# Budget Overview & Trends

### Types of Funds Subject to Appropriation

The City of West Linn budgets at the "fund" level. A fund is a fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, and balances and changes, which are segregated for specific activities and objectives. Funds are grouped into three types, described below:

### Governmental Funds

Governmental funds finance most of the city's functions and include the general fund, special revenue funds, debt service fund, and capital projects funds. Examples of governmental funds in West Linn include:

- General Fund
- Special Revenue Funds
- Capital Projects Fund
- Debt Service Fund

### Proprietary Funds

Proprietary funds are used to account for the city's activities that are similar to those often found in the private sector and include enterprise funds. Examples of proprietary funds in West Linn include:

- Enterprise Funds

### Fiduciary Funds

Fiduciary funds account for resources received and held by the City in a fiduciary capacity. The City of West Linn does not currently have any fiduciary funds.

### Description of All Funds Subject to Appropriation

***General Fund***

The general fund of the City of West Linn provides the accounting for the City's administrative, financial, municipal court, and vehicle maintenance activities.

***Street Fund***

The street fund is a special revenue fund used to account for the maintenance and operation of the city's streets, sidewalks, street signage, medians, and rights-of-way.

***Parks and Recreation Fund***

The parks and recreation fund is a special revenue fund used to account for the maintenance and operation of the city's parks and open space, and recreation activities.

***Library Fund***

The library fund is a special revenue fund used to account for the operation of the city's Library activities. The Library Fund also earns interest income from a trust which principal balance is reserved.

***Public Safety Fund***

The public safety fund is a special revenue fund used to account for the city's police department including payment for dispatching services provided by the city of Lake Oswego.

***Communications Fund***

The cable TV public access fund is a special revenue fund used to account for the city's operation of the public, education and government access cable television channels, including televised council and city committee meetings and events.

***Building Inspection Fund***

The building inspection fund is a special revenue fund used to account for the city's building inspection program.

***Planning Fund***

The planning fund is a special revenue fund used to account for the city's planning related activities.

***SDC Funds***

The systems development charges (SDC) funds account for the City's collection and expenditure of water, transportation, wastewater, storm water, and park SDCs.

- Streets
- Water
- Wastewater
- Stormwater
- Parks

***Debt Service Fund***

The debt service fund is a debt service fund type. The fund accounts for the repayment of voter approved general obligation bonds issued for parks (1998 and 1999 bond issues) and library improvements (2000 bond issue).

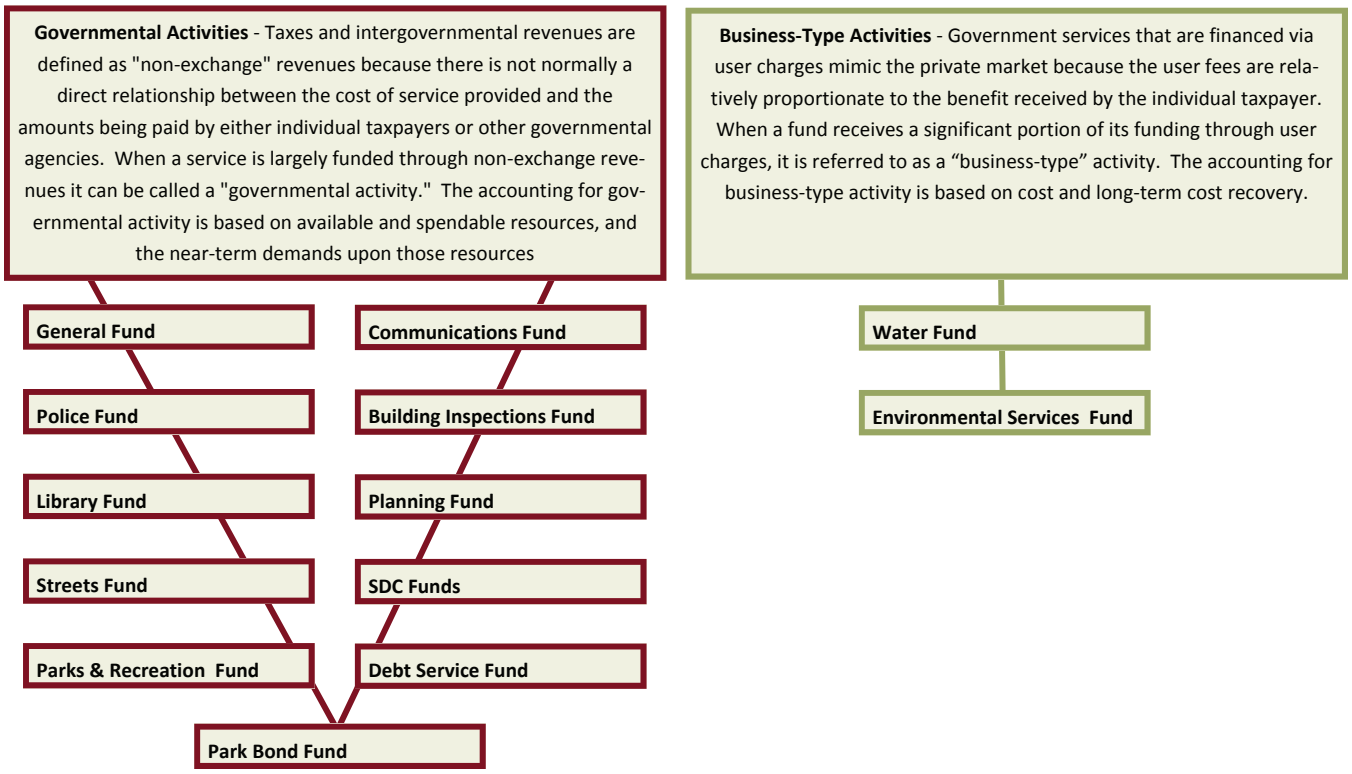
***Water Fund***

The water fund is an enterprise fund. The fund accounts for the maintenance and operation of the water utility. All water related revenue and expenditures, including capital replacement and betterments, are included in this fund. Capital expansion projects are accounted for in the SDC Fund.

***Environmental Services Fund***

The environmental services fund is an enterprise fund. The fund accounts for the maintenance and operation of the City's wastewater and storm water utilities. All wastewater collection and treatment and storm water related revenue and expenditures, including capital replacement, are included in this fund. Capital expansion projects are accounted for in the SDC Fund.

