

REGIONAL SEWER UTILITY FUND

An Enterprise Fund
of the City of Eugene, Oregon

Financial Statements



Fiscal Year Ended
June 30, 2021

REGIONAL SEWER UTILITY FUND

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Financial Statements

Fiscal Year Ended June 30, 2021

(With Report of Independent Auditors Thereon)

Report Prepared by the City of Eugene
Finance Division

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Regional Sewer Utility Report

An Enterprise Fund
Of the City of Eugene, Oregon

Year Ended June 30, 2021

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Report of Independent Auditors

To the Honorable Mayor and Councilors of the
City of Eugene, and the Commissioners of the
Metropolitan Wastewater Management Commission
Eugene, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of Regional Sewer Utility Fund, a sub-fund of the City of Eugene's Wastewater Utility Enterprise Fund, which comprise the statement of net position as of June 30, 2021 and the related statements of revenues, expenses, and changes in fund net position and cash flows for the year then ended, and the related notes to the basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Regional Sewer Utility Fund as of June 30, 2021, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 1, the financial statements present only the Regional Sewer Utility Fund and do not purport to, and do not, present fairly the financial position of the City of Eugene, Oregon, as of June 30, 2021, the changes in its financial position or its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis on pages 3-5 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the Management's Discussion and Analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Mass Adams LLP

Medford, Oregon
December 22, 2021

Management's Discussion and Analysis

The management of the Regional Sewer Utility Fund (Fund), a sub-fund of the City of Eugene's (Eugene) Wastewater Utility Enterprise Fund, presents this narrative overview and analysis to facilitate both a short and a long-term analysis of the financial activities of the fund for the fiscal year ended June 30, 2021. This Management's Discussion and Analysis (MD&A) is based on currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report.

Financial Highlights

- The Fund's total assets and deferred outflows at June 30, 2021 increased \$1.6 million from \$5.3 million to \$6.9 million. The increase was largely due to a \$0.6 million increase in due from the Metropolitan Wastewater Management Commission (MWMC) and a \$0.9 million increase in deferred outflows related to pensions.
- The Fund's total liabilities and deferred inflows at June 30, 2021 increased \$2.7 million from \$16.0 million to \$18.7 million. The increase was largely due to a \$0.5 million increase in due to MWMC and a \$2.2 million increase in the net pension liability.
- The net position of the Fund (assets and deferred outflows of resources less liabilities and deferred inflows of resources) at June 30, 2021, decreased \$1.2 million from (\$10.6) million to (\$11.8) million.
- The Fund's operating revenues increased \$1.6 million from \$14.5 million to \$16.1 million due to an increase in MWMC operating charges.
- The Fund's operating expenses increased \$1.5 million from \$15.7 million to \$17.2 million. This was primarily driven by an increase in materials and supplies due to equipment replacement and rehabilitation projects.

Overview of the Financial Statements

The following discussion and analysis is intended to serve as an introduction to the Fund's basic financial statements. The Fund's basic financial statements are comprised of two components:

1. Fund financial statements
2. Notes to the basic financial statements

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Fund uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Fund is reported as an Enterprise fund.

Enterprise funds. Enterprise funds are used to account for ongoing operations and activities which are similar to those found in the private sector. The measurement focus is upon the determination of change in net position.

The basic fund financial statements can be found on pages 7-9 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements. They are an integral part of the financial statements and should be read in conjunction with them.

Fund Financial Analysis

Regional Sewer Utility Fund's Net Position		
	<u>2021</u>	<u>2020</u>
Current assets	\$ 2,785,295	\$ 2,133,454
Deferred outflows	4,126,054	3,186,330
Total assets and deferred outflows	<u>6,911,349</u>	<u>5,319,784</u>
Current liabilities	3,590,637	2,933,214
Noncurrent liabilities	14,497,353	12,463,214
Deferred inflows	652,321	567,358
Total liabilities and deferred inflows	<u>18,740,311</u>	<u>15,963,786</u>
Net position:		
Unrestricted	<u>(11,828,962)</u>	<u>(10,644,002)</u>
Total net position	\$ <u>(11,828,962)</u>	\$ <u>(10,644,002)</u>

