitan Affordable Housing Corporation dba Cornerstone Community Housing (hereafter the “applicant” or “Cornerstone”) submitted an application for a Low-Income Rental Housing Property Tax Exemption (LIRHPTE) for the Alma Apartments in Springfield on November 26, 2024. Staff have prepared this analysis of the application’s conformance with the requirements of the LIRHPTE Program contained in Sections 3.500 through 3.508 of the Springfield Municipal Code (“SMC”) (Ordinance 6383) and the adopted Standards and Guidelines (Resolution 2018-17). The analysis for each requirement is below the corresponding *criterion*.

Analysis

The applicant submitted an application for a low-income rental housing property tax exemption as required by SMC 3.504. SMC 3.506 sets out the process for approving or denying the tax exemption. It includes two sets of criteria for approval. The criteria appropriate for this application are listed in SMC 3.506 (3).

3.506 (3) As an alternative to an application considered under subsection (2) of this section, the city manager shall recommend approval of an application, and the council shall grant the exemption upon determining the applicant meets the criteria set forth in subsections (2)(e) through (h) of this section and all the following criteria:

(a) If unoccupied, the property is offered for rental solely as a residence for low-income persons, or is held for the purpose of developing low-income rental housing;

For purposes of the LIRHPTE “low-income” is defined as income at or below 60% of the area median income (“AMI”) (SMC 3.502). The project is currently under construction, with an anticipated completion of August 2025. Per the applicant’s recorded Grant Agreement and Declaration of Restrictive Covenants with Oregon Housing and Community Services, upon completion all 39 units will be income and rent-restricted for households at or below 60% AMI for 60 years (Exhibit B, pg. 25 Section 4.4). The affordability requirement runs with the property (pg. 36, Section 9). The applicant additionally included its HOME funding agreement which requires 11 “HOME Designated Units” to be offered at or below 60% AMI for 20 years (Exhibit B, pg. 50-51 Section 1.1 and 1.4).

(b) If occupied, the property is occupied solely as a residence for low-income persons;

Nobody is currently living on the property. The project is under construction. Upon completion, the project will conform with this requirement as described under (a) above.

(c) The applicant’s application was filed prior to the dates specified in ORS 307.517 and 307.518;

ORS 307.517 and 307.518 require an application to be filed before July 1, 2030. The applicant filed this application on November 26, 2024.

(d) The property is owned or being purchased by a non-profit corporation organized in a manner that meets the criteria for a public benefit corporation, as described under ORS 65.001(31) or for a religious corporation, as described under ORS 65.001(33); and

The applicant indicated that it is a public benefit corporation. The application contains Cornerstone's Determination Letter from the IRS indicating that it is a 501(c)(3), Articles of Incorporation, Bylaws, and 2023 Form 990 demonstrating status as a non-profit meeting the criteria for a public benefit corporation (Exhibit B, pg. 82-98, 100-144). The property is owned by Springfield Affordable Apartments LLC per the property's recorded deed (Exhibit B, pg. 12). Cornerstone is the registered agent of Springfield Affordable Apartments LLC per the Articles of Organization (Exhibit B, pg. 18) and sole member of the LLC per the LLC's Operating Agreement (Exhibit B, p. 156) thus the ownership requirement is met.

(e) The property is owned or being purchased by a non-profit corporation that expends no more than 10 percent of its annual income from residential rentals for purposes other than acquisition, maintenance or repair of residential rental property for low-income persons, or for the provision of on-site child care services for residents of the rental property.

The applicant submitted a copy of a Schedule J from its 2023 Audited Consolidated Financial Statement which shows 90.5% of Cornerstone's income was expended for residential rental property for low-income persons, and 9.5% was expended for non-residential purposes (Exhibit B, pg. 99). In support of the findings of the Audited Consolidated Financial Statement, the applicant also provided a copy of its 2023 IRS Form 990.

(f) For purposes of this subsection, a non-profit corporation that has only a leasehold interest in property is considered to be a purchaser of that property if the non-profit corporation is obligated under the terms of the lease to pay the ad valorem taxes on the real and personal property used in the rental activity on that property, or the rent payable has been established to reflect the savings resulting from the exemption from taxation.

This criterion is not applicable to the application because the subject property is owned by an LLC and the applicant is the sole member and manager of that LLC. The application does not involve a leasehold interest.

3.506(2)(e) *The policies set forth in the Standards and Guidelines for Low-Income Rental Housing Tax Exemption adopted by council resolution;*

The following policies from the Standards and Guidelines (Attachment 4) are applicable to the application:

1.1 The tax exemption is only available for the creation of new units, either through new construction or through conversion of a building from a non-residential use to new housing units.

The project is new construction of a multi-unit apartment complex that will create 39 new housing units.

1.2 To qualify, the property must create a minimum of four (4) units to be rented to qualifying low-income households.

All 39 units will be rented to qualifying low-income households earning at or below 60% AMI. The applicant signed the City's Certification of Income Levels of Low-Income Occupants on November 26, 2024 (Exhibit B, pg. 8) and provided other documentation supporting this criterion as described under (3)(a) above.

3.1 An application must demonstrate that a portion of housing units will be occupied, or offered for rent, solely as a residence for low-income persons by December 31st of the first year for which the tax exemption is requested.

The applicant has requested the tax exemption to begin July 2025. The applicant submitted a construction and leasing timeline estimating construction completion to be mid-August 2025, with leasing beginning late August 2025, and move-ins beginning early September 2025 (Exhibit B, pg. 6).

4.1 Pro rata tax exemption. The requested tax exemption must reflect the portion of units that will be occupied solely as a residence for low-income persons.

The applicant has requested the tax exemption for all units.

5.1 Rent Regulatory Agreement. The owner must agree to execute and maintain in effect for the duration of the tax exemption period, a Rent Regulatory Agreement in a form approved by the City, and which contains, but is not limited to, provisions establishing regular reporting requirements and periodic inspection period, and demonstrates that the required rent payment reflects the benefit of the property tax exemption.

The applicant signed the City's Rent Regulatory Agreement form on November 26, 2024 (Exhibit B, pg. 9).

5.2 Inspection of Premises. The owner must consent in writing that for the duration of the tax exemption period the City may inspect the property for which the exemption is granted at reasonable times, without prior notice, to ensure that the premises are maintained in decent, safe, and sanitary conditions for the occupants.

The applicant signed the City's Consent to Inspection of Premises form on November 26, 2024 (Exhibit B, pg. 7).

(f) The proposed development does not cause displacement of low-income persons unless the city and developer can reach agreement on provisions (to be provided by the developer) that reflect satisfactory mitigation thereof;

The application indicates that the property is vacant and that the project will not cause displacement of low-income persons.

(g) The proposed development does not cause destruction of historic structures unless criteria established in section 3.3-900 of the Springfield Development Code, are met, and destruction is granted by the historic commission; and

The application indicates that the project will not cause destruction of historic property.

(h) The proposed development is otherwise consistent with this code and adopted city regulations and policies.

The development is consistent with the City's regulations and has received approval from both Planning and Building. The planning application was a Type 1 decision which was approved February 6, 2024, and a final site plan was submitted May 21, 2024. The building permit was issued August 9, 2024 and the development is now under construction. The development is also consistent with the City's adopted policies, in particular Springfield Comprehensive Plan Policy H.9 "Provide a broad range of quality accessible and affordable housing options for very low-, low-, and moderate-income residents...".

Staff Recommendation

Based upon the above analysis, staff find that the application conforms with all criteria set forth in the Springfield Municipal Code and LIRHPTE Standards and Guidelines and recommend that the application be approved.

City of Springfield
Development & Public Works
225 Fifth Street
Springfield, OR 97477



Low-Income Rental Housing Property Tax Exemption

City Application Fee of \$ 0, includes Lane County Assessor processing fee of \$ to be paid to County, which will be refunded to the applicant if this application is not approved.

Notice: You may be subject to other reasonable costs, including appraisal costs if such costs are incurred by the City or County in processing this application, which must be paid prior to final approval being granted.

Section A – Applicant Information

Name/Company: Metropolitan Affordable Housing Corp dba Cornerstone Community Housing

Contact Person: Darcy Phillips

Phone: 541-683-1751 ex 106

Mailing Address: PO Box 11923 Eugene, OR 97440

Email Address: dphillips@cornerstonecommunityhousing.org

Is the Applicant:

A public benefit corporation? ☒ Yes* ☐ No

A religious corporation? ☐ Yes* ☒ No

*If you answer Yes, please attach as Exhibit A documentation that the applicant is a Public Benefit or Religious Corporation, as defined in ORS 65.044 to 65.067.

Section B – Property Information

Property Owner: Springfield Affordable Housing, LLC

Property Address: 1875 16th Street Springfield, Oregon

Assessor's Map and Tax Lot Number(s): 17-03-25-24-01900 and 17-03-25-24-0200, and 17-03-25-24-01800

Portion of Property for which exemption is sought

☒ **All or** ☐ **The following described portion:**

Description of the purpose of the project: (Please include the overall description of the project, including number of housing units, broken down by bedroom size and proposed rent prices for each).

The purpose of the project is to provide 39 affordable housing units to those making at or below 60% Area Median Income.

No Units	No Bedroms	Square Feet	% AMI	Gross Monthly Rent	Tenant Paid Utility Allowance	Net Montly Rent Per Unit
2	0	413	60%	\$936	\$44	\$892
12	1	580	60%	\$1,002	\$50	\$952
4	2	855	60%	\$1,203	\$58	\$1,145
1	0	388	50%	\$780	\$44	\$736
2	1	580	50%	\$835	\$50	\$785
6	1	580	60%	\$1,002	\$50	\$952
2	2	940	60%	\$1,203	\$58	\$1,145
10*	1*	580*	0%*	\$0*	\$0*	\$0*

*Set aside units that will be paid at HOME fair market rents (\$1,063 plus utilities) by Hope & Safety Alliance

Note: Rents may vary from above based on not yet published 2025 rent limitations and utility allowances.

☒ **All of the property for which exemption is sought will be used for this purpose**
☐ **The following described portion of the property will be used for this purpose:**

Project Construction Dates <i>Commencement of Construction: August 2024</i> <i>Anticipated Completion: August 2025</i>
☐ Yes ☒ No Will the development cause displacement of low-income persons? If yes, please explain mitigating factors that the City should consider:
☐ Yes ☒ No Will the development cause destruction of historic property?
☒ Yes ☐ No (If you are NOT a public benefit or religious corporation) The required rent payment reflects, or will reflect, the full value of the property tax exemption.
Describe how the tax exemption will benefit project occupants: The property tax exemption will help to keep this property financially solvent. This allows tax savings to directly supplement rent affordability as well as maintain and improve the physical property. LIRHPTE ensures that Apple Orchard remains a safe, compliant, and dignified place for residents to live for the lifetime of the exemption.
☒ Yes ☐ No The property is <i>unoccupied</i> . ☐ Yes ☐ No The property is <i>occupied</i> .

The foregoing application, together with the application fee set forth above, is hereby submitted requesting an exemption from ad valorem taxes for the property described herein for a period of twenty (20) years, commencing with the year 20 25.

If this application is submitted on behalf of a corporation, association, or partnership, the individual signing this application specifically represents that he/she is authorized to act on behalf of the corporation, association, or partnership.

Signatures

DATED this 26 day of November, 20 24.

Daray Phillips
 Print Name of Applicant

By: Dm 2

Signature of Applicant or Authorized Representative of Applicant

Darcy Phillips Executive Director
Name & Title of Authorized Representative

STATE OF OREGON)
County of Lane)) ss.

Personally appeared before me this 26 day of NOVEMBER, 2024,

the above named DARCY PHILLIPS, and acknowledged the foregoing
instrument to be his/her voluntary act and deed.

Matthew Cooper
Notary Public for Oregon
My Commission Expires: 03/09/26



LIRHPTE Submittal Requirements Checklist

NOTE: If you feel an item does not apply, please state the reason why and attach the explanation to this form. If you do not supply all the required information and schedules and submit the required fees, this application shall be returned to you and deemed not to have been filed.

- ☒ **LIRHPTE Application Form**
- ☒ **Legal Property Description**
- ☒ **Proof of Ownership or Interest in the Property (*Deed or Option Agreement/purchase contract*)**
- ☒ **Rent Regulatory Agreement (*use City form*)**
- ☒ **Consent to Inspection of Premises (*use City form*)**
- ☒ **Certification of Income Levels of Low-Income Occupants (*use City form if applicant does not have a form*)**
- ☐ **Documentation that the Required Rent Reflects the Full Value of the Property Tax Exemption (*if applicable*)**
- ☒ **Documentation that the Property will be Offered to or Occupied Solely by Low-Income Persons (*if applicable*)**
- ☒ **Documentation that the Applicant Expends no more than 10% of its Annual Income from Residential Rentals for Purposes other than the Acquisition, Maintenance, or Repair of Residential Rental Property for Low-Income Persons (Public Benefit or Religious Corporations only)**



PO Box 11923 Eugene, OR 97440
Office: 541-683-1751
www.cornerstonecommunityhousing.org

Katie Carroll
Housing Analyst
Development and Public Works
City of Springfield
225 5th Street Springfield, Oregon

Re: Supplementary Information LIRHPTE Application Springfield Affordable Housing, LLC

We request the City of Springfield please accept the following supplementary information regarding our Low-Income Housing Property Tax Exemption application. Please feel free to contact us with any further questions.

We would like the tax exemption to begin July 2025 or at the earliest possible applicable date.

Our construction and leasing timeline is anticipated to be:

Construction completion mid-August 2025
Leasing begins late August 2025
Move in begins early September 2025
Property fully leased and occupied February 2026

Per our CDBG and HOME loan documents submitted with this application apartment units will be offered solely to those making at or below 60% area median income.

The purpose of the project is to provide new affordable housing in Springfield, Oregon. The project is new construction of a multi-family affordable apartment complex consisting of 39 units for households making at or below 60% area median income. The project also includes 10 set aside units for Hope and Safety Alliance.

Thank you for your consideration,

A handwritten signature in blue ink, appearing to read "Darcy", followed by a long horizontal flourish.

Darcy Phillips
Executive Director
Cornerstone Community Housing

Low-Income Rental Housing Property Tax Exemption
Consent to Inspection of Premises

The undersigned, as Applicant for an exemption from ad valorem taxes for the property located at 1875 16th St. Springfield OR, hereby consents that upon approval of the application to which this is appended and occupancy of the low-income rental unit(s), authorized representatives of the City of Springfield may, for the duration of the tax exemption period, inspect the above premises at reasonable times, and without prior notice, to ensure that the premises are maintained in decent, safe, and sanitary condition for the occupants thereof.

Applicant acknowledges that this consent and the obligation to maintain the premises in a decent, safe, and sanitary condition are material to the City's consideration of Applicant's request for exemption from ad valorem taxes for described property.

DATED this 26 day of November, 20 24.

Darcy Phillips
Name of Applicant

By: [Signature]
Signature of Authorized Representative of Applicant

Darcy Phillips Executive Director
Name & Title of Authorized Representative

1175 Charnelton, Eugene OR 97401
Address of Authorized Representative

Low-Income Rental Housing Property Tax Exemption
Certification of Income Levels of Low-Income Occupants

60% of Area Median Income for Springfield, Oregon
These figures are updated annually by HUD

2024 Area Median Income Limits	
Household Size	60% of Median
1	\$ 37,440
2	\$ 42,780
3	\$ 48,120
4	\$ 53,460
5	\$ 57,780
6	\$ 62,040
7	\$ 66,300
8	\$ 70,620

I hereby certify that the rental units for which this exemption is sought are not occupied by, nor will they be offered for rental units to, persons whose incomes exceed the levels reflected above for low-income persons.

DATED this 26 day of November, 20 24.

Darcy Phillips

Print Name of Applicant

Darcy

Signature of Applicant

Low-Income Rental Housing Property Tax Exemption
Rent Regulatory Agreement

PARTIES: City of Springfield, a municipal corporation, of the State of Oregon (City)
and
Metropolitan Affordable Housing Corp.
DBA Cornerstone Community Housing (Applicant)

RECITALS:

- A. Pursuant to the provisions of Sections 3.500 to 3.508 of the Springfield Municipal Code and the Standards and Guidelines approved by Resolution No. 2018-17 of the Springfield City Council, the City administers a program that provides an exemption from ad valorem taxes for new low-income rental housing.
- B. Applicant has submitted an application for property tax exemption for property located at 1875 16th St, Springfield OR (Subject Property), to which this Agreement is attached, as required by Section 5.1 of the above-referenced Standards and Guidelines.

Now, therefore, the parties agree as follows:

1. **Report.** Applicant agrees that on or before February 1 of the first tax year to which this exemption applies, and on or before February 1 of each year thereafter for the duration of the tax exemption period, it will provide to the City a report that certifies under oath:
 - a. The total number of rental units on the Subject Property which are occupied and unoccupied as of December 31 of the preceding calendar year;
 - b. The income levels of the occupants of the rental units;
 - c. That unoccupied units are being offered for rental solely as a residence for low-income persons; and
 - d. That the required rental payment(s) reflect the full value of the property tax exemption granted to the Applicant for the Subject Property (if applicable)
2. **Inspections.** Applicant agrees that the City may, at its option, inspect the premises at regular intervals to verify the accuracy of the reports required herein and compliance with other provisions of this Agreement. The parties may agree in writing that

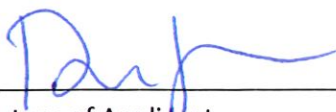
inspections occur on specific dates, and absent such an agreement, City may perform inspections upon five (5) days' prior written notice to Applicant.

3. **Documentation.** Applicant agrees to provide City upon ten (10) days' prior written request, documentation of all facts certified in the report required in Section 1 of this Agreement.
4. **Notices.** Any notice required under this Agreement shall be in writing and directed to the City in care of the Development and Public Works Department, 225 Fifth Street, Springfield OR 97477, and to the Applicant at the address indicated above.
5. **Effective Date.** This Agreement shall become effective upon approval of the Applicant's application for ad valorem property tax exemption to which this is appended, and shall remain in effect throughout the duration of the tax exemption period.
6. **Termination of Agreement.** This Agreement shall terminate, with no further action required by either party upon:
 - a. The expiration of the tax exemption period;
 - b. Termination of the tax exemption by the City Council for Applicant's failure to:
 - i. Complete construction within the time required, including any extensions granted;
 - ii. Comply with the provisions of ORS 307.515 to 307.523, the provisions of 3.500 to 3.508 of the Springfield Municipal Code, or the Standards and Guidelines adopted by Resolution No. 2018-17, or this Agreement; or
 - iii. Comply with any conditions imposed in the Resolution approving the tax exemption application.
 - c. A determination by the County Assessor that a change of use to other than that allowed has occurred, resulting in an immediate termination of the tax exemption by the County Assessor.

DATED this 26 day of November, 20 24.

Daray Phillips

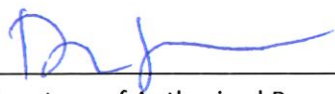
Print Name of Applicant



Signature of Applicant

Daray Phillips Executive Director

Print Name & Title of Authorized Representative



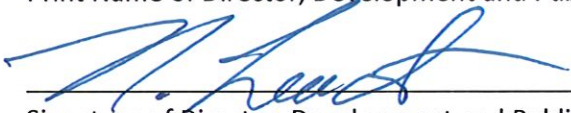
Signature of Authorized Representative

Accepted this 4th day of December, 2024.

CITY OF SPRINGFIELD

NIEL LAUDATI

Print Name of Director, Development and Public Works Department



Signature of Director, Development and Public Works Department

File No.: 24-124763

Lane County Clerk
Lane County Deeds & Records

2024-022977

08/08/2024 01:22:08 PM

RPR-DEED Cnt=1 Stn=28 CASHIER 02 5pages
\$25.00 \$11.00 \$10.00 \$61.00

\$107.00

Grantor
Metropolitan Affordable Housing Corporation, an Oregon nonprofit corporation, dba Cornerstone Community Housing 1175 Charnelton Street Eugene, Oregon 97401
Grantee
Springfield Affordable Apartments LLC, an Oregon limited liability company c/o Cornerstone Community Housing 1175 Charnelton Street Eugene, Oregon 97401
After recording return to
Springfield Affordable Apartments LLC, an Oregon limited liability company c/o Cornerstone Community Housing 1175 Charnelton Street Eugene, Oregon 97401
Until requested, all tax statements shall be sent to
Springfield Affordable Apartments LLC, an Oregon limited liability company c/o Cornerstone Community Housing 1175 Charnelton Street Eugene, Oregon 97401
Tax Acct No(s): 0205813, 0205805, 0205797 Tax Lot No(s): 17-03-25-24-01800, 17-03-25- 24-01900 and 17-03-25-24-02000

Reserved for Recorder's Use

STATUTORY BARGAIN AND SALE DEED

Metropolitan Affordable Housing Corporation, an Oregon nonprofit corporation, dba Cornerstone Community Housing, Grantor, conveys to **Springfield Affordable Apartments LLC**, an Oregon limited liability company, Grantee, the real property described in the attached Exhibit A.

The true consideration for this conveyance is \$900,000.00. (Here comply with requirements of ORS 93.030)

Subject to: See attached Exhibit B attached hereto and made apart hereof.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION

OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009 AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

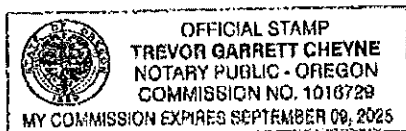
Executed this 5 day of August 2024.

Metropolitan Affordable Housing Corporation,
an Oregon nonprofit corporation, dba Cornerstone Community Housing

By: [Signature]
Name: Darcy Phillips
Title: Executive Director

STATE OF OREGON)
) ss:
COUNTY OF MULTNOMAH)

The foregoing instrument was acknowledged before me this 5 day of August 2024, by Darcy Phillips, the Executive Director of Metropolitan Affordable Housing Corporation, an Oregon nonprofit corporation, dba Cornerstone Community Housing.



[Signature]
Notary Public for Oregon
My commission expires: 9/9/25

EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL 1:

Beginning at an iron pipe marking the Southeast corner of the William Spencer Donation Land Claim No. 50 in Section 25, Township 17 South, Range 3 West of the Willamette Meridian; thence West 1233.0 feet along the center line of County Road No. 1141 to a point; thence North 304.02 feet along the center line of Janice Way to a point which is the true point of beginning; thence East 30.0 feet to an iron pipe on the East right of way line of Janice Way; thence continue East 200 feet to an iron pipe; thence North 91.32 feet to an iron pipe; thence West 200 feet to an iron pipe on the East right of way line of Janice Way; thence continue West 30.0 feet to a point in the center of Janice Way; thence South 91.32 feet along the center of Janice Way to the true point of beginning, being a description of the parcel of land commonly known as Lot 31 of the Wendell A. Gross Tract, in Lane County, Oregon.

EXCEPT THEREFROM that portion described in Deed to the City of Springfield recorded September 24, 1976, Reception No. 7650087, Lane County Official Records, in Lane County, Oregon.

PARCEL 2:

Beginning at an iron pipe marking the Southeast corner of the William Spencer Donation Land Claim No. 50 in Section 25, Township 17 South, Range 3 West of the Willamette Meridian; thence West 1233.0 feet along the center line of County Road No. 1141 to a point; thence North 395.34 feet along the center line of Janice Way to a point which is the true point of beginning; thence East 30.0 feet to an iron pipe on the East right of way line of Janice Way; thence continue East 200 feet to an iron pipe; thence North 91.32 feet to an iron pipe; thence West 200 feet to an iron pipe on the East right of way line of Janice Way; thence continue West 30.0 feet to a point in the center of Janice Way; thence South 91.32 feet along the center of Janice Way to the true point of beginning, being a description of the parcel of land commonly known as Lot 30 of the Wendell A. Gross Tract, in Lane County, Oregon.

EXCEPT THEREFROM that portion described in Deed to the City of Springfield recorded September 24, 1976, Reception No. 7650088, Lane County Official Records, in Lane County, Oregon.

PARCEL 3:

Beginning at an iron pipe marking the Southeast corner of the William Spencer Donation Land Claim No. 50, in Section 25, Township 17 South, Range 3 West of the Willamette Meridian; thence West 1233.0 feet along the center line of County Road No. 1141 to a point; thence North 212.7 feet, along the center line of Janice Way to a point which is the true point of beginning; thence East 30.0 feet to an iron pipe on the East right of way line of Janice Way; thence continue East 200.0 feet to an iron pipe; thence North 91.32 feet to an iron pipe; thence West 200.0 feet to an iron pipe on the East right of way line of Janice Way; thence continue West 30.0 feet to a point in the center of Janice Way; thence South 91.32 feet along the center of Janice Way to the true point of beginning, being in Lane County, Oregon.

EXCEPT: Beginning at an iron pipe marking the Southeast corner of the William Spencer Donation Land Claim No. 50, in Section 25, Township 17 South, Range 3 West of the Willamette Meridian; thence West 1233.0 feet along the center line of County Road No. 1141 to a point; thence North 212.7 feet along the center line of Janice Way (16th Street) to the true point of beginning; thence East 30.0 feet to a pipe set on the East right of way line of Janice Way (16th Street); thence North 91.32 feet to a point marked by an iron pipe; thence West 30.0 feet to the center line of Janice Way (16th Street); thence South 91.32 feet to the true point of beginning, in Lane County, Oregon.

**Exhibit B
Exceptions**

1. Rights of the public in any portion of said premises lying within the limits of streets, roads and highways.
2. Easement, granted to City of Eugene, including the terms and provisions thereof, by instrument Recorded August 2, 1926, Book 150 Page 150, Lane County Oregon Records.
3. Right of Way Easement, granted to City of Eugene, including the terms and provisions thereof, by instrument Recorded October 5, 1937, Book 190 Page 566, Lane County Oregon Records.
4. Reservation of an undivided 50% interest in oil, gas and other hydrocarbons and minerals, by document recorded June 27, 1944, Reception No. 44-137122, together with the appurtenant rights to use the surface of the Land. The Company makes no representation as to the present ownership of this interest.
5. Notice of Operations and Maintenance Agreement including the terms and provisions thereof, by instrument Recorded June 17, 2024, Reception No. 2024-016609, Lane County Oregon Records.

State of Oregon

OFFICE OF THE SECRETARY OF STATE
Corporation Division

Certified Copy 834C819P5

I, LAVONNE GRIFFIN-VALADE, Secretary of State of Oregon, and Custodian of the Seal of said State, do hereby certify:

That the attached

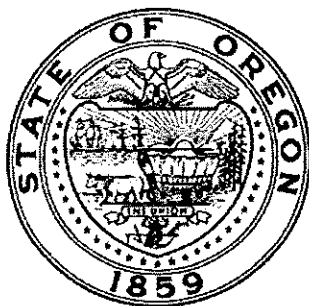
Document File

for

SPRINGFIELD AFFORDABLE APARTMENTS LLC

is a true copy of the original document(s).

*In Testimony Whereof, I have hereunto set
my hand and affixed hereto the Seal of the
State of Oregon.*



Lavonne Griffin-Valade

LAVONNE GRIFFIN-VALADE, SECRETARY OF STATE

7/11/2024

Reg# 211455597



SPRINGFIELD AFFORDABLE...

NEWORG

**ARTICLES OF ORGANIZATION
OF
SPRINGFIELD AFFORDABLE APARTMENTS GP LLC**

The undersigned, being duly authorized to execute and file this Articles of Organization for record with the Oregon Secretary of State, hereby certifies that:

1. The name of the limited liability company ("Company") is "Springfield Affordable Apartments GP LLC".
2. The Company shall be perpetual in duration.
3. The address of principal office of the Company is 1175 Charnelton Street, Eugene OR 97401.
4. The name of the registered agent of the Company is Metropolitan Affordable Housing Corporation, an Oregon nonprofit corporation, dba Cornerstone Community Housing.
5. The address of the registered agent is 1175 Charnelton Street, Eugene OR 97401.
6. The address where the division may mail notices is P.O. Box 11923 Eugene, OR 97440.
7. The Company will be manager-managed by one or more managers.
8. To the fullest extent permitted under Oregon law, a manager shall not be personally liable to the Company or its members for conduct as a manager of the Company.
9. The Company elects to indemnify its members, managers, employees, and agents for liability and related expenses under ORS 63.160 – 63.170.
10. The name, address and phone number of the person who is forming this business is Darcy Phillips, Metropolitan Affordable Housing Corporation dba Cornerstone Community Housing, P.O. Box 11923, Eugene, OR 97440, (541) 683-1751.
11. The name and address of the manager of the Company is Metropolitan Affordable Housing Corporation dba Cornerstone Community Housing, P.O. Box 11923, Eugene, OR 97440.
12. The name and address of the individual with direct knowledge of the operations and business activities of the Company is Darcy Phillips, Executive Director of Metropolitan Affordable Housing Corporation, an Oregon nonprofit corporation, dba Cornerstone Community Housing, P.O. Box 11923, Eugene, OR 97440, (541) 683-1751.

Reg # 211455597

13. I declare as an authorized signer, under penalty of perjury, that this document does not fraudulently conceal, fraudulently obscure, fraudulently alter or otherwise misrepresent the identity of the person or any members, managers, employees or agents of the limited liability company. This filing has been examined by me and is, to the best of my knowledge and belief, true, correct, and complete. Making false statements in this document is against the law and may be penalized by fines, imprisonment or both.

Dated: April 20, 2023.



Darcy Phillips, Organizer

Reg # 211455597

CONSENT TO APPOINTMENT AS REGISTERED AGENT

Metropolitan Affordable Housing Corporation, an Oregon nonprofit corporation, dba Cornerstone Community Housing, hereby consents to serve as registered agent in the State of Oregon for the following limited liability company: **SPRINGFIELD AFFORDABLE APARTMENTS GP LLC**. As agent for the limited liability company, Metropolitan Affordable Housing Corporation, an Oregon nonprofit corporation, dba Cornerstone Community Housing, will be responsible to accept service of process in the name of the limited liability company; to forward all mail and license renewals to the appropriate manager(s) of the limited liability company; and to immediately notify the office of the Oregon Secretary of State in the event of resignation or of any changes in the registered office address.

Dated: April 20, 2023.



By: Metropolitan Affordable Housing Corporation
dba Cornerstone Community Housing

Name: Darcy Phillips

Its: Executive Director



Articles of Amendment/Dissolution - Limited Liability Company

Secretary of State - Corporation Division - 255 Capitol St. NE, Suite 161 - Salem, OR 97310-1327 - sos.oregon.gov/business - Phone: (503) 988-2200

- ☒ ARTICLES OF AMENDMENT (Complete only 1, 2, 3, 4, 5, 8)
☐ ARTICLES OF DISSOLUTION (Complete 6, 7, 8)

FILED: APR 8, 2024
OREGON SECRETARY OF STATE



211455597-26110683

REGISTRY NUMBER: 211455597

SPRINGFIELD AFFORDABLE..

AMDART

In accordance with Oregon Revised Statute 192.410-192.490, the information on this application is public. We must release this information to all parties upon request and it will be posted on our website.

FOR OFFICE USE ONLY

Please Type or Print Legibly in Black Ink. Attach Additional Sheet if Necessary.

ARTICLES OF AMENDMENT ONLY

1. ENTITY NAME: Springfield Affordable Apartments GP LLC

2. THE FOLLOWING AMENDMENT(S) TO THE ARTICLES OF ORGANIZATION IS MADE HEREBY: (State the article number(s) and set forth the article(s) as it is amended to read.)

Article 1 of the Articles of Organization is hereby deleted in its entirety and replaced with:

1. The name of the limited liability company ("Company") is "Springfield Affordable Apartments LLC".

3. PLEASE CHECK THE APPROPRIATE STATEMENT:

☒ This amendment was adopted by the manager(s) without member action. Member action was not required.

Date of adoption of each amendment: April 1, 2024

☐ This amendment(s) was approved by the members. _____ percent of the members approved the amendment(s).

Date of adoption of each amendment: _____

4. PRINCIPAL PLACE OF BUSINESS (Physical Street Address)

1175 Charnelton Street
Eugene, OR 97440

5. INDIVIDUAL WITH DIRECT KNOWLEDGE (Name and Address)

List the name and address of at least one individual who is a member or manager of the LLC or an authorized representative with direct knowledge of the operations and business activities of the LLC.

Michelle Martin, CFO

1175 Charnelton Street
Eugene, OR 97440

ARTICLES OF DISSOLUTION ONLY

6. NAME OF LIMITED LIABILITY COMPANY: _____

7. DATE DISSOLUTION OCCURRED: _____

Future date not allowed.

8. EXECUTION: I declare, under penalty of perjury, that this document does not fraudulently conceal, fraudulently obscure, fraudulently alter or otherwise misrepresent the identity of the person or any members, managers, employees or agents of the limited liability company. This filing has been examined by me and is, to the best of my knowledge and belief, true, correct, and complete. Making false statements in this document is against the law and may be penalized by fines, imprisonment or both.

Signature:

Darcy Phillips

Digitally signed by Darcy Phillips
DN: cn=Darcy Phillips, o=Corporation
Division, email=Darcy.Phillips@sos.oregon.gov,
c=US

Printed Name:

Darcy Phillips

Title:

Executive Director

CONTACT NAME: (To resolve questions with this filing)

Michelle Martin

PHONE NUMBER: (Include area code)

541-912-2104

FEES

Required Processing Fee \$100

Processing Fees are nonrefundable. Please make check payable to "Corporation Division".

Free copies are available at sos.oregon.gov/business using the Business Name Search program.

Lane County Clerk
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After Recording Return to:
Oregon Housing and Community Services
Attn: Affordable Rental Housing Division
725 Summer Street, Suite B
Salem, OR 97301-1266

SPACE ABOVE FOR RECORDER'S USE

**STATE OF OREGON
HOUSING AND COMMUNITY SERVICES DEPARTMENT**

**HOUSING DEVELOPMENT GRANT PROGRAM
GRANT AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS**

This Housing Development Grant Program (HDGP) Agreement and Declaration of Restrictive Covenants (this "Agreement") is made and entered into this 1st day of August 2024 the "Effective Date") by and between Metropolitan Affordable Housing Corporation, an Oregon nonprofit public benefit corporation dba Cornerstone Community Housing ("Grantee"), and the State of Oregon, acting by and through its Housing and Community Services Department ("OHCS").

RECITALS

A. Grantee has completed and submitted to OHCS an application (the "Application") for a reservation ("Reservation") of Housing Development Grant Program ("HDGP" or "Program") funds to be used to finance the new construction of a single site, affordable, multifamily, rental-housing development comprised of a total of thirty-nine (39) residential units including zero (0) manager units, of which all thirty-nine (39) residential units will be income and rent-restricted for low-income persons as further described below (the "Qualified Units") in one residential building (1) and zero (0) community building(s) collectively, and including related common areas and other improvements, the ("Improvements"). The Improvements are situated on certain real property located in Springfield, Lane County, Oregon and further described in Exhibit A, attached hereto (the "Property"). The Property and the Improvements are collectively referred to herein as the "Project" and known as "Alma Apartments."

B. In response to the Application and subject to the terms and conditions hereof, OHCS has approved a conditional grant of HDGP funds for the Project in an amount not to exceed SEVEN MILLION NINE HUNDRED THIRTY-FIVE THOUSAND DOLLARS (\$7,935,000) (the "Grant")

C. The parties desire that this Agreement be recorded in the relevant county records at Grantee's cost and that certain terms herein constitute restrictive covenants and equitable servitudes running with the

Property and governing, among other things, the maintenance, monitoring, and operation of the Project.

AGREEMENT

NOW, THEREFORE, for good and sufficient consideration, including the terms, conditions, covenants, warranties, and undertakings set forth herein, the parties agree as follows:

1. DEFINITIONS; INCORPORATION.

1.1. Definitions. Capitalized terms used herein without definition have the meaning ascribed to such term in the Program Requirements (as defined below), unless the context clearly requires otherwise.

1.2. Incorporation. The foregoing recitals and exhibit(s) are incorporated into this Agreement by reference to the same extent and with the same force and effect as if fully set forth herein, provided, however, that the incorporated items do not modify the express provisions of this Agreement.