**Relationship Between Units & Funds**

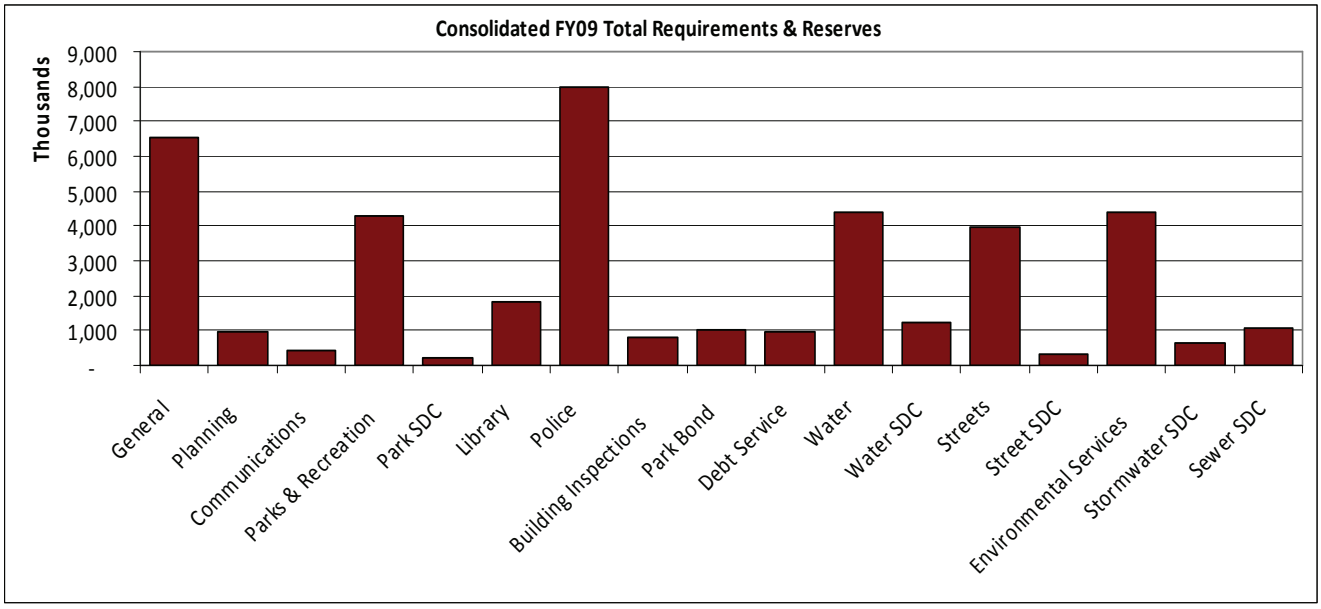


**Consolidated Budget Tables**

Consolidated budget tables show current year estimates and adopted budget information in summary format:

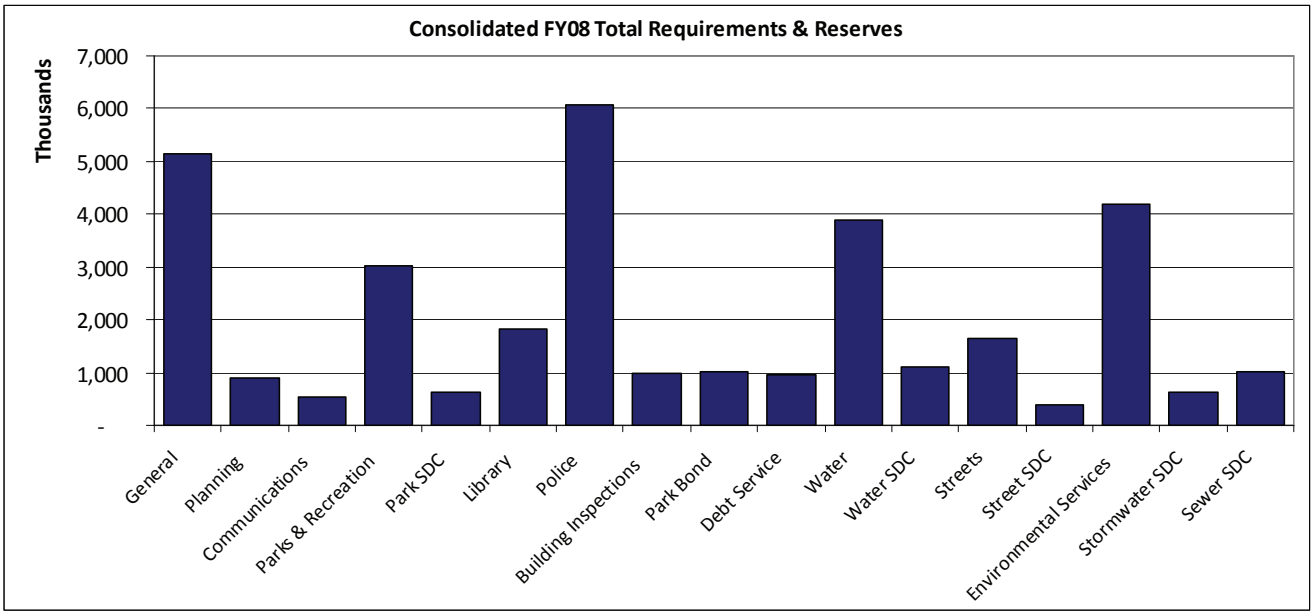
## Consolidated FY 2009 (Adopted Budget Year) Budget

| Fund | Beginning Fund Balance | Current Year Resources | Total Resources | Current Year Requirements | Reserves | Additional Reserves |
|---|---|---|---|---|---|---|
| General | 701,873 | 5,825,000 | 6,526,873 | 5,909,938 | 616,935 | - |
| Planning | 56,678 | 933,500 | 990,178 | 891,600 | 98,578 | - |
| Communications | 292,000 | 114,500 | 406,500 | 261,000 | 145,500 | - |
| Parks & Recreation | 104,723 | 4,184,000 | 4,288,723 | 4,056,900 | 231,823 | - |
| Park SDC | 49,497 | 144,000 | 193,497 | 75,000 | 118,497 | - |
| Library | 268,695 | 1,569,400 | 1,838,095 | 1,648,900 | 31,895 | 157,300 |
| Police | 785,342 | 7,176,800 | 7,962,142 | 6,983,600 | 978,542 | - |
| Building Inspections | 70,324 | 710,000 | 780,324 | 708,900 | 71,424 | - |
| Park Bond | 971,797 | 40,000 | 1,011,797 | 1,011,797 | - | - |
| Debt Service | 19,287 | 929,079 | 948,366 | 948,366 | - | - |
| Water | 1,146,722 | 3,227,000 | 4,373,722 | 3,600,070 | 622,552 | 151,100 |
| Water SDC | 977,204 | 238,000 | 1,215,204 | 465,000 | 750,204 | - |
| Streets | 71,736 | 3,872,000 | 3,943,736 | 3,669,100 | 274,636 | - |
| Street SDC | 309,098 | 8,000 | 317,098 | 19,500 | 297,598 | - |
| Environmental Services | 1,926,969 | 2,457,000 | 4,383,969 | 2,844,700 | 1,539,269 | - |
| Stormwater SDC | 623,350 | 33,000 | 656,350 | 150,000 | 506,350 | - |
| Sewer SDC | 973,620 | 119,000 | 1,092,620 | 745,000 | 347,620 | - |
| **Total** | **9,348,915** | **31,580,279** | **40,929,194** | **33,989,371** | **6,631,423** | **308,400** |
| **Total** *(Excluding Park Bond)* | **8,377,118** | **31,540,279** | **39,917,397** | **32,977,574** | **6,631,423** | **308,400** |