Regional Sewer Utility Fund's Change in Net Position		
	<u>2021</u>	<u>2020</u>
Operating revenues:		
Licenses and permits	\$ 16,158	\$ 32,229
Fees, fines, and charges for service	16,076,163	14,411,562
Miscellaneous	23,139	75,852
Total operating revenues	<u>16,115,460</u>	<u>14,519,643</u>
Operating expenses:		
Personnel services	7,399,612	7,764,539
Administration	1,045,596	1,017,927
Materials and supplies	3,138,468	1,966,457
Maintenance and utilities	1,903,093	1,609,752
Pension expense	2,552,082	2,353,978
Other expenses	1,230,625	1,033,499
Total operating expenses	<u>17,269,476</u>	<u>15,746,152</u>
Operating income (loss)	(1,154,016)	(1,226,509)
Nonoperating revenues (expenses):		
Interest expense	(129,543)	(122,628)
Intergovernmental	98,599	37,641
Total nonoperating revenues (expenses)	<u>(30,944)</u>	<u>(84,987)</u>
Change in net position	(1,184,960)	(1,311,496)
Net position, July 1	<u>(10,644,002)</u>	<u>(9,332,506)</u>
Net position, June 30	\$ <u>(11,828,962)</u>	\$ <u>(10,644,002)</u>

Next Year's Budgets and Rates

For FY22, the following factors were taken into account when developing the regional sewer budget:

- Salaries for non-represented employees and employees covered under collective bargaining agreements were expected to increase 2.2%.
- Health benefit rates were increased by 6.7%.
- Retirement costs are expected to range from 20.83% to 27.63% of payroll, depending on which pension plan the employee participates in.

Requests for Information

These financial statements are designed to provide a general overview of the Fund's finances for all those with an interest in the Fund. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to:

Fionan Cronin, CPA
Assistant Finance Director
City of Eugene
100 West 10th Avenue, Suite 400
Eugene, Oregon 97401

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REGIONAL SEWER UTILITY FUND
 An Enterprise Fund of the City of Eugene, Oregon

Exhibit 1

Statement of Net Position

June 30, 2021

(amounts in dollars)

Assets

Current assets

Equity in pooled cash and investments	41,395
Accounts receivable	225,497
Due from MWMC	2,518,403
Total current assets	2,785,295

Deferred outflows of resources

Related to OPEB	199,709
Related to pensions	3,926,345
Total deferred outflows of resources	4,126,054
Total assets and deferred outflows of resources	6,911,349

Liabilities

Current liabilities

Accounts payable	411,374
Wages payable	513,166
Compensated absences	577,397
Due to MWMC	1,160,768
Deposits	700,000
Interest payable	11,464
Bonds payable	216,468
Total current liabilities	3,590,637

Noncurrent liabilities

Compensated absences payable	77,151
Bonds payable (net of unamortized discount)	1,486,327
Net pension liability	12,104,383
Net OPEB liability	829,492
Total noncurrent liabilities	14,497,353

Deferred inflows of resources

Related to pensions	539,377
Related to OPEB	112,944
Total deferred inflows of resources	652,321
Total liabilities and deferred inflows of resources	18,740,311

Net position

Unrestricted	(11,828,962)
Total net position	(11,828,962)

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

**Statement of Revenues, Expenses,
 and Changes in Fund Net Position**

For the fiscal year ended June 30, 2021
 (amounts in dollars)

<u>Operating revenues</u>	
Licenses and permits	16,158
Charges for services	16,071,313
Fines and forfeits	4,850
Miscellaneous	23,139
Total operating revenues	16,115,460
<u>Operating expenses</u>	
Personnel services	7,399,612
Contractual services	1,105,582
Materials and supplies	3,138,468
Maintenance	959,812
Utilities	943,281
Rent	4,811
Insurance	120,232
Administration	1,045,596
Pension expense	2,552,082
Total operating expenses	17,269,476
Operating income (loss)	(1,154,016)
<u>Nonoperating revenue (expense)</u>	
Interest expense	(129,543)
Intergovernmental	98,599
Total nonoperating revenue (expense)	(30,944)
Change in net position	(1,184,960)
Total net position, July 1, 2020	(10,644,002)
Total net position, June 30, 2021	(11,828,962)

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

Statement of Cash Flows

For the fiscal year ended June 30, 2021
 (amounts in dollars)