2. GRANT.

2.1. Authority; Amount. Subject to the availability of Program funds, OHCS having continued funding, appropriation, limitation, allotment, or other expenditure authority sufficient to allow it, in the exercise of its reasonable administrative discretion, to meet its obligations under this Agreement, and conditioned upon the terms and conditions of this Agreement, OHCS will make the Grant to Grantee up to the maximum principal amount stated above and perform under this Agreement.

2.2. Limitations. Nothing in this Agreement may be construed as permitting any violation of Article XI, Section 7 of the Oregon Constitution or any other law limiting the activities, liabilities or monetary obligations of OHCS.

2.3. Grant Disbursement. OHCS will disburse the Grant to Grantee at its sole discretion and after execution and recording of this Agreement and delivery to OHCS of information satisfactory to it that the construction of the Project will commence within a reasonable time. OHCS may disburse the Grant prior to recording of this Agreement, at its sole discretion, upon placement of the executed Agreement in escrow with binding instructions to record this Agreement upon notice to the escrow officer by OHCS or upon Grantee's establishment of fee simple title in the Property and disbursement of the Grant only in accordance with the first sentence of this Section.

2.4. Appropriateness of Charges. Grant funds may only be used for reimbursement of eligible costs for the Project. OHCS may review all receipts and other evidence, as well as require and obtain such other information as it determines appropriate, concerning the eligibility, appropriateness, and amount of activities and Project costs prior to and after disbursing Grant funds to Grantee under this Agreement. OHCS' determination as to the eligibility, appropriateness and amount of such rehabilitation OR construction activities and related costs will be at OHCS' sole discretion.

2.5. Grant Expiration. OHCS' commitment as set forth in the Reservation will expire six (6) months

from the date of this Agreement if Grantee fails to timely satisfy the foregoing conditions and commence rehabilitation OR construction of the Project satisfactorily to OHCS unless the Grant is sooner terminated by OHCS. Approval of any extension, and the length of any approved extension, is at OHCS' sole discretion.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS OF GRANTEE.

Grantee represents, warrants and covenants that:

3.1. Validity. Grantee is an Oregon nonprofit public benefit corporation, duly organized, validly existing under the laws of Oregon, is authorized to do business in Oregon, and has the power and authority to transact the business in which it is engaged and to enter into and perform this Agreement.

3.2. Authority; No Impairment. The making and performance of this Agreement by Grantee has been duly authorized by all necessary action of Grantee; do not and will not violate any provision of any applicable law, rule, or regulation or order of any court, regulatory commission, board or other administrative agency or any provision of Grantee's organizing documents or authorizing statutes; and do not and will not result in the breach of, or constitute a default or require any consent under, any other agreement or instrument to which Grantee is a party or by which Grantee or any of its properties is bound or affected and does not and will not result in the creation or imposition of any prohibited encumbrance of any nature.

3.3. Enforceability. This Agreement, when executed and delivered, is a valid and binding obligation of Grantee enforceable in accordance with its terms.

3.4. Single-Asset, Fee-Simple Ownership; Assignment. Grantee will own the Project in fee-simple title satisfactory to OHCS and operate the Project as a single-asset entity or, if consented to by OHCS, assign its rights and obligations hereunder to a single-asset, fee-simple owner of the Project on terms and conditions satisfactory to OHCS in its sole discretion. Hereinafter, the term "Owner" will mean, collectively, Grantee and any such assignee owner of the Project or, as context requires when the term is used in conjunction with the term "Grantee," the assignee owner individually. Obligations of Grantee hereunder will be construed, jointly and severally, as obligations of any assignee owner and rights and remedies of OHCS with respect to Grantee hereunder will be construed as rights and remedies of OHCS not just with respect to Grantee, but also with respect to any such assignee owner.

3.5. Program Requirements. Grantee shall timely satisfy all requirements of this Agreement, including all applicable OHCS administrative rules, all applicable OHCS handbooks and manuals, all related OHCS directives and other orders (including, but not limited to corrective action notices), and all other applicable federal, state, and local statutes, rules, regulations, ordinances, and orders (all of the foregoing, as amended from time to time, collectively, the "Program Requirements") to the satisfaction of OHCS.

3.6. Completion Date. Grantee will complete the Project no later than February 28, 2026, in accordance with the Program Requirements, including but not limited to the plans and specifications for

the Project approved by OHCS or modifications to those plans and specifications, which modifications must be approved by OHCS, and in accordance with the terms and conditions of this Agreement.

3.7. Responsibility. Grantee assumes full responsibility for timely and appropriate completion of the Project, for ownership of the Project, for its operation in accordance with the Program Requirements, and acknowledges that OHCS has no direct or contractual responsibility for the Project, for ownership of the Project, or for its operation.

3.8. Preservation. Grantee acknowledges and agrees that the Project is a "participating property" as defined in ORS 456.250 and, as such, is subject to the requirements, among other things, of ORS 456.250 through 456.265. Grantee, its successors and assigns, and any owner of the Project (or any party thereof) are bound by and will comply with the terms of ORS 456.250 through 456.265 and the Program Requirements with respect to the Project.

4. ADDITIONAL REPRESENTATIONS, WARRANTIES AND COVENANTS OF GRANTEE.

Grantee also represents, warrants, and covenants that:

4.1. Appropriate Costs. Grantee shall use the Grant funds only for reimbursement of its actual and appropriate costs of eligible costs related to the Project with respect to the Qualified Units in the Project and such eligible common areas and other aspects of the Project, consistent with the Program Requirements.

4.2. Fair Housing and Other Civil Rights Compliance. Grantee shall:

- (a) comply with all applicable state and federal nondiscrimination laws;
- (b) act affirmatively (including the use of appropriate outreach) to ensure those who may be, or are at risk of being, underserved with OHCS resources are provided appropriate accessibility;
- (c) comply with Equal Opportunity Employment standards in hiring and retaining personnel; and
- (d) satisfy any targeted population or services standards in the Program Requirements.

4.3. M/W/ESB Utilization. Grantee shall use best efforts to comply with established OHCS policies and Grantee commitments in the Application regarding utilization of M/W/ESB firms. OHCS' policies regarding M/W/ESB inclusion can be located on OHCS' website. OHCS, at its discretion, and in a format it may see fit or is agreed upon, will require Grantee to report on its utilization of M/W/ESB firms during construction and lease up of the Project.

4.4. Affordability.

(a) **Income Limitations.** For a period of sixty (60) years from December 31st of the year that any building in the Project is first placed in service or until **December 31, 2086**, whichever is later (the "Affordability Period"), Grantee will continuously rent or hold vacant for rent the following Qualified Units to households whose incomes are at or below the following levels of the area median

income, adjusted by family size, as determined by OHCS based upon information from the U.S. Department of Housing and Urban Development (“HUD”) or other applicable source:

Unit Type	Number of Units	Maximum Percent of Median Family Income As Determined by HUD	Maximum Rent Standards As Determined by HUD
0 bedroom	3	60%	60%
1 bedroom	30	60%	60%
2 bedroom	6	60%	60%
Manager	0	N/A	N/A

* The **maximum restricted-incomes** for the Qualified Units reflected in the above table are based upon the rent-restriction election made by Grantee in the Application as approved in the Reservation. Maximum restricted-incomes consistent with the foregoing standards are published by HUD, adjusted for family size and Project location.

** The **maximum restricted-rents** for the Qualified Units, as published by HUD, correspond to the elected income limits and Maximum Rent Standards payable by Qualified Unit tenants (“**Qualified Tenants**”) reflected in the table, but actual rents for the Project payable by Qualified Tenants may be lower depending on the terms of other applicable rent subsidies or OHCS rent-approval requirements. Under no circumstances will Qualified Tenants be required to pay more rent than that allowed by applicable rent-subsidy programs or Program Requirements, with the most conservative restrictions having precedence.

*** The table shows maximum income and rent standards rounded up to the nearest percentile. Grantee has represented to OHCS in its Application that the rent payable by Qualified Tenants and income levels of Qualified Tenants will not exceed the maximums identified in the foregoing table and will otherwise comply with Program Requirements.

(b) **Rent Restrictions.** Throughout the Affordability Period, Grantee will ensure that the Owner will restrict gross rents with respect to the Qualified Units in compliance with Program Requirements, with not-to-exceed limits as reflected in the above table. The not-to-exceed limits are indicated as a percentage of the applicable area (county) median family income determined by OHCS based upon information from HUD or other applicable source.

(i) **Actual Unit Rents.** Net rents allowable to the Owner are not more than allowable gross rents, less an appropriate utility allowance. Actual approved rents for Qualified Units, as determined by OHCS in its sole discretion (“**Rents**”), may be lower than allowable net rents, but not in excess of allowable net rents. OHCS has sole authority and discretion in the determinations of what is an appropriate utility allowance and what other charges by the Owner must be subsumed within approved Rents as normal or standard charges for Project occupancy.

(ii) **Limitation of Unit Rents and Other Project Fees.** OHCS may also limit other unit rents and Project fees as it determines, in its sole discretion, is necessary or appropriate to ensure the affordability of or access to Qualified Units. Unit rents and Project fees limited under this subparagraph may only be increased subject to prior written approval by OHCS in accordance with the procedures of subparagraph (iii) of this paragraph.

(iii) **Prior Approval of Rents.** The Owner must obtain prior written approval from OHCS for setting or increasing Qualified Units' Rents. The Owner may request an increase in Rents annually in writing, together with supporting documentation (including a schedule of Rents for all units in the Project), all satisfactory to OHCS, which request will be deemed approved if not in excess of Program Requirements limits and not denied or modified by OHCS within ninety (90) days of its receipt by OHCS. Subject to any and all Program Requirements limits, OHCS, in its sole discretion, may approve, deny, or modify such Rents increase requests. OHCS, at its sole discretion, also may approve, deny, or modify other requests by the Owner for Rent increases, subject to Program Requirements limits.

(iv) **Most Restrictive Income and Rent Limitations.** Where Qualified Unit Rents are subject to limitations from multiple OHCS funding sources, the most restrictive limitations will govern not-to-exceed limits for such Qualified Unit Rents.

(v) **Rents Paid by Tenants.** For purposes of this Section 4.2, subject to OHCS and other subsidy provider policy, allowable rents will relate to those rents actually paid by the Tenants and will not limit the rents permitted under any HUD or other subsidy provider program that are not paid by the actual Tenant.

4.5. Habitability; Other Compliance. Throughout the Affordability Period, Grantee will ensure that the Owner will maintain the Project in a safe, sanitary, and habitable condition satisfactory to OHCS and in accordance with the Program Requirements, including applicable zoning and code requirements. To that end, Grantee hereby represents, covenants, warrants, and agrees as follows:

(a) **Dwelling Unit Characteristics.** Each unit in the Project must contain complete and separate facilities for living, sleeping, eating, cooking, and sanitation for a single person or a family (each, for purposes of this Section, a "Dwelling Unit"), within the meaning of the regulations of the U.S. Department of the Treasury Regulations ("Treasury Regulations") Section 1.103-8(b)(8), as supplemented and amended, promulgated under the Internal Revenue Code of 1986, as amended (the "IRC") and

4.6. Project Characteristics. The Project will consist of proximate buildings or structures located on a single "tract" of land that have similarly constructed Dwelling Units, with the entire Project being financed pursuant to a "common plan" together with Functionally Related and Subordinate Facilities in accordance with Section 142(d) of the IRC and related Treasury Regulations. **Resident Service Programs.**

(a) **The Resident Services Plan.** Grantee will file with OHCS a Project resident services plan (the "Services Plan"), consistent with the Program Requirements, satisfactory to OHCS. Any then current Services Plan, when approved by OHCS, will be incorporated into this Agreement by reference. OHCS may require periodic revisions to the Services Plan from Grantee. Grantee may propose revisions to the Services Plan for approval by OHCS. All Services Plan revisions are subject to OHCS' sole discretion and must be approved in writing by OHCS prior to becoming effective.

(b) **Resident Services.** Grantee will timely provide resident services appropriate to the Project population and consistent with the Services Plan, including as the Services Plan may be revised from time to time.

4.7. Management Oversight.

(a) **The Management Plan.** Grantee will file with OHCS a Project Management Plan and/or execute a Regulatory Agreement as to Project Management (the "Management Plan"), consistent with the Program Requirements, satisfactory to OHCS. Any then current Management Plan, when approved by OHCS, will be incorporated into this Agreement by reference. OHCS may require periodic revisions to the Management Plan from Grantee. Grantee may propose revisions to the Management Plan for approval by OHCS. All Management Plan revisions are subject to OHCS' sole discretion and must be approved in writing by OHCS prior to becoming effective.

(b) **Management Performance.** Grantee will provide timely and suitably perform Project management responsibilities directly or through a management agent approved in writing by OHCS consistent with the Management Plan, including as the Management Plan may be revised from time to time.

4.8. Records; Certifications; Monitoring; Corrective Action.

(a) **Financial and Performance Reports.** Grantee will maintain all financial records relating to this Agreement in accordance with generally accepted accounting principles. In addition, Grantee will maintain records satisfactory to OHCS documenting compliance with Program Requirements. Grantee will retain and keep accessible all such records, books, documents, papers, plans, records of shipments and payments and writings throughout the Affordability Period and for a minimum of six (6) years, or such longer period thereafter, as may be required by OHCS, which does include any period beyond the Affordability Period during which an audit, claim, or litigation with respect to the Project or Agreement remains outstanding, plus two (2) years thereafter.

(b) **Annual Certification; Additional Information.** Grantee will provide an annual certification, in a format and on a schedule approved by OHCS in its sole discretion, that Grantee is fulfilling its obligations under this Agreement. OHCS may, from time to time, require additional information or reporting from Grantee.

(c) **Monitoring.** Grantee acknowledges and agrees that OHCS, the Oregon Secretary of State's Office, and the federal government, and their duly authorized representatives will have access to such financial

records and other books, documents, papers, plans, records of shipments and payments and writings of Grantee that are pertinent to this Agreement, whether in paper, electronic or other form, to perform examinations and audits, and make excerpts and transcripts, and take copies. Furthermore, Grantee acknowledges and agrees that OHCS may inspect the Project, and any part thereof, upon reasonable notice to Grantee and tenants. Grantee, its agents, employees, and subcontractors will cooperate fully with OHCS in any requested inspection of the Project, its records, or other compliance monitoring.

(d) Charges. Grantee will timely pay an annual compliance monitoring charge to OHCS as determined by OHCS from time to time consistent with the Program Requirements. Grantee will timely pay any other such other charges as may be applied by OHCS from time to time consistent with the Program Requirements.

(e) Corrective Action. As a consequence of its monitoring or otherwise, OHCS may identify deficiencies in Grantee's compliance with the Program Requirements. OHCS may require action by Grantee (satisfactory to OHCS) to correct such deficiencies. Grantee must correct such deficiencies within thirty (30) days of notice by OHCS of such deficiencies unless earlier correction is required by OHCS to address material health or safety needs of Project tenants. The reasonableness of such corrective actions is subject to OHCS in its sole discretion.

5. INSURANCE.

Grantee also represents, warrants, and covenants that:

5.1. Coverage. Grantee will obtain and maintain in full force and effect during the term of this Agreement: (a) Causes of Loss – Special Form property insurance together with endorsements for replacement cost, inflation adjustment, malicious mischief, and sprinkler damage coverage (if applicable), all in amounts not less than the full replacement cost of all Improvements, without reduction for co-insurance; (b) commercial general liability insurance, including liabilities assumed under contract, with limits, coverage, and risks insured acceptable to OHCS, and in no event less than \$2,000,000.00 combined, single-limit coverage; and appropriate workers' compensation insurance coverage in satisfaction of Oregon law.

5.2. Insurance Companies and Policies. All insurance will be written by a company or companies reasonably acceptable to OHCS; will require reasonable, but not less than five (5) days, prior written notice to OHCS of cancellation or non-renewal; will contain waivers of subrogation and endorsements that no act or negligence of Grantee or any occupant will affect the validity or enforceability of such insurance as against OHCS. Grantee will forward to OHCS, upon request, certificates evidencing the coverage required under this Agreement and copies of all policies. Grantee will forward to OHCS copies of any significant changes, including, but not limited to, cancellations and non-payment, to the policy that would affect the coverage.

5.3. Casualty/Loss Restoration. After the occurrence of any casualty to the Property or Improvements, Grantee will give prompt written notice of the casualty to OHCS, specifically describing the nature and cause of such casualty and the extent of the damage or destruction to the Property. In the

event of any casualty to any Improvement, Grantee will immediately take such action as is necessary to make the site safe and legal, including, if necessary, demolition of the improvement, removal of debris, and/or grading the site. Grantee, subject to the rights of an approved senior mortgage lender, if any, assigns to OHCS all insurance proceeds that Grantee may be entitled to receive with respect to any casualty. In the event that Grantee desires to rebuild or restore the Property, insurance proceeds will be placed in escrow, with escrow instructions to release funds for invoices related to such reconstruction. OHCS will have the right to review and approve of reconstruction plans, and may require the conditional release of liens as condition of escrow payments. No proceeds will be released if Grantee is in default under this Agreement or under the obligations secured by this Agreement. If Grantee (i) does not elect to restore the property, or (ii) is in default under this Agreement or the obligations secured by this Agreement, OHCS may apply the insurance proceeds to satisfy the obligations, subject to the rights of an approved senior mortgage lender, if any.

6. FURTHER ASSURANCES.

6.1. Further Acts. Grantee, at any time upon request of OHCS, will do, make, execute and deliver all such additional and further acts, instruments or papers as OHCS may require in its sole discretion to protect OHCS' rights under this Agreement.

6.2. Reliance. OHCS may rely upon statements, certificates, and other records of Grantee and its agents and assigns, as well as of occupants of Qualified Units, including as to accuracy, genuine nature, and proper execution of such statements, certificates, and other records.

6.3. Consultation with Counsel. OHCS may consult with counsel, and the opinion of such counsel will be full and complete authorization and protection as to any action taken or suffered by OHCS in good faith and in conformity with the opinion of such counsel with respect to this Agreement or the Project.

6.4. Agent Compliance. Grantee will comply, and will cause its agents, employees, contractors, subgrantees and assigns, if any, to comply with the terms and conditions of this Agreement, including the Program Requirements.

6.5. Prevailing Wage Compliance. Grantee will, prior to undertaking the Project construction and rehabilitation, provide OHCS with a copy of a determination letter by Oregon Bureau of Labor and Industries (BOLI) as to the application of Oregon's prevailing wage laws to the Project. Grantee will comply with all applicable requirements arising under any state or federal prevailing wage law with respect to the Project.

6.6. Limitation on Debt. Except to the extent of debt to which OHCS agrees to be subordinated in Part VII of this Agreement or pursuant to a separate subordination agreement executed by OHCS, Grantee and any assignee, will have no other debt that does or may result in a lien against the Project without prior written consent from OHCS.

7. NO UNAPPROVED TRANSFERS; REMOVAL OF GENERAL PARTNER/MANAGING MEMBER OR MANAGEMENT AGENT; CONSENTS.

7.1. Sale, Transfer, or Other Disposition of an Interest in the Grant, Grantee, the Owner (including Investor), or Project.

(a) **Transfer of Any Interest in Project.** Except in relation to leases to tenants for the residential units in the Project ("Tenants"), if Grantee or the Owner transfers or attempts to sell, assign, bequeath, dispose or otherwise transfer (collectively, "Transfer") any interest in the Project to any person, entity or other assignee (collectively, "Transferee"), without obtaining the prior written consent of OHCS, OHCS may declare an Event of Default (as defined below) and exercise the remedies provided for in this Agreement or otherwise available at law. OHCS' consent will not, however, be unreasonably withheld or delayed, but may be conditioned upon:

(i) reasonable evidence satisfactory to OHCS that Grantee or the Owner are not then in default hereunder beyond any applicable grace period or cure period;

(ii) the execution and recording of documents satisfactory to OHCS;

(iii) the payment to OHCS of an appropriate transfer fee; and

(iv) any other conditions that may be imposed by OHCS, in its complete discretion, to assure, among other things, compliance with federal or state law or the Program Requirements, and also including but not limited to the Owner providing OHCS with current financial information with respect to the Transferee and a full management agent packet for any existing or proposed management agent ("Management Agent").

(b) **Transfer of Any Interest in Grantee or the Owner.** If Grantee or the Owner sells, Transfers or otherwise disposes of any interest in Grantee or the Owner without obtaining the prior written consent of OHCS, OHCS may declare an Event of Default (as defined below) and exercise the remedies provided for in this Agreement or otherwise available at law. The parties agree, however, that, so long as Grantee or the Owner is not then in default hereunder beyond any applicable cure period, a Transfer of an interest in Grantee or the Owner made in full compliance with any of clauses (b)(i), (b)(ii), (b)(iii), or (b)(iv) below will constitute a permitted Transfer of an interest in Grantee or the Owner.

(i) **Transfers Permitted Prior to Making All Capital Contributions.** Prior to making all of the capital contributions with respect to this Project required to be made by the Owner's investor limited partner or investor member, as applicable ("Investor") under the ownership agreement in effect between the Investor and the Owner's general partner or managing member, as applicable, as of the date of this Agreement (the "Ownership Agreement"), a one-time Transfer of the Investor's limited partnership or limited membership in the Owner may be made to an Affiliate (as defined below) of the Investor with advance written notice to OHCS of such Transfer ("Permitted Affiliate Transfer of Owner Interest") so long as the Transfer occurs within one (1) year of the date of this Agreement. No OHCS consent shall be required for a Permitted Affiliate Transfer of Owner Interest, but written notice shall be provided to OHCS as set forth in this Agreement in connection with such Permitted Affiliate Transfer of Owner Interest. Further, OHCS

will not impose a transfer fee or charge on the Owner for a Permitted Affiliate Transfer of Owner Interest.

(ii) **Other Transfers Made Prior to Making All Capital Contributions.** Prior to making all capital contributions required to be made by the Investor under the Ownership Agreement, other than a Permitted Affiliate Transfer of Owner Interest pursuant to clause (i) above, no interest in the Owner may be Transferred without the written consent of OHCS, which it may give or withhold in its sole but reasonable discretion, taking into consideration those factors it determines to be relevant. OHCS will communicate its determination to consent or withhold consent to a Transfer promptly to the Owner and may impose a transfer fee or charge on the Owner consistent with the Program Requirements.

(iii) **Transfers of Owner Interest After Making All Capital Contributions.** After all of the capital contributions to be made by the Investor under the Ownership Agreement have been made, the Transfer of the limited partnership or membership interest in the Owner (a "Post Conversion Transfer of Owner Interest") may be made subject to the following: OHCS must (A) be given advance written notice of the proposed Transfer; (B) give its written consent to the Transfer, which consent will not be unreasonably withheld, conditioned or delayed; and (C) OHCS may impose a transfer fee or charge on the Owner consistent with the Program Requirements. The parties agree that a Post Conversion Transfer of Owner Interest to an Affiliate will be presumed reasonable and that OHCS will promptly provide its consent to such a Transfer upon confirmation that such Transfer involves a Transfer to an Affiliate of the Investor and satisfaction of the foregoing conditions.

(iv) **Transfers of Interests in General Partner or Managing Member of the Owner.** To assure appropriate use of tax credit capital contributions by the Owner, and that any party having an ownership interest in the general partner or managing member of the Owner is suitable for such purpose, appropriate for the operational integrity of the general partner or managing member, and sufficiently limited in its capacity to direct or control actions by the general partner or managing member, a party proposing to acquire an ownership interest in the general partner or managing member may not acquire an ownership interest in the general partner or managing member without the prior written consent of OHCS. Such consent will be conditioned on (A) the ownership interest in the general partner or managing member to be acquired by the general partner or managing member being not greater than one-percent (1%) of the ownership interest in the Owner, (B) OHCS receiving evidence reasonably satisfactory to OHCS establishing the suitability of the general partner or managing member, and (C) payment to OHCS of a transfer fee or charge consistent with the Program Requirements.

(c) **Transfer of Any Interest in Investor.** If the Investor Transfers any interest in the Investor without obtaining the prior written consent of OHCS, OHCS may declare an Event of Default (as defined below) and exercise the remedies provided for hereunder or otherwise available at law. The parties agree, however, that, so long as the Owner is not then in default hereunder beyond any applicable cure period, a Transfer of an interest in the Investor made in full compliance with any of clauses (c)(i), (c)(ii), or (c)(iii) below will constitute a permitted Transfer of an interest in the Investor.

(i) **Transfers Permitted Prior to Making All Capital Contributions.** Prior to making all of the capital contributions required under the terms and conditions of the Ownership Agreement: (A) Transfers of interests in the Investor (the "**Investor Membership Interests**") may be made among the initial holders of the Investor Membership Interests (the "**Initial Investment Members**"), provided that the Owner provides written notice to OHCS of the Transfer within thirty (30) days of the Owner learning of the Transfer; and (B) Transfers of Investor Membership Interests may be made to a person or entity that is not an Initial Investment Member if, after making such Transfers not less than 75% of the holder(s) of the Investor Membership Interests are either (a) the Investor or an Affiliate of the Investor, or (b) Financial Institutions or Publicly Held Corporations with a credit rating at the time of such Transfer of BBB- or better by Standard & Poor's or Baa3 or better by Moody's Investor Service, Inc., or wholly-owned subsidiaries of such entities or are otherwise holders that have been approved by OHCS, provided that the Owner will provide written notice to OHCS of the Transfer within thirty (30) days of the Owner learning of the Transfer. Transfers of Investor Membership Interests described in sub-clauses (A) and (B) of this clause (i) are referred to herein as ("**Permitted Investor Membership Interest Transfers**"). No OHCS consent will be required for any Permitted Investor Membership Interest Transfer pursuant to sub-clauses (A) or (B) of this clause (i), but written notice will be provided to OHCS as set forth above in connection with each such Transfer. Further, OHCS may impose a transfer fee or charge on the Owner for Permitted Investor Membership Interest Transfers consistent with applicable administration rules, as amended from time to time.

(ii) **Other Transfers Made Prior to Making All Capital Contributions.** Prior to making all capital contributions required under the terms and conditions of the Ownership Agreement, other than Permitted Investor Membership Interest Transfers pursuant to clause (i) above, no interest in the Investor, including any Investor Membership Interest, may be Transferred without the written consent of OHCS, which consent may be given or withheld in its sole but reasonable discretion, taking into consideration those factors it determines to be relevant. OHCS will communicate its determination to consent or withhold consent to a Transfer promptly to the Owner and may impose a transfer fee or charge on the Owner consistent with the Program Requirements.

(iii) **Transfers of Investor Interest After Making All Capital Contributions.** After all of the capital contributions to be made by the Investor under the terms and conditions of the Ownership Agreement have been made, the Transfer of any limited partnership or membership interest in the Investor, including any Investor Membership Interest (a "**Post Conversion Transfer of Investor Interest**") may be made without prior notice to or approval by OHCS, provided that the Owner will provide written notice to OHCS of any Post Conversion Transfer of Investor Interest within thirty (30) days of reasonable discovery of such Transfer. OHCS will not impose a transfer fee or charge on the Owner for a qualifying Post Conversion Transfer of Investor Interest.

7.2. Definition of Affiliate. The term "Affiliate" means any corporation, partnership, limited liability company, or other entity directly or indirectly controlling, controlled by or under common control with such entity. For this purpose "control," "controlled," or "controlling" means (i) ownership directly or indirectly of voting control of the corporation or other entity, (ii) control of the management through holding, directly or indirectly, a general partnership interest in a limited partnership or the managing member interest in a limited liability company, or (iii) if such entity has no stock or equity, control over a

majority of the board of directors of such entity.

7.3. Removal and Replacement of General Partner or Managing Member. The Investor may seek to remove a general partner or managing member of the Owner for cause pursuant to the terms of the Ownership Agreement in effect as of the date of this Agreement, or pursuant to any revisions adopted by the parties to the Ownership Agreement and approved in writing by OHCS, subject to the following: (i) the Investor must notify OHCS in writing of its desire to remove the general partner or managing member for cause, (ii) the Investor must notify OHCS in writing of the successor general partner or managing member, if any, and (iii) OHCS must give its written consent to the removal and replacement of the general partner or managing member, which consent will not be unreasonably withheld, conditioned or delayed. If the Ownership Agreement provisions related to the removal of the general partner or managing member are amended without OHCS' written approval (a "**Removal Amendment**"), and the Investor seeks to remove a general partner or managing member for cause pursuant to the Removal Amendment, the prior written consent of OHCS must be obtained and OHCS may give or withhold its consent in its sole discretion. Notwithstanding the foregoing, the Investor also may replace a general partner or managing member of the Owner for cause with an Affiliate of the Investor on a temporary basis for not longer than sixty (60) days pursuant to the terms of the Ownership Agreement in effect as of the date of this Agreement, or pursuant to any revisions adopted by the parties to the Ownership Agreement and approved in writing by OHCS. Such replacement does not require prior OHCS approval and will not be subject to an OHCS transfer fee, but notice thereof must be provided to OHCS within two (2) business days of such replacement. Permanent removal or replacement of the general partner or managing member of the Owner must still be accomplished in conformance with the first two sentences of this Section.

7.4. Removal and Replacement of Management Agent. OHCS may, for cause, require the removal and replacement of the Management Agent for the Project or, if the Owner directly manages the Project, OHCS may require the appointment of a Management Agent for the Project in lieu of the Owner. The Owner also may, with OHCS' approval, remove and replace a Management Agent in accordance with this Agreement, the terms and conditions of the Ownership Agreement, or any agreement with respect to Project management required by OHCS (at its sole discretion) (a "**Requested Management Agent Change**"). Any then current, executed agreement with respect to Project management (including as amended) will be deemed to be incorporated herein by this reference. OHCS may impose a charge on the Owner for a Requested Management Agent Change consistent with the Program Requirements.

7.5. Unapproved Transfers Are Void. Any Transfer of the Project, Grantee, the Owner, or Investor in violation of this Agreement will be ineffective to relieve Grantee, the Owner, the Investor, any Transferee, or the Project of any continuing obligations under this Agreement. OHCS' consent hereunder will not be deemed continuing and the Owner and each permitted Transferee will continue to be bound by this Agreement unless OHCS has consented in writing to the Transfer of the Project, Grantee, the Owner, or Investor.

7.6. Consents by OHCS to Admission of Investor and to Security Interest.

(a) OHCS consents to the admission of the Investor member or limited partner, as applicable, in the Owner and within one year of this Agreement, as applicable, the admission of a special member or special limited partner in the Owner of an entity that is an Affiliate of the Investor.

(b) OHCS consents to the managing member or general partner of the Owner granting a security interest in its interest in the Owner as security for performance of obligations under the Ownership Agreement and under any document evidencing or securing construction or permanent financing of the Project.

(c) OHCS consents to the Owner granting to a primary commercial lender a security interest in the 4% low-income housing tax credits ("Credits") (as defined in the Project's 4% Low-Income Housing Tax Credit Reservation and Extended Use Agreement executed by and between OHCS and the Owner), if any, as security for performance of the Owner's obligations under any document evidencing or securing construction or permanent financing of the Project. In the event of a foreclosure of a deed of trust, mortgage, or other security document securing the Owner's obligation to repay a loan, from the referenced lender, OHCS further consents to a foreclosure by such lender of its security interest in the Credits; provided, however, OHCS makes no representation as to the effect of such a foreclosure on the ability of the foreclosing entity to claim, Transfer, or otherwise utilize the Credits pursuant to IRC Section 42, applicable Oregon law, or otherwise.

7.7. Sale of Project to Managing Member or General Partner. Absent (a) a change in the managing member or general partner in the Owner, or in the composition thereof, or (b) an uncured Event of Default (as defined below) under this Agreement, OHCS' consent to the sale of the Project to the current managing member or general partner of the Owner upon termination of the 15-year "compliance period" applicable to the last building of the Project to be placed in service as provided in IRC Section 42 provided (a) OHCS is given adequate notice prior to the Transfer, (b) the terms of such sale are reasonable as determined by OHCS, and (c) the Owner and the managing member or general partner will have each complied with all other requirements of OHCS, including provision of requested information, execution of required documents satisfactory to OHCS, and payment of an appropriate transfer fee as established by OHCS.

8. FORECLOSURE.

Except with respect to government lenders, in the event the primary construction or primary permanent lender, its successors or assigns, lawfully acquire title to the Project through foreclosure or deed in lieu of foreclosure, neither the lender nor any subsequent purchaser of the Project following such a foreclosure or deed in lieu of foreclosure will be deemed a "successor or assign" of Grantee or Owner, and neither the lender nor such subsequent purchaser will have any obligation to repay the Grant to OHCS and all conditions and restrictions contained herein will terminate on the date, if any, that the Project is so acquired by foreclosure or deed in lieu of foreclosure provided, however, that (1) the preceding provisions of this sentence will cease to apply and the restrictive covenants and equitable servitudes contained in this Agreement will be reinstated if, at any time during the Affordability Period subsequent to the early termination of this Agreement as the result of an event under this section, any person or entity that was an obligor under this Agreement prior to such early termination event, including Grantee, Owner, or any

related person (within the meaning of IRC Section 42) obtains an ownership interest in the Project, and (2) for three (3) years after the acquisition of title to the Project by the construction or permanent lender any Qualified Tenants in the Project may not be evicted except for cause and rents charged to such Qualified Tenants may not exceed the rent limits established in this Agreement.

9. COVENANTS AND EQUITABLE SERVITUDES TO RUN WITH THE LAND.

9.1. Inducement. Grantee represents, covenants and warrants that the issuance to it of the Grant described herein by OHCS is an inducement to Grantee to complete the Project and to operate the Project in accordance with this Agreement. In consideration of the issuance of the Grant, Grantee has entered into this Agreement and has agreed to restrict the operation of and uses to which the Project can be put on the terms and conditions set forth herein. Therefore, Grantee covenants, agrees and acknowledges that OHCS has relied on this Agreement in determining to issue the Grant.

9.2. Covenants; Equitable Servitudes.

(a) OHCS and Grantee hereby declare their express intent that throughout the Affordability Period the covenants, restrictions, charges and easements set forth herein will be deemed covenants running with the Property and will create equitable servitudes running with the Property, and will pass to and be binding upon OHCS' and Grantee's successors in title including any purchaser, grantee or lessee of any portion of the Project and any other person or entity having any right, title or interest therein and upon the respective heirs, executors, administrators, devisees, successors and assigns of any purchaser, grantee or lessee of any portion of the Project and any other person or entity having any right, title or interest therein.

(b) Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof or interest therein (other than a rental agreement or lease for a Project unit) will contain an express provision making such conveyance subject to the covenants, restrictions, charges and easements contained herein; provided, however, that any such contract, deed or other instrument will conclusively be held to have been executed, delivered and accepted subject to such covenants, regardless of whether or not such covenants are set forth or incorporated by reference in such contract, deed or other instrument.

(c) Any and all legal requirements for the provisions of this Agreement to constitute restrictive covenants running with the Property and applying to the Project as a whole, or to create equitable servitudes with respect to same in favor of OHCS, are deemed satisfied in full.

(e) The consent of any recorded prior lien holder on the Project, including the Property, is not required in connection with recording this Agreement, or if required, such consent has been or will be obtained by Grantee.

9.3. Burden and Benefit.

(a) Grantee hereby declares its understanding and intent that the burdens of the covenants and equitable servitudes set forth herein touch and concern the Property, and the Project as a whole, in that Grantee's legal interest in the Project is rendered less valuable thereby.

(b) Grantee hereby further declares its understanding and intent that the benefits of such covenants and equitable servitudes touch and concern the Property, and the Project as a whole, by enhancing and increasing the enjoyment and use of the Project by tenants, intended beneficiaries (in addition to OHCS) of such covenants, reservations and restrictions, and by furthering the public purposes for which the Grant was issued.

9.4. Right of Modification. OHCS may compromise, waive, amend or modify the terms of this Agreement including, but not limited to the restrictive covenants and equitable servitudes created hereby, with the written consent of Grantee or subsequent Project owners, as it so determines to be to the benefit of OHCS, the Project, the Program Requirements, or OHCS efforts to provide or maintain safe, sanitary, and affordable housing in the State of Oregon. To be effective, any compromise, waiver, amendment or modification of this Agreement must be in writing, signed by an authorized OHCS representative.

