



West Linn Update

OCTOBER 2008

Fiscal Year 2008 Year End Financial Report

TO OUR CUSTOMERS

In our continuing efforts to improve financial reporting and transparency of operations to the public, we have expanded our financial reporting to include this pre-audit report for the fiscal year ended June 30, 2008.

This report includes management discussion of the financial performance of the City of West Linn, and key accomplishments from fiscal year 2008. This report is distributed to West Linn customers, the City Council, and Budget Committee as an update on the City's activities. Copies of this report are available on the City's web site: <http://westlinnoregon.gov>.

FUND BALANCE REPORT

During fiscal year 2008, despite a slowdown in economic activity nationally and regionally, and the absence of a special levy that generated approximately \$1.7 million annually, the financial position of the City remained strong as combined fund balances declined by less than \$500,000 (4.7 percent). The overall fund balance reduction is the result of a planned cash reduction in the debt service fund (\$164,000) and capital investment in the cable TV public access fund (\$185,000), unanticipated loss of franchise fee revenue in the police fund (\$350,000), phase-in of parks maintenance fee in the parks fund (\$238,000), and a planned reduction in the general fund (\$226,000). The City continued to build reserves in its water fund (\$255,000), environmental services fund (\$96,000) and system development funds (\$381,000) for pending significant capital infrastructure improvements.

REVENUE REPORT

The special levy the City utilized for public safety and/or road maintenance purposes dating back to the 1980's expired at the end of June 2007. Additionally, late in the fiscal year, the City learned a major electricity customer elected to use an alternative provider which reduced franchise fee revenue by approximately \$350,000. The loss of more than \$2 million in annual revenue, or approximately five percent of the entire City budget, and approximately eight percent of total annual revenue, had the potential to significantly reduce the level of police, parks, library and street related services.

REVENUE ALTERNATIVES

During the fiscal year 2006 budget process the City Council, Budget Committee, and citizen advisory committees initiated discussions regarding service and revenue alternatives. The consensus was that desired services should not be reduced, but additional revenues should be secured to continue services. This included, if necessary, alternative sustainable revenue sources. The City Council received unanimous support from the Budget Committee for the implementation of a parks maintenance fee and a street maintenance fee in fiscal year 2008 after the public safety special levy received more than 75 percent of voter approval but failed to meet the double majority requirement. Combined, the parks maintenance fee and the street maintenance fee are estimated to generate approximately \$1.8 million annually. In fiscal year 2008 the total revenue from these sources was \$976,000 (\$762,000 parks and \$214,000 street fees).

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City of West Linn

Key Accomplishment & All City Funds Information:

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STRONG FOUNDATION

At the beginning of fiscal year 2009, the City has adequately restored its financial foundation and is prepared to begin addressing longer-term issues. Included in the 2009 budget is \$4 million in long-term debt financing to make capital investment in City parks and streets to protect our infrastructure investment, and land for a future police facility. Additional future borrowing is likely to complete the police facility and utility infrastructure projects. We will continue to seek cost effective and efficient means to fund City services at the desired levels.

KEY ACCOMPLISHMENTS

The City is proud to report these FY 2008 accomplishments:

- Completed the audits for fiscal years 2004, 2005, and 2006;

- Scheduled completion of the fiscal year 2007 audit in September 2008; the 2008 audit is on time;
- Developed a five-year financial plan and quarterly reports;
- Secured stable and sustainable funding for desired services;
- Adopted the Parks Master Plan;
- Adopted the Highway 43 and the 10th Street Corridor plans;
- Completed five neighborhood plans, and adopted four;
- Continued progress on updates to the City's water and transportation system master plans;
- Completed a streets pavement condition index study;
- Conducted focus groups on possible Stafford development;

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All City Funds (Amounts Shown in \$1,000's)						
Fund	Beginning Fund Balance	FY 2008 Resources	FY 2008 Requirements	Ending Fund Balance	Fund Balance Change (\$)	Fund Balance Change (%)
General	\$847	\$4,171	\$4,397	\$621	\$(226)	(26.8)%
Street	270	1,362	1,511	121	(149)	(55.2)
Parks	308	2,741	2,895	154	(154)	(50.0)
Library	313	1,513	1,513	313	-	-
Police	1,044	5,009	5,144	909	(136)	(13.0)
Cable TV Public Access	440	115	300	255	(185)	(42.0)
Building Inspections	193	815	890	118	(75)	(38.9)
Public Works Support Services	103	1,004	1,088	18	(85)	(82.5)
Planning	206	730	799	138	(69)	(33.5)
Systems Development Charges	2,455	1,102	721	2,836	381	15.5
Park Bond	977	42	-	1,019	42	4.3
Debt Service	205	777	941	41	(164)	(80.0)
Water	907	2,938	2,683	1,162	255	28.1
Environmental Services	1,810	2,198	2,103	1,906	95	5.2
Vehicle/Equipment Maintenance	19	459	467	11	(8)	(42.1)
TOTAL	\$10,097	\$24,976	\$25,452	\$9,621	\$(476)	(4.7)%

FY 2008 Year End Report

Enterprise & Special Revenue Funds:

Major Enterprise Funds					
	Description	Water Fund	Environmental Services Fund	SDC Funds	TOTAL
Revenue	Licenses & Permits	\$-	\$26,044	\$-	\$26,044
	Charges for Services	2,875,752	2,023,644	-	4,899,396
	Interest	25,275	84,251	117,172	226,698
	Miscellaneous	29,224	21,737	-	50,961
	SDCs	7,828	42,345	456,269	506,442
	Total Revenue	\$2,938,079	\$2,198,021	\$573,441	\$5,709,541
Expenditures	Personal Services	\$598,594	\$736,449	\$-	\$1,335,043
	Materials & Services	1,193,173	280,107	-	1,473,280
	Capital Outlay	124,438	88,588	124,235	337,261
	Debt Service	152,440	-	-	152,440
	Transfers	614,791	997,456	-	1,612,247
	Total Expenditures	\$2,683,436	\$2,102,600	\$124,235	\$4,910,271
	Revenue over/(under) expense	\$254,643	\$95,421	\$449,206	\$799,270
	Beginning Fund Balance	907,231	1,810,376	2,059,855	4,777,462
	Ending Fund Balance	\$1,161,874	\$1,905,797	\$2,509,061	\$5,576,732

Major Special Revenue Funds							
	Description	Street Fund	Parks Fund	Library Fund	Police Fund	SDC Funds	TOTAL
Revenue	Property Taxes	\$-	\$1,272,000	\$905,000	\$2,934,264	\$-	\$5,111,264
	Intergovernmental	1,057,792	265,058	506,071	318,903	-	2,147,824
	Franchise Fees	64,592	-	-	1,409,003	-	1,473,595
	Licenses & Permits	-	3,500	-	34,915	-	38,415
	Charges for Services	213,583	1,180,585	-	-	-	1,394,168
	Fines & Forefeits	-	-	66,992	32,155	-	99,147
	Interest	8,425	16,850	26,118	59,955	20,998	132,346
	Miscellaneous	17,717	2,706	8,726	19,419	-	48,568
	SDCs	-	-	-	-	507,298	507,298
	Transfers	-	-	-	200,000	-	200,000
	Total Revenue	\$1,362,109	\$2,740,699	\$1,512,907	\$5,008,614	\$528,296	\$11,152,625
Expenditures	Personal Services	\$472,332	\$1,258,359	\$1,004,093	\$3,466,079	\$-	\$6,200,863
	Materials & Services	436,815	649,034	145,258	642,559	1,574	1,875,240
	Capital Outlay	92,249	407,145	-	103,097	574,887	1,177,378
	Transfers	509,810	580,117	363,300	932,717	20,000	2,405,944
	Total Expenditures	\$1,511,206	\$2,894,655	\$1,512,651	\$5,144,452	\$596,461	\$11,659,425
	Revenue over/(under) expense	\$(149,097)	\$(153,956)	\$256	\$(135,838)	\$(68,165)	\$(506,800)
	Beginning Fund Balance	270,272	308,040	312,578	1,044,357	494,242	2,429,489
	Ending Fund Balance	\$121,175	\$154,084	\$312,834	\$908,519	\$426,077	\$1,922,689

General Fund:

General Fund		
	Description	General Fund
Revenue	Intergovernmental	\$414
	Licenses & Permits	53,901
	Fines & Forefeits	450,662
	Charges for Services	3,392,718
	Interest	67,400
	Miscellaneous	206,170
	Total Revenue	\$4,171,265
Expenditures	City Council	\$63,941
	City Manager's Office	820,786
	Human Resources	248,068
	Finance	889,390
	Information Services	816,488
	General Facility Services	490,727
	Municipal Court	253,336
	Non-Departmental	
	General Services	71,247
	Debt Service	343,136
	Interfund Transfers	400,000
	Total Expenditures	\$4,397,119
		Revenue over/(under) expense
	Beginning Fund Balance	847,344
	Ending Fund Balance	621,490

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- Updated the *Imagine West Linn* vision document;
- Fully staffed the City's police force to approved levels;
- Completed improvements to restrooms at Mary S Young park;
- Initiated the replacement of City wide information systems;
- Remade the City's web site and communications tools to improve communication with citizens and internally;
- Restructured the municipal court to enhance efficiencies.

RESTORATION OF PUBLIC CONFIDENCE

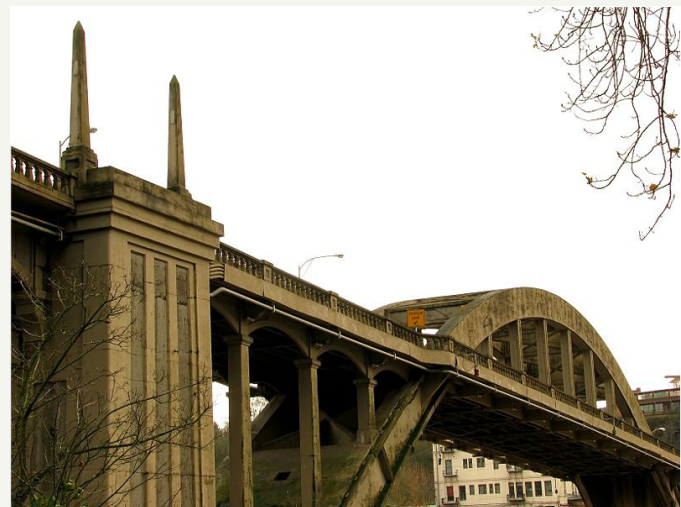
The City has spent considerable effort focused inward to repair and restore public confidence and trust in City government. With the support of the City Council and the community, much progress has been made and we will continue our efforts to earn your trust and support. If you have any questions about the City of West Linn, its finances or operations, we encourage you to contact us or visit our web site at <http://westlinnoregon.gov>.


Chris Jordan
City Manager


Andy Parks
Finance Director

Log on for agendas, calendar information, and a survey

This month's edition of the **West Linn Update** featured financial information from the fiscal year 2008 year end report. If you are interested in the City calendar normally found in the **West Linn Update**, log on to <http://westlinnoregon.gov> for schedules of events, meetings, and activities in the month of October. You can also participate in an online survey about this publication, and future editions of the **West Linn Update**.



Willamette River bridge between West Linn and Oregon City