<u>Cash flows from operating activities</u>	
Cash received from customers	24,797,974
Cash received from MWMC for operating reimbursements	16,071,180
Cash paid to MWMC for sewer user and septic hauler fees collected	(25,364,140)
Cash paid to suppliers for goods and services	(4,826,240)
Cash paid to employees for services	(6,985,553)
Cash paid for interfund services used	(2,386,937)
Cash paid for central business functions	(1,045,596)
Net cash provided by (used for) operating activities	260,688
<u>Cash flows from noncapital financing activities</u>	
Principal payments on pension bonds	(188,349)
Interest payments on pension bonds	(129,543)
Subsidy from grant	98,599
Net cash provided by (used for) noncapital financing activities	(219,293)
Net increase (decrease) in cash	41,395
Cash, July 1, 2020	0
Cash, June 30, 2021	41,395

Reconciliation of operating income (loss) to net cash
 provided by (used for) operating activities

Operating income (loss)	(1,154,016)
<u>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities</u>	
(Increase) Decrease in accounts receivable	11,331
(Increase) Decrease in due from other governments	(621,777)
(Increase) Decrease in deferred outflows related to OPEB	(63,670)
(Increase) Decrease in deferred outflows related to pensions	(876,054)
Increase (Decrease) in net pension liability	2,181,036
Increase (Decrease) in due to other governments	520,436
Increase (Decrease) in accounts payable	348,977
Increase (Decrease) in deferred inflows related to pensions	(4,419)
Increase (Decrease) in deferred inflows related to OPEB	89,382
Increase (Decrease) in net OPEB liability	53,839
Increase (Decrease) in due to other funds	(271,757)
Increase (Decrease) in wages payable	52,570
Increase (Decrease) in compensated absences payable	(5,190)
Net cash provided by (used for) operating activities	260,688

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

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Regional Sewer Utility Fund

An Enterprise Fund
Of the City of Eugene, Oregon

Notes to Basic Financial Statements

June 30, 2021

(1) Summary of Significant Accounting Policies

The financial statements of the Regional Sewer Utility Fund (Fund), a sub-fund of the City of Eugene's (City) Wastewater Utility Enterprise Fund, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

The more significant of the Fund's accounting policies are described below.

(A) The Financial Reporting Entity

Regional wastewater facilities were constructed through the Metropolitan Wastewater Management Commission (MWMC), established on February 9, 1977 by an intergovernmental agreement between Lane County and the Cities of Eugene and Springfield. On November 10, 1983, MWMC entered into a contract with Eugene for the physical operation of the regional wastewater treatment facilities.

The Fund operates and maintains the regional wastewater treatment facility, sludge disposal system, and the seasonal industrial wastewater disposal site serving the metropolitan area.

(B) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

The Fund is accounted for using an economic resources measurement focus, whereby all assets and deferred outflows of resources and liabilities and deferred inflows of resources are included in the Statement of Net Position, and the Statement of Revenues, Expenses, and Changes in Fund Net Position present increases and decreases in net position. The Fund also uses the accrual basis of accounting whereby revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The Funds' proprietary fund accounting and financial reporting practices are based on all applicable GASB pronouncements.

Operating revenues and operating expenses are intermediate components within the Fund's Statement of Revenues, Expenses, and Changes in Fund Net Position that include only those transactions that constitute their principal, ongoing activities exclusive of investing or financing transactions. Significant operating revenues include charges for services. Significant operating expenses include personnel, materials and supplies, and pension expense. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(C) Equity in Pooled Cash and Investments

The Fund invests cash through Eugene in various investments.

Policies adopted by the Investment Advisory Board and the Eugene City Council authorize Eugene to invest in obligations of the U.S. Treasury and its agencies, time certificates of deposit, governmental money market bank deposit accounts, bankers' acceptances, municipal bonds, corporate bonds, commercial paper, repurchase agreements, reverse repurchase agreements, and the Oregon Local Government Investment Pool.