9.5. No Third-Party Right of Action. Tenants and other third-party beneficiaries under this Agreement (including incorporated documents), if any, have no right of action to enforce the restrictive covenants or equitable servitudes created hereunder. OHCS retains the exclusive right to enforce such covenants and servitudes. Tenants and other third-party beneficiaries under this Agreement (including incorporated documents), if any, have no claim, cause of action or other right of recourse against OHCS with respect to any action or lack of action taken by OHCS with respect to this Agreement (including the described covenants and servitudes) or the Project arising from their rights, if any, under this Agreement or otherwise.

9.6. No Third-Party Attorney Fees. Tenants and other third-party beneficiaries under this Agreement (including incorporated documents), if any, have no right to attorney fees under this Agreement for claims asserted as third-party beneficiaries hereunder nor will parties hereto have a right to attorney fees against tenants and other third-party beneficiaries, if any, hereunder.

10. GENERAL PROVISIONS.

10.1. Compliance with Applicable Laws and Requirements.

(a) **Compliance.** Grantee shall comply, and shall ensure that the Project complies, with the Program Requirements, including but not limited to all federal, state and local laws, regulations, codes, ordinances, and orders applicable to the Project.

(b) **Contracts; Subcontracts.** Grantee shall ensure that all contracts and subcontracts related to the Project or this Agreement comply with the Program Requirements, including containing a provision to that effect therein.

(c) Endurance of Obligations. Grantee will remain fully obligated under the provisions of the Agreement notwithstanding its designation of any third-party or parties for the undertaking of all or any part of the Project with respect to which Grant funding is being provided by OHCS or Plan compliance is being required by OHCS.

(d) Tenant Certification; Verification. Grantee will obtain and maintain on file for each person residing in the Project a certification of tenant eligibility and income verification in the form required by OHCS, updated periodically according to the requirements of OHCS, and submitted to OHCS at its request.

(e) Inspections. Grantee will permit OHCS to inspect housing units and common areas within the Project assisted by funding under this Agreement, including all Qualified Units, at reasonable times and under reasonable conditions, and in conformance with the Program Requirements.

10.2. Indemnity. Grantee assumes sole liability for breach of the conditions of the Grant or the Program Requirements (including all terms and conditions of this Agreement) by Grantee or any of its officers, agents, employees, and assigns. Grantee will save, hold harmless, indemnify and (subject to ORS chapter 180) defend the State of Oregon, OHCS and their officers, agents, employees, members and assigns, from all suits, actions, claims, losses or damages of whatsoever nature, kind or description related to the Grant, the Project, this Agreement or the Program Requirements, or resulting from or arising out of the acts, omissions, neglect or misconduct of Grantee or its subcontractors, agents, or employees under this Agreement or related to the Grant, Project, or the Program Requirements, to the extent permitted by law.

10.3. Time of the Essence. Time is of the essence in the performance by Grantee of the terms of this Agreement.

10.4. No Discrimination; Marketing. Except as permitted by law, Grantee will not inappropriately discriminate in the provision of housing on the basis of race, creed, color, sex, national origin, religion, marital status, sexual orientation, family status, age, disability or the receipt of public assistance. Grantee will use its reasonable efforts to advertise and market the Project dwelling units, particularly the Qualified Units, within the County and, if applicable, City in which the Project is located.

10.5. Notice. Except as otherwise expressly provided in this Agreement, any notices required or permitted to be given under this Agreement will be given in writing, by personal delivery, or mailing the same, postage prepaid, to OHCS or Grantee at the following addresses:

OHCS: Oregon Housing and Community Services Department
Attn: Compliance Section
725 Summer Street N.E., Suite B
Salem, Oregon 97301-1266

Grantee: Metropolitan Affordable Housing Corporation dba Cornerstone Community
Housing

1175 Charnelton Street
Eugene, Oregon 97401-3413
Attention: Darcy Phillips, Executive Director
Telephone: (541) 683-1751 Ext. 106
E-mail: dphillips@cornerstonecommunityhousing.org

or to such other address a party may indicate to the other pursuant to this Section. Any notice so addressed and mailed will be effective five (5) days after mailing. Any notice by personal delivery will be deemed to be given when actually delivered.

10.6. No Third-Party Beneficiaries. Unless and only to the degree expressly provided otherwise in this Agreement, OHCS and Grantee are the only parties to this Agreement and are the only parties entitled to rely on and enforce the terms of this Agreement. Nothing in this Agreement gives, is intended to give, or will be construed to give or provide any benefit or right not held by or made generally available to the public, whether directly indirectly or otherwise, to third persons unless such third persons are expressly identified in this Agreement and only to the degree they are expressly described as intended beneficiaries of particular terms of this Agreement and only with such remedies as expressly given herein with respect to such interests.

10.7. Grantee Status.

(a) **Independent Contractor.** Grantee shall perform all obligations under this Agreement and will timely satisfy the Program Requirements as an independent contractor. Grantee is not an officer, employee or agent of the State, as those terms are used in ORS 30.265 or otherwise, with respect to performance under this Agreement.

(b) **Grantee Responsible for Insurance Coverage.** Grantee agrees that insurance coverage, whether purchased or by self-insurance, for Grantee's agents, employees, officers and/or subcontractors is the sole responsibility of Grantee.

(c) **Non-Federal Employment Certification.** Grantee certifies that it is not employed by or contracting with the Federal Government for performance covered by this Agreement.

(d) **Good Standing Certification.** Grantee certifies to the best of its knowledge and belief that neither Grantee nor any of its principals, officers, directors or employees:

(i) Is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any state or federal department or agency;

(ii) Has within a three (3) year period preceding this Agreement been convicted of or had a civil judgment rendered against it for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract related to a public transaction; violation of federal or state antitrust statutes; or

commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;

(iii) Is presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in subsection (d)(ii) of this Section;

(iv) Has within a three (3) year period preceding this Agreement had one or more public transactions (federal, state or local) terminated for cause or default; and

(v) Is included on the list titled "**Specially Designated Nationals and Blocked Persons**" maintained by the Office of Foreign Assets Control of the United States Department of the Treasury and currently found at:

<https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>

10.8. Termination. OHCS may terminate this Agreement in whole or in part, without further liability and without impairment of its remedies, effective upon delivery of written notice to Grantee, under any of the following conditions:

(a) If OHCS funding from federal, state, or other sources is not obtained or is not continued at levels sufficient to allow for delivery of full Grant funding; or

(b) If federal or state laws, regulations, rules or other requirements are modified or interpreted in such a way that the intended use of Grant funding for the Project is no longer allowable or appropriate or the Project is no longer eligible for the Grant funding identified in this Agreement from the planned funding source(s) or if OHCS is determined by its legal counsel or otherwise to lack or to have lost the authority to administer the Program; or

(c) If any authority required by law or regulation to be held by Grantee to complete the Project ends for any reason; or

(d) If Grantee is unable or fails to commence the Project within six (6) months from the date of this Agreement; or

(e) If Grantee breaches or fails to timely perform any of its obligations under this Agreement, or any other applicable Grant document and such breach is not cured within the grace period, if any, provided for cure in the applicable document; or

(f) If OHCS determines that any representation, warranty or covenant of Grantee, whether in whole or in part, is false, invalid, or in default; or

(g) If Grantee (i) applies for or consents to the appointment of, or the taking of possession by, a receiver, custodian, trustee, or liquidator of itself or all or substantially all of its property, (ii) admits in writing its inability, or is generally unable, to pay its debts as they become due, (iii) makes a general

assignment for the benefit of its creditors, (iv) commences a voluntary case under the Federal Bankruptcy Code (as now or hereafter in effect), (v) is adjudicated as bankrupt or insolvent, (vi) files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, liquidation, winding-up, or composition or adjustment of debts, (vii) fails to controvert in a timely and appropriate manner, or acquiesces in writing to, any petition filed against it in an involuntary case under the Federal Bankruptcy Code (as now or hereafter in effect), or (viii) takes any action for the purpose of effecting any of the foregoing.

Termination of this Agreement does not terminate or otherwise impair or invalidate any remedy available to OHCS or to Grantee hereunder, at law, or otherwise.

10.9. Remedies.

(a) **Repayment.** If this Agreement or any part hereof, terminates prior to the term of the Affordability Period, Grantee will, within thirty (30) days of written demand for repayment, repay to OHCS all Grant funds disbursed to it under this Agreement, together with any earnings on such funds.

(b) **Deficiencies.** OHCS may, from time to time, identify and direct Grantee to correct deficiencies (including deficiencies by the Owner) in its compliance with this Agreement (including the Program Requirements), which it shall correct as so directed.

(c) **Required Training.** OHCS may require Grantee, its owners, principals, officers, employees, and agents to undertake training, at Grantee's expense, as directed by OHCS.

(d) **Extension of Affordability Period.** OHCS may by written notice extend the Affordability Period described in this Agreement for periods of time matching corresponding periods of time during which OHCS determines the Grantee (including material noncompliance by the Owner) to be in material noncompliance with any of the terms of this Agreement (including the Program Requirements).

(e) **Additional Remedies.** If the Owner defaults in the performance or observance of any covenant, agreement or obligation set forth in this Agreement (including correction of deficiencies), and if such default remains uncured by the Owner for a period of thirty (30) days or less (depending upon the requirements of the notice, lesser notice periods being reserved for matters that OHCS determines relate to material health or safety needs of Project occupants) after notice thereof shall have been given by OHCS, or if such default runs for a period of thirty (30) days from the date the Owner should, with due diligence, have discovered such default, then OHCS may declare an "Event of Default" to have occurred hereunder. If a default, however, is not reasonably capable of being cured within thirty (30) days or any lesser notice period provided by OHCS, OHCS may, in its sole discretion, extend the correction period for up to six (6) months, but only if OHCS determines there is good cause for granting the extension; and provided further, however, in the event of a foreclosure, deed in lieu of foreclosure, or similar event with respect to the Project or the Property, the correction period for the successor for an existing default shall be no less than thirty (30) days from the earlier of the date the successor obtains control or becomes the owner of the Project. To the extent that the default is not corrected within the above-described period including extensions, if any, granted by OHCS, an Event

of Default shall be deemed to occur and OHCS may exercise its rights and remedies under this Section. Following the occurrence of an Event of Default hereunder OHCS may, at its option, take any one or more of the following steps (except that itemized remedies (ii), (iii), (vi), and (vii) always must be preceded by notice of default to the Investor in accordance with this subsection while Investor is a member of the Owner), in addition to all other remedies provided in this Agreement, by law, or in equity:

- i. By mandamus or other suit, action or proceeding at law or in equity, require Grantee specifically to perform its obligations under this Agreement or enjoin any acts or things that may be unlawful or in violation of the rights of OHCS under this Agreement;
- ii. Obtain the appointment of a receiver to operate the Project in compliance with this Agreement;
- iii. Require a change in the general partner or managing member of the Owner to its satisfaction (and, for the duration, respectively, of Investor's involvement in the Owner or the senior mortgage lender's loan, reasonably satisfactory to Investor and senior mortgage lender);
- iv. Require termination of the Management Agent and its replacement to OHCS' satisfaction;
- v. Require the Owner to cease management of the Project and to engage a Management Agent acceptable to OHCS;
- vi. Withhold from Grantee, suspend or terminate, or (upon thirty (30)-days written demand) require the repayment of all or part of any disbursed Grant funds or other funding assistance provided by OHCS to Grantee with respect to the Project;
- vii. Declare Grantee, its owners, principals, employees, and agents ineligible to receive further Program funds or other OHCS financial assistance, including with respect to other projects or requests for same, for such period as OHCS determines in its sole discretion;
- viii. Offset amounts due from repayment of the Grant against other funding awarded or to be awarded to Grantee;
- ix. Have access to, and inspect, examine and make copies of, all of the books and records of Grantee pertaining to the Project and to inspect the Project itself;
- x. Enter onto the Property and correct Events of Default with respect to the Project at Grantee's expense, which expense Grantee will repay to OHCS within ten (10) days of any presentment of charges for same; and
- xi. Take such other action under this Agreement, at law, in equity, or otherwise as may be available to OHCS.

(f) Survival of Remedies; Remedies Not Exclusive; Non-Waiver. The rights and remedies of OHCS provided for in this Agreement, which by their nature are intended to survive termination of this Agreement, will survive the termination of the Affordability Period and of this Agreement. Furthermore, such remedies will not be exclusive and are in addition to any other rights and remedies available at law, in equity or otherwise. No failure of or delay by OHCS to enforce any provision of this Agreement will constitute a waiver by OHCS of that or any other provision, nor will any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege.

10.10. Severability. If any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected, and the rights and obligations of the parties will be construed and enforced as if the Agreement did not contain the particular term or provisions held to be invalid.

10.11. Survival of Obligations. The obligations of Grantee as set forth in this Agreement, including in the Application and the Reservation, will survive the reservation of any Grant funds and will not be deemed to terminate or merge with the Reservation or disbursement of the funds. Provisions of this Agreement which by their nature are intended to survive termination of this Agreement (including, but not limited to remedies and record-keeping) will survive.

10.12. Attorney Fees. Subject to Article XI, Section 7, of the Oregon Constitution, in the event a lawsuit or other proceeding is instituted regarding this Agreement, the prevailing party in any dispute arising under this Agreement will, to the extent permitted by law, be entitled to recover from the other(s) its reasonable attorney fees and all costs and disbursements incurred at trial, in mediation, and on appeal. Reasonable attorney fees will not exceed the rate charged to OHCS by its attorneys. This provision does not apply to lawsuits or other proceedings instituted or maintained by or against tenants or other third-party beneficiaries hereunder, if any, for which lawsuits or other proceedings no award of attorney fees is permitted.

10.13. Construction. The parties to this Agreement acknowledge that each party and its counsel have participated in the drafting and revision of this Agreement. Accordingly, the parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not apply in the interpretation of this Agreement or any amendment, modification, supplementation or restatement of the foregoing or of any exhibit to this Agreement.

10.14. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions of this Agreement.

10.15. Execution and Counterparts. This Agreement may be executed in several counterparts, each of which will be an original, all of which will constitute but one and the same instrument.

10.16. Governing Law; Venue; Consent to Jurisdiction. This Agreement will be governed by the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively, "Claim") related to this Agreement will be conducted exclusively within the

Circuit Court of Marion County, Oregon (unless Oregon law requires that it be brought and conducted where the real property is located) or, if necessary, the United States District Court for the District of Oregon. In no event will this provision be construed as a waiver by OHCS or the State of Oregon of any form of defense or immunity, whether it is sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any Claim or from the jurisdiction of any court. OHCS and the State of Oregon expressly reserve all sovereignty rights. GRANTEE, BY EXECUTION OF THIS AGREEMENT, HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF SAID COURTS.

10.17. Merger Clause. This Agreement constitutes the entire agreement between the parties on the subject matter hereof. No modification or amendment of this Agreement will bind either party unless in writing and signed by both parties (and the necessary approvals obtained), and no waiver or consent will be effective unless signed by the party against whom such waiver or consent is asserted. Such waiver or consent, if given, will be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements or representations, oral or written, not specified herein regarding this Agreement.

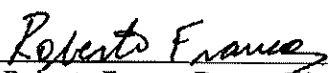
10.18. No Limitations on Actions of OHCS in Exercise of Its Governmental Powers. Nothing in this Agreement is intended, nor will it be construed, to in any way limit the actions of OHCS in the exercise of its governmental powers. It is the express intention of the parties hereto that OHCS will retain the full right and ability to exercise its governmental powers with respect to Grantee, the Project, this Agreement, and the transactions contemplated by this Agreement and the Program Requirements to the same extent as if it were not a party to this Agreement or the transactions contemplated hereby, and in no event will OHCS have any liability in contract arising under this Agreement, the Application, the Reservation, the Program Requirements, or otherwise by virtue of any exercise of its governmental powers.

(Signature Pages Follow)

IN WITNESS WHEREOF, OHCS and Grantee have caused this Agreement to be signed by their duly authorized officers on the Effective Date.

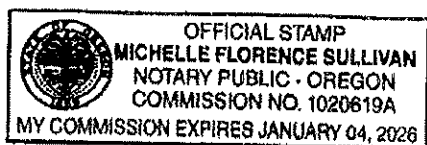
OHCS:

STATE OF OREGON, acting by and through its
HOUSING AND COMMUNITY SERVICES
DEPARTMENT


By: Roberto Franco, Deputy Director of Development
Affordable Rental Housing Division

STATE OF OREGON)
 : ss
COUNTY OF MARION)

The foregoing instrument was acknowledged before me this 17th day of July, 2024, by Roberto Franco, Assistant Director of Development Resources, Affordable Rental Housing Division of the Housing and Community Services Department, for and on behalf of the State of Oregon.



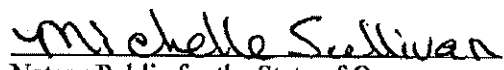

Notary Public for the State of Oregon
My Commission Expires: 1/4/2026

EXHIBIT A
Legal Description

PARCEL 1:

Beginning at an iron pipe marking the Southeast corner of the William Spencer Donation Land Claim No. 50 in Section 25, Township 17 South, Range 3 West of the Willamette Meridian; thence West 1233.0 feet along the center line of County Road No. 1141 to a point; thence North 304.02 feet along the center line of Janice Way to a point which is the true point of beginning; thence East 30.0 feet to an iron pipe on the East right of way line of Janice Way; thence continue East 200 feet to an iron pipe; thence North 91.32 feet to an iron pipe; thence West 200 feet to an iron pipe on the East right of way line of Janice Way; thence continue West 30.0 feet to a point in the center of Janice Way; thence South 91.32 feet along the center of Janice Way to the true point of beginning, being a description of the parcel of land commonly known as Lot 31 of the Wendell A. Gross Tract, in Lane County, Oregon. EXCEPT THEREFROM that portion described in Deed to the City of Springfield recorded September 24, 1976, Reception No. 7650087, Lane County Official Records, in Lane County, Oregon.

PARCEL 2:

Beginning at an iron pipe marking the Southeast corner of the William Spencer Donation Land Claim No. 50 in Section 25, Township 17 South, Range 3 West of the Willamette Meridian; thence West 1233.0 feet along the center line of County Road No. 1141 to a point; thence North 395.34 feet along the center line of Janice Way to a point which is the true point of beginning; thence East 30.0 feet to an iron pipe on the East right of way line of Janice Way; thence continue East 200 feet to an iron pipe; thence North 91.32 feet to an iron pipe; thence West 200 feet to an iron pipe on the East right of way line of Janice Way; thence continue West 30.0 feet to a point in the center of Janice Way; thence South 91.32 feet along the center of Janice Way to the true point of beginning, being a description of the parcel of land commonly known as Lot 30 of the Wendell A. Gross Tract, in Lane County, Oregon. EXCEPT THEREFROM that portion described in Deed to the City of Springfield recorded September 24, 1976, Reception No. 7650088, Lane County Official Records, in Lane County, Oregon,

PARCEL 3:

Beginning at an iron pipe marking the Southeast corner of the William Spencer Donation Land Claim No. 50, in Section 25, Township 17 South, Range 3 West of the Willamette Meridian; thence West 1233.0 feet along the center line of County Road No. 1141 to a point; thence North 212.7 feet, along the center line of Janice Way to a point which is the true point of beginning; thence East 30.0 feet to an iron pipe on the East right of way line of Janice Way; thence continue East 200.0 feet to an iron pipe; thence North 91.32 feet to an iron pipe; thence West 200.0 feet to an iron pipe on the East right of way line of Janice Way; thence continue West 30.0 feet to a point in the center of Janice Way; thence South 91.32 feet along the center of Janice Way to the true point of beginning, being in Lane County, Oregon. EXCEPT: Beginning at an iron pipe marking the Southeast corner of the William Spencer Donation Land Claim No. 50, in Section 25, Township 17 South, Range 3 West of the Willamette Meridian; thence West 1233.0 feet along the center line of County Road No. 1141 to a point; thence North 212.7 feet along the center line of Janice Way (16th Street) to the true

point of beginning; thence East 30.0 feet to a pipe set on the East right of way line of Janice Way (16th Street); thence North

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91.32 feet to a point marked by an iron pipe; thence West 30.0 feet to the center line of Janice Way

(16th Street); thence South 91.32 feet to the true point of beginning, in Lane County, Oregon.

**HOME LOAN AGREEMENT
(ALMA APARTMENTS)**

BETWEEN: The City of Eugene,
a municipal corporation of the State of Oregon

AND: Springfield Affordable Apartments LLC
an Oregon limited liability company

CONTRACT: 2024-02192

LOAN NUMBER: NG 2024002192000 D8

DATE: 07/23/2024]

RECITALS

- A. The City of Eugene (the "City"), a municipal corporation of the State of Oregon, is the lead entity of the Eugene-Springfield HOME Consortium (the "Consortium") which receives an annual allocation of federal HOME Investment Partnerships Program ("HOME") funds from the US Department of Housing and Urban Development ("HUD"). The Consortium offered HOME funds to housing developers through the 2022 Housing Request for Proposals.
- B. Metropolitan Affordable Housing Corporation dba Cornerstone Community Housing ("CCH"), a non-profit corporation in the state of Oregon, is certified as a Community Housing Development Organization ("CHDO") under the HOME program and the owner and developer of affordable housing. In response to the Consortium's 2022 Housing Request for Proposals, CCH submitted a proposal (the "Funding Request") to use HOME funds to construct Alma Apartments, thirty-nine (39) units of low-income rental housing and common area (the "Project") on land owned by CCH on 16th Avenue in Springfield, legally described in Exhibit H (the "Property").
- C. CCH created Springfield Affordable Apartments LLC, a special purpose Oregon limited liability company to own the Property and to develop the Project with funds through the State of Oregon acting through its Housing and Community Services Department ("OHCS") and other sources of financing.
- D. On February 14, 2023, the Consortium's Governing Board approved a HOME allocation of \$2,054,013 (the "HOME Allocation") for development of Project on the Property.
- E. This HOME Loan Agreement (the "Agreement") is made and entered between Springfield Affordable Apartments LLC, an Oregon limited liability company (the "Borrower") and the City to finance HOME-eligible costs incurred in connection with Borrower's development of the Project in accordance with the terms and conditions set forth herein and in the following exhibits, which are incorporated by this reference, (collectively the "Loan Documents"):

Exhibit - A Project HOME Budget
Exhibit - B Tentative Schedule of Development and Disbursement
Exhibit - C Federal HOME Investment Partnership (HOME)

Regulations and Requirements (and subsequent attachments)

Attachment A. HOME designated Unit Rent Limitations
Attachment B. HOME designated Unit Tenant and Participant Protections
Attachment C. HOME designated Unit Tenant Income
Attachment D. Tenant Information Form
Attachment E. 2024 HOME Program Income, Rent Limits, and Utility Allowances

Exhibit - D Environmental Assessment and Conditions
Exhibit - E City of Eugene Definition of Good Faith Effort
Exhibit - F Records of Other Federal Requirements
Exhibit - G Promissory Note
Exhibit - H Trust Deed

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and other valuable consideration, the parties, intending to be legally bound, agree as follows:

1. Project Characteristics and Funding.

- 1.1 Project Characteristics. Borrower will acquire the Property and develop the Project on the Property. The Project shall provide thirty-nine (39) housing units in one building that will be constructed to National Standards for the Physical Inspection of Real Estate (NSPIRE) as required by HOME regulations. The Project will provide three (3) studios, thirty (30) one bedroom, and six (6) two bedroom units. The common area will include a community room, offices, and outdoor shared space. At least four (4) housing units will be fully accessible to persons with physical disabilities and at least one (1) housing units will be accessible to persons with sensory disabilities. Commencing on the Affordability Start Date, as defined in Section 2, the housing units shall remain affordable for a minimum of twenty (20) years (the "HOME Affordability Period"). The Project will target occupancy by low and very low-income households, including three (3) units serving households earning at or below 50 percent of area median income (AMI), and thirty-six (36) units serving households earning at or below 60 percent AMI as described in Exhibit C, Attachment A. The Project shall be materially consistent with all other characteristics identified in CCH's Funding Request. The Project must include installation of broadband infrastructure as required for all HOME funded new construction.
- 1.2 Use of Project Funds. The City will make the HOME Allocation available to Borrower by means of a zero percent interest deferred payment loan (the "Project Loan") to finance HOME-eligible costs as more particularly set forth on Exhibit A. The Project Loan will be secured by a Deed of Trust in the form attached hereto as Exhibit H (the "Trust Deed"). City agrees to release the Trust Deed upon the completion of the HOME Affordability Period. The City has, or shall, incur certain costs related to the Project, including environmental review and compliance with other HOME requirements, and the City has reserved \$25,000 for such costs. If the City's costs are less than the amount in the Project's HOME Budget in Exhibit A, the Project

Funds currently reserved for the City's costs may be used for reimbursement of HOME-eligible soft costs.

- 1.3 Disbursement of Project Funds. The HOME Budget is attached hereto as Exhibit A. Borrower may only request disbursement of Project Funds when the funds are needed as a reimbursement of HOME-eligible costs. Borrower may only request the specific amount needed for an eligible Project cost. Requests for disbursements shall be submitted by Borrower or CCH on letterhead and shall be accompanied by copies of documentation for actual expenses incurred. The last draw in the amount of 10% of the Loan proceeds will be held until all closeout documents are received by City.
- 1.4 HOME Designated Units. Of the thirty-nine (39) low-income housing units, eleven (11) shall be designated as "floating" HOME assisted housing units (each a "HOME Designated Unit"). Three (3) HOME Designated Units must remain affordable to very low-income households earning at or below 50 percent AMI and shall be designated Low HOME units, and eight (8) HOME Designated Units must remain affordable to low-income households earning at or below 60 percent AMI and shall be designated High HOME units as determined by the U.S. Department of Housing and Urban Development (HUD), with adjustments for smaller and larger households, according to HOME requirements described in Exhibit C. At all times during the HOME Affordability Period, the eleven (11) HOME Designated Units will be comprised of one (1) studio, eight (8) one-bedroom, and two (2) two-bedroom units. This HOME Designated Unit mix shall be maintained and all HOME Designated Units shall be occupied by income-eligible tenants. Any housing units substituted for HOME Designated Units must be comparable in terms of size, features, and number of bedrooms to the original HOME Designated Units and must also comply with the HOME regulations described in Exhibit C throughout the HOME Affordability Period.
- 1.5 CCH as CHDO. City verified that CCH met all CHDO regulatory thresholds to be certified as a CHDO, and demonstrated capacity to undertake the Project. CCH has paid staff experienced in the role of CHDO Sponsored/Affiliate Developed as required to use HOME funds set aside for CHDO developments. CCH will meet the threshold to certify as a CHDO throughout the HOME affordability period.
- 1.6 CHDO Proceeds. CHDO proceeds include any funds that are directly generated by the investment of HOME funds. Any CHDO proceeds realized by Borrower must be reported to City, and transferred to CCH. CHDO proceeds may be retained by CCH but shall be used for other HOME-eligible projects. Alternatively, CCH may use CHDO proceeds in other housing activities to benefit low-income families. A CHDO Proceeds Agreement, dated December 10, 2021 (Contract No. 2021-02202), governs the use of any CHDO proceeds received by CCH.
- 1.7 HOME Records. In accordance with HOME regulations, Borrower shall maintain files of all tenants, regardless of length of occupancy, residing in HOME Designated Units. Documentation shall verify eligibility for federal HOME assisted housing, at the point of execution of the initial rental agreements and every year thereafter during the HOME Affordability Period, as detailed in Exhibit C. Information maintained by Borrower shall include income level, rental rates, race and ethnicity data, household size, female head of household, and disability status. In accordance with HOME regulations, Borrower shall maintain records verifying the affordability of the HOME

Designated Units. Rental rates shall not exceed rent limitations for HOME designated units. The Borrower shall make available to City or its designees, upon request, Project records that include, but are not limited to: general administrative and project files; project audits; waiting list procedures, waiting lists, and tenant preference requirements; budget files; tenant files; unit records; property records; property finances; affirmative marketing records; and employment records. Borrower shall maintain records of compliance with this Agreement, including without limitation the HOME regulations, for a period of not less than five (5) full fiscal years following completion of the HOME Affordability Period.

2. **Time for Completion and Project Closeout.** Borrower shall complete construction and lease-up no later than October 31, 2026. "Completion" shall mean that Borrower acquired the Property, completed construction, and leased the HOME Designated Units to eligible tenants. After Completion of the Project, Borrower will provide all records to the City as required to close out and report the Project to HUD. The City shall monitor HOME Designated Units during the entire HOME Affordability Period. The start date of the HOME Affordability Period will commence following completion of the project closeout process in the Integrated Disbursement and Information System (IDIS) and Borrower will be notified in writing of the specific start date (the "Affordability Start Date") and end date for the HOME affordability period.
3. **Consideration.** The City will provide the Project Loan to Borrower to be applied toward HOME-eligible costs for acquisition, development soft costs and/or construction costs in accordance with the Project's HOME Budget, attached hereto as Exhibit A. The maximum subsidy on a per unit basis for the HOME Designated Units shall not exceed the amount established by HUD. Total acquisition amount for Property shall not exceed the fair market value (FMV) as determined by a licensed appraiser.
4. **Repayment.** The obligation of Borrower to repay the Project Loan shall be evidenced by a promissory note (the "Note") executed by Borrower in the amount of the Project Loan as attached hereto as Exhibit G. The Project Loan shall be payable on an event of default by Borrower that has not been cured in accordance with the applicable provisions herein.
5. **Conditions Precedent to Disbursement.** The obligation of City to disburse Project Funds or any portion thereof is contingent upon the occurrence or performance of the following, unless expressly waived by the City:
 - 5.1 **Resolutions.** CCH has delivered a corporate borrowing resolution in form and substance satisfactory to City authorizing Borrower to enter into this agreement.
 - 5.2 **Security.** Borrower has executed and delivered to City the instruments and documents required to grant and perfect City's security interests in certain real property of Borrower, in forms of the Trust Deed attached hereto as Exhibit H.
 - 5.3 **Compliance with terms.** Borrower is otherwise in compliance with the terms, covenants and conditions of this agreement and any instrument or agreement arising hereunder.
6. **Instruments.** For the purpose of ensuring compliance with the HOME Affordability Period and the repayment of Project Loan, Borrower shall execute and deliver to City for recording a Trust Deed attached hereto as Exhibit H, which shall be a lien against the Property. The

Trust Deed will be executed at the time of the execution of this Agreement. Borrower warrants and represents that the Trust Deed shall be a lien against the Property superseded in priority only as set forth in the Priority and Subordination Agreement dated _____, 2024 (the "Subordination Agreement"), by and among Borrower, City, CCH, OHCS, Heritage Bank, and the Oregon Facilities Authority (the "Project Parties"). The City understands and agrees that the Project Loan shall be and remain subordinate and subject to the liens and terms described and set forth in the Subordination Agreement. For any refinance of loans made pursuant to the Bank Loan Documents (as such term is defined in the Subordination Agreement), Borrower must provide at least 30 days for City to review subordination agreements related to such refinancing loan and City may reasonably withhold its approval if such subordination agreement (a) includes any representations, warranties or covenants of City or (b) fails to require (i) City be provided notice of and an opportunity to cure any default by Borrower, (ii) City be provided notice of any refinancing lender's acceleration of amounts owed by Borrower, and (iii) City's prior approval of any change to the maturity date or increase in the principal amount of any such senior refinancing loan(s). Borrower shall obtain and maintain insurance on the Property for so long as City shall have a security interest therein and Borrower remains indebted to City. Said insurance policy shall name City as a loss payee to the extent of its interest in such collateral and real property. City agrees that it shall not unreasonably withhold or delay its consent to a request from Borrower or its assignee to subordinate the security granted herein to a Project Party as set forth in the Subordination Agreement or to a refinancing senior lender.

7. **Representations Warranties of Borrower.** Borrower represents and warrants to City as of the date of this Agreement and, except as set forth below, as of the date of each disbursement that:
 - 7.1 **Organization.** Borrower is a limited liability company duly organized and existing under the laws of the State of Oregon. CCH is a non-profit corporation in the State of Oregon, duly organized and existing under the laws of the State of Oregon.
 - 7.2 **Financial Information.** All financial information of CCH supplied to City truly discloses CCH's financial condition as of the date thereof, and as of the date of this Agreement, there has been no material adverse change in Borrower's financial condition subsequent to the date of the most recent financial information supplied to City.
 - 7.3 **Litigation.** No litigation or claim (including unpaid taxes) against Borrower is pending or threatened, and except as has been disclosed in writing to City, no other event has occurred which materially adversely affects Borrower's financial condition.
 - 7.4 **Compliance with Laws.** Borrower, Borrower's, general contractor, if any, and any entity in which Borrower is an owner, partner or member, shall be in compliance with all applicable federal, state and local laws, rules and regulations pertaining to the development and operation of Project.
 - 7.5 **Authorization.** The execution, delivery, and performance of this Agreement by Borrower have been duly authorized by Borrower and do not conflict with, result in a violation of, or constitute a default under any provision of its articles of incorporation, bylaws, partnership agreement(s), or any agreement or other instrument binding upon it, or any law or governmental regulation or court decree or order applicable to Borrower.

8. **Affirmative Covenants.** Borrower covenants and agrees that prior to the expiration of the HOME Affordability Period, Borrower will:
- 8.1 **Litigation.** Promptly inform City of all litigation and claims and all threatened litigation and claims affecting CCH, Borrower, or any entity in which Borrower is an owner, partner or member, which could materially adversely affect the financial condition of Borrower.
 - 8.2 **Financial Records and Statements.** Maintain its books and records in accordance with standard financial accounting principles applied on a consistent basis and permit City to examine Borrower's books and records at all reasonable times. Borrower shall provide to City financial statements prepared by CCH on an annual basis. Ninety (90) days following the end of each year of operation, Borrower shall provide to City a financial statement prepared by an independent, certified public accountant.
 - 8.3 **Compliance with HOME Requirements.** Borrower shall comply with all HOME requirements and ensure access to records, as necessary, to provide effective monitoring and evaluation of project performance under HOME guidelines. Upon reasonable advance notice, City or its authorized representatives may from time to time inspect, audit, and make copies of any of Borrower records that relate to this Agreement. If any audit by City discloses that payments to Borrower were in excess of the amount to which Borrower was entitled under this Agreement, Borrower shall promptly pay to City the amount of such excess. If the excess is greater than one percent (1%) of the amount to which Borrower was entitled, Borrower shall also reimburse City its reasonable costs incurred in performing the audit. Borrower shall maintain records of its HOME requirements under this Agreement for a period of not less than five (5) full fiscal years following completion date of this Agreement.
 - 8.4 **Insurance.** Maintain fire and public liability insurance and such other insurance as City may require with respect to the Project in form, amounts, coverages, and with insurance companies reasonably acceptable to City. Borrower will deliver to City upon request from time to time the policies or certificates of insurance in form satisfactory to City, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days prior written notice to City. In connection with all policies covering the Project, Borrower shall provide City with such loss payable endorsements as City may require.
 - 8.5 **Taxes, Etc.** Pay and discharge when due all of Borrower's indebtedness, obligations, assessments, taxes, and liens, of every kind and nature.
 - 8.6 **Performance.** Perform and comply with all terms, conditions, and provisions set forth in this Agreement and in all other instruments and agreements between Borrower and City.
 - 8.7 **Operations.** Conduct its business affairs in a reasonable and prudent manner and in compliance with all applicable federal, state, and municipal laws; ordinances; rules and regulations respecting its properties; charters; businesses and operations; including compliance with all minimum funding and other requirements relating to Borrower or CCH's employee benefit plans.