## Consolidated FY 2008 (Current Year) Estimate

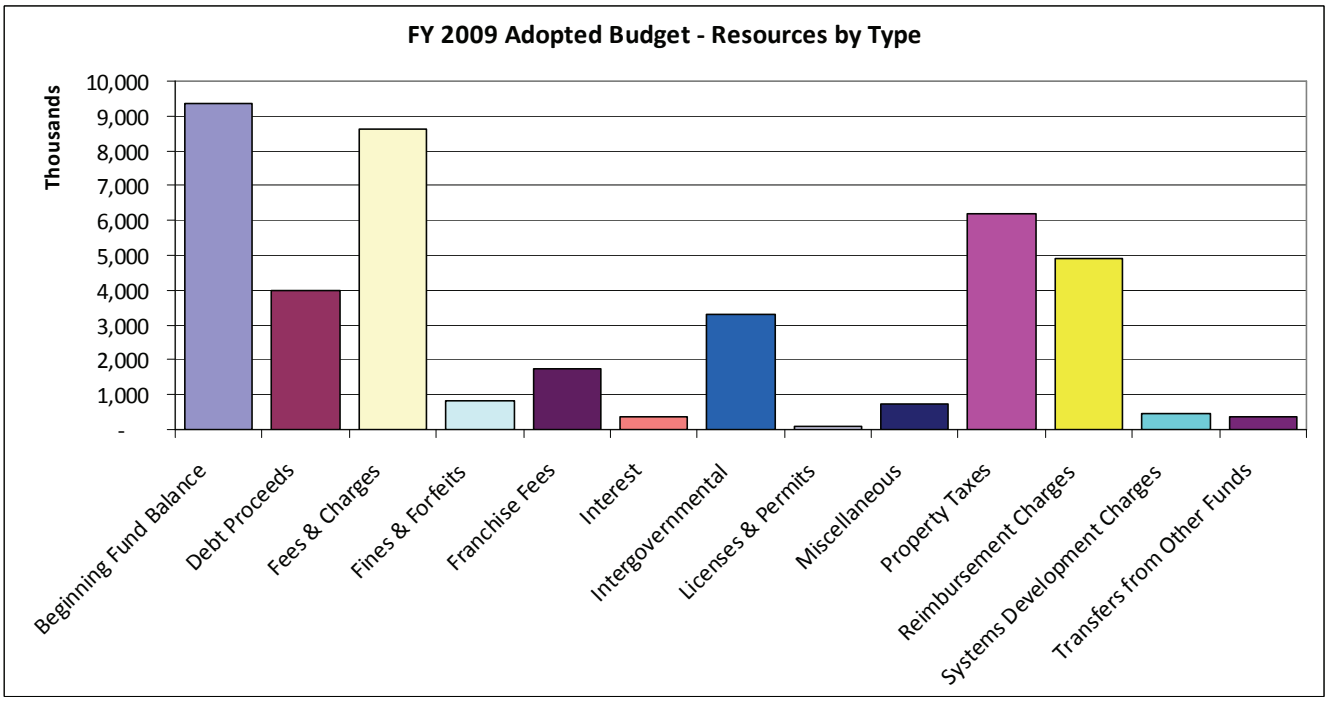
| Fund | Beginning Fund Balance | Current Year Resources | Total Resources | Current Year Requirements | Ending Fund Balance | Additional Reserves |
|---|---|---|---|---|---|---|
| General | 864,232 | 4,295,941 | 5,160,173 | 4,438,300 | 721,873 | - |
| Planning | 23,778 | 870,400 | 894,178 | 837,500 | 56,678 | - |
| Communications | 418,100 | 110,700 | 528,800 | 236,800 | 292,000 | - |
| Parks & Recreation | 273,823 | 2,739,500 | 3,013,323 | 2,908,600 | 104,723 | - |
| Park SDC | 189,497 | 450,000 | 639,497 | 590,000 | 49,497 | - |
| Library | 299,695 | 1,530,400 | 1,830,095 | 1,561,400 | 111,397 | 157,298 |
| Police | 958,252 | 5,127,300 | 6,085,552 | 5,300,210 | 785,342 | - |
| Building Inspections | 188,764 | 803,600 | 992,364 | 922,040 | 70,324 | - |
| Park Bond | 976,797 | 40,000 | 1,016,797 | 45,000 | 971,797 | - |
| Debt Service | 205,255 | 755,000 | 960,255 | 940,968 | 19,287 | - |
| Water | 873,672 | 3,023,500 | 3,897,172 | 2,750,450 | 995,622 | 151,100 |
| Water SDC | 806,504 | 305,000 | 1,111,504 | 134,300 | 977,204 | - |
| Streets | 262,536 | 1,391,600 | 1,654,136 | 1,582,400 | 71,736 | - |
| Street SDC | 272,098 | 117,000 | 389,098 | 80,000 | 309,098 | - |
| Environmental Services | 1,780,369 | 2,396,900 | 4,177,269 | 2,250,300 | 1,926,969 | - |
| Stormwater SDC | 342,850 | 294,500 | 637,350 | 14,000 | 623,350 | - |
| Sewer SDC | 853,620 | 165,000 | 1,018,620 | 45,000 | 973,620 | - |
| **Total** | **9,589,842** | **24,416,341** | **34,006,183** | **24,637,268** | **9,060,517** | **308,398** |
| **Total** *(Excluding Park Bond)* | **8,613,045** | **24,376,341** | **32,989,386** | **24,592,268** | **8,088,720** | **308,398** |