Regional Sewer Utility Fund

An Enterprise Fund
Of the City of Eugene, Oregon

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies, continued

(C) Equity in Pooled Cash and Investments, continued

It is Eugene's policy to report at amortized cost all short-term, highly-liquid money market investments (including corporate bonds, commercial paper, bankers' acceptances, municipal bonds, and U.S. Treasury and agency obligations) and participating interest-earning investment contracts with a remaining maturity at time of purchase of one year or less. Such investments are stated at cost, increased by accretion of discounts and reduced by amortization of premiums, both computed by the straight-line method. Callable investments purchased at a discount are amortized to the maturity date, and callable investments purchased at a premium are amortized to the first call date. Investments with a remaining maturity, at time of purchase, of more than one year are valued at fair value.

Eugene maintains a common cash and investments pool for all City funds. Interest earned on the pooled cash and investments is allocated quarterly based on each fund's average cash and investments balance as a proportion of Eugene's total pooled cash and investments. For purposes of the Statement of Cash Flows, Eugene considers "cash" to include the pooled cash and investments, since the pool has the general characteristics of a demand deposit account, in that any participating fund may deposit additional cash at any time and also may withdraw cash at any time without prior notice or penalty.

(D) Compensated Absences

Liabilities for accumulated or vested vacation leave and compensation time benefits (compensated absences) are recorded in the Statement of Net Position. Sick leave does not vest and is recorded as taken.

(E) Administration Expense

Administration expense represents reimbursement to Eugene's General Fund for general services provided to all City funds including the Fund. The charge for general service costs is based on an approved overhead rate applied to direct costs.

(F) Accounts Receivable

Accounts receivable are accrued as revenue when earned. Management believes all accounts receivable are collectible, accordingly, no allowance for uncollectible receivables is considered necessary.

(G) Pensions

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

Regional Sewer Utility Fund

An Enterprise Fund
Of the City of Eugene, Oregon

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies, continued

(H) Other Post-Employment Benefits (OPEB)

The Fund is a participant in the City of Eugene's two separate OPEB plans. For reporting purposes the net OPEB asset (liability) and the deferred inflows and outflows related to OPEB for both plans have been combined on the statement of net position.

OPEB – Retiree Health and Life Insurance Plan (RHLI)

The fiduciary net position of Eugene's Healthcare Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB asset (liability), deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from Eugene's Health Plan fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as you-go plan and all cash is held in a cash account.

OPEB – Retiree Health and Life Insurance Plan (RHIA)

For purposes of measuring the net OPEB asset (liability), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS), and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at market value.

(2) Stewardship, Compliance, and Accountability

(A) Deficit Net Position

Although the Fund's annual operating expenses are paid by MWMC, for the year ended June 30, 2021, the Fund had a deficit net position of \$11,828,962. The Fund's deficit net position is the result of the recognition of long-term liabilities associated with its future pension and OPEB obligations.

(3) Detailed Notes on the Fund

(A) Due from MWMC

Amounts due from MWMC at June 30, 2021 of \$2,518,403 are for services provided in the operation and maintenance of the regional sewer facility. The Fund does not require collateral on these receivables.

(B) Due to MWMC

All amounts due to MWMC at June 30, 2021, are for septic hauler and user fees.

Regional Sewer Utility Fund

An Enterprise Fund
Of the City of Eugene, Oregon

Notes to Basic Financial Statements

(3) Detailed Notes on the Fund, continued

(C) Contract with Metropolitan Wastewater Management Commission

The contract between Eugene and MWMC requires Eugene to perform the operational and maintenance functions relating to the regional sewage treatment facilities. Under the terms of the contract, Eugene must submit an annual budget to MWMC projecting the costs of performing the operational and maintenance functions, including the cost of supervision and overhead. The MWMC adopted budget, as it relates to the contract with Eugene, specifies personnel services, materials and services, capital outlay, and indirect cost expenditure appropriations for the following functions: Administrative and Management Services, Regional Wastewater Treatment Facility Operations, Regional Wastewater Treatment Facility Maintenance, Biosolids Management, Industrial Source Control (Pretreatment), Regional Environmental Analytical Services, Computer Services, and Projects Group.

Eugene submits monthly billings to MWMC for actual expenses plus indirect charges at the approved overhead rate. MWMC has the right to appeal or seek clarification of any billing within ten days of its receipt. Annually, Eugene is to provide MWMC with an accounting, consistent with generally accepted accounting principles (GAAP), of actual revenues and expenses incurred in performance of the operational and maintenance functions. Negotiations between Eugene and MWMC will be the primary means of settling disputes that may arise; arbitration proceedings are available to either party in the case of unsettled disputes or other matters.