- 8.8 **Additional Assurances.** Make, execute, and deliver to City such security agreements, instruments, documents, and other agreements as City or its attorneys may reasonably request to evidence and secure the HOME Affordability Period, and to perfect such security interest.
9. **Negative Covenants.** Borrower covenants and agrees that while this agreement is in effect, Borrower will not, without the prior written consent of City:
- 9.1 **Indebtedness.** Incur indebtedness other than the indebtedness described in the Subordination Agreement and any refinancing thereof (subject to the requirements of the following sentence). If Borrower requests written consent of the City to refinance the Property to access equity value, equity must be used for expenses related to the Property.
- 9.2 **Continuity of Operations.** Sell any of Borrower assets used or useful in Borrower's business except in the regular course of business or alter or amend Borrower's capital structure or engage in any business activities substantially different than those in which Borrower is presently engaged, or liquidate, merge, or consolidate with any other entity.
- 9.3 **Loans.** Except as permitted in Section 18, below, lend money or assets, purchase or acquire any interest in any other enterprise or entity, or incur any obligation as surety or guarantor other than in the ordinary course of business. This provision shall not be interpreted so as to prohibit Borrower or CCH, in furtherance of its charitable purposes, from forming, acquiring an interest in, capitalizing, and/or making loans to, or guarantying the obligations of limited liability companies, limited partnerships, subsidiary corporations or other entities.
10. **Conditions of Default.** City shall have no obligation to advance or disburse Project Funds under this Agreement or otherwise if an event of default occurs that is not cured within applicable cure periods. Each of the following acts or failures to act shall constitute an event of default under this agreement:
- 10.1 **Failure to Proceed with Project.** In the event that Borrower fails to undertake any activity relating to the Project in a timely manner, as prescribed under both Exhibit B and Exhibit D, and the City or Borrower reasonably determines that reasonable extension(s) for Borrower's performance of one or more of the activities required under this Agreement will not remedy the situation, then Borrower shall repay all Project Funds to City on demand within forty-five (45) days; provided, that (a) if the default is reasonably capable of being cured within ninety (90) days, Borrower shall have such period to effect a cure prior to exercise of remedies by the City under the Loan Documents; or (b) if the default is such that it is not reasonably capable of being cured within ninety (90) days, if Borrower promptly initiates corrective action within said period and diligently, continually, and in good faith works to effect a cure as soon as possible, then the City may, in its sole discretion, provide additional time to cure the default prior to exercise of any remedies by the City. Borrower hereby represents and warrants to City that funds are available to meet Borrower's repayment obligations under this Agreement. The City will coordinate with Borrower if timeliness issues arise to remedy a situation before such payment should become due.

- 10.2 **False Statements.** Any representation, warranty or statement made or furnished to City by or on behalf of Borrower under this Agreement at the time made or furnished was, false or misleading in any material respect or, if such statement becomes false in a material respect at any time in the future and Borrower fails to correct such material falsity within thirty (30) days after written notice from City.
- 10.3 **Defective Collateralization.** Any mortgage, security agreement, guaranty or other security instrument given to City in connection with the Agreement shall any time and for any reason cease to be in full force and effect and not be restored within thirty (30) days following written notice by City to Borrower of such fact.
- 10.4 **Insolvency.** Dissolution or termination of Borrower's existence as a going business; insolvency; appointment of a receiver for any part of Borrower's property; any assignment for the benefit of creditors; or the commencement of any proceeding under bankruptcy or insolvency laws by or against Borrower that is not dismissed within 90 days of filing.
- 10.5 **Other Breaches.** Failure to comply with or to perform any other provision(s) of the Agreement, the Trust Deed, or any other agreement between Borrower and City regarding the Project. Such default may be cured after receiving written notice from City demanding cure of such failure if Borrower (a) cures failure within thirty (30) days; or (b) if the cure requires more than thirty (30) days, immediately initiates steps sufficient to cure the failure and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practicable.
- 10.6 **Notice and Cure.** City shall accept, on the same grounds as set forth in this Section 10, cure from the Bank (as such term is defined in the Subordination Agreement). City will send to the Bank a copy of any notice provided by City to Borrower of a breach or an event of default under the Loan Documents; provided, City's failure to send a copy of such notice of Borrower's breach or an event of default to Bank shall not prevent or limit in any way City's rights and remedies under this Agreement or create any liability for City under the Loan Documents. Copies of notices provided to the Bank in accordance with this section shall be sent to the address set forth in Section 15 and given in accordance with Section 20.
11. **Effect of an Event of Default.** If any event of default shall occur that has not been cured in accordance with the provisions set forth herein, all commitments of City under this agreement shall immediately terminate (including any obligation to make disbursements or advances of Project Funds). At the option of City, the disbursed Project Funds shall become immediately due and payable upon five (5) days written notice from City to Borrower. Acceleration shall be automatic upon the occurrence of an event of default beyond any applicable cure period under any other financing obtained by Borrower, whether from Project Parties or otherwise. City may exercise any and all legal or equitable remedies available by law, including foreclosure by any legal means of any security interest in the real or personal property of Borrower. Available remedies shall be cumulative and not mutually exclusive in nature, and exercise or non-exercise of any available remedy shall not be a waiver of any other remedy.

12. **Quality of Work/Property Standards.** The HOME Designated Units must meet the housing quality standards of the HOME program 24 CFR 982.401; accessibility requirements in the regulations referenced 24 CFR 5.105 (a) which implement the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973; and all applicable local codes, ordinances, and zoning ordinances. Borrower must maintain these standards for the Project throughout the HOME Affordability Period. Rental reserves set aside for long term Project maintenance may only be used for the Project, not other properties.
13. **Signs.** City will provide Borrower with a sign recognizing the participation of HUD funding in the Project. Borrower shall install the sign in a prominent location at the Property, clearly visible to the public. The sign shall be installed after closing and shall remain at the Property, visible to the public, until final completion of the Project's development and during any formal opening ceremony. Borrower shall, as much as possible, keep the sign in good condition throughout the display period. Borrower will coordinate with City and City's sign contractor on the removal of the sign.
14. **Right of City to Inspect.** City has the authority to inspect to verify that the Project is proceeding in compliance with the schedule and plans in this Agreement and in compliance with HOME regulations. Borrower shall provide to City such information as City may reasonably require regarding costs and work progress.
15. **Contract Administration.** Each party designates the following as its representative for purposes of administering this Agreement:

Borrower:

Darcy Phillips
Cornerstone Community Housing
PO Box 11923
Eugene, Oregon 97440

City:

Ellen Meyi-Galloway
Planning and Development
99 West 10th Avenue
Eugene, Oregon 97401

Either party may change its designated representative by giving written notice to the other as provided in Section 20.

Copies of notices provided by City to the Bank in accordance with Section 10.6, shall be sent to:

Heritage Bank
1000 SW Broadway, Ste 2170
Portland, OR 97205
Attention: Kathleen Swift

With a copy to:

Stokes Lawrence
1420 Fifth Avenue, Ste 3000
Seattle, WA 98101
Attention: Chris Graving

16. **Indemnification.** Borrower shall indemnify and hold City, its officers, agents, and employees (each an "Indemnified Party"), harmless from and against any and all claims, actions, liabilities, costs, including attorney fees and other costs of defense, arising out of or in any way related to any act or failure to act by Borrower and Borrower's employees, agents, officers, and contractors in connection with this Agreement including the failure to comply with applicable federal and state prevailing wage rate laws, except in the event that the claim was caused by the gross negligence or intentional misconduct of the Indemnified Parties. In the event any such action or claim is brought against any Indemnified Party, Borrower shall, upon City's tender, defend the same at Borrower's sole cost and expense, promptly satisfy any judgment adverse to the Indemnified Party or to the Indemnified Party and Borrower, jointly, and reimburse the Indemnified Party for any loss, cost, damage, or expense, including attorney fees suffered or incurred by the Indemnified Party.
17. **Contracting.** Borrower may enter into contracts related to the Project. Borrower shall require any contractor to agree to comply with all applicable federal, state, and local laws, rules, ordinances, and regulations at all times and in the performance of the work including, without limitation, HUD Section 3 compliance as further described in Section 19.3. Borrower shall indemnify, defend, and hold Indemnified Parties harmless from all claims of its contractors, except in the event that the claim was caused by the gross negligence or intentional misconduct of the Indemnified Parties.
18. **Assignment.** Borrower shall not assign this Agreement, in whole or in part, or any right or obligation hereunder, to any person or entity, except CCH or an entity formed, managed and controlled by CCH without City's prior written approval, which may be withheld in City's sole discretion. Requests for City approval of assignment of this Agreement must be submitted at least 90 days in advance of the proposed assignment. Borrower may lend funds received under this Agreement to any entity to which it may assign this Agreement. An assignment or transfer by Borrower or any subsequent assignment or transfer shall not, however, relieve Borrower of its obligations under this Agreement. Borrower and its assignee, including but not limited to CCH shall be liable to City upon a failure, breach or default of either Borrower or its assignee of or under this Agreement whether such failure, breach or default is the fault of Borrower or its assignee and whether Borrower has any interest in this Agreement, the Project or the Property. Any program income realized from the assignment of the Agreement, and therefore HOME funds, shall be returned to the City immediately. Any attempted assignment not made in accordance with this Section 18 shall be null and void. Provided that the conditions described in Section 18 have been met, from and after the effective date of an assignment, the assignee named therein shall be deemed automatically to have become a party hereto.
19. **Compliance with Laws.** Borrower shall comply with all applicable federal, state, and local laws, rules, ordinances, and regulations at all times and in the performance of the work.
 - 19.1 Unless the Project constitutes "Privately Owned" "Affordable Housing" for the purposes of ORS 279C.810(1)(d), Borrower shall submit to the Commissioner of the Bureau of Labor and Industries a request for a determination that the Project is not a public work and is not otherwise subject to prevailing wage rate laws. In the event that Borrower receives a determination that the Project is a public work or is otherwise subject to prevailing wage rates, Borrower shall pay or cause to be paid prevailing wage rates and shall comply and require its contractor and subcontractors

to comply with all prevailing wage rate laws, as set forth under ORS 279C.800, et seq.

19.2 If Borrower determines that, by reason of non-compliance with applicable law, the Project is no longer financially feasible, it shall immediately notify City. City and Borrower shall negotiate in good faith to determine what Project modifications, if any, are feasible. If reasonable modifications made necessary by non-compliance with applicable law are not feasible, in the sole discretion of the City, the City may terminate this Agreement.

19.3. **HUD Section 3 Compliance.** Subrecipients, subgrantees, developers, contractors, and subcontractors involved with this project must satisfy the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u and the regulations at Title 24 C.F.R. Subtitle A part 75, the City of Eugene Section 3 Action Plan, and the terms of this contract.

19.3.1 Governing law & Definitions:

1. HUD Section 3 is governed by 12 U.S.C. § 1701u and Title 24 C.F.R. Subtitle A part 75 (hereinafter 24 C.F.R. §75.XX); and
2. Definitions for this section are pursuant to 24. C.F.R. §75.5.

19.3.2 Compliance; goals; reporting. The Borrower agrees to comply with and to cause its covered contractors and covered subcontractors to comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u and the regulations at 24 C.F.R. Part 75, and the terms of this Agreement. The purpose of Section 3 is to ensure that economic opportunities, most importantly employment, generated by certain HUD financial assistance shall be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing or residents of the community in which the Federal assistance is spent. The 20% Section 3 Worker and 5% Section 3 Targeted Worker goals apply to this contract by the Borrower. The Borrower agrees to report to City, as requested by City, its compliance with these Section 3 requirements on the form(s) supplied by City.

19.3.3 [Title 24 C.F.R. Subtitle A part 75 Subpart C §75.19] Requirements. The Borrower agrees that the following requirements apply to this contract:

19.3.3.1. Employment & Training: Actions to facilitate participation by Section 3 residents.

- a) The Borrower agrees, to the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, to ensure that employment and training opportunities arising in connection with Section 3 projects are provided to Section 3 workers within the Eugene metropolitan area in which the project is located.
- b) The Borrower further agrees to, where feasible, afford priority for opportunities and training described in paragraph (a)(i) of this section to:
 - i. Section 3 workers residing within the service area or the neighborhood of the project, and
 - ii. Participants in YouthBuild programs.

19.3.3.2. Contracting: Actions to facilitate participation by Section 3 businesses.

- a) The Borrower agrees, to the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by this subpart to ensure contracts for work awarded in connection with Section 3 projects are provided to business concerns that provide economic opportunities to Section 3 workers residing within the Eugene metropolitan area in which the project is located.
- b) The Borrower agrees that, where feasible, priority for contracting opportunities described in paragraph (b)(1) of this section should be given to:
 - i. Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project, and
 - ii. YouthBuild programs.
- c) The Borrower further acknowledges and agrees to achieve compliance with the requirements of HUD Section 3. The Borrower also agrees to assist City in compliance as it pertains to this project, in accordance with the Section 3 regulations in 24 C.F.R. §75.

19.3.4 [Title 24 C.F.R. Subtitle A part 75 subpart C §75.21] Targeted Section 3 Workers.

19.3.4.1. The Borrower agrees to prioritize and report on efforts to employ and train Targeted Section 3 workers on this project in accordance with the following definitions and acknowledges a 5% goal for inclusion of Targeted Section 3 workers:

- a) *Targeted Section 3 worker.* A Targeted Section 3 worker for housing and community development financial assistance means a Section 3 worker who is:
 - i. A worker employed by a Section 3 business concern
 - ii. A worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:
 - 1. Living within the service area or the neighborhood of the project, as defined by 24 C.F.R. 75.5; or
 - 2. A YouthBuild participant.

19.3.5 [Title 24 C.F. R. Subtitle A part 75 Subpart C §75.25] Reporting. The Borrower agrees to report to City in a manner consistent with federal regulations outlined at 24 C.F.R. §75.25, and in accordance with documents provided by City to demonstrate efforts to satisfy HUD Section 3 Requirements outlined herein and in federal regulations at 24 C.F.R. §75.

19.3.6 [Title 24 C.F.R. Subtitle A part 75 Subpart C §75.23] Section 3 Safe Harbor.

19.3.6.1. The Borrower shall certify to City its compliance with HUD Section 3 by certifying on documents provided by City that the Borrower has followed the prioritization requirements for employment and contracting outlined in Section 19.3.2 of these terms.

19.3.6.2. Upon supplying the certification, the Borrower shall be deemed to have complied the requirements of HUD Section 3 by meeting or exceeding the benchmarks outlined herein for inclusion of Section 3 workers, as reported on documents provided by City, absent evidence to the contrary.

19.3.6.3. [Title 24 C.F.R. Subtitle A part 75 Subpart C §75.25 (b)] If the Borrower has not met the benchmarks outlined herein, the Borrower shall report in a form prescribed by HUD on the qualitative nature of its activities and those its contractors and subcontractors pursued. Such qualitative efforts may, for example, include but are not limited to the following:

- a) Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers.
- b) Provided training or apprenticeship opportunities.
- c) Provided technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).
- d) Provided or connected Section 3 workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services.
- e) Held one or more job fairs.
- f) Provided or referred Section 3 workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, child care).
- g) Provided assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training.
- h) Assisted Section 3 workers to obtain financial literacy training and/or coaching.
- i) Engaged in outreach efforts to identify and secure bids from Section 3 business concerns.
- j) Provided technical assistance to help Section 3 business concerns understand and bid on contracts.
- k) Divided contracts into smaller jobs to facilitate participation by Section 3 business concerns.
- l) Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.
- m) Promoted use of business registries designed to create opportunities for disadvantaged and small businesses.
- n) Outreach, engagement, or referrals with the state one-stop system as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.

19.3.7 Multiple Funding Sources. If this project is subject to Section 3 requirements pursuant to both 24 C.F.R. §75.3(a)(1) and (2), the provisions of 24 C.F.R. §75.29 apply to this project.

19.3.8 Record Keeping. The Borrower agrees to comply with the applicable record keeping requirements pursuant to 24 C.F.R. Subtitle A §75.31.

19.3.9 Remedies for default. Upon a failure to comply with any of the requirements described herein, City may elect to enforce the terms of this contract as afforded by law or equity, including, without limitation, termination of the contract.

20. **Notices.** Any notices permitted or required by this Agreement shall be deemed given when personally delivered or three business days after deposit in the United States mail, postage fully prepaid, certified, return receipt requested, addressed to the representative designated in Section 15. Either party may change its address by notice given to the other in accordance with this Section. Copies of notices provided to the Bank in accordance with

Section 10.5 shall be deemed given when personally delivered or upon three business days after deposit in the United States mail, postage fully prepaid, certified, return receipt requested, addressed to the Bank as set forth in Section 15.

21. **Arbitration.** Any controversy regarding the terms and conditions of this Agreement shall be submitted to arbitration in Lane County, Oregon. Any party may request arbitration by written notice to the other. If the parties cannot agree on a single arbitrator within fifteen (15) days from the giving of notice, each party shall within five (5) days select a person to represent that party and the two arbitrators shall immediately select a third impartial person to complete a three-member arbitration panel. If the two arbitrators cannot agree within fifteen (15) days on the third arbitrator, then either party may petition the Presiding Judge of the Lane County Circuit Court to select the third arbitrator. The panel shall conduct the arbitration in accordance with the provisions of ORS Chapter 33, or the corresponding provisions of any such future law. The arbitrator(s) shall assess all or part of the cost of the arbitration, including attorney fees, to any or all parties.
22. **Termination.** The full HOME benefit of the Project will be realized only after completion of the HOME Affordability Period. It is the City's intention that the full public benefit of the Project shall be completed under the auspices of Borrower's HOME assisted rental units as follows:
 - 22.1 Borrower shall not sell or transfer ownership of HOME Designated Units without prior written approval of City, which may be withheld in the City's sole discretion. Requests for City approval of sale or ownership transfer must be submitted at least 90 days in advance of the proposed transfer. Notwithstanding City's approval of a buyer, if Borrower should sell or transfer ownership of the housing units constructed with Project Funds, Borrower shall transfer responsibility for compliance with HOME regulations, including, but not limited to, affordable rents and monitoring requirements, to buyer of the units. HUD HOME regulations and responsibilities shall remain in effect throughout any ownership transfer for the HOME Affordability Period.
 - 22.2 Borrower's interest shall not be transferred or assigned without the prior written consent or approval of City, which consent or approval shall not be unreasonably withheld.
 - 22.3 In the event of termination of this Agreement prior to the completion of the HOME Affordability Period, Borrower shall return to the City, upon demand, all Project Funds disbursed to Borrower and any accrued interest.
23. **Exhibits.** Exhibits A through and including H are attached hereto and are hereby incorporated into and made a part of this Agreement.
24. **Amendments, Modifications, and Waivers.** An express waiver by City of an event of default will not constitute a waiver of City's right to declare a default under similar or identical circumstances. No amendment, modification, waiver, or consent with respect to any provision of this agreement by City shall be effective unless it is in writing and signed and delivered by City to Borrower, and then any such amendment, modification, waiver, or consent shall be effective only in the specific instance and for the specific purpose for which given. No failure or delay by the City to exercise any right, remedy, power, or privilege under this Agreement and the Loan Documents shall operate as a waiver thereof.

25. **Liability.** If there is more than one recipient of Project Funds under this Agreement or on any other agreement relating to the Project, all obligations of such recipients shall be joint and several.
26. **Conflict of Interest.** No member, officer, or employee of City, or its designees or agents, no member of the City Council, and no other public official of City who exercises any functions or responsibilities with respect to City's HOME Program during his or her tenure or for one year thereafter, shall have any pecuniary interest, direct or indirect, in any contract or subcontract or the proceeds thereof involving the HOME fund proceeds.
27. **Jurisdiction.** Borrower, on its own behalf and on behalf of any assignee permitted under Section 18, above, consents to sue and be sued in, and otherwise submit to the jurisdiction of, the courts of the State of Oregon located in Lane County with respect to any dispute arising out of this Agreement.
28. **Integration; Amendments.** This Agreement integrates Borrower's proposal for development of the Project, applicable HOME program requirements, and the terms and conditions of the HOME Agreement. This Agreement shall supersede all prior communications, representations or agreements, either oral or written, between the parties. This Agreement shall not be amended, modified or changed except in writing, signed by all parties as described in Section 24.
29. **Interpretation.** This Agreement and each instrument or document ancillary thereto, including without limitation the Loan Documents, shall be governed by and interpreted in accordance with the laws of the State of Oregon.
30. **Effective Date.** The effective date of this Agreement shall be the date first listed above or, if a date is not so listed, then the last date signed by both parties.
31. **Progress Reporting.** Borrower will submit monthly reports to the City regarding the progress of the Project. The City retains the right to change its reporting requirements, with notice to Borrower, at any time and for any reason.
 - 31.1 Progress reports during development shall contain but are not limited to the following: narrative or a progress report on the specific milestones accomplished (including permits obtained & inspections completed by state or local officials), percentage of work or units completed, funds expended, issues or problems, and a description of activities anticipated to be accomplished by the next reporting period (next month).
 - 31.2 Progress reports during lease-up or occupancy shall contain, but are not limited to the following: tenant, unit and household data (including date information was acquired).
32. **Anti-Lobbying.** Borrower certifies, to the best of its knowledge and belief, that:
 - 32.1 No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any

Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

- 32.2 If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
33. **Recitals.** Recitals A – E are hereby made a part of this Agreement and the Borrower acknowledges and agrees that each of the recitals are accurate.
34. **Conflicts.** In the event of any conflict or inconsistency between the terms of the Loan Documents and the terms of the Subordination Agreement, the terms of the Subordination Agreement shall govern and control.

IN WITNESS WHEREOF, the undersigned have executed this Agreement effective as of the date first appearing above.

CITY OF EUGENE
an Oregon municipal corporation

Springfield Affordable Apartments LLC,
an Oregon limited liability company

By: Metropolitan Affordable Housing
Corporation dba Cornerstone Community
Housing
Its: Sole Member and Manager

By: 
Sarah Medary, City Manager

By: 
Darcy Phillips, Executive Director

Date: 07/23/2024

Date: 07/19/2024

Exhibit – A

PROJECT HOME BUDGET

Subject to the terms and conditions of the Agreement, Borrower shall apply the Project Funds from the City to carry out the Project based on the following budget for work completed, including eligible project costs up to 24 months before the execution of this Agreement. Any adjustment of funds between cost categories shall be at the sole discretion of the City of Eugene's Affordable Housing Policy and Planning Manager.

Developer Activity	Budget
Acquisition	\$900,000
Construction Costs	\$0
HOME-eligible Soft Costs	\$1,129,013
Total	\$2,029,013
City Activity	Budget
Related Project Costs	\$25,000
Total HOME Funds	\$2,054,013

Exhibit – B

TENTATIVE SCHEDULE OF DEVELOPMENT AND DISBURSEMENT

Acquisition

Closing by October 31, 2024

Construction

Estimated Construction Commencement by October 31, 2024

Estimated Construction Completion by October 31, 2025

Tentative Disbursement Schedule

Initial Draw by October 31, 2024

Project Delivery Costs Disbursed by October 31, 2026

Exhibit – C

**HOME INVESTMENT PARTNERSHIPS PROGRAM
REGULATIONS AND REQUIREMENTS**

Among other funding sources, City shall utilize federal HOME funds to assist Borrower in the construction of thirty-nine (39) units of affordable rental housing on the Property. The units shall remain affordable to low and very low-income persons for a period of not less than twenty (20) years from the completion of project closeout. Based on the terms and conditions set forth herein and in the following attachments:

Attachment - A	Rent Limitations
Attachment - B	Tenant and Participant Protections
Attachment - C	Tenant Income
Attachment - D	Tenant Information Form
Attachment - E	2024 HOME Program Income, Rent, and Utility Allowances

Borrower is responsible for monitoring eligibility of all tenants residing in eleven (11) HOME designated units by maintaining information on tenants assisted, according to the HUD Area Median Income Guidelines for Eugene, Oregon. HUD Income Guidelines are adjusted annually. Borrower is responsible for maintaining current Income Guidelines. Borrower certifies that all tenants residing in the HOME designated units qualify as low-income households at the time of initial execution of the rental agreements. Each year to provide current information on eligibility, Borrower shall re-examine each tenant's annual income.

Borrower shall submit to City certification, in writing, that Borrower has made available and will continue to keep the HOME designated units affordable to low-income persons. Certification shall indicate that the HOME designated units are being rented to low-income households or available for rental to low-income households, and that rental rates for units are less than or equal to current HOME rent limitations. Certification shall be submitted every twelve (12) months from the construction completion date of this agreement for a period of twenty (20) calendar years.

Borrower shall provide City with the proposed rent schedule for approval by City prior to making HOME designated units available for rental. Borrower shall determine Utility Allowances based on one of the HUD approved calculation methods.

Borrower shall not discriminate against rental assistance subsidy holders. Borrower shall not refuse to lease units to a certificate or voucher holder under the Section 8 Tenant-Based Assistance: Unified Rule for Tenant-Based Assistance under the Section 8 Rental Certificate and Section 8 Rental Voucher Program or to the holder of a comparable document evidencing participation in a HOME tenant-based rental assistance program because of the status of the prospective tenant as a rental subsidy holder.

Borrower rental agreements for HOME designated units shall be written in accordance with HOME regulation Section 92.253 Tenant and Participant Protections and approved by City prior to execution.

Borrower shall affirmatively market the vacant HOME designated housing units. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race and ethnicity, color,

national origin, sex, religion, familial status or disability. (The affirmative marketing procedures do not apply to households with Section 8 tenant-based rental assistance.)

Borrower shall adhere to a fair lease and grievance procedure approved by City and provide a plan for and follow a program of tenant participation in management decisions.

Borrower shall ensure that no person be excluded from participation in or be denied benefits of or be subjected to discrimination in any programs, activities, facilities, housing, or employment opportunities based on race, color, national origin, religion, sex, age, familial status, or handicap in accordance with the requirements of the following:

- 1) Fair Housing Act (42 U.S.C. 3601-20) and implementing regulations at 24 CFR part 100; Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1958-1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing) and implementing regulations at 24 CFR part 107; title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) (Nondiscrimination in Federally Assisted Programs) and implementing regulations issued at 24 CFR part 1;
- 2) Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at 24 CFR part 146, and the prohibitions against discrimination against handicapped individuals under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8;
- 3) Executive Order 11246 (3 CFR 1964-65, Comp., p. 339) (Equal Employment Opportunity) and the implementing regulations issued at 41 CFR chapter 60;
- 4) Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u); and
- 5) Executive Orders 11625 and 12432 (concerning Minority Business Enterprise) and 12138 (concerning Women's Business Enterprise).

Borrower shall demonstrate affirmative efforts to recruit minority and women's business enterprises in connection with HOME funded activities and maintain a documented record of affirmative recruitment efforts and the results of those efforts.

Borrower shall certify that neither it or its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in federal programs. Borrower shall maintain documentation of eligibility for participation in program.

Borrower shall include no paint containing lead or lead compounds in the construction of the units.

Although Borrower certifies that it is not a primarily religious or denominational institution or organization, or an organization operated for religious purposes, which is supervised or controlled by a religious or denominational institution or organization, Borrower acknowledges it cannot require a beneficiary to participate in inherently religious activities such as worship, religious instruction, or proselytizing. Borrower understands that if it were a faith-based organization it is allowed to retain its independence from Federal, state and local governments to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that HOME funds do not financially support inherently religious activities. It is acceptable for Borrower or Borrower's Board of Directors to be selected based on religious practice and that religious references in its mission statement and other governing documents are acceptable. Borrower

(and/or its agent(s) as applicable) must serve all eligible beneficiaries without regard to religion, and may not restrict HOME-assisted housing to people of a particular religion or religious denomination.

No persons, as described in the following section, who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME funds covered in this agreement, or are in a position to participate in the decision making process or gain inside information with regard to such activity, may obtain a personal or financial interest or benefit from a HOME assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

Persons covered in the conflict of interest provisions above include any person who is an employee, agent, consultant, officer, or elected official or appointed official of Borrower.

No officer, employee, agent, or consultant of Borrower may occupy an affordable housing unit in the project. This does not apply to an employee or agent of Borrower who occupies an affordable housing unit as the project manager or maintenance worker.

Borrower will notify the City promptly in writing should the governmental assistance for the project change, or if additional governmental assistance beyond that which is listed in the budget is sought while the project is bound by the regulations of the HOME Program. If additional governmental assistance is sought or anticipated, the City reserves the right to renegotiate the terms of this HOME agreement in order to maintain project compliance with HUD Notice: CPD-94-24 regarding Subsidy Layering.

Borrower shall comply with the requirements and standards of OMB Circular A-122, "Cost Principles for Nonprofit Organizations", OMB Circular A-133, "Audits of States, Local Governments and other Nonprofit Organizations", and the requirements of sections of 24 CFR Part 84, where applicable.

Borrower shall comply with the Contract Work Hours and Safety Standards Act, as amended (40 USC 327-33).

Borrower shall comply with the Davis-Bacon Act (40 U.S.C. 3141 et seq.).

Borrower shall comply with the Copeland (Anti-Kickback) Act (40 USC 276c).

Borrower shall comply with the Fair Labor Standards Act of 1938, as amended (29 USC 201, et. seq.).

Attachment – A

RENT LIMITATIONS

Borrower shall maintain rent payments in HOME designated units at a level that qualifies as affordable in accordance with current HOME rent limitations, regulation Section 92.252. Rental amounts are determined primarily by fair market rent and household income. HOME rent limitations are adjusted annually. Borrower is responsible for maintaining current local HOME rent limitations and certifies that the HOME designated units will be available at affordable rental rates for the units. Upon request from Borrower, City shall provide Borrower with current local HOME rent limitation information.

Maximum HOME rents shall be the lesser of:

- 1) The fair market rent for existing housing for comparable units in the area as established by HUD; or
- 2) A rent that does not exceed 30% of the adjusted income of a household whose annual income equals 65% of the area median income as determined by HUD, with adjustments for number of bedrooms in the unit.

The maximum HOME rent limits are recalculated on a periodic basis after HUD determines fair market rents and median incomes. Regardless of changes in fair market rents and in median income over time, the HOME rents for a project are not required to be lower than the HOME rent limits for the project in effect at the time of the project commitment.

Borrower may adjust rents periodically based on the updated HOME rent limits. Rents may be adjusted to a level not to exceed the maximum HOME rent limits. Any increase in rent is subject to the provisions of outstanding leases, and in any event, Borrower must provide tenants of those units not less than 30 days prior written notice before implementing any increase in rent. Any increase in a HOME tenant's rent must first be approved by the City. Borrower must provide written notice to the City 60 days prior to implementing any increase in a HOME tenant's rent.

Twenty (20) percent of the HOME units must be occupied by very low-income households and meet one of the following rent requirements:

- 1) The rent does not exceed 30% of the annual income of a household whose income equals 50% of the median income for the area, as determined by HUD, with adjustments for smaller and larger households. However, if the rent determined under this section is higher than the applicable rent based on fair market rent, then the maximum rent for the unit shall be the fair market rent for existing housing for comparable units in the area as established by HUD.
- 2) The rent does not exceed 30% of the household's adjusted income. If the unit receives Federal or State project-based rental subsidy and the very low-income household pays as a contribution toward rent not more than 30% of the household's adjusted income, then the maximum rent (i.e. tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

Attachment – B

HOME DESIGNATED UNIT TENANT AND PARTICIPANT PROTECTIONS

1. **Lease.** The lease between a HOME designated unit tenant and Borrower for a unit must be for not less than one year, unless by mutual agreement between the tenant and Borrower. The lease between a HOME designated unit tenant and Borrower for a unit must comply with applicable state or local tenant-landlord law.
2. **Prohibited Lease Terms.** The lease may not contain any of the following provisions:
 - a) Agreement to be sued. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of Borrower in a lawsuit brought in connection with the lease;
 - b) Treatment of property. Agreement by the tenant that Borrower may take, hold or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. Borrower may by law dispose of this personal property in accordance with State law;
 - c) Excusing Borrower from responsibility. Agreement by the tenant not to hold Borrower or Borrower's agents legally responsible for any action or failure to act, whether intentional or negligent;
 - d) Waiver of notice. Agreement of the tenant that Borrower may institute a lawsuit without notice to the tenant;
 - e) Waiver of legal proceedings. Agreement by the tenant that Borrower may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
 - f) Waiver of a jury trial. Agreement by the tenant to waive any right to a trial by jury;
 - g) Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or otherwise challenge in court, a court decision in connection with the lease; and
 - h) Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by Borrower against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.
3. **Termination of Tenancy.** Borrower may not terminate the tenancy or refuse to renew the lease of a tenant except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State, or local law; for completion of the tenancy period for transitional housing; or for other good cause. To terminate or refuse to renew tenancy, Borrower must serve written notice upon the tenant specifying the grounds for the action at least 30 days before the termination of tenancy.

4. **Tenant Selection.** Borrower must adopt written tenant selection policies and criteria that:
- a) Are consistent with the purpose of providing housing for very low-income and low-income households;
 - b) Are reasonably related to program eligibility and the applicants' ability to perform the obligations of the lease;
 - c) Give reasonable consideration to the housing needs of households that would have a preference under section 6 (c) (4) (A) of the 1937 Act. These are households that occupy substandard housing (including households that are experiencing homelessness or living in a shelter for homeless households); households paying more than 50% of their annual income for rent; or households that are involuntarily displaced.
 - d) Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable; and
 - e) Give prompt written notification to any rejected applicant of the grounds for any rejection.

Attachment – C

HOME DESIGNATED UNIT TENANT INCOME

Borrower must comply with HOME regulations regarding tenant income as described below.

1. **Eligibility for Occupancy.** Prior to occupancy, Borrower must verify the income of tenants in HOME designated units using the annual income definition found in 24 CFR Part 5 and determine that it does not exceed current HOME rent limits as defined by HUD. Borrower must examine source documents (e.g. wage statement, interest statement, unemployment compensation statement) to determine income sources. Annual income shall include income for all household members and consider anticipated income over the next twelve (12) months in the calculation. Documentation must be provided to determine that the household was homeless prior to occupancy.
2. **Annual Recertification.** Borrower must re-examine the annual income of tenants in HOME designated units each year during the twenty (20) year affordability period. Borrower may verify annual income either through tenant statement and certification or through verification based on examination of income source documents. If Borrower elects to verify annual tenant income through tenant statement and certification, Borrower must examine the source documents in the sixth (6th), twelfth (12th), and eighteenth (18th) year of the twenty (20) year affordability period. The tenant statement and certification must state that the household will provide source documentation upon request.
3. **Reassignment of HOME designated units.** Tenants who qualified under HOME income limits at the time of initial occupancy, but exceed the current income limit during residency may remain in their previously designated HOME unit. The HOME unit designation shall be transferred to the next unit that becomes available in the project and the rent for the unit will be structured according to the HOME rent requirements. The newly designated unit must be rented to a HOME income-eligible tenant.
4. **Other Tenant Information.** Borrower must collect other information on each HOME designated tenant household when determining eligibility for occupancy and during each annual recertification. Other information includes number of persons living in the household, their names, sources of income, ethnicity, race, status of the head of household, and identification of any source of rental assistance. The Tenant Information Form (Attachment D) provides the categories and appropriate options for collecting this information.
5. **Record Keeping Requirements.** Borrower must maintain records of income eligibility and recertification for five (5) years following the completion of the twenty (20) year affordability period. Borrower must maintain a log that identifies the location of HOME designated units and any changes in the designated units or tenants. These documents must be available for public review.

Attachment – D

TENANT INFORMATION FORM

Name (print): _____

Additional Household Members/Relationship to Head of Household: _____

Address: _____

Total Number Living in Household _____

Total Annual Income for All Members in Household (Estimated income for any 12 month period):

List all resources including:

Employment _____

Social Security/SSI _____

Unemployment Benefits _____

Other Pension _____

Veteran's Benefits _____

Child Support _____

Public Welfare _____

Alimony _____

Other _____

Total Annual Income \$ _____

Total Monthly Rent Payment \$ _____

Ethnicity: (select *only one*)

_____ Hispanic or Latino

_____ Not Hispanic or Latino

Head of Household: (select *only one*)

_____ Single/non-Elderly

_____ Elderly

_____ Related/Single Parent

_____ Related/Parent

_____ Other

Race: (select *one or more*)

_____ White

_____ Black or African American

_____ Asian

_____ American Indian or Alaskan Native

_____ Native Hawaiian or Other Pacific Islander

_____ American Indian or Alaska Native & White

_____ Asian & White

_____ Black or African American & White

_____ American Indian or Alaska Native &

Black or African American

_____ Other Multi Racial

Rental Assistance: (select *only one*)

_____ Section 8

_____ Other Federal, State, or Local Assistance

_____ No assistance

_____ HOME TBRA

Please complete the following about the **TENANT**:

Disabled: _____ yes _____ no

Female Head of Household: _____ yes _____ no

Income information is provided subject to verification by the Project Owner and local or federal government. Tenant must provide source documentation on income upon request. Source documentation may include items such as wage statements, interest statements, or unemployment compensation statements for all household members.