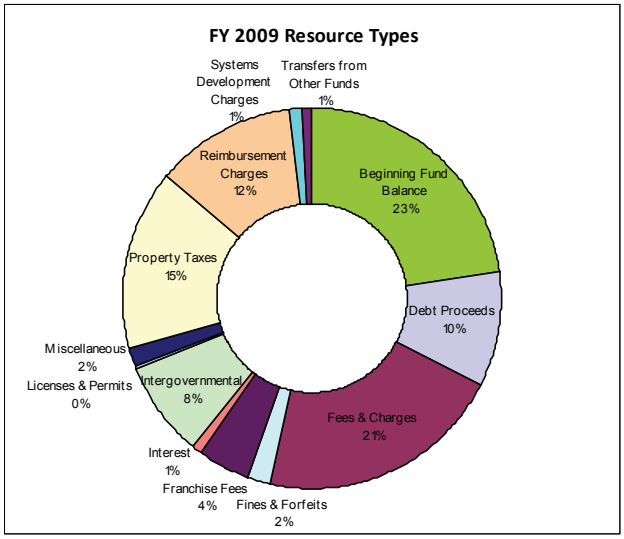
# Resources Overview

**All Adopted Resources by Type**

All resources shown in the fund detail tables fall into one of the thirteen categories shown below:



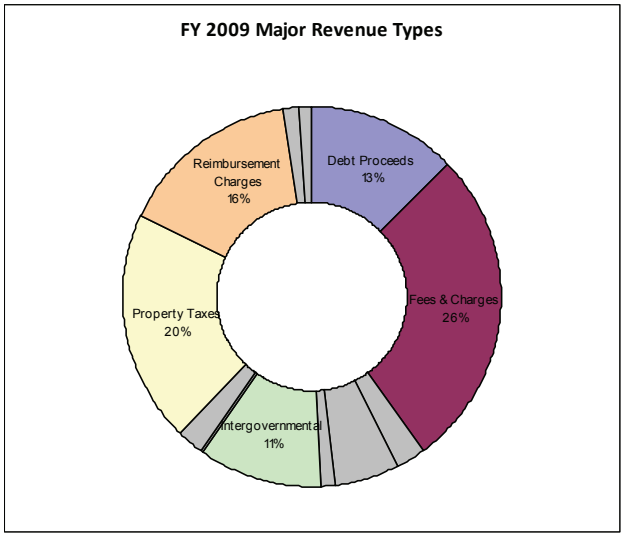

| Resource Type | Total Amount | Percentage |
|---|---|---|
| Beginning Fund Balance | 9,348,915 | 23% |
| Debt Proceeds | 4,000,000 | 10% |
| Fees & Charges | 8,619,000 | 21% |
| Fines & Forfeits | 809,000 | 2% |
| Franchise Fees | 1,747,000 | 4% |
| Interest | 352,500 | 1% |
| Intergovernmental | 3,319,800 | 8% |
| Licenses & Permits | 89,000 | 0% |
| Miscellaneous | 711,400 | 2% |
| Property Taxes | 6,210,079 | 15% |
| Reimbursement Charges | 4,918,500 | 12% |
| Systems Development Charges | 454,000 | 1% |
| Transfers from Other Funds | 350,000 | 1% |
| **TOTAL** | **40,929,194** | **100%** |



**Major Revenues**

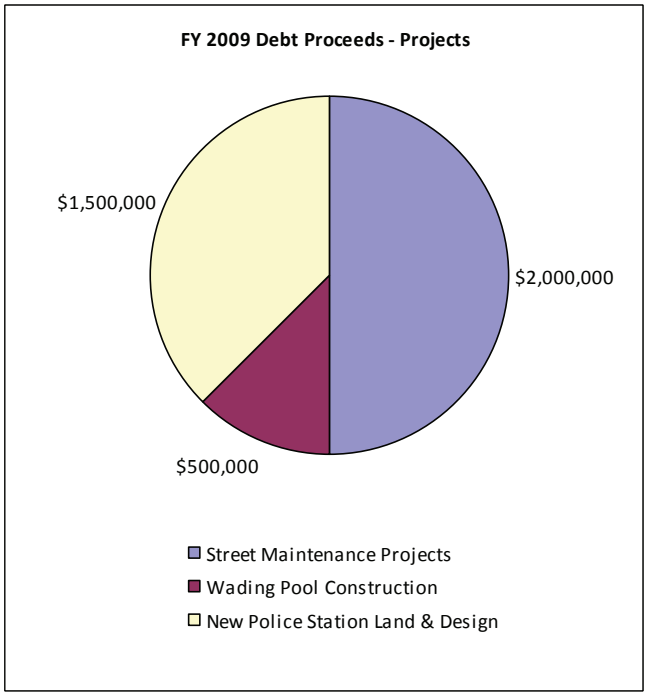
Of the available revenues anticipated in FY 2009, 86 percent of the total is represented by five revenue categories: These revenue sources are described in greater detail below and in the subsequent pages:

| Revenue Type | Total Amount | Percentage |
|---|---|---|
| Debt Proceeds | 4,000,000 | 13% |
| Fees & Charges | 8,619,000 | 27% |
| Fines & Forfeits | 809,000 | 3% |
| Franchise Fees | 1,747,000 | 6% |
| Interest | 352,500 | 1% |
| Intergovernmental | 3,319,800 | 11% |
| Licenses & Permits | 89,000 | 0% |
| Miscellaneous | 711,400 | 2% |
| Property Taxes | 6,210,079 | 20% |
| Reimbursement Charges | 4,918,500 | 16% |
| Systems Development Charges | 454,000 | 1% |
| Transfers from Other Funds | 350,000 | 1% |
| **TOTAL** | **31,580,279** | **100%** |