In order to meet the working capital requirements of the Fund, MWMC has deposited \$700,000 with Eugene as of June 30, 2021. The deposit amount may vary in the future depending on changes in the working capital requirements of the Fund and is subject to repayment on demand.

Billable contract expenditures incurred by Eugene for the year ended June 30, 2021 are reconciled as follows to the operating expenses presented in the accompanying financial statements:

	<u>MWMC budget</u>	<u>MWMC actual</u>
Personnel services	\$ 9,970,160	8,837,380
Material and services	4,289,040	4,414,784
Capital outlay and equipment replacement	122,000	1,857,401
Indirect costs	<u>998,000</u>	<u>1,045,596</u>
Billable contract expenditures	<u>\$ 15,379,200</u>	16,155,161
<u>Adjust expenses for GAAP reporting:</u>		
Increase in accrued vacation not paid		(5,189)
Increase in contribution to PERS Employer Incentive Fund		57,282
Increase in OPEB expenses and related deferred inflows and outflows		80,592
Increase in pension expense and related deferred inflows and outflows		<u>981,630</u>
Total operating expenses		<u>17,269,476</u>

Regional Sewer Utility Fund

An Enterprise Fund
Of the City of Eugene, Oregon

Notes to Basic Financial Statements

(3) Detailed Notes on the Fund, continued

(D) Changes in Noncurrent Liabilities

Noncurrent liability activity for the year ended June 30, 2021 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year	Due after one year
Compensated absences payable	\$ 659,738	0	(5,190)	654,548	577,397	77,151
Bonds payable (net of unamortized discount)	1,891,144	0	(188,349)	1,702,795	216,468	1,486,327
Net Pension liability	9,923,347	2,181,036	0	12,104,383	0	12,104,383
Net OPEB liability	775,653	53,839	0	829,492	0	829,492
Total noncurrent liabilities	\$ 13,249,882	2,234,875	(193,539)	15,291,218	793,865	14,497,353

Information about the City's noncurrent liabilities is available in the City of Eugene's FY21 Annual Comprehensive Financial Report (Notes to the Basic Financial Statements) at <http://www.eugene-or.gov/financialreports>.

(E) Risk Management

The City has established an internal service fund to account for and finance its risks of loss. The City has a self-insured liability program which covers personal injury, public official's errors and omissions, law enforcement liability, automobile liability, employee benefits liability, and employment practices liability, with a maximum self-insured retention of \$500,000 per occurrence for automobile liability, general liability, and \$1,000,000 per occurrence for employee benefit and employment practice liability. In addition, the City has a self-insured workers' compensation program which covers employees' work-related illnesses and injuries, including employer's liability, with a maximum self-insured retention of \$1,000,000 per occurrence. During the previous three fiscal years, there were no liability claims that exceeded the insurance coverage levels.

All regular full and part-time City employees are eligible for medical, dental, and vision insurance coverage. Employees may choose between two self-insured plans: the City Health Plan, a Preferred Provider Organization (PPO) plan or the City Managed Care Plan, a Point of Service (POS) plan. A third self-insured medical plan, the City Hybrid Plan, is available to non-represented, AFSCME and IATSE-represented employees. The City has established a self-insurance fund to pay medical, dental, and vision claims of employees and their dependents on the City Health Plan, up to the self-insurance retention limit of \$275,000 per employee.

Coverage for workers' compensation, general liability, and employees' health claims in excess of the self-insurance retention limit is purchased from commercial insurers. The City also purchases all-risk property insurance coverage from a commercial insurer. The property insurance policy has a basic \$25,000 deductible, with earthquake and flood insurance coverages subject to the following deductibles: flood – \$100,000 deductible per occurrence except that buildings in Flood Zones A and V have a \$500,000 deductible per building; earthquake – 2% of the combined value of the property at the location, subject to a minimum deductible of \$100,000 per location and the deductible applies separately to each location.

(F) Other Post Employment Benefits and Retirement Plans

Information about the City's Other Post Employment Benefits and Oregon PERS Retirement Plans is available in the City of Eugene's FY21 Annual Comprehensive Financial Report (Notes to the Basic Financial Statements) at <http://www.eugene-or.gov/financialreports>.