Tenant Signature

Date

Attachment – E

2024 HOME Program Income, Rent Limits, and Utility Allowances

Eligibility for low-income housing in terms of percentage of area median income:

2024 - HUD INCOME LIMITS – EUGENE/SPRINGFIELD, OREGON							
Persons in Household	1	2	3	4	5	6	7
Extremely Low Income - 30% AMI	18,750	21,400	24,100	26,750	28,900	31,050	33,200
Very Low Income - 50% AMI	31,200	35,650	40,100	44,550	48,150	51,700	55,250
60% AMI	37,440	42,780	48,120	53,460	57,780	62,040	66,300
Low Income - 80% AMI	49,950	57,050	64,200	71,300	77,050	82,750	88,450

Rent levels, including utility allowances:

2024 - HUD HOME RENTS – EUGENE/SPRINGFIELD, OREGON					
Unit Size	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
Low HOME Rent	780	835	1002	1158	1292
High HOME Rent	953	1063	1282	1472	1623
Fair Market Rent	953	1063	1397	1969	2371

The new HOME Rule requires that all rental projects to which HOME funds were committed on or after August 23, 2013 determine maximum monthly allowances for utilities and services (excluding telephone) and update the allowances annually (24 CFR 92.252(d)). Utility Allowance (UA) can be calculated by using either the HUD Utility Schedule Model or one of the accepted project-specific methodologies. Project specific methodology is based on actual utility usage at the property or project-specific factors such as size, orientation, building materials, mechanical systems, construction quality and local climate conditions. The acceptable methods include but are not limited to: the HUD Utility Schedule Model, Multi-family Housing Utility Analysis, Utility Company Estimate, LIHTC Agency Estimate, and Energy Consumption Model/Engineer Model.

Borrower will complete initial UA calculations and submit their calculations for review and approval by the City of Eugene prior to implementation. Borrower will submit UA calculations for the property annually.

Exhibit – D

ENVIRONMENTAL ASSESSMENT AND CONDITIONS

Prior to execution of this agreement, an Environmental Assessment (EA) of this project was conducted by City, as required by HOME environmental regulations contained in 24 CFR Part 58, "Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities". The EA was re-evaluated as required by 24 CFR 58.47(b). Based on the review and evaluation of the project, the following finding was made:

FINDING OF NO SIGNIFICANT IMPACT. This project has been reviewed and it has been determined to have no significant effect on the human environment per Section 58.41. No Federal laws and authorities listed at Section 58.5 are affected.

Borrower must follow all Mitigation Measures and Conditions in the Environmental Review Record for the Project and all local, state and federal requirements. The following measures are required:

- Project must comply with all City of Springfield, State of Oregon, and Federal requirements.
- If there are any existing buildings on the site, it is assumed that lead-based paint and asbestos is present in all buildings on the site. The development team could choose to conduct a Hazardous Materials Survey to confirm the presence. If there are any existing buildings on the site, a licensed professional or licensed professional team will be required to ensure that Asbestos and Lead Safe Practices are followed before, during, and after demolition according to established protocol including any abatement of hazardous materials and property disposal of the materials.

If applicable, the development team is required to submit evidence that licensed professionals or a licensed professional team will be used to ensure that Asbestos and Lead Safe Practices are followed or provide a clearance report that states there is no lead or asbestos contamination.

- Project must comply with National Marine Fisheries Service (NMFS) Endangered Species Act guidance. On January 17, 2024, NMFS approved the post-construction stormwater management plan as consistent with the biological opinion issued to HUD on July 25, 2016 (HUD Stormwater Programmatic Agreement) stating that the proposed project is likely to adversely affect ESA-listed species, designated critical habitat and essential fish habitat through stormwater runoff generated from new and reconstructed impervious surface area.

The NMFS approval statement further stated that the proposed action is consistent with the HUD Stormwater Programmatic Biological Opinion for:

- Project Design
- Stormwater Treatment Quality
- Stormwater Quantity Management
- Stormwater Facilities' Operations & Maintenance

Inspection, monitoring and maintenance of stormwater facilities will occur in accordance with an operation and maintenance plan.

According to NMFS requirements, the City must submit a stormwater plan completion report for this project within 60-days of end of construction.

All waste materials must be recycled or otherwise disposed of in an Environmental Protection Agency approved sanitary or hazardous waste disposal site.

NMFS requires that the developer follow the approved storm water plan including the Operating and Maintenance Plan and the reporting form after construction is complete.

- Borrower must submit to City and comply with an Inadvertent Discovery Plan (IDP). If any archaeological resources, cultural resources or human remains are found, Borrower will stop work in the vicinity of the find and refer to the Inadvertent Discover Plan. Contact information will be available in the IDP.

The Oregon Tribes must be kept informed of significant archaeological findings, which may include ancestral human remains or funerary items. In the event that ancestral remains are observed or disturbed, Borrower must follow State guidelines. In the event that proposed mitigation measures may be developed for cultural resources in the Project area, identified Tribes may seek the opportunity to comment.

- Noise mitigation using construction techniques, building placement and/or barriers will be required to achieve interior noise levels of 45 decibels (dB). Outdoor uses must be at a location on site that is 65 dB or less. Borrower will submit a noise mitigation plan prior to construction to verify how interior and exterior noise compliance will be achieved and will comply with the noise mitigation plan.

Exhibit – E

CITY OF EUGENE DEFINITION OF GOOD FAITH EFFORT

The following points apply to good faith effort determinations as required in City of Eugene Administration Order #44-93-05:

- Good faith efforts are those that could reasonably be expected to result in goal attainment by a bidder who aggressively and actively seeks to obtain Disadvantaged Business Enterprise (DBE) participation.
- The list of efforts, below, are recommended by the City as ones that bidders/proposers may make to obtain DBE participation. It does not represent a mandatory checklist of required actions; no one or combination is required in all cases.

Good faith efforts may include:

- Attending any pre-solicitations or pre-bid meetings that were scheduled to inform DBEs of contracting and subcontracting opportunities.
- Advertising in general circulation, trade association, and minority focused media about subcontracting opportunities.
- Providing written notice to a reasonable number of specific DBEs that their interest in the contract was being solicited, in sufficient time to allow the DBEs to participate effectively.
- Following up on initial solicitations of interest by contacting DBEs to determine with certainty whether the DBEs were interested.
- Selecting portions of the work to be performed by DBEs in order to increase the likelihood of meeting the DBE goals (including, where appropriate, breaking down subcontracts into economically feasible units to facilitate DBE participation).
- Providing interested DBEs with adequate information about the plans, specifications, and requirements of the contract.
- Negotiating in good faith with interested DBEs, and not rejecting DBEs as unqualified without sound reasons based on a thorough investigation of their capabilities.
- Assisting interested DBEs in obtaining bonding, lines of credit, or insurance required by the City or contractor.
- Effectively using the services of available minority community organizations; minority contractors' groups; local, state, and federal minority business assistance offices, and other organizations that provide assistance in the recruitment and placement of DBEs.

Exhibit – F

RECORDS OF OTHER FEDERAL REQUIREMENTS

1. Equal opportunity and fair housing records containing:
 - (A) Data on the extent to which each racial and ethnic group and single-head of households (by gender of household head) have applied for, participated in, or benefited from any program or activity funded in whole or in part with HOME funds.
 - (B) Documentation of actions undertaken to meet the requirements of §92.350, which implements section 3 of the Housing Development Act of 1968, as amended (12U.S.C.1701u).
 - (C) Documentation and data on the steps taken to implement the jurisdiction's outreach programs to minority-owned and female-owned businesses including the racial/ethnic or gender character of each business entity receiving a contract or subcontract of \$25,000 or more paid, or to be paid, with HOME funds; the amount of the contract or subcontract, and documentation of the participating jurisdiction's affirmative steps to assure that minority business and women's business enterprises have an equal opportunity to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction, and services.
 - (D) Documentation of the actions the participating jurisdiction has taken to affirmatively further fair housing;
2. Records indicating the affirmative marketing procedures and requirements under §93.351.
3. Records that demonstrate compliance with environmental review requirements in §92.352 (and 24 CFR part 58).
4. Records which demonstrate compliance with the requirements in §92.353 regarding displacement, relocation, and real property acquisition, including project occupancy lists identifying the name and address of all persons occupying the real property on the date described in §92.353(c)(2)(i)(A), moving into the property on or after the date described in §92.353(c)(2)(i)(A), and occupying the property upon completion of the project.
5. Records demonstrating compliance with labor requirements in §92.354, including contract provisions and payroll records.
6. Records concerning lead-based paint under §92.355.
7. Records supporting requests for waivers of the conflict of interest prohibition. §92.356
8. Records of certifications concerning debarment and suspension required by §92.357 (and 24 CFR part 24).
9. Records demonstrating compliance with flood insurance requirements. (§92.358)

Exhibit – G

PROMISSORY NOTE
(See Attached Document)

Exhibit – H

**TRUST DEED
(See Attached Document)**

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
2 CUPANIA CIRCLE
SANCTUARY PARK, CA 91754

DEPARTMENT OF THE TREASURY

Date:

SEP 25 1992

METROPOLITAN AFFORDABLE HOUSING
CORPORATION
1257 E 21ST AVENUE
EUGENE, OR 97403

Employer Identification Number:

73-1078543

Contact Person:

CLARITA GILAPAN

Contact Telephone Number:

(213) 725-7063

Accounting Period Ending:

December 31

Foundation Status Classification:

See attached

Advance Ruling Period Begins:

February 19, 1991

Advance Ruling Period Ends:

December 31, 1995

Addendum Applies:

Yes

Dear Applicant:

Based on information you supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably expect to be a publicly supported organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

Accordingly, during an advance ruling period you will be treated as a publicly supported organization, and not as a private foundation. This advance ruling period begins and ends on the dates shown above.

Within 90 days after the end of your advance ruling period, you must send us the information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, we will classify you as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, we will classify you as a private foundation for future periods. Also, if we classify you as a private foundation, we will treat you as a private foundation from your beginning date for purposes of section 507(d) and 4940.

Grantors and contributors may rely on our determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you send us the required information within the 90 days, grantors and contributors may continue to rely on the advance determination until we make a final determination of your foundation status.

Letter 1045(00/10)

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METROPOLITAN AFFORDABLE HOUSING

If we publish a notice in the Internal Revenue Bulletin stating that we will no longer treat you as a publicly supported organization, grantors and contributors may not rely on this determination after the date we publish the notice. In addition, if you lose your status as a publicly supported organization, and a grantor or contributor was responsible for, or was aware of, the act or failure to act, that resulted in your loss of such status, that person may not rely on this determination from the date of the act or failure to act. Also, if a grantor or contributor learned that we had given notice that you would be removed from classification as a publicly supported organization, then that person may not rely on this determination as of the date he or she acquired such knowledge.

If you change your sources of support, your purposes, character, or method of operation, please let us know so we can consider the effect of the change on your exempt status and foundation status. If you amend your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, let us know all changes in your name or address.

As of January 1, 1984, you are liable for social securities taxes under the Federal Insurance Contributions Act on amounts of \$100 or more you pay to or for your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the private foundation excise taxes under Chapter 42 of the Internal Revenue Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Internal Revenue Code. Requests, loans, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Donors may deduct contributions to you only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, gives guidelines regarding when taxpayers may deduct payments for admission to, or other participation in, fundraising activities for charity.

You are not required to file Form 990, Return of Organization Exempt From Income Tax, if your gross receipts each year are normally \$25,000 or less. If you receive a Form 990 package in the mail, simply attach the label provided. Check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If you are required to file a return you must file it by the 15th day of

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METROPOLITAN AFFORDABLE HOUSING

the fifth month after the end of your annual accounting period. We charge a penalty of \$10 a day when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty we charge cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. We may also charge this penalty if a return is not complete. So, please be sure your return is complete before you file it.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

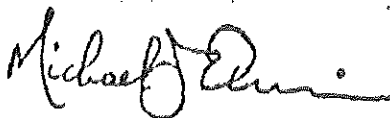
You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, we will assign a number to you and advise you of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

If we said in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help us resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



Michael J. Quinn
District Director

Enclosure(s):
Form 872-C

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METROPOLITAN AFFORDABLE HOUSING

509(a)(1) and 170(b)(1)(A)(vi).

This letter is contingent upon submission of the amended Articles of Incorporation within 90 days.

235617-80

RESTATED ARTICLES OF INCORPORATION
OF
METROPOLITAN AFFORDABLE HOUSING CORPORATION

FILED
SEP 28 1992
SECRETARY OF STATE

Pursuant to ORS 65.451, the undersigned secretary and chairman of the corporation hereby restate the articles of incorporation of Metropolitan Affordable Housing Corporation as follows:

Article I

The name of the corporation is Metropolitan Affordable Housing Corporation.

Article II

The corporation is a public benefit corporation organized exclusively for charitable purposes within the meaning of Section 501 (c)(3) of the Internal Revenue Code.

Article III

The corporation is organized to develop, own and operate safe and attractive rental housing affordable to low income households and persons with disabilities in the Eugene-Springfield metropolitan area.

Article IV

The corporation's mailing address is 1257 East 21st Avenue in Eugene, Oregon 97403. Notices to the corporation may be sent to 1257 East 21st Avenue in Eugene, Oregon 97403 c/o John Matott.

Article V

The corporation shall have no members.

Article VI

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its board members, officers or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article III, hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any political candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or (b) by a corporation contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or corresponding section of any future federal tax code.

Article VII

Upon dissolution of the corporation, assets shall first be applied to the payment of any outstanding obligations of the corporation, and then shall be distributed to a charitable organization for one or more exempt purposes consistent with the purpose(s) for which the corporation was organized and within the meaning of section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by the court of in accordance with the applicable chapter(s) of the Oregon Revised Statutes in effect at the time of said dissolution.

Article VIII

The corporation will distribute its income for each tax year at such time and in such manner as to not become subject to the tax on undistributed income imposed by the Internal Revenue Code.

Article XI

The corporation will not engage in any act of self dealing as defined in the Internal Revenue Code.

Article X

The corporation will not retain any excess business holdings as defined in the Internal Revenue Code.

Article XI

The corporation will not make any investments in such manner as to subject it to tax under the Internal Revenue Code.

Article XII

The corporation will not make any taxable expenditures as defined in the Internal Revenue Code.

Article XIII

The corporation shall have the power to indemnify to the fullest extent permitted by law any person or entity who is made, or threatened to be made, a party to an action, suit or proceeding, whether civil, criminal, administrative, investigative or otherwise (including an action, suit or proceeding by or in the right of the corporation) by reason of the fact that the person or entity was an incorporator, director, officer (compensated or uncompensated), employee, fiduciary or agent of the corporation, or served at the request of the corporation as a director, partner, officer, employee, fiduciary or agent of another entity in behalf of the corporation. This indemnification shall not be deemed exclusive of any other rights to which such person or entity may be entitled under any bylaw, agreement, vote of the directors or otherwise. The corporation, its directors, officers (compensated or uncompensated), employees, fiduciaries or agents shall be fully protected in taking any action or making any payment under this Article, or in refusing to do so upon the advice of counsel.

SUBMIT THE ORIGINAL
AND ONE TRUE COPY
(831.115) \$10.00

**SECRETARY OF STATE
CORPORATION DIVISION**
158 12th Street NE
Salem, OR 97310-0210

THIS SPACE FOR OFFICE USE ONLY

Registry Number:
235617-80
(If known)

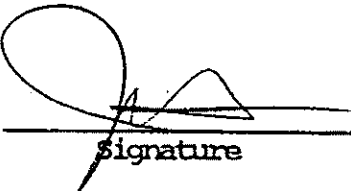
**RESTATED ARTICLES OF INCORPORATION
Nonprofit Corporation**

**COPY FOR YOUR
INFORMATION**

PLEASE TYPE OR PRINT LEGIBLY IN BLACK INK

- EUGENE
AFFORDABLE HOUSING CORPORATION
METROPOLITAN
- Name of the corporation (prior to the amendment): AFFORDABLE HOUSING CORPORATION
 - New name of the corporation (if changed): AFFORDABLE HOUSING CORPORATION
 - A copy of the restated articles is attached.
 - Check the appropriate statement:
 - ☒ The restated articles contain amendment(s) which do not require membership approval. The date of the adoption of the amendment(s) and restated articles was _____, 19____. These amendment(s) were duly adopted by the Board of Directors.
 - ☐ The restated articles contain amendment(s) which require membership approval. The date of the adoption of the amendment(s) and restated articles was _____, 19____. The vote of the members was as follows:

Class(es) entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast for	Number of votes cast against

Execution:  JOHN MATOTT INCORPORATOR
Signature Printed Name Title

Person to contact about this filing: RICHARD L. LARSON 484-2434
Name Daytime phone number

la. checks payable to the Corporation Division. Submit the completed form and fee to: Corporation Division, 158 12th Street NE, Salem, Oregon 97310-0210. If you have any questions, please call (503) 378-4166.

CERTIFICATE

State of Oregon

OFFICE OF THE SECRETARY OF STATE
Corporation Division

I, PHIL KEISLING, Secretary of State of Oregon, and Custodian of the Seal of said State, do hereby certify:

METROPOLITAN AFFORDABLE HOUSING CORPORATION

was

incorporated

under the Oregon

Nonprofit Corporation Act

on

February 19, 1991

and is active on the records of the Corporation
Division as of the date of this certificate.



In Testimony Whereof, I have hereunto set
my hand and affixed hereto the Seal of the
State of Oregon.

PHIL KEISLING, Secretary of State

By James L. Lowder
James L. Lowder
May 2, 1996

**BYLAWS OF
Metropolitan Affordable Housing Corporation DBA Cornerstone Community Housing
an Oregon nonprofit public benefit corporation**

Restated April, 2021

PREAMBLE AND MISSION

The corporation is organized and shall function as a nonprofit public benefit corporation. All of the income and earnings of the corporation shall be used exclusively for purposes of the corporation, and no part of the net income or net earnings of the corporation shall inure to the benefit of any private individual, firm, corporation, partnership, or association. The corporation is not, and will be in no manner, controlled under the direction or act in the substantial interest of any private individual, firm, partnership, or association, seeking to derive profit or gain therefrom or seeking to eliminate or minimize losses and transactions therewith.

The mission: Cornerstone Community Housing is committed to building quality, affordable housing for people living on limited incomes and offering services that promote opportunities for personal growth and economic independence.

ARTICLE 1

No members; Corporate Rights and interests; Registered Office

Section 1.1 No Members. The corporation shall have no members.

Section 1.2 Corporate Rights and Interests. All rights and interests of this corporation as a member, shareholder or otherwise in other corporations, partnerships, ventures, organizations and entities shall be exercisable solely by the Board of Directors of this corporation, except to the extent such authority is delegated by the Board of Directors to one or more of its officers either generally or with respect to specific matters.

Section 1.3 Registered Office. The permanent address shall be PO Box 11923, Eugene, OR 97440.

Section 1.4 Corporate Name. The name of the Corporation shall be as it appears in the articles of incorporation. The assumed business name of the Corporation is Cornerstone Community Housing.

Section 1.5 Other Offices. The corporation may also have offices at such other places either within or without the State of Oregon as the Board of Directors may, from time to time, determine or as the business of the corporation may require, except that the corporation's principal office shall be in Eugene, Oregon.

ARTICLE 2

Board of Directors

Section 2.1 Management. The business and affairs of the corporation shall be overseen by the Board of Directors.

Section 2.2 Number. The number of Directors of the corporation shall be not less than 7 nor more than 20. The exact number of Directors shall be fixed by resolution of the Board of Directors from time to time. No more than 1/3 (rounded up) of the board can be public employees and a minimum of 1/3 of the members (rounded up) must be low- or moderate-income representatives as defined by HUD and in accordance with our eligibility requirements as a Community Housing Development Organization.

Section 2.3 Term and Selection. Directors shall serve a three- (3) year, renewable term commencing with the first day of the month in which the Director joined the board and expiring on the day of the third annual meeting. Directors can serve 3 consecutive terms for a total of 9 years. Directors may be re-nominated for board service following a one-year absence, during which time they may continue serving on a committee. Directors shall be elected with a majority vote of directors then in office, by quorum at the annual meeting or any monthly meeting of the Board of Directors for the term and in the manner provided in this Section. Directors in office as of the effective date of these bylaws shall complete their existing term and any subsequent terms for a total of 9 years; provided however the officer of the corporation shall complete their respective terms and any subsequent terms (their 9 year term limit begins the date this new rule was adopted). Current members on the date of this change are exempt from this rule.

Section 2.4 Qualifications. Any person of legal age who resides or works in Oregon shall be eligible to be a director. In addition, a certain number of members (as defined above in section 2.2) must meet the requirements as outlined by the Community Housing Development Organization (CHDO).

Section 2.5 Removal. A Director may be removed with or without cause from the Board of Directors by an affirmative vote of two-thirds of the directors then in office provided that notice of such contemplated action shall be given to all the Directors in writing, at least seven (7) days prior to such meeting.

Section 2.6 Vacancies. A vacancy on the Board of Directors shall exist upon the death or resignation of a Director, upon removal of any Director or upon the creation of an additional directorship. The Board of Directors, acting at any meeting, may fill a vacancy on the Board of Directors for the unexpired portion of the term in the manner provided herein for the election of such Director.

Section 2.7 Annual Meetings. The annual meeting of the Board of Directors shall be held during the first quarter of each calendar year. At the annual meeting, the Board of Directors shall elect officers and the Chair shall appoint standing committees. Notice of annual meetings shall be given not less than seven and not more than 50 days before the date of the meeting. Such notice will be given in accordance with Section 2.12.

Section 2.8 Regular Meetings. Regular meetings of the Board of Directors shall be held at such times as the Board of Directors may determine by resolution. A copy of such resolution shall be emailed to any

Director who was not present when it was adopted, but no further notice of such regular meetings need be given.

Section 2.9 Special Meetings. Special meetings of the Board of Directors may be called by the Chair or President or upon written request by at least 20 percent (20%) of the Directors in office setting forth the business they wish to have conducted at the special meeting. Notice of special meetings shall be given at least 24 hours before the meeting if called by the President or at least 72 hours before the meeting if called by the Directors. Such notice will be given in accordance with Section 2.12.

Section 2.10 Place of Meetings; Other Means of Communication. All meetings of the Board of Directors and its committees shall be held at a designated location identified by the Board chair, or at such other place as the Board or committee may agree or as may be designated in the notice of any meeting. Any or all Directors may participate in a regular or special meeting by, or conduct the meeting through, the use of any means of communication by which all Directors participating in the meeting may simultaneously hear each other during the meeting. A Director participating in a meeting by such means shall be deemed present in person at the meeting.

Section 2.11 Quorum. A quorum will be constituted by fifty percent (at least half) of the Board of Directors. A minority of the Directors in the absence of a quorum may adjourn the meeting but may not transact any business.

Section 2.12 Notice and Waiver. Notice of any meeting shall be deemed reasonable when delivered personally by e-mail or deposited in the United States Mail, and addressed to the Directors' last known address, with postage prepaid thereon. Any Director may waive notice of any meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting unless the Director, at the beginning of the meeting or promptly upon arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to any action taken at the meeting. Except as otherwise provided by statute or these Bylaws, neither the business to be transacted at nor the purpose of any meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 2.13 Compensation and Expenses. Directors shall serve without salary, but may be reimbursed for necessary expenses, including travel expenses, incurred in the discharge of their duties as Directors.

Section 2.14 Action. The act of a majority of the Directors present at a meeting where there is a quorum shall be the act of the Board of Directors, unless otherwise provided in the Articles of Incorporation, these Bylaws, or by law. A Director who is present at a meeting of the Board of Directors or committee at which action on any corporate matter is taken shall be presumed to have assented to the action taken, unless his or her dissent shall be entered in the minutes of the meeting, or unless he or she shall file a written dissent with the secretary at the meeting before the adjournment thereof or shall forward such dissent by certified mail to the Secretary immediately after adjournment of the meeting. Such right of dissent shall not apply to a Director who voted in favor of such action.

Section 2.15 Board Action Using Email or Telephone. Allows a Board to make decisions by email or electronic meeting if a motion is approved by the affirmative vote of a majority vote of the directors then in office and by email with a majority of vote of those in office. The following procedures must be

followed for email voting.

- All directors must provide an email address or phone number
- Email notice to directors must describe proposed action and when it will be effective
- Must give directors at least 48 hours to vote
- Director can change vote anytime up to deadline
- An affirmative vote of majority of directors in office is needed to pass the proposed action, unless Articles or bylaws requires greater number
- Record of notice and email vote must be kept in minutes
- Directors are deemed present in person and count for quorum and voting purposes if they participate by any telephonic or electronic method by which all directors can simultaneously communicate with each other.

Section 2.15A Effective Date. An email action taken under this Article shall be effective when the last Director or committee member signs the consent or replies with consent via email. An action taken by telephone under this article is effective the day majority vote is taken.

Section 2.16 Minutes. Written minutes of the meetings shall be distributed to the Board of Directors and the originals be electronically stored with the proper back up in place.

ARTICLE 3

Committees

Section 3.1 Committee formation. The Board, by resolution, may create one or more committees, from time to time, which may exercise the authority of the Board of Directors and the President shall appoint members to serve thereon, subject to the approval of the Board. Each committee so created shall consist of two (2) or more members, at least two (2) of whom shall be a member of the Board of Directors and shall have such authority and shall discharge such functions as the Board of Directors may delegate and establish.

Section 3.2 Committee Power. Committees have the authority vote on and provide recommendations to the full board for approval.

Section 3.3 Established committees: Committee's shall be established annually at the board meeting for the purpose of delegating work and tasks as related to the strategic plan. Committee shall be aligned to with the priorities of the annual strategic plan and are most often associated aligned with Real Estate, Program Development, Finance, Governance and Fundraising.

Section 3.4 Committee Termination. Any committee created by the Board of Directors may be terminated, and the functions and authority thereof may be altered as the Board of Directors deems necessary or as stated in the articles of incorporation or the bylaws.

Section 3.5 Meetings.

- (a) Meetings of committees shall be called by the President, the chair of the committee or a majority of the committee's voting members. Each committee shall meet as often as necessary to perform its duties, and unless required by these Bylaws to meet more frequently, shall meet not less than once each year.
- (b) Notice of committee meetings shall be given in accordance to section 2.12 and notice of special meetings shall be given in accordance to 2.9.

Section 3.6 Quorum. Unless otherwise specified, all committees shall operate with the same voting requirements as the full board of directions. A majority of the voting members of any committee shall constitute a quorum for the conduct of business. Nonvoting members of a committee shall not be counted toward a quorum.

Section 3.7 Minutes. Each committee shall keep electronic minutes of its meetings which shall be transmitted to the Board of Directors. At least once each year, each committee shall report to the Board of Directors on its work.

Section 3.8 Tenure, Removal and Vacancies

- (a) Unless otherwise provided in these Bylaws, the chair and members of each Board committee shall be appointed at the annual meetings or any other meetings of the Board of Directors. Committee members shall hold their positions until the next annual meeting of the Board of Directors and until their successors are appointed, unless they shall sooner resign, be removed from the committee, or cease to hold the position which is the basis for their appointment.
- (b) The Board of Directors may remove any appointed member of any Board committee. A Committee chair may recommend removal of any appointed member of any committee to the full board for approval. Any person who is a member of a committee because he or she holds a designated position shall cease to be a member of the committee when he or she ceases to hold such position.
- (c) Vacancies in any committee may at any time be filled in the manner provided in these Bylaws for regular appointment to such position.

Section 3.9 Consent to Action: Committees must follow the standard consent to action outlined above in 2.14 and are only authorized to make recommendations to the board for vote and approval.

ARTICLE 5

Officers

Section 4.1 Designation. The principal officers of the corporation shall consist of a President, a Vice-President, a Secretary, and a Treasurer, each of whom shall be appointed by the Board of Directors.

Section 4.2 Election of officers. The Board of Directors, at each annual meeting shall appoint a President, a Vice-President, a Secretary, and a Treasurer.

Section 4.3 Additional Officers. The Board may appoint such other officers, assistant officers and agents as it shall deem necessary or desirable, who shall hold their offices for such terms and shall have such authority and perform such duties as shall be determined by the Board.

Section 4.4 Removal and Vacancy. The officers of the corporation shall hold office until their successors are chosen and qualify in their stead. Any officer or agent appointed by the Board of Directors may be removed by the Board of Directors at any time by majority of voting members, with or without cause, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. If the office of any of the officers becomes vacant for any reason, the vacancy shall be filled by the Board of Directors at any meeting.

Section 4.5 President. The President shall preside at all meetings of the Directors; and shall ensure that the Executive Director follows carries out all orders and resolutions of the Board. The President shall execute bonds, mortgages and other contracts except where required by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the corporation.

Section 4.6 Vice-President. The Vice-President shall exercise the powers and perform the functions that are from time to time assigned by the President or the Board of Directors. The Vice-President shall have the powers and shall exercise the duties of the President whenever the President, by reason of illness or other disability, or absence, is unable to act, and at other times when specifically, so directed by the Board of Directors.

Section 4.7 Secretary. The Secretary shall attend all sessions of the Board and shall ensure all meetings of and records the minutes of all proceedings are kept for that purpose, shall be responsible for authenticating the records of the corporation, and shall perform like duties for any committee when required. The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors, and shall perform such duties as may be prescribed by the Board of Directors or President, under whose supervision the Secretary shall be.

Section 4.8 Treasurer. The Treasurer shall have custody of the funds and securities of the corporation and shall ensure that full and accurate accounts of receipts and disbursements in the books of the corporation and shall deposit all moneys and other valuable effects in the name of and to the credit of the corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall render to the President and Board of Directors, at the regular meeting of the Board of Directors and at such other times as may be reasonably required, an accurate account of the financial condition of the corporation. The Board of Directors may require that the Treasurer give the corporation a surety bond in such form and amount as the Board, in its discretion, may require, for the faithful performance and discharge of the duties of his or her office. The Treasurer shall have authority, subject to the approval of the Board of Directors, to contract for accounting services on behalf of the corporation.

ARTICLE 5

Employees

Section 5.1 Designation. The Board of Director may establish such positions of employment as it may,

from time to time, deem appropriate.

Section 5.2 Compensation and Expenses. The Board of Directors may establish such salaries for employees, who are not members of the Board of Directors, as they may deem appropriate and may hire and discharge employees of the corporation in their sole discretion. The Board may also compensate employees and officers for expenses including travel expenses necessarily incurred in the discharge of their duties as employees and officers of the corporation.

The compensation of all agents and employees of the corporation shall be fixed by the Executive Director, under approval of the Board of Directors, or by the person or committee to whom such responsibility is delegated, subject to the approval of the Board.

Section 5.1 Designation. The Board of Directors has established the Executive Director position and provides direct oversight of this role. The Executive Director is a non-voting member of the Board and attends all Board meetings.

Section 5.2 Compensation and Expenses. The Board of Directors establishes the salary for the Executive Director. The Executive Director shall hire and discharge employees of the corporation at their sole discretion and seek guidance from the Board of special counsel as needed.

ARTICLE 7

Standards of Conduct

Section 6.1 Good Faith and Reasonable Prudence. Each Director shall discharge his or her duties on behalf of the corporation in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner the Director reasonably believes to be in the best interest of the corporation.

Section 6.2 Reliance. In discharging the duties of a Director, a Director shall be entitled to rely on information, opinions, reports, and statements, including financial statements and other financial data, prepared or presented by one or more officers or employees of the corporation whom the Director reasonably believes to be reliable and competent in the matters presented; legal counsel, public accountants or other person as to matters the Director believes are within such person's professional or expert competence; and a committee of the Board of which the Director is not a member, as to matters within its jurisdiction, if the Director reasonably believes the committee merits confidence. A Director shall not be liable to the corporation or any other person for any action taken or not taken as a Director, if he or she shall have acted in good faith in compliance with this Article.

Section 6.3 Conflict of Interest. For the purpose of this Article, a conflict of interest transaction is a transaction with the corporation in which the Director has a direct or indirect interest. Directors shall declare to the Board any conflict of interest or potential conflict of interest on their part of which they know or have reason to know, concerning any proposed action of the Board. A transaction in which a Director may have a conflict of interest may be approved by the vote of the Board of Directors or a committee thereof if the material facts of the transaction and the Director's interests are disclosed or known to the Board or committee; or by obtaining the approval of the Attorney General of the State of

Oregon or any Circuit Court of the State of Oregon in an action in which the Attorney General is joined as a party. A conflict of interest transaction shall not be voidable nor the basis for imposing liability on a Director if the transaction is fair to the corporation at the time it is entered into or approved as provided herein. For the purposes of this Article, a Director shall be deemed to have an indirect interest in a transaction if another entity in which the Director has a material interest, or in which the Director is a general partner, is a party to the transaction; or another entity of which the Director is a Director, officer, or trustee is a party to the transaction and the transaction is or should be considered by the Board of Directors. A Director does not have a direct or indirect interest in a transaction solely by serving as the director, officer, or trustee of any entity which substantially controls, is under substantially common control with, is wholly owned by or is substantially controlled by this corporation.

Section 6.4 Approval or Ratification. A conflict of interest transaction may be authorized, approved or ratified by the affirmative vote of a majority of the Directors on the Board who have no direct or indirect interest in the transaction. No conflict of interest transaction may be authorized, approved or ratified by a single Director. If a majority of the Directors who have no direct or indirect interest in a transaction vote to authorize, approve or ratify such transaction, a quorum shall be deemed present for the purpose of taking action under this Article.

Section 6.5 Loans and Guarantees. No Director or officer shall obtain a loan of money or a guarantee of an obligation from or by the corporation.

ARTICLE 7

Indemnification, Insurance and Limitation of Liability

Section 7.1 Indemnification. The corporation shall indemnify to the fullest extent not prohibited by law any indemnified person (as hereinafter defined) who was or is a party or is threatened to be made a party to any proceeding (as hereinafter defined) against all expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by the indemnified person in connection with such proceeding.

Section 7.2 Advancement of Expenses. Expenses incurred by an indemnified person in defending a proceeding shall in all cases be paid by the corporation in advance of the final disposition of such proceeding at the written request of such indemnified person, if the indemnified person furnishes the corporation:

- (a) A written affirmation of the indemnified person's good faith belief that such indemnified person is entitled to be indemnified by the corporation under this Article or under any other indemnification rights granted by the corporation to such indemnified person; and
- (b) A written undertaking by or on behalf of such indemnified person to repay such advance to the extent it is ultimately determined by a court that such indemnified person is not entitled to be indemnified by the corporation under this Article or under any other indemnification rights granted by the corporation to such indemnified person.

Such advances shall be made without regard to the indemnified person's ability to repay such

advances and without regard to the indemnified person's ultimate entitlement to indemnification under this Article or otherwise.

Section 7.3 Non-Exclusivity and Continuity of Rights. The indemnification and entitlement to advancement of expenses provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under the Articles of Incorporation or any statute, agreement, general or specific action of the Board of Directors, or otherwise, shall continue as to a person who has ceased to be a person described within the definition of indemnified person, shall inure to the benefit of the heirs, executors and administrators of such an indemnified person and shall extend to all claims for indemnification of advancement of expenses made after the adoption of this Article. The cooperation may enter into agreements to indemnify any indemnified person.

Section 7.4 Limitation of Liability. The civil liability of Directors, officers and executive board members shall be limited to the fullest extent permitted under the Oregon Nonprofit Corporation Act.

Section 7.5 Insurance. The corporation shall be authorized to purchase and maintain in effect a policy or policies of insurance covering any liability of directors, officers, committee members, employees and agents of the corporation, regardless of whether the corporation would have the power to indemnify such persons against the liability so insured.

ARTICLE 8 **Miscellaneous**

Section 8.1 Definitions. The term "indemnified person" shall mean any person who is or was (a) a Director, officer, member of a committee, employee or, to the extent authorized by the Board of Directors in the specific case, an agent of the corporation; (b) a fiduciary within the meaning of the Employee Retirement Income Security Act of 1974 with respect to any employee benefit plan of the corporation; or (c) serving at the request of the corporation as a director, officer, or fiduciary of an employee benefit plan of another corporation, partnership, joint venture, trust or other enterprise, whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification or advancement of expenses can be provided under this Article.