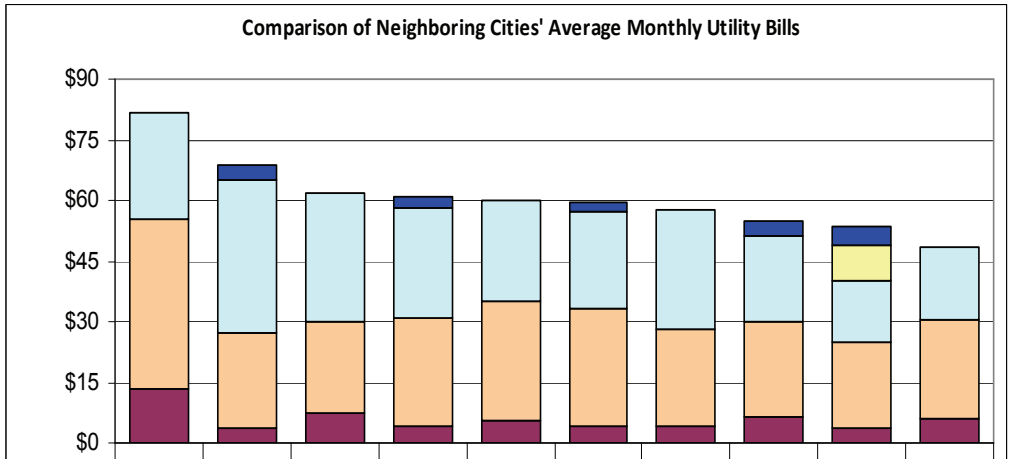

**Debt Proceeds (13%)**

Debt proceeds account for $4 million in revenues in the FY 2009 adopted budget; $2,000,000 in the Street Fund for street maintenance projects, $500,000 in the Parks & Recreation fund for the construction of wading pools and restrooms at Hammerle and Willamette Parks, and $1.5 million is included in the Police Fund for land acquisition, design, and architectural costs for a new police station. Debt service in each fund will be reflected in projected FY 2010 fund requirements.



**Fees & Charges (27%)**

Charges for water, sewer, storm drainage, parks maintenance and street maintenance are charged to all users in the City of West Linn. The fees for sewer, stormwater, parks maintenance, and street maitenance are established through the city fees and charges resolution; this resolution is updated each year. The City Council approves water, wastewater, and stormwater rates based on costs to provide services, and within City Charter limitations.




| | Portland | Wilsonville | Gresham | Tualatin | Beaverton | Tigard | Oregon City | Lake Oswego | West Linn | Milwaukie |
|---|---|---|---|---|---|---|---|---|---|---|
| Street Fee | - | 4.03 | - | 2.92 | - | 2.18 | - | 3.75 | 4.40 | - |
| Park Fee | - | - | - | - | - | - | - | - | 8.80 | - |
| Water | 26.12 | 37.40 | 32.02 | 27.48 | 25.17 | 24.13 | 29.31 | 21.01 | 15.29 | 17.98 |
| Sewer | 42.22 | 23.73 | 22.55 | 26.74 | 29.11 | 29.12 | 24.20 | 23.52 | 21.30 | 24.30 |
| Surface Water | 13.30 | 3.72 | 7.23 | 4.00 | 5.75 | 4.14 | 4.00 | 6.64 | 3.75 | 6.00 |

Source: City of Lake Oswego

**Intergovernmental (11%)**

State revenues are distributed to cities based on state statute, which defines formulas incorporating population and per capita income. The League of Oregon Cities provides the source data for State Revenue Sharing projections. Pursuant to ORS 221.770, the City of West Linn must elect to receive its proportionate share of the revenues to be apportioned to the cities by the State of Oregon for the fiscal year. Further, ORS 221.760 provides that cities located in a county having more than 100,000 inhabitants according to the most recent federal decennial census, can disburse state shared revenue funds only if the city provides four or more of the following services: police protection; fire protection; street construction, maintenance, and lighting; sanitary sewer; storm sewers; planning, zoning, and subdivision control; one or more utility services.

**State Shared Revenue Estimates**

*Projected for Fiscal Year 2009 Based on West Linn Population Projections*

Source: http://www.orcities.org/Portals/17/A-Z/2008SharedRevEst.pdf

| | Tax | Yield | Fund Receiving the Revenue |
|---|---|---|---|
| Liquor Tax | $12.29 | $297,618 | 100% to Public Safety |
| Cigarette Tax | $1.63 | $39,473 | 100% to Public Safety |
| 911 Emergency Tax | $5.32 | $128,831 | 100% to Public Safety |
| Gas Tax | $43.75 | $1,059,462 | 100% to Streets |

**Reimbursement Charges (16%)**

Reimbursement charges occur when revenues are transferred between funds; revenue is receive by a fund providing an internal service from a fund receiving the service, where the cost of the service is shown as an expense. Beginning in FY 2009, all City services that receive reimbursement charge revenue are consolidated into the General Fund. These services include: City Council, Administration, Finance, Human Resources, Information Systems, Facility Services, Public Works Support Services, and Vehicle & Equipment Maintenance. The amount that other funds are charged for the reimbursement costs is based on individual metrics identified for each City service. The City calculates interfund reimbursement charges when services are provided to another fund. The cost of these services is based on a cost allocation methodology, which assumes that the services provided have value, and that value is shown as a reimbursement amount. The cost allocation methodology is generally as follows:

- ***General Fund – Administration***

Charges for services provided by the City Manager, Legal, and Community Services divisions. Charges are based on the size of the budget of the transferring fund.

- ***General Fund – Finance***

Charges for services provided by the Finance division. Charges are based on the size of the budget of the transferring fund, with an additional weight given to funds with a corresponding SDC account, and funds that require city-wide billing services.

- ***General Fund – Human Resources***

Charges for services provided by the Human Resources division. Charges are based on the number of FTEs in the transferring fund, with additional weight given to operating funds that rely on "Extra Help" positions during the fiscal year.

- ***General Fund – Information Systems***

Charges for services provided by the Information Systems division. Charges are based on the number of personal computers assigned to the transferring fund, with additional charges added to divisions that have unique software systems or technology items that are required in the normal operation of that division.

- ***General Fund – General Facilities***

Charges for facilities services related to the operation and maintenance of city-owned buildings. Charges are based on a percentage of the building occupied by the transferring fund, as well as a portion of the personal services costs of the city employee charged with building oversight and maintenance.

- ***General Fund - Public Works Support Services – Operations; Engineering; and GIS***

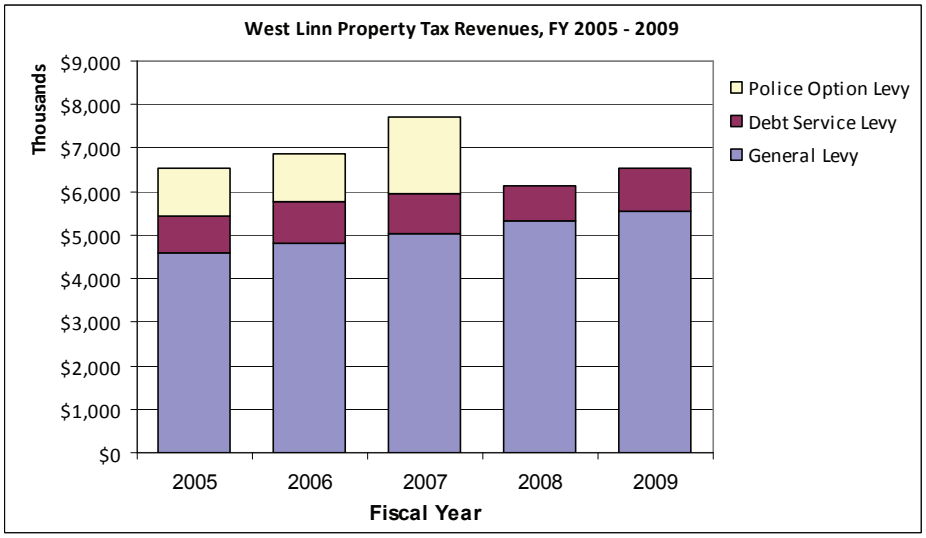
Charges for services provided by the Public Works Support Services divisions are calculated based on the prior-year percent of service received by the transferring fund.

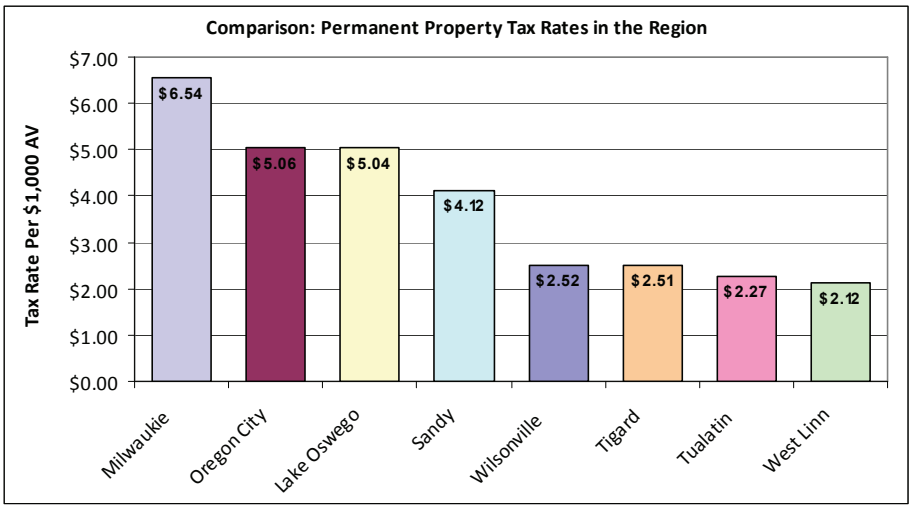
- ***General Fund - Vehicle & Equipment Maintenance***

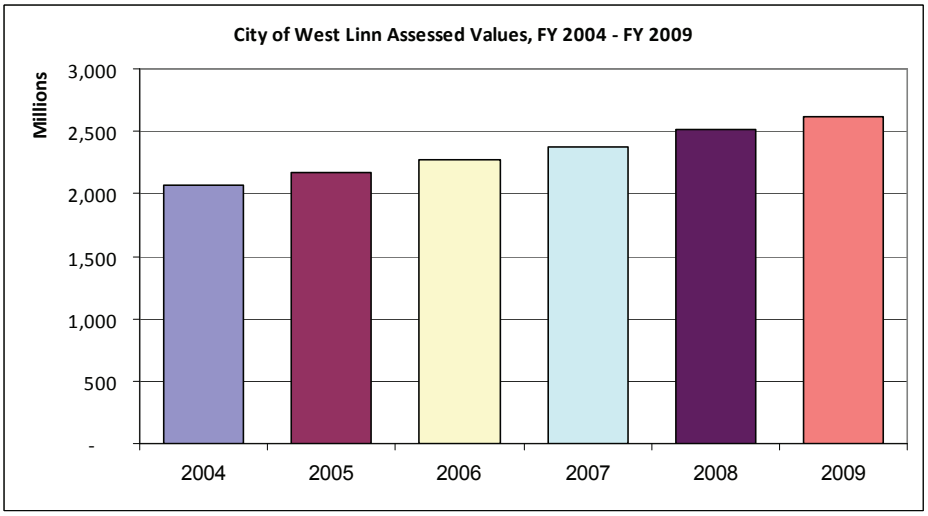
Charges for services provided by the Vehicle and Equipment Maintenance division are calculated based on the prior-year service received by the transferring fund.

**Property Taxes (20%)**

West Linn's permanent tax rate of $2.12 per thousand is applied to the projected taxable assessed value of property to generate revenues to support City of West Linn operations. The City assumes a 92 percent collection rate for property tax revenue, so the budgeted total amount of property taxes is approximately 92 percent of the total calculated property tax revenue. The City of West Linn has a general obligation bond tax levy to fund debt service on general obligation bonds approved by the voters in 1998, 1999, and 2000 for parks and recreation and library services. The special option levy to fund police services expired in 2007. The permanent tax rate of $2.12 per thousand is applied to the projected taxable assessed value of property to generate revenues to support City of West Linn operations. This permanent tax rate can be compared to neighboring cities' permanent tax rates to compare and contrast tax bills in relation to government services provided. Taxable assessed value of property and the permanent property tax rate are used to calculate property taxes in the City of West Linn. Taxable assessed values of existing property are limited to an increase of three percent per year; value added to a community via new construction increases the assessed value over the three percent growth rate limited by Measure 50. For fiscal year 2008, taxable assessed value is projected to increase by the maximum three percent allowed plus an additional 1.25 percent to accommodate new construction, plus projected annexation values.