The term "proceeding" shall include any threatened, pending or completed action, suit or proceeding, whether brought in the right of the corporation or otherwise and whether of a civil, criminal, administrative or investigative nature, in which an indemnified person may be or may have been involved as a party or otherwise by reason of the fact that the person is an indemnified person.

Section 8.2 Amendments. Any repeal of this Article shall only be prospective and no repeal, amendment or modification hereof shall adversely affect the rights under this Article in effect at the time of the alleged occurrence of any act or omission to act that is the cause of any proceeding.

Section 8.3 Procedure. These Bylaws may be amended or repealed, or new Bylaws adopted upon receiving the affirmative vote of a majority of the Directors in office.

Schedule J

Cornerstone Community Housing
Audited Consolidated Financial Statement
Year Ended December 31, 2023

Consolidating Statement of Activities

Residential rental revenues	3,203,899.00	Total Revenue without donor restrictions column

Consolidated Schedule of Functional Expenses

Total Property Operations and Management	4,031,912.63	Total expenses from property operations and management column
Less: Depreciation and Amortization	(1,214,944.00)	Depreciation and amortization from PO and Mgmt column
Total Housing Development	82,900.00	total expenses from housing development column
	<u>2,899,868.63</u>	

Percent of Income Applicant Expends for Residential Rental Property for Low-Income Persons

90.5%

Percent Applicant Expends for non-Residential Purposes

9.5%

Form

990**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter social security numbers on this form as it may be made public.

Go to www.irs.gov/Form990 for instructions and the latest information.**2023****Open to Public Inspection**Department of the Treasury
Internal Revenue Service**A For the 2023 calendar year, or tax year beginning**, and ending**B** Check if applicable:

- ☐ Address change
☐ Name change
☐ Initial return
☐ Final return/terminated
☐ Amended return
☐ Application pending

C Name of organization

METROPOLITAN AFFORDABLE HOUSING CORPORATION

Doing business as

CORNERSTONE COMMUNITY HOUSING

Number and street (or P.O. box if mail is not delivered to street address)

PO BOX 11923

Room/suite

City or town, state or province, country, and ZIP or foreign postal code

EUGENE

OR 97440

F Name and address of principal officer:DARCY PHILLIPS
P.O. BOX 11923
EUGENE

OR 97440

D Employer identification number

93-1078543

E Telephone number

541-683-1751

G Gross receipts \$ 7,828,869**H(a)** Is this a group return for subordinates? ☐ Yes ☒ No**H(b)** Are all subordinates included? ☐ Yes ☐ No

If "No," attach a list. See instructions

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) () (insert no.) ☐ 4947(a)(1) or ☐ 527**J** Website: CORNERSTONECOMMUNITYHOUSING.ORG**H(c)** Group exemption number**K** Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other**L** Year of formation: 1991**M** State of legal domicile: OR**Part I Summary**

Activities & Governance	1	Briefly describe the organization's mission or most significant activities:	
		PROVIDE QUALITY, AFFORDABLE HOUSING FOR PEOPLE LIVING ON LIMITED INCOMES, AND OFFER SERVICES THAT PROMOTE OPPORTUNITIES FOR PERSONAL GROWTH AND ECONOMIC INDEPENDENCE.	
	2	Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.	
	3	Number of voting members of the governing body (Part VI, line 1a)	13
	4	Number of independent voting members of the governing body (Part VI, line 1b)	13
	5	Total number of individuals employed in calendar year 2023 (Part V, line 2a)	28
	6	Total number of volunteers (estimate if necessary)	25
Revenue	7a	Total unrelated business revenue from Part VIII, column (C), line 12	0
	7b	Net unrelated business taxable income from Form 990-T, Part I, line 11	0
	8	Contributions and grants (Part VIII, line 1h)	Prior Year: 828,254 Current Year: 3,970,838
	9	Program service revenue (Part VIII, line 2g)	1,892,833 3,719,288
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-308,125 134,511
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-21,579 -16,706
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	2,391,383 7,807,931
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	941,438 1,565,016
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0
	b	Total fundraising expenses (Part IX, column (D), line 25)	99,869
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	1,365,080 3,300,722
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	2,306,518 4,865,738
Net Assets or Fund Balances	19	Revenue less expenses. Subtract line 18 from line 12	84,865 2,942,193
	20	Total assets (Part X, line 16)	Beginning of Current Year: 29,369,753 End of Year: 38,014,341
	21	Total liabilities (Part X, line 26)	6,878,222 15,931,871
	22	Net assets or fund balances. Subtract line 21 from line 20	22,491,531 22,082,470

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer	Date		
	JEFFERY YODER	TREASURER EFF. 4/23		
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed PTIN
	KARI YOUNG	KARI YOUNG	10/14/24	P01325552
	Firm's name	JONES & ROTH, P.C.	Firm's EIN	93-0819646
	Firm's address	PO BOX 10086 EUGENE, OR 97440	Phone no.	541-687-2320

May the IRS discuss this return with the preparer shown above? See instructions

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2023)

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☐

1 Briefly describe the organization's mission:

PROVIDE QUALITY, AFFORDABLE HOUSING FOR PEOPLE LIVING ON LIMITED INCOMES,
AND OFFER SERVICES THAT PROMOTE OPPORTUNITIES FOR PERSONAL GROWTH AND
ECONOMIC INDEPENDENCE.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 3,175,820 including grants of \$) (Revenue \$ 2,929,137)

PROPERTY OPERATIONS AND MANAGEMENT: METROPOLITAN AFFORDABLE HOUSING CORPORATION D.B.A. CORNERSTONE COMMUNITY HOUSING (CORNERSTONE) IS DEDICATED TO DEVELOPING AFFORDABLE HOUSING COMMUNITIES THAT PROVIDE SAFE, STABLE, AND SUPPORTIVE ENVIRONMENTS FOR RESIDENTS. BY COMBINING HOUSING DEVELOPMENT WITH COMPREHENSIVE RESIDENT SERVICES, CORNERSTONE NOT ONLY ADDRESSES THE IMMEDIATE HOUSING NEEDS BUT ALSO PROMOTES LONG-TERM STABILITY AND GROWTH FOR THE RESIDENTS WE SERVE.

4b (Code:) (Expenses \$ 1,105,450 including grants of \$) (Revenue \$ 790,151)

RESIDENT SERVICES: CORNERSTONE PROVIDES COMPREHENSIVE SUPPORT TO ENHANCE THE WELL-BEING AND STABILITY OF THE RESIDENTS WE SERVE. WE OFFER A VARIETY OF RESIDENT SERVICES DESIGNED TO ADDRESS THE UNIQUE NEEDS OF OUR DIVERSE POPULATION, WHICH INCLUDES FAMILIES, SENIORS, VETERANS, AND INDIVIDUALS OVERCOMING CHALLENGES SUCH AS DOMESTIC VIOLENCE AND SUBSTANCE ABUSE RECOVERY. OUR SERVICES INCLUDE FINANCIAL EDUCATION, JOB TRAINING, HEALTH AND WELLNESS PROGRAMS, YOUTH ACTIVITIES, AND FOOD DISTRIBUTION. HOUSEHOLDS SERVED REPRESENT LARGELY DIVERSE CULTURES THAT INCLUDE AFRICAN AMERICAN, HISPANIC, AMERICAN INDIAN, ASIAN, AND MULTI-RACIAL BACKGROUNDS.

4c (Code:) (Expenses \$ 82,900 including grants of \$) (Revenue \$)

HOUSING DEVELOPMENT: OUR DEVELOPMENT PROGRAM FOCUSES ON CREATING HIGH-QUALITY, SUSTAINABLE, AND INCLUSIVE HOUSING SOLUTIONS FOR INDIVIDUALS AND FAMILIES WITH LOW TO MODERATE INCOMES. WE ACHIEVE THIS THROUGH STRATEGIC PARTNERSHIPS, INNOVATIVE FINANCING, AND A COMMITMENT TO EXCELLENCE IN DESIGN AND CONSTRUCTION. WE ARE DEDICATED TO EXPANDING OUR REACH AND ENHANCING THE QUALITY OF LIFE FOR THE COMMUNITIES WE SERVE, ENSURING ACCESS TO SAFE, AFFORDABLE, AND SUPPORTIVE HOUSING.

4d Other program services (Describe on Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 4,364,170

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors? See instructions	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Rev. Proc. 98-19? If "Yes," complete Schedule C, Part III		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		X
10 Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi-endowments? If "Yes," complete Schedule D, Part V		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X, as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	X	
b Did the organization report an amount for investments—other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII	X	
c Did the organization report an amount for investments—program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII		X
d Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX		X
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I. See instructions		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	X	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		X
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	X	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		X
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		X
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		X
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties? (See the Schedule L, Part IV, instructions for applicable filing thresholds, conditions, and exceptions).		
a A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV</i>		X
c A 35% controlled entity of one or more individuals and/or organizations described in line 28a or 28b? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in noncash contributions? <i>If "Yes," complete Schedule M</i>	X	
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	X	
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations on Schedule O for Part VI, lines 11b and 19? Note: All Form 990 filers are required to complete Schedule O.	X	

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☐

	Yes	No
1a Enter the number reported in box 3 of Form 1096. Enter -0- if not applicable		
b Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)		Yes	No
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	28
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	X
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	X
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation on Schedule O	3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X
b	If "Yes," enter the name of the foreign country See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the sponsoring organization make any taxable distributions under section 4966?	9a	
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note: See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
c	Enter the amount of reserves on hand	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation on Schedule O	14b	
15	Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see instructions and file Form 4720, Schedule N.	15	X
16	Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.	16	X
17	Section 501(c)(21) organizations. Did the trust, any disqualified or other person engage in any activities that would result in the imposition of an excise tax under section 4951, 4952 or 4953? If "Yes," complete Form 6069.	17	

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions. Check if Schedule O contains a response or note to any line in this Part VI ☒

Section A. Governing Body and Management

	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.	1a 13	
b Enter the number of voting members included on line 1a, above, who are independent	1b 13	
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?	3	X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5	X
6 Did the organization have members or stockholders?	6	X
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	X
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	8a X	
b Each committee with authority to act on behalf of the governing body?	8b X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O	9	X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a Did the organization have local chapters, branches, or affiliates?	10a	X
b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a X	
b Describe on Schedule O the process, if any, used by the organization to review this Form 990.		
12a Did the organization have a written conflict of interest policy? If "No," go to line 13	12a X	
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b X	
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe on Schedule O how this was done	12c X	
13 Did the organization have a written whistleblower policy?	13 X	
14 Did the organization have a written document retention and destruction policy?	14 X	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	15a X	
b Other officers or key employees of the organization	15b X	
If "Yes" to line 15a or 15b, describe the process on Schedule O. See instructions.		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a X	
b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b X	

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed OR

18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain on Schedule O)

19 Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records.
DARCY PHILLIPS P.O. BOX 11923
EUGENE OR 97440 541-683-1751

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response or note to any line in this Part VII ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
 - List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
 - List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (box 5 of Form W-2, box 6 of Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than \$100,000 from the organization and any related organizations.
 - List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
 - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.
- See the instructions for the order in which to list the persons above.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/ 1099-MISC/ 1099-NEC)	(E) Reportable compensation from related organizations (W-2/ 1099-MISC/ 1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) DARCY PHILLIPS	40.00									
EXECUTIVE DIRECTOR	0.00			X				134,788	0	9,645
(2) MICHELLE MARTIN	40.00									
CFO	0.00			X				115,453	0	7,767
(3) MICHELLE CADY	40.00									
OPERATIONS DIRECTOR	0.00			X				100,737	0	9,174
(4) VICKI GRAY	2.00									
PRESIDENT	0.00	X		X				0	0	0
(5) RICK LARSON	2.00									
VICE PRESIDENT	0.00	X		X				0	0	0
(6) JEFFERY YODER	2.00									
TREASURER EFF. 4/23	0.00	X		X				0	0	0
(7) B. DEAN HUBER	2.00									
TREASURER UNTIL 4/23	0.00	X		X				0	0	0
(8) AMBER ALEXANDER	2.00									
SECRETARY	0.00	X		X				0	0	0
(9) HOLLY BICK	1.00									
BOARD MEMBER	0.00	X						0	0	0
(10) SARAH MEANS	1.00									
BOARD MEMBER	0.00	X						0	0	0
(11) ANDREA VOORHEES	1.00									
BOARD MEMBER	0.00	X						0	0	0

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(12) PHIL FARRINGTON										
(12) BOARD MEMBER	1.00 0.00	X						0	0	0
(13) MARIO CONTE										
(13) BOARD MEMBER	1.00 0.00	X						0	0	0
(14) CARL YEH										
(14) BOARD MEMBER	1.00 0.00	X						0	0	0
(15) PAT WALSH										
(15) BOARD MEMBER	1.00 0.00	X						0	0	0
(16) YARELI MORENO										
(16) BOARD MEMBER	1.00 0.00	X						0	0	0
(17) JILLIAN DREWES										
(17) BOARD MEMBER	1.00 0.00	X						0	0	0
(18)										
(19)										
1b Subtotal								350,978		26,586
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								350,978		26,586

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **3**

	Yes	No
3 Did the organization list any former officer, director, trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
CASCADE EXTERIORS LLC PORTLAND OR 97203	7516 N COLUMBIA BLVD CONSTRUCTION	2,213,950

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization

1

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a	6,450				
	b Membership dues	1b					
	c Fundraising events	1c	119,995				
	d Related organizations	1d					
	e Government grants (contributions)	1e	3,449,120				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	395,273				
	g Noncash contributions included in lines 1a-1f	1g	\$ 206,391				
	h Total. Add lines 1a-1f			3,970,838			
Program Service Revenue				Business Code			
	2a RENTAL AND RELATED INCOME		531110	2,572,645	2,572,645		
	b RESIDENTIAL SERVICES FEE		531110	790,151	790,151		
	c SPONSOR LOAN INTEREST INCOME		531190	324,375	324,375		
	d COMPANY ADMINISTRATIVE FEES		812900	32,117	32,117		
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f			3,719,288			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			134,328			134,328
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6a Gross rents	6a	(i) Real (ii) Personal				
	b Less: rental expenses	6b					
	c Rental inc. or (loss)	6c					
	d Net rental income or (loss)						
	7a Gross amount from sales of assets other than inventory	7a	(i) Securities (ii) Other				
	b Less: cost or other basis and sales exps.	7b					
	c Gain or (loss)	7c					
	d Net gain or (loss)			183			183
	8a Gross income from fundraising events (not including \$ 119,995 of contributions reported on line 1c). See Part IV, line 18	8a					
	b Less: direct expenses	8b					
	c Net income or (loss) from fundraising events			-20,321			
	9a Gross income from gaming activities. See Part IV, line 19	9a					
b Less: direct expenses	9b						
c Net income or (loss) from gaming activities							
10a Gross sales of inventory, less returns and allowances	10a						
b Less: cost of goods sold	10b						
c Net income or (loss) from sales of inventory							
Miscellaneous Revenue				Business Code			
	11a OTHER REVENUE		900099	3,615			3,615
	b						
	c						
	d All other revenue						
	e Total. Add lines 11a-11d			3,615			
12 Total revenue. See instructions			7,807,931	3,719,288	0	138,126	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	377,561	153,725	192,906	30,930
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	958,467	912,302		46,165
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	12,642	12,233		409
9 Other employee benefits	87,723	78,063	5,162	4,498
10 Payroll taxes	128,623	103,544	17,737	7,342
11 Fees for services (nonemployees):				
a Management	158,854	158,854		
b Legal	45,339	38,965	6,374	
c Accounting	30,041		30,041	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)				
12 Advertising and promotion	12,718	10,792	403	1,523
13 Office expenses	223,344	187,617	28,329	7,398
14 Information technology				
15 Royalties				
16 Occupancy	853,957	807,867	45,347	743
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	498,373	498,373		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	848,628	843,723	4,905	
23 Insurance	64,881	50,964	13,369	548
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a RESIDENT SERVICES	263,660	263,660		
b MISCELLANEOUS	172,931	163,817	9,073	41
c CONTRACT SERVICES	45,196	3,782	41,414	
d DEVELOPMENT EXPENSE	32,522	32,522		
e All other expenses	50,278	43,367	6,639	272
25 Total functional expenses. Add lines 1 through 24e	4,865,738	4,364,170	401,699	99,869
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance SheetCheck if Schedule O contains a response or note to any line in this Part X ☐

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest-bearing	562,115	1	476,751
	2 Savings and temporary cash investments	3,782,046	2	2,502,618
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	56,538	4	229,152
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7 Notes and loans receivable, net	12,285,175	7	2,990,019
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	102,341	9	74,601
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 33,534,903		
	b Less: accumulated depreciation	10b 4,736,500	10c	28,798,403
	11 Investments—publicly traded securities		11	
	12 Investments—other securities. See Part IV, line 11	10,726	12	2,600,591
	13 Investments—program-related. See Part IV, line 11	3,147,351	13	261,746
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	16,379	15	80,460
16 Total assets. Add lines 1 through 15 (must equal line 33)	29,369,753	16	38,014,341	
Liabilities	17 Accounts payable and accrued expenses	146,895	17	362,470
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	6,479,409
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23 Secured mortgages and notes payable to unrelated third parties	6,090,460	23	8,265,735
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	640,867	25	824,257
	26 Total liabilities. Add lines 17 through 25	6,878,222	26	15,931,871
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here ☒ and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions	15,698,750	27	15,520,344
	28 Net assets with donor restrictions	6,792,781	28	6,562,126
	Organizations that do not follow FASB ASC 958, check here ☐ and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds		29	
	30 Paid-in or capital surplus, or land, building, or equipment fund		30	
	31 Retained earnings, endowment, accumulated income, or other funds		31	
	32 Total net assets or fund balances	22,491,531	32	22,082,470
33 Total liabilities and net assets/fund balances	29,369,753	33	38,014,341	

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI ☒

1	Total revenue (must equal Part VIII, column (A), line 12)	1	7,807,931
2	Total expenses (must equal Part IX, column (A), line 25)	2	4,865,738
3	Revenue less expenses. Subtract line 2 from line 1	3	2,942,193
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	22,491,531
5	Net unrealized gains (losses) on investments	5	-1,228
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	-3,350,026
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	22,082,470

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII ☐

	Yes	No
1 Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both. ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis		X
b Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both. ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis	X	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.	X	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Uniform Guidance, 2 C.F.R. Part 200, Subpart F?	X	
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits	X	

SCHEDULE A
(Form 990)**Public Charity Status and Public Support**

OMB No. 1545-0047

2023**Open to Public
Inspection**Department of the Treasury
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

Attach to Form 990 or Form 990-EZ.Go to www.irs.gov/Form990 for instructions and the latest information.

Name of the organization

**METROPOLITAN AFFORDABLE HOUSING
CORPORATION**

Employer identification number

93-1078543**Part I Reason for Public Charity Status.** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990).)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state:
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 ☐ An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university:
- 10 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions, subject to certain exceptions; and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 11 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 12 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box on lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
- a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
- b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
- c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
- d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
- e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
- f Enter the number of supported organizations:
- g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
(A)						
(B)						
(C)						
(D)						
(E)						
Total						

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990) 2023

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	528,455	756,179	1,153,964	828,254	3,970,838	7,237,690
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	528,455	756,179	1,153,964	828,254	3,970,838	7,237,690
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						162,869
6 Public support. Subtract line 5 from line 4						7,074,821

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(f) Total
7 Amounts from line 4	528,455	756,179	1,153,964	828,254	3,970,838	7,237,690
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources	26,174	14,315	5,174	7,173	134,328	187,164
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)		67,700	50,987	630	3,615	122,932
11 Total support. Add lines 7 through 10						7,547,786
12 Gross receipts from related activities, etc. (see instructions)					12	10,051,914

13 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2023 (line 6, column (f) divided by line 11, column (f))	14	93.73 %
15 Public support percentage from 2022 Schedule A, Part II, line 14	15	84.73 %
16a 33 1/3% support test — 2023. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ☒		
b 33 1/3% support test — 2022. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ☐		
17a 10%-facts-and-circumstances test — 2023. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization ☐		
b 10%-facts-and-circumstances test — 2022. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization ☐		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ☐		

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II.
If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2019	(b) 2020	(c) 2021	(d) 2022	(e) 2023	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2023 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2022 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2023 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2022 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests — 2023. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

b 33 1/3% support tests — 2022. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ☐

Part IV Supporting Organizations

(Complete only if you checked a box on line 12 on Part I. If you checked box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer lines 3b and 3c below.</i>		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked box 12a or 12b in Part I, answer lines 4b and 4c below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer lines 5b and 5c below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described on line 7? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons, as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
b Did one or more disqualified persons (as defined on line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
c Did a disqualified person (as defined on line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer line 10b below.</i>		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)**11** Has the organization accepted a gift or contribution from any of the following persons?

- a** A person who directly or indirectly controls, either alone or together with persons described on lines 11b and 11c below, the governing body of a supported organization?
- b** A family member of a person described on line 11a above?
- c** A 35% controlled entity of a person described on line 11a or 11b above? If "Yes" to line 11a, 11b, or 11c, provide detail in Part VI.

	Yes	No
11a		
11b		
11c		

Section B. Type I Supporting Organizations

- 1** Did the governing body, members of the governing body, officers acting in their official capacity, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's officers, directors, or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove officers, directors, or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.
- 2** Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.

	Yes	No
1		
2		

Section C. Type II Supporting Organizations

- 1** Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).

	Yes	No
1		

Section D. All Type III Supporting Organizations

- 1** Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?
- 2** Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).
- 3** By reason of the relationship described on line 2, above, did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.

	Yes	No
1		
2		
3		

Section E. Type III Functionally Integrated Supporting Organizations

- 1** Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).
- a** ☐ The organization satisfied the Activities Test. Complete line 2 below.
- b** ☐ The organization is the parent of each of its supported organizations. Complete line 3 below.
- c** ☐ The organization supported a governmental entity. Describe in Part VI how you supported a governmental entity (see instructions).

2 Activities Test. Answer lines 2a and 2b below.

- a** Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.
- b** Did the activities described on line 2a, above, constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.

3 Parent of Supported Organizations. Answer lines 3a and 3b below.

- a** Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? If "Yes" or "No," provide details in Part VI.
- b** Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.

	Yes	No
2a		
2b		
3a		
3b		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

- 1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (*explain in Part VI*). **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A – Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	

Section B – Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (<i>explain in detail in Part VI</i>):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 0.015 of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by 0.035.	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C – Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, column A)	1	
2	Enter 0.85 of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	☐ Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D – Distributions		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	1
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	3
4	Amounts paid to acquire exempt-use assets	4
5	Qualified set-aside amounts (prior IRS approval required—provide details in Part VI)	5
6	Other distributions (describe in Part VI). See instructions.	6
7	Total annual distributions. Add lines 1 through 6.	7
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	8
9	Distributable amount for 2022 from Section C, line 6	9
10	Line 8 amount divided by line 9 amount	10

Section E – Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2023	(iii) Distributable Amount for 2023
1 Distributable amount for 2023 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2023 (reasonable cause required—explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2023			
a From 2018			
b From 2019			
c From 2020			
d From 2021			
e From 2022			
f Total of lines 3a through 3e			
g Applied to underdistributions of prior years			
h Applied to 2023 distributable amount			
i Carryover from 2018 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from line 3f.			
4 Distributions for 2023 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2023 distributable amount			
c Remainder. Subtract lines 4a and 4b from line 4.			
5 Remaining underdistributions for years prior to 2023, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions.			
6 Remaining underdistributions for 2023. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions.			
7 Excess distributions carryover to 2024. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2019			
b Excess from 2020			
c Excess from 2021			
d Excess from 2022			
e Excess from 2023			

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

PART II, LINE 10 - OTHER INCOME DETAIL

OTHER REVENUE \$ 122,932

**Schedule B
(Form 990)****Schedule of Contributors**Department of the Treasury
Internal Revenue ServiceAttach to Form 990, 990-EZ, or 990-PF.
Go to www.irs.gov/Form990 for the latest information.**2023**

Name of the organization

METROPOLITAN AFFORDABLE HOUSING
CORPORATION

Employer identification number

93-1078543

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☒ 501(c)(3) (enter number) organization☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation☐ 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note:** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule**

- ☐
- For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

- ☒
- For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33
- ¹
- /
- ₃
- % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of
- (1)**
- \$5,000; or
- (2)**
- 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.

- ☐
- For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000
- exclusively*
- for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering "N/A" in column (b) instead of the contributor name and address), II, and III.

- ☐
- For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions
- exclusively*
- for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an
- exclusively*
- religious, charitable, etc., purpose. Don't complete any of the parts unless the
- General Rule**
- applies to this organization because it received
- nonexclusively*
- religious, charitable, etc., contributions totaling \$5,000 or more during the year \$

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990).

Name of organization

METROPOLITAN AFFORDABLE HOUSING

Employer identification number

93-1078543

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1		\$ 133,766	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II for noncash contributions.)
2		\$ 3,090,142	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
3		\$ 325,101	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)

Name of organization

METROPOLITAN AFFORDABLE HOUSING

Employer identification number

93-1078543

Part II **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

[illegible]

**SCHEDULE D
(Form 990)**Department of the Treasury
Internal Revenue Service**Supplemental Financial Statements**Complete if the organization answered "Yes" on Form 990,
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
Attach to Form 990.Go to www.irs.gov/Form990 for instructions and the latest information.**2023**Open to Public
Inspection

Name of the organization

METROPOLITAN AFFORDABLE HOUSING
CORPORATION

Employer identification number

93-1078543

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		☐ Yes ☐ No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		☐ Yes ☐ No

Part II Conservation Easements

Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (for example, recreation or education)	☐ Preservation of a historically important land area
☐ Protection of natural habitat	☐ Preservation of a certified historic structure
☐ Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included on line 2a	2c
d Number of conservation easements included on line 2c acquired after July 25, 2006, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year

4 Number of states where property subject to conservation easement is located

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year

8 Does each conservation easement reported on line 2d above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under FASB ASC 958, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide in Part XIII the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under FASB ASC 958, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items.

(i) Revenue included on Form 990, Part VIII, line 1

(ii) Assets included in Form 990, Part X

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under FASB ASC 958 relating to these items.

a Revenue included on Form 990, Part VIII, line 1

b Assets included in Form 990, Part X

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply).

- a ☐ Public exhibition
 b ☐ Scholarly research
 c ☐ Preservation for future generations
 d ☐ Loan or exchange program
 e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements

Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table.

- c Beginning balance
 d Additions during the year
 e Distributions during the year
 f Ending balance

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII ☐

Part V Endowment Funds

Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment %
 b Permanent endowment %
 c Term endowment %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) Unrelated organizations?
 (ii) Related organizations?

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?

	Yes	No
3a(i)		
3a(ii)		
3b		

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		2,846,434		2,846,434
b Buildings		24,762,441	3,945,368	20,817,073
c Leasehold improvements		1,048,389	518,308	530,081
d Equipment		302,467	272,824	29,643
e Other		4,575,172		4,575,172
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, line 10c, column (B))				28,798,403

Part VII Investments – Other Securities

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely held equity interests		
(3) Other TREASURY BILLS	2,591,093	MARKET
(A) INVESTMENTS	9,498	MARKET
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, line 12, col. (B))	2,600,591	

Part VIII Investments – Program Related

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, line 13, col. (B))		

Part IX Other Assets

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, line 15, col. (B))	

Part X Other Liabilities

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DEVELOPMENT CONSULTANT FEES PAYABLE	569,662
(3) TENANT SECURITY DEPOSITS	173,625
(4) OPERATING LEASE LIABILITY	80,970
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, line 25, col. (B))	824,257

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII ☐

Part XI	Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains (losses) on investments	2a		
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d		2e	
3	Subtract line 2e from line 1		3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b		4c	
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)		5	

Part XII	Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	2a		
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d		2e	
3	Subtract line 2e from line 1		3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b		4c	
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)		5	

Part XIII Supplemental Information

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Part XIII Supplemental Information *(continued)*

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SCHEDULE G
(Form 990)

Supplemental Information Regarding Fundraising or Gaming Activities
Complete if the organization answered "Yes" on Form 990, Part IV, line 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.

Department of the Treasury
Internal Revenue Service

Attach to Form 990 or Form 990-EZ.
Go to www.irs.gov/Form990 for instructions and the latest information.

2023

Open to Public
Inspection

Name of the organization

METROPOLITAN AFFORDABLE HOUSING CORPORATION

Employer identification number

93-1078543

Part I Fundraising Activities. Complete if the organization answered "Yes" on Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a ☐ Mail solicitations

b ☐ Internet and email solicitations

c ☐ Phone solicitations

d ☐ In-person solicitations
- e ☐ Solicitation of non-government grants

f ☐ Solicitation of government grants

g ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees, or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No

b If "Yes," list the 10 highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total						

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Part II Fundraising Events. Complete if the organization answered "Yes" on Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1 (event type)	(b) Event #2 (event type)	(c) Other events (total number)	(d) Total events (add col. (a) through col. (c))
Revenue		HOUSING HEROES		NONE	
	1 Gross receipts	119,995			119,995
	2 Less: Contributions	119,995			119,995
	3 Gross income (line 1 minus line 2)				
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages	2,575			2,575
	8 Entertainment	9,260			9,260
	9 Other direct expenses	8,486			8,486
	10 Direct expense summary. Add lines 4 through 9 in column (d)				20,321
	11 Net income summary. Subtract line 10 from line 3, column (d)				-20,321

Part III Gaming. Complete if the organization answered "Yes" on Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ☐ No %	☐ Yes ☐ No %	☐ Yes ☐ No %	
7 Direct expense summary. Add lines 2 through 5 in column (d)					
8 Net gaming income summary. Subtract line 7 from line 1, column (d)					

9 Enter the state(s) in which the organization conducts gaming activities:

a Is the organization licensed to conduct gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain:

10a Were any of the organization's gaming licenses revoked, suspended, or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain:

Schedule G (Form 990) 2023

METROPOLITAN AFFORDABLE HOUSING

93-1078543

Page 3

- 11** Does the organization conduct gaming activities with nonmembers? ☐ Yes ☐ No
- 12** Is the organization a grantor, beneficiary or trustee of a trust, or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No
- 13** Indicate the percentage of gaming activity conducted in:
- | | | |
|--------------------------------------|------------|---|
| a The organization's facility | 13a | % |
| b An outside facility | 13b | % |
- 14** Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name

Address

- 15a** Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No
- b** If "Yes," enter the amount of gaming revenue received by the organization \$ and the amount of gaming revenue retained by the third party \$
- c** If "Yes," enter name and address of the third party:

Name

Address

16 Gaming manager information:

Name

Gaming manager compensation \$

Description of services provided

☐ Director/officer ☐ Employee ☐ Independent contractor**17** Mandatory distributions:

- a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No
- b** Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year \$

Part IV Supplemental Information. Provide the explanations required by Part I, line 2b, columns (iii) and (v); and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also provide any additional information. See instructions.

**SCHEDULE K
(Form 990)**Department of the Treasury
Internal Revenue Service**Supplemental Information on Tax-Exempt Bonds**

Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.

Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

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Inspection

Name of the organization

**METROPOLITAN AFFORDABLE HOUSING
CORPORATION**Employer identification number
93-1078543**Part I Bond Issues**

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
A STATE OF OR HSG AND COMMUNITY SERV	93-0952117	68608AAQ3	12/14/06	11,231,900	SEE PART VI		X		X		X
B											
C											
D											

Part II Proceeds

	A		B		C		D	
1 Amount of bonds retired								
2 Amount of bonds legally defeased								
3 Total proceeds of issue	11,231,900							
4 Gross proceeds in reserve funds								
5 Capitalized interest from proceeds								
6 Proceeds in refunding escrows								
7 Issuance costs from proceeds								
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds	11,231,900							
11 Other spent proceeds								
12 Other unspent proceeds								
13 Year of substantial completion	2008							
	Yes	No	Yes	No	Yes	No	Yes	No
14 Were the bonds issued as part of a refunding issue of tax-exempt bonds (or, if issued prior to 2018, a current refunding issue)?		X						
15 Were the bonds issued as part of a refunding issue of taxable bonds (or, if issued prior to 2018, an advance refunding issue)?		X						
16 Has the final allocation of proceeds been made?	X							
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule K (Form 990) 2023

Part III Private Business Use

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?	X							
2 Are there any lease arrangements that may result in private business use of bond-financed property?		X						
3a Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?		X						
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government								
	%		%		%		%	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government								
	%		%		%		%	
6 Total of lines 4 and 5	%		%		%		%	
7 Does the bond issue meet the private security or payment test?		X						
8a Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	X							

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X						
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?		X						
b Exception to rebate?	X							
c No rebate due?		X						
If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?		X						

Part IV Arbitrage (continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		X						
7 Has the organization established written procedures to monitor the requirements of section 148?		X						

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation isn't available under applicable regulations?	X							

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K. See instructions.**SCHEDULE K - PURPOSE OF ISSUE DESCRIPTION**

STATE OF OR HSG AND COMMUNITY SERVCS

QUALIFIED RESIDENTIAL RENTAL PROJECTS MEETING 40-60 TEST (SECTION 142(D)
(1)(B))**SCHEDULE K - ADDITIONAL INFORMATION**

STATE OF OR HSG AND COMMUNITY SERVCS

THE BOND IS DEBT OF WESTTOWN ON 8TH LLC, FOR WHICH METROPOLITAN AFFORDABLE HOUSING CORPORATION (DBA CORNERSTONE COMMUNITY HOUSING) WAS THE MANAGING MEMBER AND .01% OWNER. DURING 2023, METROPOLITAN AFFORDABLE HOUSING CORPORATION (DBA CORNERSTONE COMMUNITY HOUSING) BECAME THE SOLE OWNER OF WESTTOWN ON 8TH LLC, SO THE BOND IS NOW BEING REPORTED ON SCHEDULE K.

Part VI **Supplemental Information.** Provide additional information for responses to questions on Schedule K. See instructions. *(continued)*

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**SCHEDULE M
(Form 990)****Noncash Contributions**

Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.

Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.**2023****Open To Public
Inspection**Department of the Treasury
Internal Revenue Service

Name of the organization

Employer identification number

93-1078543

CORPORATION

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art — Works of art				
2 Art — Historical treasures				
3 Art — Fractional interests				
4 Books and publications				
5 Clothing and household goods	X		23,595	FAIR MARKET VALUE
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities — Publicly traded				
10 Securities — Closely held stock				
11 Securities — Partnership, LLC, or trust interests				
12 Securities — Miscellaneous				
13 Qualified conservation contribution — Historic structures				
14 Qualified conservation contribution — Other				
15 Real estate — Residential				
16 Real estate — Commercial				
17 Real estate — Other				
18 Collectibles				
19 Food inventory	X	2	182,796	STATE ASSIGNED VALUES
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ()				
26 Other ()				
27 Other ()				
28 Other ()				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part V, Donee Acknowledgement

29

0

30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least 3 years from the date of the initial contribution, and which isn't required to be used for exempt purposes for the entire holding period?

Yes No

30a		X

b If "Yes," describe the arrangement in Part II.

31 Does the organization have a gift acceptance policy that requires the review of any nonstandard contributions?

31		X

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?

32a		X

b If "Yes," describe in Part II.

33 If the organization didn't report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule M (Form 990) 2023

Part II **Supplemental Information.** Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

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**SCHEDULE O
(Form 990)**Department of the Treasury
Internal Revenue Service**Supplemental Information to Form 990 or 990-EZ**Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

Attach to Form 990 or Form 990-EZ.

Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2023**Open to Public
Inspection**

Name of the organization	METROPOLITAN AFFORDABLE HOUSING CORPORATION	Employer identification number	93-1078543

FORM 990, PART I, LINE 6

BOARD MEMBERS ARE VOLUNTEERS. OTHER VOLUNTEERS PROVIDE OFFICE/PROGRAM
VOLUNTEER SERVICES.

FORM 990, PART VI, LINE 11B - ORGANIZATION'S PROCESS TO REVIEW FORM 990
ORGANIZATION'S PROCESS TO REVIEW FORM 990 A COPY OF FORM 990 IS GIVEN TO
THE BOARD FINANCE COMMITTEE FOR REVIEW PRIOR TO SUBMISSION.