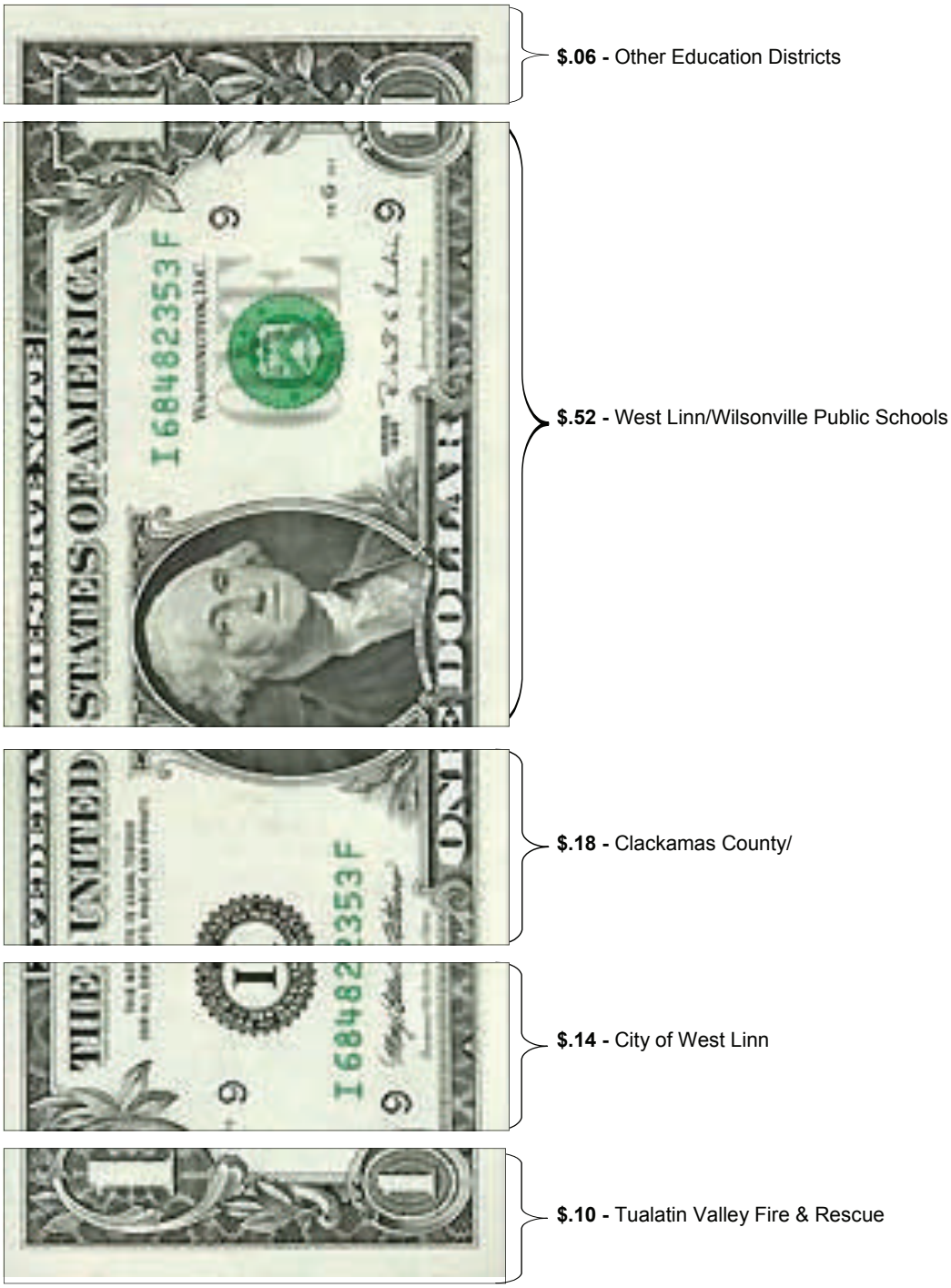


**West Linn Property Tax Bill: Distribution of Each Tax Dollar**

When West Linn taxpayers receive their property tax bills, only an estimated 14 percent of the tax bill is attributable to the City of West Linn. Approximately 86 percent of the taxes paid are distributed to Clackamas County, Tualatin Valley Fire & Rescue, other government entities, West Linn/Wilsonville Schools, and other educational entities.

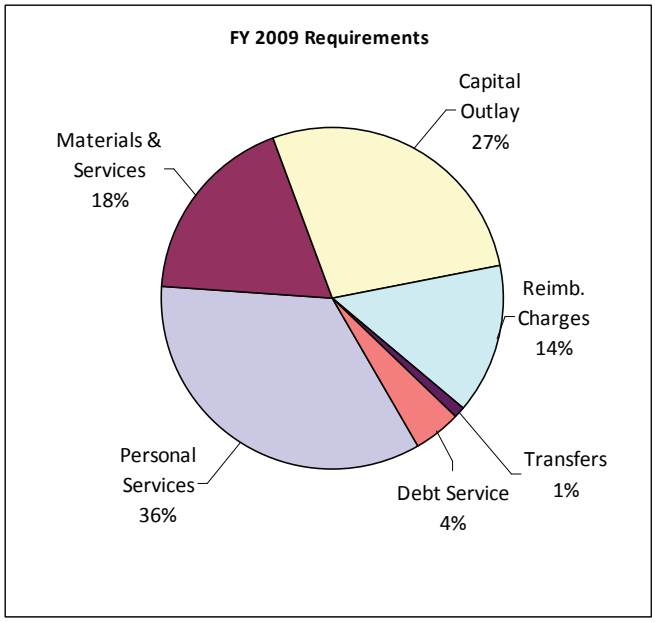


# Requirements Overview

**Major Requirements**

The City of West Linn budget includes 6 different requirement categories:

- Personal Services
- Materials & Services
- Capital Outlay
- Reimbursement Charges
- Transfers
- Debt Service




Sixty-three percent of total requirements are represented by the following two requirement categories; almost two-thirds of requirements relate to capital projects and the people who provide City services:

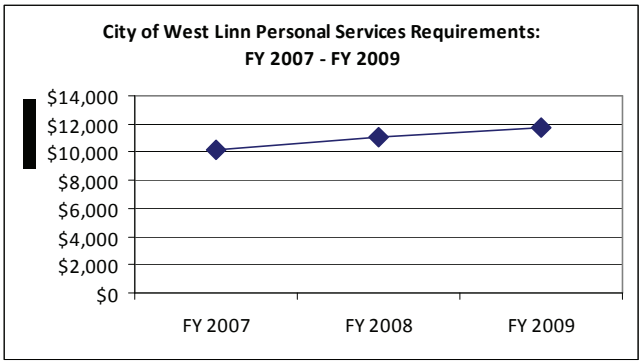
- Personal Services (36%)
- Capital Outlay (27%)

Citywide, Personal Services, Materials & Services, and Capital Outlay budgeted requirements are expected to increase from fiscal year 2008. The significant increase in Capital Outlay is directly attributable to the planned capital projects in the Streets, Parks & Recreation, and Police Funds. Increases in Personal Services costs are due to negotiated salary increases based on the Portland CPI-W index. Increases in Materials & Services costs also reflect inflationary increases. Debt Service, Transfers, and Reimbursement Charges are expected to decrease from current year estimates. These requirements are explained in greater detail in the following pages.