FORM 990, PART VI, LINE 12C - ENFORCEMENT OF CONFLICTS POLICY
ENFORCEMENT OF CONFLICTS POLICY THE BOARD MEETS QUARTERLY AND IS AVAILABLE
TO MONITOR AND ENFORCE COMPLIANCE WITH THE CONFLICT OF INTEREST POLICY. AD
HOC COMPLIANCE COMMITTEE IS AVAILABLE TO REVIEW ANY CASES AS NECESSARY.
OUTSIDE LEGAL COUNCIL IS RETAINED IF NECESSARY TO ENFORCE COMPLIANCE WITH
THE CONFLICT OF INTEREST POLICY.

FORM 990, PART VI, LINE 15A - COMPENSATION PROCESS FOR TOP OFFICIAL
COMPENSATION PROCESS FOR TOP OFFICIAL THE BOARD REVIEWS COMPARATIVE MARKET
DATA FOR SALARY RANGES FOR THE EXECUTIVE DIRECTOR.

FORM 990, PART VI, LINE 15B - COMPENSATION PROCESS FOR OFFICERS
COMPENSATION PROCESS FOR OFFICERS THE BOARD REVIEWS COMPARATIVE MARKET DATA
FOR SALARY RANGES FOR KEY EMPLOYEES.

FORM 990, PART VI, LINE 19 - GOVERNING DOCUMENTS DISCLOSURE EXPLANATION
GOVERNING DOCUMENTS DISCLOSURE EXPLANATION GOVERNING DOCUMENTS AND

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990) 2023

Name of the organization

Employer identification number

METROPOLITAN AFFORDABLE HOUSING

93-1078543

FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC REQUEST FROM THE ORGANIZATION. FINANCIAL INFORMATION IS ALSO AVAILABLE FROM THE OREGON DEPARTMENT OF JUSTICE. FORM 990 IS ALSO AVAILABLE FOR REVIEW ON-LINE.

FORM 990, PART XI, LINE 9 - OTHER CHANGES IN NET ASSETS EXPLANATION

ASSUMPTION OF INTEREST IN PRAIRIE VIEW LLC	\$ 340,540
ASSUMPTION OF INTEREST IN WESTTOWN ON 8TH LLC	\$ -137,306
GAAP IMPAIRMENT OF FIXED ASSETS	\$ -3,553,260
TOTAL	\$ -3,350,026

DURING THE YEAR ENDED DECEMBER 31, 2023, THE INVESTOR MEMBERS OF WESTTOWN ON 8TH LLC AND PRAIRIE VIEW, LLC ASSIGNED THEIR MEMBERSHIP INTEREST TO CORNERSTONE, THEREBY, MAKING CORNERSTONE THE SOLE MEMBER. AT THE TIME CORNERSTONE ASSUMED THE EXITING INVESTOR MEMBERS' INTEREST, THE ASSETS WERE ASSESSED FOR IMPAIRMENT AND MANAGEMENT DETERMINED THE CARRYING VALUE OF THE ASSETS EXCEEDED THE FAIR VALUE OF THE ASSETS; THEREFORE, AN IMPAIRMENT WAS RECOGNIZED. FOR WESTTOWN ON 8TH LLC, THE FAIR VALUE WAS DETERMINED BY A THIRD-PARTY APPRAISAL, WHICH FACTORED IN THE ASSET RESTRICTIONS TO BE USED FOR AFFORDABLE HOUSING. FOR PRAIRIE VIEW LLC, THE FAIR VALUE OF THE ASSETS WAS BASED ON THE PRESENT VALUE OF EXPECTED FUTURE CASH FLOWS, CONSIDERING THE PROPERTY RENT RESTRICTIONS AND THE NATURE OF THE ASSETS TO BE USED FOR AFFORDABLE HOUSING. THE TOTAL IMPAIRMENT LOSS RECOGNIZED IN THE FORM 990 FOR THE YEAR ENDED DECEMBER 31, 2023 WAS \$3,553,260 WHICH INCLUDES \$1,734,293 IMPAIRMENT LOSS RECOGNIZED IN THE CONSOLIDATED US GAAP FINANCIAL STATEMENTS AND AN ADDITIONAL \$1,818,967 FOR PREVIOUSLY RECOGNIZED DEVELOPER FEES WHICH WERE REPORTED AS INCOME ON PREVIOUS FORM 990 BUT WERE ELIMINATED FOR US GAAP FINANCIAL STATEMENT REPORTING.

**SCHEDULE R
(Form 990)**Department of the Treasury
Internal Revenue Service
Name of the organization**Related Organizations and Unrelated Partnerships**

Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.Exhibit B
139 of 157
OMB No. 1545-0047**2023****Open to Public
Inspection**METROPOLITAN AFFORDABLE HOUSING
CORPORATIONEmployer identification number
93-1078543**Part I Identification of Disregarded Entities.** Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) COLLEGE CORNER LLC PO BOX 11923 93-1078543 EUGENE OR 97440	LOWINC HSG	OR	91,497	235,758	CCH
(2) OAK LEAF VILLAGE LLC PO BOX 11923 93-1325947 EUGENE OR 97440	LOWINC HSG	OR	163,379	611,383	CCH
(3) DELTA COURT LLC PO BOX 11923 47-5645284 EUGENE OR 97440	LOWINC HSG	OR	76,633	1,026,030	CCH
(4) GREEN LEAF VILLAGE LLC PO BOX 11923 93-1078543 EUGENE OR 97440	LOWINC HSG	OR	319,112	1,058,443	CCH
(5) APPLE ORCHARD VILLAGE LP PO BOX 11923 20-0912554 EUGENE OR 97440	LOWINC HSG	OR	384,984	2,695,719	CCH

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1)							
(2)							
(3)							
(4)							
(5)							

**SCHEDULE R
(Form 990)**Department of the Treasury
Internal Revenue Service
Name of the organization**Related Organizations and Unrelated Partnerships**

Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.Exhibit B
140 of 157
OMB No. 1545-0047**2023****Open to Public
Inspection**METROPOLITAN AFFORDABLE HOUSING
CORPORATIONEmployer identification number
93-1078543**Part I Identification of Disregarded Entities.** Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) PRAIRIE VIEW MANAGER LLC PO BOX 11923 26-2629363 EUGENE OR 97440	LOWINC HSG	OR	-17		CCH
(2) WILLAKENZIE MANAGER LLC PO BOX 11923 93-1078543 EUGENE OR 97440	LOWINC HSG	OR	-42	261,278	CCH
(3) PRAIRIE VIEW LLC PO BOX 11923 20-5175703 EUGENE OR 97440	LOWINC HSG	OR	326,739	6,397,044	CCH
(4) WESTTOWN ON THE 8TH LLC PO BOX 11923 20-3406986 EUGENE OR 97440	LOWINC HSG	OR	1,237,025	14,443,541	CCH
(5)					

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1)							
(2)							
(3)							
(4)							
(5)							

Part III Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Dispro- portionate alloc.?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) PRAIRIE VIEW, LLC PO BOX 11923 EUGENE OR 97440 20-5175703	LOWINC HSG	OR	N/A	RELATED	-34,886			X	N/A	X		0.01
(2) WESTTOWN ON 8TH, LLC PO BOX 11923 EUGENE OR 97440 20-3406986	LOWINC HSG	OR	N/A	RELATED	-26,951		X		N/A	X		0.10
(3) WILLAKENZIE CROSSING APTS, LP PO BOX 11923 EUGENE OR 97440 93-1078543	LOWIN HSG	OR	N/A	RELATED	-39	3,140,186	X		N/A	X		0.01
(4)												

Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1)									
(2)									
(3)									
(4)									

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.**Note:** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?**a** Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity**b** Gift, grant, or capital contribution to related organization(s)**c** Gift, grant, or capital contribution from related organization(s)**d** Loans or loan guarantees to or for related organization(s)**e** Loans or loan guarantees by related organization(s)**f** Dividends from related organization(s)**g** Sale of assets to related organization(s)**h** Purchase of assets from related organization(s)**i** Exchange of assets with related organization(s)**j** Lease of facilities, equipment, or other assets to related organization(s)**k** Lease of facilities, equipment, or other assets from related organization(s)**l** Performance of services or membership or fundraising solicitations for related organization(s)**m** Performance of services or membership or fundraising solicitations by related organization(s)**n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)**o** Sharing of paid employees with related organization(s)**p** Reimbursement paid to related organization(s) for expenses**q** Reimbursement paid by related organization(s) for expenses**r** Other transfer of cash or property to related organization(s)**s** Other transfer of cash or property from related organization(s)**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a–s)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Part VI Unrelated Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													

Part VII

Supplemental Information.

Provide additional information for responses to questions on Schedule R. See instructions.

Public Inspection Copy

OPERATING AGREEMENT
OF
SPRINGFIELD AFFORDABLE APARTMENTS GP LLC

Effective as of

April 28, 2023

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**OPERATING AGREEMENT
OF
SPRINGFIELD AFFORDABLE APARTMENTS GP LLC**

This Operating Agreement (this “**Agreement**”) is entered into as of the 28th day of April, 2023, by Metropolitan Affordable Housing Corporation, an Oregon nonprofit corporation, dba Cornerstone Community Housing (“**Sole Member**”).

EXPLANATORY STATEMENT

Sole Member has determined to organize and operate a limited liability company in accordance with the terms of, and subject to the conditions set forth in, this Agreement.

NOW, THEREFORE, the terms and conditions under which the limited liability company is to be organized and operated are as follows:

**SECTION I.
DEFINED TERMS**

The following capitalized terms shall have the meanings specified in this Section I. Other terms are defined in the text of this Agreement; and, throughout this Agreement, those terms shall have the meanings respectively ascribed to them.

“**Act**” means the Oregon Limited Liability Company Act, ORS 63.951 et seq. as amended from time to time.

“**Agreement**” means this Agreement, as amended from time to time.

“**Code**” means the Internal Revenue Code of 1986, as amended, or any corresponding provision of any succeeding law.

“**Company**” means the limited liability company organized in accordance with this Agreement.

“**Interest**” means a Person’s share of the Profits and Losses of, and the right to receive distributions from, the Company.

“**Interest Holder**” means any Person who holds an Interest, whether as a Member or as an unadmitted assignee of a Member.

“**Involuntary Withdrawal**” means, with respect to Sole Member, the occurrence of any of the following events:

- (i) the making of an assignment for the benefit of creditors;
- (ii) the filing of a voluntary petition of bankruptcy;

- (iii) the adjudication as a bankrupt or insolvent or the entry against Sole Member of an order for relief in any bankruptcy or insolvency proceeding;
- (iv) the filing of a petition or answer seeking for Sole Member any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation;
- (v) the seeking, consenting to, or acquiescence in the appointment of a trustee for, receiver for, or liquidation of Sole Member or of all or any substantial part of Sole Member properties;
- (vi) the filing of an answer or other pleading admitting or failing to contest the material allegations of a petition filed against Sole Member in any proceeding described in Subsections (i) through (v);
- (vii) any proceeding against Sole Member seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation, continues for one hundred twenty (120) days after the commencement thereof, or the appointment of a trustee, receiver, or liquidator for Sole Member or all or any substantial part of Sole Member's properties without Sole Member's agreement or acquiescence, which appointment is not vacated or stayed for one hundred twenty (120) days or, if the appointment is stayed, for one hundred twenty (120) days after the expiration of the stay during which period the appointment is not vacated; or
- (viii) for any natural person who is a Member, the person's death or adjudication by a court of competent jurisdiction as incompetent to manage his or her person or property.

“Member” means the Person signing this Agreement and any Person who subsequently is admitted as a member of the Company.

“Manager” means the Sole Member, or any person selected by the Sole Member, who shall become a substitute or additional manager.

“Membership Rights” means all of the rights of a Member in the Company, including a Member's: (i) Interest; (ii) right to inspect the Company's books and records; (iii) right to participate in the management of and vote on matters coming before the Company; and (iv) unless this Agreement or the Articles of Organization provide to the contrary, right to act as an agent of the Company.

“Person” means and includes an individual, corporation, partnership, association, limited liability company, trust, estate, or other entity.

“Profit” and **“Loss”** means, for each taxable year of the Company (or other period for which Profit or Loss must be computed) the Company's taxable income or loss determined in accordance with the Code.

“**Regulation**” means the income tax regulations, including any temporary regulations, from time to time promulgated under the Code.

“**Successor**” means all Persons to whom all or any part of an Interest is transferred either because of (i) the sale or gift by Sole Member of all or any part of its Interest, or (ii) an assignment of Sole Member's Interest due to Sole Member's Involuntary Withdrawal.

“**Transfer**” means, when used as a noun, any voluntary sale, hypothecation, pledge, assignment, attachment, or other transfer, and, when used as a verb, means voluntarily to sell, hypothecate, pledge, assign, or otherwise transfer.

“**Withdrawal**” means a Member’s dissociation from the Company by any means.

SECTION II. FORMATION AND NAME; OFFICE; PURPOSE; TERM

2.1. **Organization.** Sole Member hereby organizes a limited liability company pursuant to the Act and the provisions of this Agreement and, for that purpose, has caused or will cause an Articles of Organization to be prepared, executed and filed with the State of Oregon.

2.2. **Name of the Company.** The name of the Company shall be “Springfield Affordable Apartments GP LLC”. The Company may do business under that name and under any other name or names upon which Sole Member may, in its sole discretion, determine. If the Company does business under a name other than that set forth in its Articles of Organization, then the Company shall file a trade name certificate as required by law.

2.3. **Term.** The term of this Company shall commence on the date of the filing of the Articles of Organization with the Oregon Secretary of State’s Office and shall be perpetual, unless earlier dissolved in accordance with Section VII hereof.

2.4. **Purpose.** Company is organized to have all of the powers permitted by ORS 63.077, as amended from time to time.

2.5. **Principal Office.** The principal office of the Company in the State of Oregon shall be located at 1175 Charnelton Street, Eugene OR 97401, or at any other place that Sole Member, in its sole discretion, determines.

2.6. **Registered Agent.** The name and address of the Company’s registered agent in the State of Oregon shall be Metropolitan Affordable Housing Corporation, an Oregon nonprofit corporation, dba Cornerstone Community Housing, located at 1175 Charnelton Street, Eugene OR 97401.

2.7. **Members.** The name, present mailing address, and taxpayer identification number of Sole Member is set forth on **Exhibit A**.

2.8. **Defects as to Formalities.** A failure to observe any formalities or requirements of this Agreement, the Articles of Organization for the Company or the Act shall not be grounds for

imposing personal liability on the Sole Member for liabilities of the Company.

2.9 **Formation Expenses.** The Company shall reimburse Sole Member for, or pay directly, all fees and expenses incident to and necessary for the organization of the Company.

2.10 **Rights of Creditors and Third Parties.** This Agreement is entered into for the exclusive benefit of the Company, its Sole Member and their successors and assigns. This Agreement is expressly not intended for the benefit of any creditor of the Company or any other person. Except and only to the extent provided by applicable statute, no such creditor or third party shall have any rights under this Agreement or any agreement between the Company and its Sole Member with respect to any contribution or otherwise.

2.11 **Title to Property.** All assets and property, whether real or personal, tangible or intangible, including contractual rights, owned or possessed by the Company shall be held or possessed in the name of the Company. All such assets, rights, and property shall be deemed to be owned or possessed by the Company as an entity, and no Member individually shall have any ownership of or rights to such property. The Sole Member's interest in the Company shall be personal property for all purposes.

SECTION III. CAPITAL; CAPITAL ACCOUNTS

3.1. **Initial Capital Contributions.** The Sole Member has made its initial capital contribution to the Company as reflected in the Company's books and records and the Company shall commence to do business.

3.2. **No Other Capital Contributions Required.** No Member shall be required to contribute any additional capital to the Company, and except as set forth in the Act, no Member shall have any personal liability for any obligations of the Company.

3.3. **Loans.** Any Member may, at any time, make or cause a loan to be made to the Company in any amount and on those terms upon which the Company and the Member agree.

SECTION IV. PROFIT, LOSS, AND DISTRIBUTIONS

4.1. **Distributions of Cashflow.** All distributions of cash or in-kind shall be made at such times and in such amounts as the Member shall determine in its sole discretion.

4.2. **Allocation of Profit or Loss.** All Profit or Loss shall be allocated to the Member.

4.3. **Liquidation and Dissolution.** If the Company is liquidated, the assets of the Company shall be distributed to the Member or to a Successor or Successors.

SECTION V. MANAGEMENT: RIGHTS, POWERS, AND DUTIES

5.1. **Management.** The Company shall be managed solely by the Sole Member as Manager, who shall have complete and absolute discretion in the management and control of the affairs and business of the Company and shall possess all power and authority necessary and convenient to carry out the purposes of the Company.

5.2. **Personal Services.** Sole Member shall not be required to perform services for the Company solely by virtue of being a Member.

5.3. **Liability Limitation and Indemnification.**

5.3.1. Sole Member shall not be liable, responsible, or accountable, in damages or otherwise, to the Company for any act performed by it with respect to Company matters, except for fraud.

5.3.2. The Company shall indemnify its Sole Member and its representatives to the fullest extent permissible under Oregon law, as the same exists or may hereafter be amended, against all liability, loss and costs (including, without limitation, attorney fees) incurred or suffered by such Member or its representative by reason of or arising from the fact that such person is or was serving at the request of the Company as a director, officer, manager, partner, trustee, employee, or agent of another limited liability company, corporation, partnership, joint venture, trust, benefit plan, or other enterprise. The Company may, upon the request of the Sole Member, advance costs and arrange for the legal representation of the Sole Member with respect to all such matters to which this indemnification applies. The Company may, by consent of the Sole Member, provide indemnification to any employees and agents of the Company. The indemnification provided in this Section shall not be exclusive of any other rights to which any person may be entitled under any statute, bylaw, agreement, resolution of the Member, contract, or otherwise.

SECTION VI.
TRANSFER OF INTERESTS AND WITHDRAWALS OF MEMBERS

6.1. **Transfers.** Sole Member may Transfer all, or any portion of, or its interest or rights in, its Membership Rights to one or more Successors.

6.2. **Transfer to a Successor.** In the event of any Transfer of all or any part of Sole Member's Interest to a Successor, the Successor shall thereupon become a Member and the Company shall be continued.

SECTION VII.
DISSOLUTION, LIQUIDATION, AND TERMINATION OF THE COMPANY

7.1. **Events of Dissolution.** The Company shall be dissolved upon the earlier of that date (i) the Sole Member determines, or its Successor determines, or all of its Successors unanimously determine, to dissolve the Company, (ii) the Company has no Members for a period of ninety (90) consecutive days, or (iii) the expiration of the term identified in Section 2.3 of this Agreement. The Company shall not dissolve merely because of Sole Member's Involuntary

Withdrawal.

7.2. **Procedure for Winding Up and Dissolution.** If the Company is dissolved, the affairs of the Company shall be wound up. On winding up of the Company, the assets of the Company shall be distributed, first, to creditors of the Company in satisfaction of the liabilities of the Company, and then to the Persons who are the Members of the Company in proportion to their Interests.

7.3. **Filing of Articles of Cancellation.** If the Company is dissolved, a Certificate of Cancellation shall be promptly filed with the Secretary of State. If there are no remaining Members, the Certificate shall be filed by the last Person to be a Member; if there is no Person who last was a Member, the Certificate shall be filed by the legal or personal representatives of the Person who last was a Member.

SECTION VIII. BOOK RECORDS, ACCOUNTING, AND TAX ELECTIONS

8.1. **Bank Accounts.** All funds of the Company shall be deposited in a bank account or accounts opened in the Company's name. Sole Member shall determine the institution or institutions at which the accounts will be opened and maintained, the types of accounts, and the Persons who will have authority with respect to the accounts and the funds therein.

8.2. **Books and Records.** Sole Member shall keep or cause to be kept complete and accurate books and records of the Company and supporting documentation of the transactions with respect to the conduct of the Company's business. The books and records shall be maintained in accordance with sound accounting principles and practices.

8.3. **Annual Accounting Period.** The annual accounting period of the Company shall be its taxable year. The Company's taxable year shall be selected by Sole Member, subject to the requirements and limitations of the Code.

SECTION IX. GENERAL PROVISIONS

9.1. **Assurances.** Sole Member shall execute all such certificates and other documents and shall do all such filing, recording, publishing, and other acts as Sole Member deems appropriate to comply with the requirements of law for the formation and operation of the Company and to comply with any laws, rules, and regulations relating to the acquisition, operation, or holding of the property of the Company.

9.2. **Applicable Law.** All questions concerning the construction, validity, and interpretation of this Agreement and the performance of the obligations imposed by this Agreement shall be governed by the internal law, not the law of conflicts, of the State of Oregon.

9.3. **Section Titles.** The headings herein are inserted as a matter of convenience only, and do not define, limit, or describe the scope of this Agreement or the intent of the provisions hereof.

9.4. **Binding Provisions.** This Agreement is binding upon, and inures to the benefit of, Sole Member and its heirs, executors, administrators, personal and legal representatives, Successors, and permitted assigns.

9.5. **Terms.** Common nouns and pronouns shall be deemed to refer to the masculine, feminine, neuter, singular and plural, as the identity of the Person may in the context require.

9.6. **Separability of Provisions.** Each provision of this Agreement shall be considered separable; and if, for any reason, any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid.

[Signature on next page.]

IN WITNESS WHEREOF, Sole Member executed, or caused this Agreement to be executed, under seal, as of the date set forth hereinabove.

METROPOLITAN AFFORDABLE HOUSING CORPORATION, an Oregon nonprofit corporation, dba Cornerstone Community Housing

By: 
Name: Darcy Phillips
Its: Executive Director

Exhibit A

Name, Address and Taxpayer Identification Number of Member	Percentage
Metropolitan Affordable Housing Corporation dba Cornerstone Community Housing 1175 Charnelton Street Eugene OR 97401 EIN: 93-1078543	100%

**FIRST AMENDMENT TO
OPERATING AGREEMENT OF
SPRINGFIELD AFFORDABLE APARTMENTS GP LLC
(Amending Name)**

THIS First Amendment to Operating Agreement (this “Amendment”) is made and entered into effective as of the 1st day of April 2024 for Springfield Affordable Apartments GP LLC, an Oregon limited liability company (the “Company”).

WHEREAS, Metropolitan Affordable Housing Corporation, an Oregon nonprofit corporation, dba Cornerstone Community Housing (“Sole Member”) as the Sole Member of the Company entered into an Operating Agreement dated as of April 28, 2023 (the “Agreement”).

WHEREAS, Sole Member wishes to change the name of the Company.

NOW THEREFORE, Sole Member amends the Agreement as follows:

Section 2.2 of the Agreement is hereby amended as follows:

2.2. **Name of the Company.** The name of the Company shall be “**Springfield Affordable Apartments LLC**”. The Company may do business under that name and under any other name or names which Sole Member may, in its sole discretion, determine. If the Company does business under a name other than that set forth in its Articles of Organization, as amended, then the Company shall file a trade name certificate as required by law.

All other terms of the Agreement are hereby ratified and confirmed.

METROPOLITAN AFFORDABLE HOUSING CORPORATION,
an Oregon nonprofit corporation, dba Cornerstone Community Housing

By: _____

Name: Darcy Phillips

Its: Executive Director



EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL 1:

Beginning at an iron pipe marking the Southeast corner of the William Spencer Donation Land Claim No. 50 in Section 25, Township 17 South, Range 3 West of the Willamette Meridian; thence West 1233.0 feet along the center line of County Road No. 1141 to a point; thence North 304.02 feet along the center line of Janice Way to a point which is the true point of beginning; thence East 30.0 feet to an iron pipe on the East right of way line of Janice Way; thence continue East 200 feet to an iron pipe; thence North 91.32 feet to an iron pipe; thence West 200 feet to an iron pipe on the East right of way line of Janice Way; thence continue West 30.0 feet to a point in the center of Janice Way; thence South 91.32 feet along the center of Janice Way to the true point of beginning, being a description of the parcel of land commonly known as Lot 31 of the Wendell A. Gross Tract, in Lane County, Oregon.

EXCEPT THEREFROM that portion described in Deed to the City of Springfield recorded September 24, 1976, Reception No. 7650087, Lane County Official Records, in Lane County, Oregon.

PARCEL 2:

Beginning at an iron pipe marking the Southeast corner of the William Spencer Donation Land Claim No. 50 in Section 25, Township 17 South, Range 3 West of the Willamette Meridian; thence West 1233.0 feet along the center line of County Road No. 1141 to a point; thence North 395.34 feet along the center line of Janice Way to a point which is the true point of beginning; thence East 30.0 feet to an iron pipe on the East right of way line of Janice Way; thence continue East 200 feet to an iron pipe; thence North 91.32 feet to an iron pipe; thence West 200 feet to an iron pipe on the East right of way line of Janice Way; thence continue West 30.0 feet to a point in the center of Janice Way; thence South 91.32 feet along the center of Janice Way to the true point of beginning, being a description of the parcel of land commonly known as Lot 30 of the Wendell A. Gross Tract, in Lane County, Oregon.

EXCEPT THEREFROM that portion described in Deed to the City of Springfield recorded September 24, 1976, Reception No. 7650088, Lane County Official Records, in Lane County, Oregon.

PARCEL 3:

Beginning at an iron pipe marking the Southeast corner of the William Spencer Donation Land Claim No. 50, in Section 25, Township 17 South, Range 3 West of the Willamette Meridian; thence West 1233.0 feet along the center line of County Road No. 1141 to a point; thence North 212.7 feet, along the center line of Janice Way to a point which is the true point of beginning; thence East 30.0 feet to an iron pipe on the East right of way line of Janice Way; thence continue East 200.0 feet to an iron pipe; thence North 91.32 feet to an iron pipe; thence West 200.0 feet to an iron pipe on the East right of way line of Janice Way; thence continue West 30.0 feet to a point in the center of Janice Way; thence South 91.32 feet along the center of Janice Way to the true point of beginning, being in Lane County, Oregon.

EXCEPT: Beginning at an iron pipe marking the Southeast corner of the William Spencer Donation Land Claim No. 50, in Section 25, Township 17 South, Range 3 West of the Willamette Meridian; thence West 1233.0 feet along the center line of County Road No. 1141 to a point; thence North 212.7 feet along the center line of Janice Way (16th Street) to the true point of beginning; thence East 30.0 feet to a pipe set on the East right of way line of Janice Way (16th Street); thence North 91.32 feet to a point marked by an iron pipe; thence West 30.0 feet to the center line of Janice Way (16th Street); thence South 91.32 feet to the true point of beginning, in Lane County, Oregon.

**Exhibit B
Exceptions**

1. Rights of the public in any portion of said premises lying within the limits of streets, roads and highways.
2. Easement, granted to City of Eugene, including the terms and provisions thereof, by instrument Recorded August 2, 1926, Book 150 Page 150, Lane County Oregon Records.
3. Right of Way Easement, granted to City of Eugene, including the terms and provisions thereof, by instrument Recorded October 5, 1937, Book 190 Page 566, Lane County Oregon Records.
4. Reservation of an undivided 50% interest in oil, gas and other hydrocarbons and minerals, by document recorded June 27, 1944, Reception No. 44-137122, together with the appurtenant rights to use the surface of the Land. The Company makes no representation as to the present ownership of this interest.
5. Notice of Operations and Maintenance Agreement including the terms and provisions thereof, by instrument Recorded June 17, 2024, Reception No. 2024-016609, Lane County Oregon Records.

**CITY OF SPRINGFIELD, OREGON
RESOLUTION NO. _____**

**A RESOLUTION DENYING A LOW-INCOME RENTAL HOUSING PROPERTY TAX EXEMPTION
FOR THE ALMA APARTMENTS, LOCATED AT 1875 16TH STREET, ASSESSOR'S MAP 17-03-25-
24, TAX LOTS 01800, 01900, AND 02000 (APPLICANT METROPOLITAN AFFORDABLE
HOUSING CORPORATION DBA CORNERSTONE COMMUNITY HOUSING ON BEHALF OF THE
OWNER, SPRINGFIELD AFFORDABLE APARTMENTS LLC)**

WHEREAS, Springfield Affordable Apartments LLC, which owns property located at 1875 16th Street, Springfield, Oregon, Assessor's Map 17-03-25-24, Tax Lots 01800, 01900, and 02000, is constructing the Alma Apartments, a 39-unit housing development which will be affordable to households with low-incomes as defined in Springfield Municipal Code Section 3.502;

WHEREAS, Metropolitan Affordable Housing Corporation dba Cornerstone Community Housing (hereinafter "Cornerstone") is the registered agent and sole member of the Springfield Affordable Apartments LLC and will manage the Alma Apartments;

WHEREAS, Cornerstone applied to the City of Springfield for a Low-Income Rental Housing Property Tax Exemption for The Alma Apartments on November 26, 2024 on behalf of the property owner, Springfield Affordable Apartments LLC, located at 1175 Charnelton Street, Eugene, OR, 97401, with a mailing address of P.O. Box 11923, Eugene, OR 97440;

WHEREAS, the Alma Apartments are currently under construction and estimated to be completed August 2025;

WHEREAS, the Community Development Director of the Department of Development and Public Works, as designee of the City Manager, has reviewed the application, attached hereto as Exhibit B, and submitted an Analysis and Recommendation, which is attached hereto as Exhibit A;

WHEREAS, the applicant **has/has not** submitted all materials required by Section 3.504 of the Springfield Municipal Code, and **is not** in compliance with the policies set forth in the Standards and Guidelines adopted by Resolution No. 2018-17; and

WHEREAS, the application, which is attached hereto as Exhibit B, **does not satisfactorily meet** the criteria for approval as set forth in Section 3.506 of the Springfield Municipal Code, for the reasons set forth in the City Council Findings attached hereto as Exhibit D;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF SPRINGFIELD:

Section 1: Based on the findings set forth in Exhibit D, the City Council denies the application of Cornerstone on behalf of Springfield Affordable Apartments LLC for an ad valorem property tax exemption under the City's Low-Income Rental Housing Property Tax Exemption program for The Alma Apartments, 39 units of low-income rental housing units to be located at 1875 16th Street in Springfield, Assessor's Map 17-03-25-24 and Tax Lots 01800, 01900, and 02000, Tax Account numbers 0205813, 0205805, and 0205797. Property description is attached as Exhibit C.

Section 2: The City Manager, or the Manger's designee, is requested to forward a copy of this Resolution to the applicant within 10 days from the date of adoption of this Resolution, along with a notice informing the applicant of the right to appeal in the manner set forth in ORS 34.010 to 34.100.

Section 3: This Resolution will take effect upon adoption by the Council.

ADOPTED by the Common Council of the City of Springfield this ____ day of _____, _____,
by a vote of _____ for and _____ against.

ATTEST:

City Recorder

Exhibit D – Council Findings in Support of Denial

[Placeholder for Council findings of the reasons the application does not meet the criteria for approval, to be dictated by Council if adopting a resolution to deny the application for LIRHPTE (Attachment 3)]

Standards and Guidelines

for

Low Income Rental Housing Property Tax Exemption

STANDARDS AND GUIDELINES FOR PROCESSING APPLICATIONS FOR THE LOW-INCOME RENTAL HOUSING PROPERTY TAX EXEMPTION UNDER ORS 307.515 TO ORS 307.537

Pursuant to the provisions of the Springfield Municipal Code Sections 3.500 – 3.508, the City Manager shall be governed by the following rules in considering applications and making recommendations for the low-income rental housing local property tax exemption. These standards and guidelines are adopted pursuant to ORS 307.521(4).

ADMINISTRATIVE PROCESS

For purposes of these rules, the following words and phrases mean:

- City Manager.** The City Manager of the City of Springfield, or the manager's designee.
- Lender.** The provider of a loan secured by the recorded deed of trust or recorded mortgage made to finance the purchase, construction, or rehabilitation of a property used for low-income housing under the criteria listed in section 3.506 of this code.
- Low-Income.** Income at or below 60 percent of the area median income as determined by the Oregon Housing Stability Council based on information from the United States Department of Housing and Urban Development.
- Low-Income Rental Housing.** Rental housing constructed after April 5, 1993, which is occupied by low-income persons.

1. **Statement of Program Purpose.** The intent of the low-income rental housing tax exemption program is to benefit low-income residents and provide an incentive that will encourage construction of housing or conversion of buildings to housing for rent by persons with low-incomes.
2. **Eligible Property.** To be eligible for City property tax exemption hereunder, the property must comply with Sections 3.504 and 3.506 of the Municipal Code.
 - 1.1 The tax exemption is only available for the creation of new units, either through new construction or through conversion of a building from a non-residential use to new housing units.

- 1.2 To qualify, the property must create a minimum of four (4) units to be rented to qualifying low-income households.
3. **Application for Exemption.** To be considered complete, an application for property tax exemption hereunder must comply with Section 3.504 of the Municipal Code. Additionally:
 - 3.1 An application must demonstrate that a portion of housing units will be occupied, or offered for rent, solely as a residence for low-income persons by December 31st of the first year for which the tax exemption is requested.
 - 3.2 There is currently no application fee.
4. **Components of Tax Exemption.** Per statute, an exemption from ad valorem taxes shall be granted for a period of twenty (20) successive years for the land and the improvements located thereon that are a part of the low-income rental housing.
 - 4.1 **Pro rata tax exemption.** The requested tax exemption must reflect the portion of units that will be occupied solely as a residence for low-income persons.
 - 4.2 **Application to tax levy.** The exemption would apply to the tax levy of Springfield. The exemption could also apply to the tax levy of all other taxing districts if the governing bodies of those taxing districts agree to the exemption. There must be support from enough taxing districts such that their combined rates total at least 51% of the combined rate of all taxing districts. The City Manager shall notify the Lane County Tax Assessor that an exemption certified by the city shall apply to the tax levy of all taxing districts in which the property is located.
5. **Policies.** In addition to the criteria set forth above and in Sections 3.500 – 3.508 the Springfield Municipal Code, the applicant must demonstrate compliance with the following policies in order to be eligible for a property tax exemption hereunder:
 - 5.1 **Rent Regulatory Agreement.** The owner must agree to execute and maintain in effect for the duration of the tax exemption period, a Rent Regulatory Agreement in a form approved by the City, and which contains, but is not limited to, provisions establishing regular reporting requirements and periodic inspection period, and demonstrates that the required rent payment reflects the benefit of the property tax exemption.
 - 5.2 **Inspection of Premises.** The owner must consent in writing that for the duration of the tax exemption period the City may inspect the property for which the exemption is granted at reasonable times, without prior notice, to ensure that the premises are maintained in decent, safe, and sanitary conditions for the occupants.

6. **Recommendation on Applications.** Upon receipt of an application for property tax exemption hereunder, the City Manager shall:
- 6.1 Review the application to verify that the applicant has provided the information required and paid the required fee. The City Manager shall promptly notify the applicant of any omissions.
 - 6.2 If necessary, establish a meeting with the applicant, or the applicant's authorized representative to review the application.
 - 6.2 Make a written recommendation to Council in sufficient time to allow the Council to take final action upon the application and certify the results of the action to the county assessor within 60 days from the date the Application is filed. The recommendation shall be based upon and contain findings of compliance or non-compliance with these Standards and Guidelines, Sections 3.506(1) through 3.506(4) of the Springfield Municipal Code, Council resolutions, ordinances, and adopted policies, and applicable State statutes, that support the recommendation.
7. **Final Action on Applications.** Upon receipt of the City Manager's recommendation, the City Council shall consider the application and adopt a resolution granting or denying the property tax exemption, per Sections 3.506(5) through 3.506(7) of the Municipal Code.
8. **Termination of Exemption.** Section 3.508 of the Municipal Code outlines the criteria for termination of the exemption.
9. **Amendments to Guidelines.** The City Manager may, from time to time, propose such revisions, deletions, or amendments to these Standards and Guidelines as deemed necessary or desirable for the efficient implementation of the low-income rental housing property tax exemption program, but no such revision, deletion, or amendment shall be effective until approved by Council Resolution.

AGENDA ITEM SUMMARY	Meeting Date:	01/21/2025
	Meeting Type:	Regular Meeting
	Staff Contact/Dept:	Allie Camp/City Manager's Office
	Staff Phone No:	
	Estimated Time:	10 Minutes
S P R I N G F I E L D C I T Y C O U N C I L	Council Goals:	Community and Economic Development and Revitalization

ITEM TITLE:

Enterprise Zone School Support Fee

ACTION REQUESTED:

Adopt/not adopt the following resolution:

A RESOLUTION APPROVING THE RATE OF SCHOOL SUPPORT FEE OF 15 PERCENT WITHIN THE SPRINGFIELD COMMUNITY ENTERPRISE ZONE.

ISSUE STATEMENT:

To continue to offer a four- or five-year Enterprise Zone incentive for expanding manufacturing and industrial businesses a School Support Fee (a fee paid directly from the business applicant to the School District) will need to be established.

DISCUSSION/FINANCIAL IMPACT:

In 2023 the Oregon state legislature passed House Bill 2009, which requires cities managing Enterprise Zones to establish a school support fee rate with school districts within the zone. HB 2009 requires that businesses authorized for a four- or five-year abatement pay a percentage of their tax abatement directly to the local school district in years four and five of their authorization.

HB 2009 stipulates that the zone sponsor and local school district must agree on a school support fee which is either a whole percentage in the range of 15% to 30% or 22.5% which is the halfway mark of the range. Until the rate is set, Springfield will be unable to offer extended authorizations to qualifying businesses. The rate will also need to be established prior to zone redesignation which is not until 2032.

In September staff began conversations with the Springfield School District Board of Education and the 4J School Board. Springfield's Enterprise Zone extends into both school districts (ATT 1), and Eugene's Zone extends into 4J and the Bethel School District. Springfield, 4J, and Bethel School Boards approved for Superintendents to negotiate a proposed rate together for Board approval. In November, each Board approved a proposed rate of 15% for Council approval. This unified approach of one fee at the lowest it can be set offers clarity for the business community regionally. A Resolution is included as Attachment 2 reflecting the School Boards' direction, for decision by the Council.

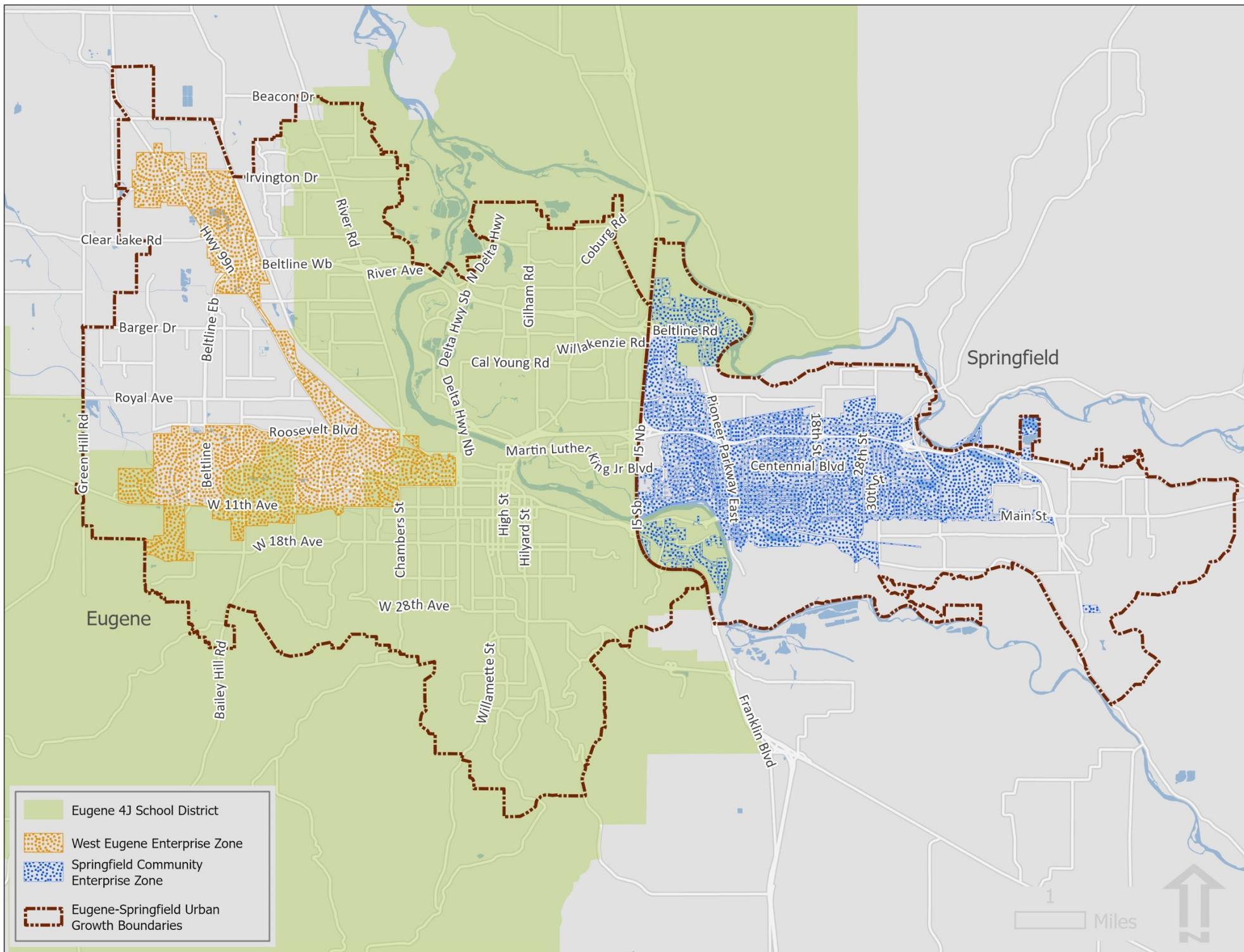
The City of Springfield has authorized four extended abatements since its establishment in 2011.

1. International Paper- \$101.6M authorized investment in 2015.
2. Swanson Mill- \$44.9-\$54.8M authorized investment in 2015.
3. Umpqua Dairy- \$1.7M authorized investment in 2018.
4. US Bakery/Franz- \$20M authorized investment in 2018.

A Council Briefing Memorandum is included as Attachment 3 with background information on the Enterprise Zone incentive.

Attachments

1. Enterprise Zone and School boundary map
2. Resolution
3. Council Briefing Memo



CITY OF SPRINGFIELD, OREGON
RESOLUTION NO. _____

**A RESOLUTION APPROVING THE RATE OF SCHOOL SUPPORT FEE OF 15 PERCENT
WITHIN THE SPRINGFIELD COMMUNITY ENTERPRISE ZONE**

WHEREAS, the City of Springfield is the sponsor of the Springfield Community Enterprise Zone, as designated by the Oregon Business Development Department pursuant to ORS chapter 285C, in the area authorized provided in Resolution 2021-20 (adopted June 7, 2021);

WHEREAS, the 2023 Oregon Legislature adopted HB 2009 (codified at ORS 285C.067) requiring that the governing bodies of the zone sponsor and each school district with territory in the enterprise zone mutually set a rate of a school support fee that is at least 15 percent and not more than 30 percent;

WHEREAS, HB 2009 requires business firms receiving a five-year tax abatement within the Enterprise Zone pay a percentage of their abatement as a school support fee directly to the local school district in years four and five of their authorization; standard three-year abatements are not subject to this fee;

WHEREAS, OAR 123-668-4100 allows the school support fee to be set jointly at the same percentage with two or more districts with territory inside the enterprise zone;

WHEREAS, the cities of Springfield and Eugene have collaborated with Springfield Public Schools, Eugene 4J school district, and Bethel School District to recommend jointly a school support fee of 15%, consistent with rates in other known enterprise zones in Oregon, according to Business Oregon; and

WHEREAS, Springfield Public Schools and Eugene 4J have territory within the Springfield Community Enterprise zone;

WHEREAS, on November 6, 2024, the 4J Board of Directors adopted a motion approving a school support fee of 15 percent; and

WHEREAS, on November 12, 2024, the Springfield Board of Education adopted Resolution 24-25.024 approving the school support fee of 15 percent,

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF SPRINGFIELD:

Section 1: The City of Springfield, as sponsor of the Springfield Community Enterprise Zone, approves the rate of the school support fee rate of 15 percent.

Section 2: This Resolution will take effect immediately upon adoption by the Council.

ADOPTED by the Common Council of the City of Springfield this ____ day of _____, _____,
by a vote of _____ for and _____ against.

ATTEST:

City Recorder

MEMORANDUM

City of Springfield

Date: 1/21/2025
To: Nancy Newton **COUNCIL**
From: Allie Camp, Economic Development Manager **BRIEFING**
Subject: Enterprise Zone School Support Fee **MEMORANDUM**

ISSUE: To continue to offer a four- or five-year Enterprise Zone incentive for expanding manufacturing and industrial businesses a School Support Fee, a fee directly from the incentive applicant to the School District, will need to be established.

COUNCIL GOALS/MANDATE:

Encourage Economic Development and Revitalization through Community Partnerships

BACKGROUND:

A brief overview of the Enterprise Zone program is included for background information.

Enterprise Zones are a tool to incentivize industrial development which creates higher wage jobs and makes higher capital investments within the zone boundary. Eligible businesses meeting the required criteria receive a property tax abatement on any new, qualified investment within the zone boundary. Businesses can receive this abatement for either three years (standard authorization) or five years (extended authorization).

Business Firm Eligibility

Prior to commencing construction/installations, an eligible firm applies for local officials to "authorize" their application and investment. Eligible firms include manufacturers, processors, distributors, warehouses, maintenance facilities and other operations that serve other businesses, as well as headquarters and call centers. Retail, construction, financial and certain other activities are explicitly ineligible.

State Requirements for Standard (Three-Year) Authorization

An eligible business must meet the following requirements to receive an Enterprise Zone tax abatement:

- Increase full-time, permanent employment of the firm inside the Enterprise Zone by the greater of one new job or ten percent (10%).
- No concurrent job losses more than 30 miles from the Zone.
- Maintain employment levels during authorization period
- Enter into a First-Source hiring agreement with local job training providers; and
- Satisfy any additional local conditions.

The City of Springfield has authorized 11 standard exemptions since its establishment in 2011.

State Requirements for Extended (Five-Year) Authorizations

To qualify for an additional two years of tax abatement, businesses must satisfy these requirements:

- Average compensation (with benefits) of new jobs in all years at 130% or 150% or more of county average wage as set at authorization (currently \$56,320).
- Those jobs' average wage in 4th and 5th year at least equals the then most recently available county average wage.
- Additional public benefits negotiated with zone sponsor.

Springfield's only additional local requirement beyond the State's requirements for extended exemptions is to pay an agreed-upon amount to the City to account for tax implications of the extended exemption. Extended exemptions and this local requirement payment are both discussed and approved by City Council.

The City of Springfield has authorized four extended abatements since its establishment in 2011.

1. International Paper- \$101.6M authorized investment in 2015.
2. Swanson Mill- \$44.9-\$54.8M authorized investment in 2015.
3. Umpqua Dairy- \$1.7M authorized investment in 2018.
4. US Bakery/Franz- \$20M authorized investment in 2018.

RECOMMENDED ACTION:

Approve the Resolution informed by School Boards and District leadership which defines the school support fee at 15% school support fee. Approval of a fee means that the extended Enterprise Zone abatement option can continue to be offered.

AGENDA ITEM SUMMARY S P R I N G F I E L D C I T Y C O U N C I L	Meeting Date:	01/21/2025
	Meeting Type:	Regular Meeting
	Staff Contact/Dept:	Scott Miller/Operations Division
	Staff Phone No:	541-726-3673
	Estimated Time:	5 Minutes
	Council Goals:	Maintain and Improve Infrastructure and Facilities

ITEM TITLE:

City & SUB Street Lighting Intergovernmental Agreement (IGA)

ACTION REQUESTED:

Motion: Authorize/Not Authorize the City Manager to execute an IGA with Springfield Utility Board (SUB) in substantially this form for the maintenance and operation of the City-owned street lighting system.

ISSUE STATEMENT:

A 2003 Street Light Maintenance IGA currently exists between the City and SUB. A presentation was made at the 6/3/24 City Council Work Session to solicit feedback for updating the IGA. There are several final details to be determined by City and SUB legal teams, and once those details are finalized we are requesting that the City Manager be given authority to execute the IGA.

DISCUSSION/FINANCIAL IMPACT:

The City of Springfield owns the street lighting system that operates within City limits. Most of this system is connected directly to SUB facilities that fall under the National Electric Safety Code, and by statute and administrative regulation fall under the exclusive control of the electric utility (SUB). Under this structure, SUB performs most routine maintenance activities on this city-owned system. While a 2003 IGA currently exists to govern these activities, it needs to be updated to reflect the current business needs. In particular, the proposed IGA provides better guidance in the following areas:

- Energy costs for each light can be charged based on actual consumption instead of a flat rate.
- A maintenance cost reimbursement model that now incorporates an additional adjustment for inflation (rather than a simple +/- 5% adjustment).
- Facility ownership boundaries that match SUB's definitions for other customers.
- Better defined maintenance responsibilities.
- Reports that SUB must provide on an annual basis to facilitate audits.
- Roles of third parties (developers and contractors).
- The IGA will be accompanied by a Standard Operating Procedure approved by the Division Director, which will govern the day-to-day business rules and can be updated more frequently to match changing conditions.

The City expects some cost savings to be realized through the execution of this IGA. In particular, we will be able to use the new control nodes installed on each light through the 2023-2024 ARPA-funded Street Light LED Replacement project to measure actual energy consumption, with further cost savings through dimming and trimming of lights. We expect additional savings of approximately \$30,000-\$40,000 per year. Additionally, this IGA provides much better definition of responsibilities, which will allow communication and maintenance activities to be streamlined.

Attachments

1. City & SUB Street Light IGA

**STREET LIGHTING
INTERGOVERNMENTAL AGREEMENT**

Contract # _____

BETWEEN: The City of Springfield (“City”), a municipal corporation of the state of Oregon

AND: Springfield Utility Board (“SUB”)

EFFECTIVE DATE: _____

This Agreement made and entered into this _____ day of _____, 2024, by and between the City of Springfield, a municipal corporation of the state of Oregon, herein referred to as “City” and the Springfield Utility Board, herein referred to as “SUB.”

WHEREAS, ORS 190.010 provides that units of local government may enter into agreements for the performance of any and all functions and activities that any party to the agreement, its officers, or agents have the authority to perform;

WHEREAS, SUB provides electric service to the residents of Springfield inside SUB’s electric service territory;

WHEREAS, the City provides street lighting for the residents of Springfield; and

WHEREAS, the parties desire to agree upon their respective duties and obligations for the installation and maintenance of the City’s street light system;

NOW, THEREFORE, the parties hereto mutually agree as follows:

ARTICLE I – SCOPE OF AGREEMENT

A. This Agreement shall be in effect for all City Facilities (as defined herein) and shall include construction and maintenance of street light facilities.

B. The Appendices associated with this Agreement may be amended by the Controlling Party with ninety (90) days’ notice to the non-Controlling Party. The non-Controlling Party will be deemed to have assented to the amendments unless said party provides notice of termination of this agreement under Article X paragraph A. If the non-Controlling Party provides a notice of termination in lieu of assenting to amendments by the Controlling Party, said amendments shall not be binding on the non-Controlling Party. Additional topics included in the appendix shall be agreed to by both parties.

1. SUB is the Controlling Party for the following Appendices:
 - 1.a) *O&M Ledger*
 - 1.b) *Monthly O&M Fees*
 - 1.c) *Energy fees*
 - 1.d) *NESC-related Construction Standards and Drawings*

2. The City is the Controlling Party for the following Appendices:
 - 2.a) *Manufacturer part numbers for fixtures and control nodes*
 - 2.b) *NEC-related Construction Standards and Drawings*

C. The Standard Operating Procedures (SOP) document associated with this Agreement may be updated periodically upon mutual agreement of both parties' division directors (SUB Electric Division Director and City Development and Public Works Operations Division Director), or their designee. The updates may be done in-part or as a whole and such changes shall be referenced in a revision table. Both parties shall attempt to resolve requested revisions to the SOP within 180 days of receiving a written request. If the division directors cannot reach agreement to changes in the document, SUB's General Manager and the City Manager shall determine appropriate changes.

ARTICLE II - DEFINITIONS

Billing Year - January 1 through December 31.

City Facility(ies) - Street light facilities that are owned by the City of Springfield, beyond the Ownership Boundary.

Controlling Party - A Party to this Agreement who shall have the authority to make changes to particular Appendices without concurrence of the other Party subject to the limitations of Article I, paragraph B.1.

Energy Charge - For NESC Installations the Energy Charge for each kWh consumed shall be set by the SUB L-1 rate schedule for both nodal metered and non-metered lighting. For NEC Installations the Energy Charge for each kWh consumed shall be set by the SUB L-2 or GS-1 rate schedule.

Exclusive Control - The party with "Exclusive Control" has unilateral authority to decide interpretation of code and implementation of physical actions on the installation. For NESC installations, SUB has exclusive control. For NEC installations, SUB has exclusive control of all SUB Facilities, and City has exclusive control of all City Facilities not controlled by SUB.

Extended Maintenance - Activity performed by SUB on City Facilities, which is not tracked on the O&M Ledger. Activities associated with Extended Maintenance will have their own project approval and payment processes as defined in the SOP.

Foreign Facility(ies) - Electric utility facilities that are owned by a foreign utility (typically, EWEB or EPUD) and applies where an NESC Installation receives electricity from a utility other than SUB. SUB will provide maintenance and coordinate with the other utility for safe access.

Ownership Boundary - The Ownership Boundary is the physical point at which SUB owned facilities end and the City Facilities begin. Ownership defines the financial responsibilities of each party. Ownership Boundaries are defined below and shown below in Figure 1:

- For underground fed metered street lights, the final SUB Facility is the conductor that enters the meter box and terminates at the lug. The meter box and its terminations are City Facilities. SUB owns the actual meter.
- For overhead fed metered street lights, the final SUB Facility is the connector outside the weatherhead. SUB owns the actual meter.
- For underground fed non-metered street lights, the final SUB Facility is the last connector in the SUB junction box or transformer. All street light fusing is City Facilities.
- For overhead fed non-metered street lights, the final SUB Facility is the last connector on the SUB transformer secondary side or the last connector that is shared with another SUB customer service.

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Streetlight Maintenance

- Owned by SUB and under SUB's exclusive control
- Owned by City and under City's exclusive control
- Owned by City and under SUB's exclusive control

Legend

- 1: Utility pole
- 2: Transformer (Pole or Pad Mounted)
- 3: Utility Junction Box
- 4: Service Panel and Meter
- 5: Cobra Head Light Pole
- 6: Cobra Head Light Fixture
- 7: Street Light Junction Box
- 8: Decorative Light and Pole
- 9: Third Party Customer (Residence, Commercial or Industrial Customer, or Private Light)

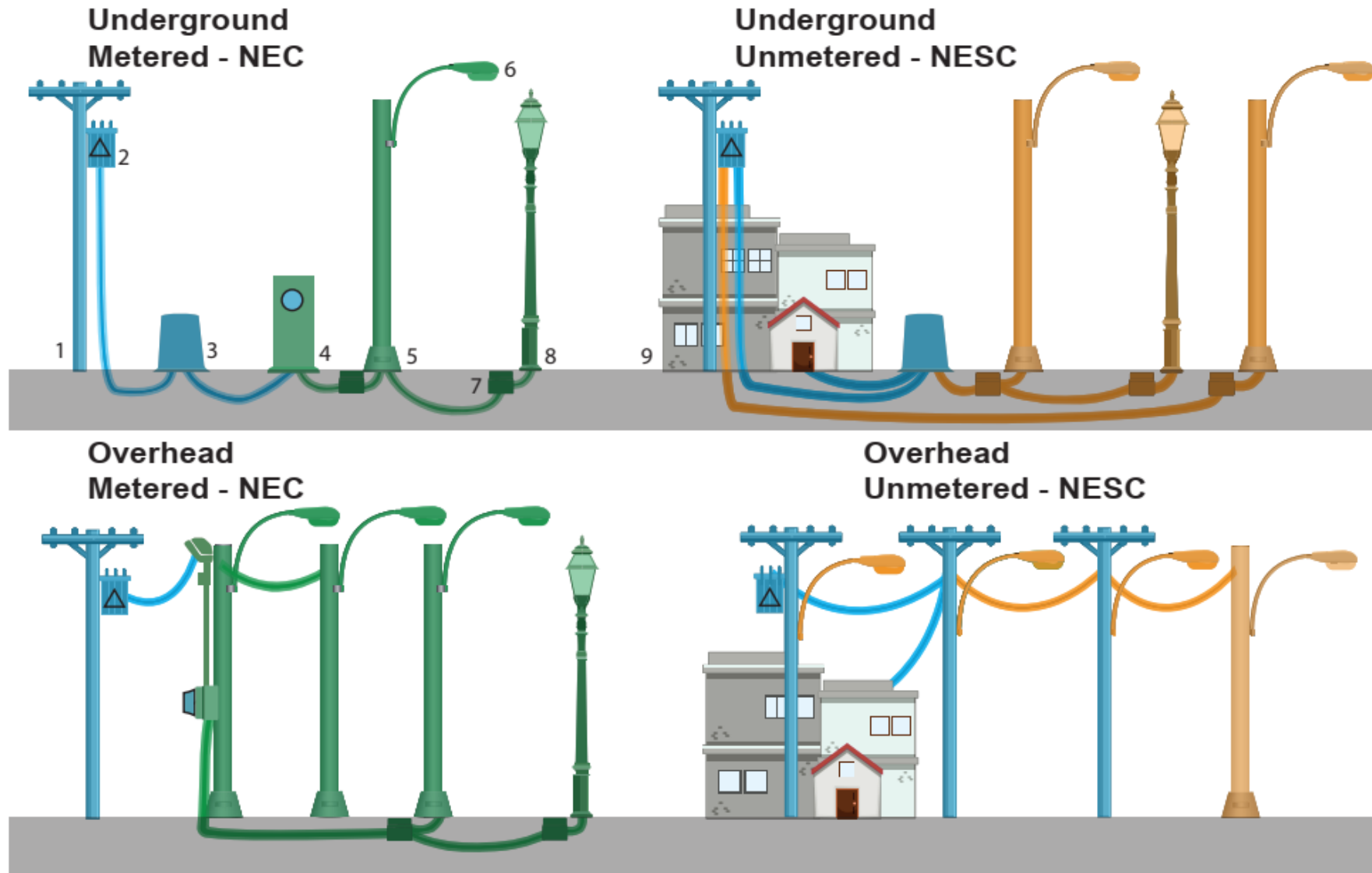


Figure 1. City and SUB ownership and maintenance.

Attachment 1

NEC - National Electrical Code, also known as NFPA 70.

NEC Installations - Electrical installations that follow the NEC rules. These are typically installations behind a revenue utility meter with an associated service disconnect device.

NESC - National Electrical Safety Code, also known as IEEE C2.

NESC Installations - Electrical installations that follow NESC rules. These rules govern facilities under exclusive control of the electric utility. For street lights, these typically do not have a revenue utility meter with an associated service disconnect device, with direct connection to the utility service.

Nodal Metering - Collection of actual street light energy usage through a City owned control node at each light. The use of a control node does not in and of itself constitute an NEC installation because there is not necessarily an associated service disconnect device.

SOP - Standard Operating Procedures associated with this agreement.

Small Wireless Facility Structure - A city-owned structure concealing a small wireless facility and equipment, where the street light circuit is on its own breaker behind the wireless facility owner meter.

Street Light Facility(ies)/Street Lights - Facilities, equipment, and structures that are provided for the purpose of illuminating the public right of way as a public service, including, but not limited to, overhead and underground conductors, junction boxes, conduit, poles, foundations, conductor supports, fuse holders, fuses, mast arms, luminaires, and street light controls. Provided, however, this definition does not include lighting attached directly to City owned buildings, such as Springfield City Hall.

SUB Facility(ies) - Electric utility facilities that are owned by SUB. This includes electric utility poles, transformers, utility junction boxes, conductors and connectors which serve the street light facilities, as well as other SUB customers.

ARTICLE III – STANDARDS AND SPECIFICATIONS

A. All specifications covering the construction and maintenance of street light facilities shall conform to the following codes except where lawful requirements of the public authorities may be more stringent, in which case the more stringent will govern.

1. The National Electrical Safety Code (NESC), most recently adopted version by the State of Oregon, for non-metered installations
2. The National Electrical Code (NEC), most recently adopted version by the State of Oregon, for metered installations
3. Oregon Electrical Specialty Code, most recently adopted version by the State of Oregon, for metered installations
4. The Occupational Safety and Health Act (OSHA) and Oregon OSHA.
5. The City of Springfield

- a) *Standard Construction Specifications*
- b) *Engineering Design Standards and Procedures Manual (EDSPM)*
- c) *Springfield Development Code (SDC)*
- d) *Springfield Municipal Code (SMC)*

B. All NEC and NESC-related construction standards and drawings shall have an engineering seal applied by the Controlling Party or their agent or contractor, in conformance with Oregon law (ORS 672).

C. All material standards applicable to street lighting facilities shall be developed by the City with SUB providing technical assistance. The City shall strive to limit the type and size of newly installed street lighting fixtures to no more than five cobra head sizes (lumen output and pattern), and two decorative luminaires (lens, lumen output, housing style and tenon size). See City Appendix 2.a).

ARTICLE IV – COORDINATION FOR NEW CONSTRUCTION

These items will have processes (e.g. design, inspection, as-built), roles, responsibilities, and default cost recovery methods defined in the SOP:

- A. New installation or modification during development approval (i.e. PIP)
- B. New installation or modification, outside of a development, or in a roadway project (i.e. CIP)
- C. New installation or modification associated with a small cell
- D. New installation or modifications to City Facilities, work NOT performed by SUB
- E. New installation of City Facilities, work performed by SUB

ARTICLE V – MAINTENANCE

A. SUB responsibilities in this section are included in the Operations and Maintenance (O&M) fees and tracked in the O&M Ledger, according to Article VII Paragraph D.

- 1. SUB shall be responsible for maintenance of NESC Installations of City Facilities, with inclusions, exclusions, and clarifications described in the SOP for specific assets.
- 2. SUB shall be responsible for locating underground circuits for NESC Installations.
- 3. SUB shall be responsible for troubleshooting NESC installations, as described in the SOP.
- 4. SUB shall maintain City owned NESC Installations attached to Foreign Facilities.
- 5. SUB shall be responsible for coordinating with other utilities when performing maintenance on NESC Installations connected to Foreign Facilities.
- 6. SUB shall transfer City Facilities to the new utility pole when the old utility pole is replaced.

7. SUB, in coordination with the City, shall respond to customer inquiries and reported problems with the City Facilities to minimize the number of transactions. The division of responsibilities will be described in the SOP.
8. SUB shall maintain an adequate inventory of street light materials as described in the SOP.
9. SUB shall provide estimates for Extended Maintenance and special projects, as requested by the City.
10. SUB, in coordination with the City, shall coordinate physical asset management, including as-builts, mapping and database records to enable reasonable access as described in the SOP.
11. SUB shall energize and de-energize NESC Installations, as needed, for new installations and maintenance.
12. SUB will provide an annual report no later than January 31 for the preceding calendar year as described in the SOP.

B. City maintenance responsibilities:

1. The City shall be responsible for locating underground circuits for NEC installations.
2. The City shall be responsible for the maintenance activities of NEC installations.
3. The City shall maintain an adequate inventory of street light materials as described in the SOP.
4. The City shall be financially responsible for the Extended Maintenance activities of City-owned NESC facilities. The City may contract with SUB or a SUB-approved contractor to perform work on the City's behalf.

ARTICLE VI – ADDITIONAL SERVICES

SUB responsibilities in this section are not covered by the Monthly O&M Fee, nor accrued to the O&M Ledger. Additional billings will be made, based on the work performed, and billed per project at actual cost as a pass-through.

A. SUB shall be responsible for performing emergency work to address conditions that affect public safety. The description of the scope of work to be performed will be described in the SOP. The following are some examples of emergency work:

- Any emergency response where the benefit to the City Facilities is incidental to SUB's response, the work will be performed without additional cost to the City
- Response for other unforeseen natural events where SUB's response is primarily for the benefit of City Facilities
- Response for damage per SOP

B. Extended Maintenance work and special projects shall be requested by the City and performed by SUB upon mutual agreement, as described in the SOP. When requested by the City, SUB will provide a written estimate prior to work being authorized. If the City directs SUB to perform the Extended Maintenance work, SUB may proceed on verbal approval followed by written request.

ARTICLE VII - BILLINGS

A. SUB will prepare monthly invoices to the City that include the following charges and fees:

1. The currently applicable monthly O&M fee, calculated as provided in Article VII, section D below.
2. The energy fees for the prior month's usage, based on SUB's L-1 Rate Schedule for NESC Installed lights, and maintenance costs for all SUB maintained lights, based on SUB's Appendices 1.b) and 1.c).

B. All Extended Maintenance and special projects shall be invoiced separately within 90 days of work completion.

C. Energy billing for NESC Installations will be determined by actual energy usage as measured by Nodal Metering. The control system will be rated for at least 0.5% accuracy and will be agreed to by SUB prior to deployment. The City shall provide SUB access or information regarding consumption, as described in the SOP.

In the event that there is insufficient data to determine the energy consumption using the Nodal Metering, the default kWh calculation will be based on the NEMA input wattage for the fixture with an average of 304 hours per month (averaging 10 hours per night).

D. The parties intend for SUB to perform street light maintenance on an actual cost basis. SUB will track its actual costs for labor and materials for its work subject to this Agreement as debits on the O&M Ledger. The City's O&M Fees will be tracked as credits on the O&M Ledger. At the end of each billing year, SUB will balance the sum of debits and credits reflected in the O&M Ledger to determine the amount of carryover for the next billing year, which may either be a credit in the City's favor, or a debt in SUB's favor ("the carryover amount").

Each new billing year, SUB shall set the new monthly O&M fee taking into consideration the carryover amount from the prior year. The new O&M fee will not be greater than the prior year's O&M fee, plus 5%, plus an adjustment based upon the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), <http://www.ssa.gov/oact/STATS/cpiw.html>.

E. Every five years during the term of this Agreement, the Parties agree to conduct a mutual review of the City's O&M fee amount and any accruing carryover that is not being captured in the annual increases in the O&M fee. Upon mutual agreement by the parties, the O&M fee may be adjusted outside the limits of subsection D above, or the parties may negotiate a one-time payment. The parties intend that the outcome of the five-year review process will be a zero-balance on the O&M Ledger starting every five billing years, or as close to a zero-balance as practicable.

F. Upon termination of this Agreement, the parties will negotiate in good faith to reconcile and pay any remaining carryover debit or credit on the O&M Ledger.

ARTICLE VIII – CONTRACTORS

A. The City will require any third party contract for services provided in this Agreement to include a provision requiring the contractor to comply with all applicable health and safety laws and regulations whether federal, state, or local, and whether adopted for the benefit of contractor's employees or the general public. The City must require that the contractor be responsible for remedying unsafe work procedures giving rise to violations, and to defend and hold harmless SUB from any penalty, fine, or liability in connection therewith.

B. City contractors working on NESC Facilities shall follow either option 1 or 2 below, with SUB's approval.

1. Comply with all of the following:

a) *SUB shall be informed of the City's intent to have a contractor perform street light work on SUB-owned poles, making electrical connections at the Ownership Boundary or having access to SUB j-boxes or transformers.*

b) *SUB shall provide a system orientation to the contractor prior to allowing the work on SUB Facilities.*

c) *Contractors used by the City on SUB Facilities shall have completed the BOLI Standards of Apprenticeship for Electrical power-line installers and repairers and must follow OSHA 1910.269 Electrical power generation, transmission and distribution.*

d) *The contractor shall meet SUB's insurance coverage requirements as specified in SUB's Standard Terms and Conditions.*

2. Electrical contractors, used by the City on City Facilities that are under SUB's Exclusive Control, shall coordinate with SUB for disconnection and reconnection of NESC installations.

ARTICLE IX – LIABILITIES

A. SUB shall indemnify and hold harmless the City and its employees from and against any and all claims, losses, damages, and expenses, including attorney's fees at or before trial, and on appeal, on account of or resulting from the performance of work by SUB pursuant to this agreement.

B. The City shall indemnify and hold harmless SUB and its employees from and against any and all claims, losses, damages, and expenses, including attorney's fees at or before trial, and on appeal, on account of or resulting from the performance of work by City or its contractor(s) pursuant to this agreement.

C. In providing the services specified in this Agreement (and any associated services) both parties are public bodies and maintain their public body status as specified in ORS 30.260. Both parties understand and acknowledge that each retains all immunities and privileges granted them

by the Oregon Tort Claims Act (ORS 30.260 through 30.300) and any and all other statutory rights granted as a result of their status as local public bodies.

ARTICLE X – TERMS OF AGREEMENT

A. **Effective Date and Termination.** This Agreement shall continue in force for three (3) years from its effective date and thereafter until terminated by either party at any time upon at least 180 days prior notice to the other party, and provided further that notwithstanding such termination, this Agreement shall remain in full force and effect with respect to any and all work requests received from the City prior to the time of termination.

B. **Records/Inspection.** City and SUB shall each maintain records of its costs and expenses under this Agreement for the duration required by the Oregon Public Records Law. Upon reasonable advance notice, either party or its authorized representatives may from time to time inspect, audit, and make copies of the other party's records.

C. **Subcontracting.** SUB shall obtain City's prior written approval if it subcontracts its work under this contract that will in whole or in part touch or interact with City Facilities. SUB will notify the City as soon as practicable if it subcontracts its work under this contract, in whole or in part, that will not touch or interact with City Facilities. SUB shall require any subcontractor to agree, as to the portion subcontracted, to comply with all obligations of SUB specified in this Agreement. Notwithstanding the City's approval of a subcontractor, SUB shall remain obligated for full performance of this contract and City shall incur no obligation to any sub-contractor.

D. **Assignment.** Neither party shall assign this contract in whole or in part, or any right or obligation hereunder, without the other party's written approval.

E. **Compliance With Laws.** SUB shall comply with all applicable federal, state, and local laws, rules, ordinances, and regulations at all times and in the performance of the work.

F. **Americans With Disabilities Act Compliance.** SUB will comply with all applicable provisions of the Americans with Disabilities Act of 1990, 42 USC Section 12101 et seq. and Section 504 of the Rehabilitation Act of 1973.

G. **Notices.** Any notices permitted or required by this contract shall be deemed given when personally delivered or upon deposit in the United State mail, postage fully prepaid, certified, return receipt requested, addressed to the following parties. Either party may change its addressee by notice given to the other in accordance with this paragraph.

For City:

Springfield City Manager
225 Fifth Street
Springfield, OR 97477

City of Springfield
DPW Operations Division Director
201 S 18th Street
Springfield, OR 97477

For SUB:
SUB General Manager
250 A Street
Springfield, OR 97477

SUB Electric Engineering and Operations Director
1001 Main St
Springfield, OR 97477

H. Integration. This Agreement embodies the entire agreement of the parties. There are no promises, terms, conditions or obligations other than those contained herein. This Agreement shall supersede all prior communications, representations or agreements, either oral or written, between the parties. This Agreement shall not be amended except in writing, signed by both parties.

I. Choice of Law, Forum, Construction of Agreement. This Agreement shall be governed and construed in accordance with the laws of the State of Oregon. The parties agree that the Circuit Court for the County of Lane, State of Oregon, or the Federal District Court of the State of Oregon (Eugene) is the sole and proper forum for resolving any disputes involving this Agreement, any breach of this Agreement, or relating to its subject matter. The Parties agree to submit themselves to the jurisdiction of such courts without challenge to the jurisdiction of these courts. This Agreement shall not be construed more favorably to either party due to the preparation of this Agreement by said party. The headings and subheadings in this Agreement are for convenience, do not form a part of this Agreement, and shall not be used in construing this Agreement.

In witness whereof, the parties hereto have caused these present to be executed by their respective officers thereunto duly authorized as of this day and year written below.

SPRINGFIELD UTILITY BOARD

By: _____
Jeff Nelson, General Manager

Date: _____

CITY OF SPRINGFIELD

By: _____
Nancy Newton, City Manager

Date: _____

REVIEWED & APPROVED
AS TO FORM

DATE: 1/13/2025
OFFICE OF CITY ATTORNEY