| Description | FY 2007 | FY 2008 | FY 2009 | $ Change, FY08- FY09 | % Change, FY08- FY09 |
|---|---|---|---|---|---|
| Personal Services | 10,120,253 | 11,040,100 | 11,730,700 | 690,600 | 6.26% |
| Materials & Services | 5,653,742 | 5,881,100 | 6,241,700 | 360,600 | 6.13% |
| Capital Outlay | 1,718,255 | 2,190,700 | 9,291,797 | 7,101,097 | 324.15% |
| Reimbursement Charges | 4,079,076 | 4,933,460 | 4,837,000 | (96,460) | -1.96% |
| Transfers | 300,000 | 400,000 | 369,500 | (30,500) | -7.63% |
| Debt Service | 1,431,429 | 1,699,108 | 1,518,674 | (180,434) | -10.62% |
| **Grand Total** | **23,302,755** | **26,144,468** | **33,989,371** | **7,844,903** | **30.01%** |

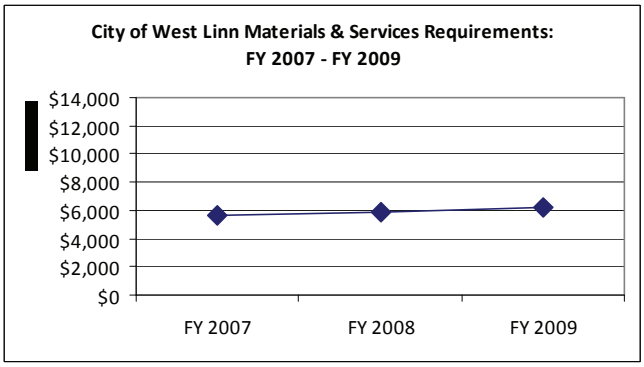
### Personal Services

Citywide, Personal Services budgeted requirements increased 6.26 percent from the fiscal year 2008 to fiscal year 2009. This percentage increase is attributable to increasing health care costs (ten percent for health care benefits for City employees), as well as the 4.8 percent pay increase for Police department employees (as negotiated by CCPOA), and 3.8 percent pay increase for AFSCME members.



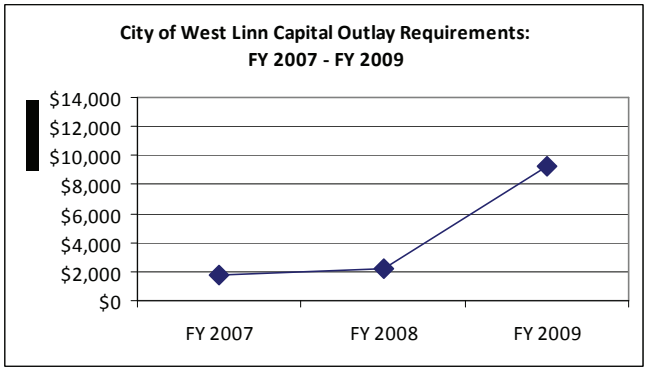

### Materials & Services

Citywide, Materials & Services budgeted requirements increased by 6.13 percent.



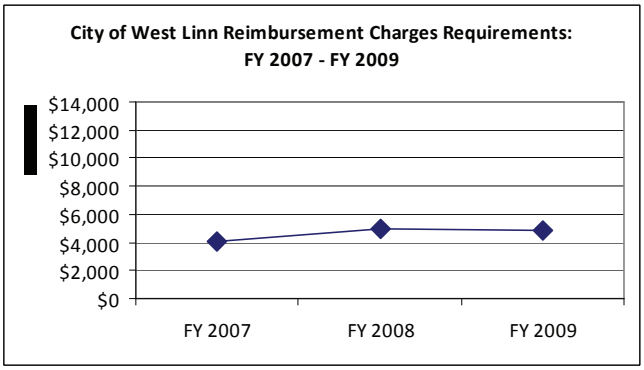

### Capital Outlay

The fiscal year 2009 Capital Outlay budget increased significantly from fiscal year 2008. This increase is largely attributable to the increased investment in capital projects in the public works accounts, as well as the budgeted expense for a new police station, and the expense associated with wading pools and restrooms at two West Linn parks. These anticipated capital expenses are non-routine. These individual requirements are discussed at length in the "Fund Detail" section of this budget document.



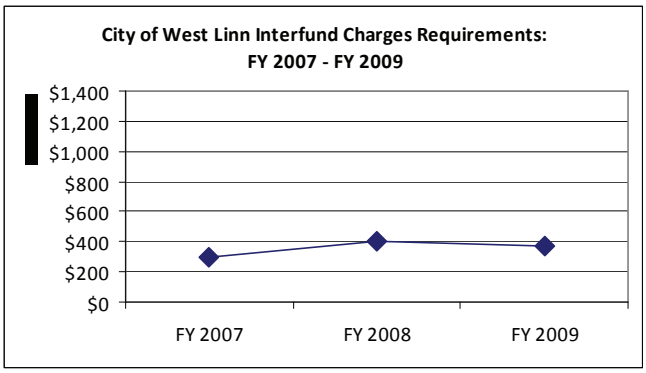

### Reimbursement Charges

Budgeted Reimbursement Charges decreased slightly (-1.96%) from fiscal year 2008 to fiscal year 2009. This decrease represents a management decision to decrease the costs associated with the General Fund services that are charged back to the other City funds. As the costs of the General Fund services decrease, so does the total amount of Reimbursement Charges to other funds.



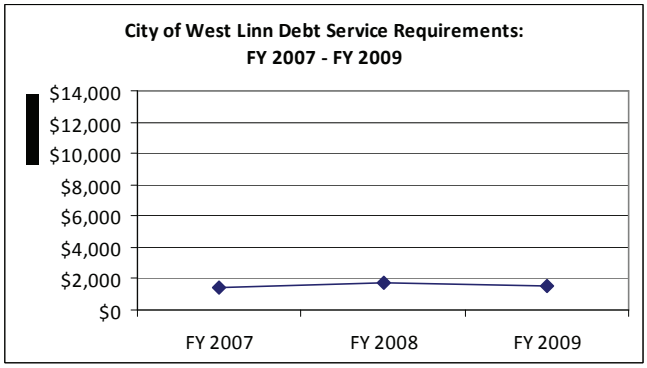
### Transfers

Budgeted transfers decreased (-7.63%) from fiscal year 2008 to fiscal year 2009. This decrease represents a management decision to decrease the amount of funds transferred from one fund to another, and an effort to make those funds (namely Police and Planning) that were the recipients of transfers independent of the need for fund transfers.



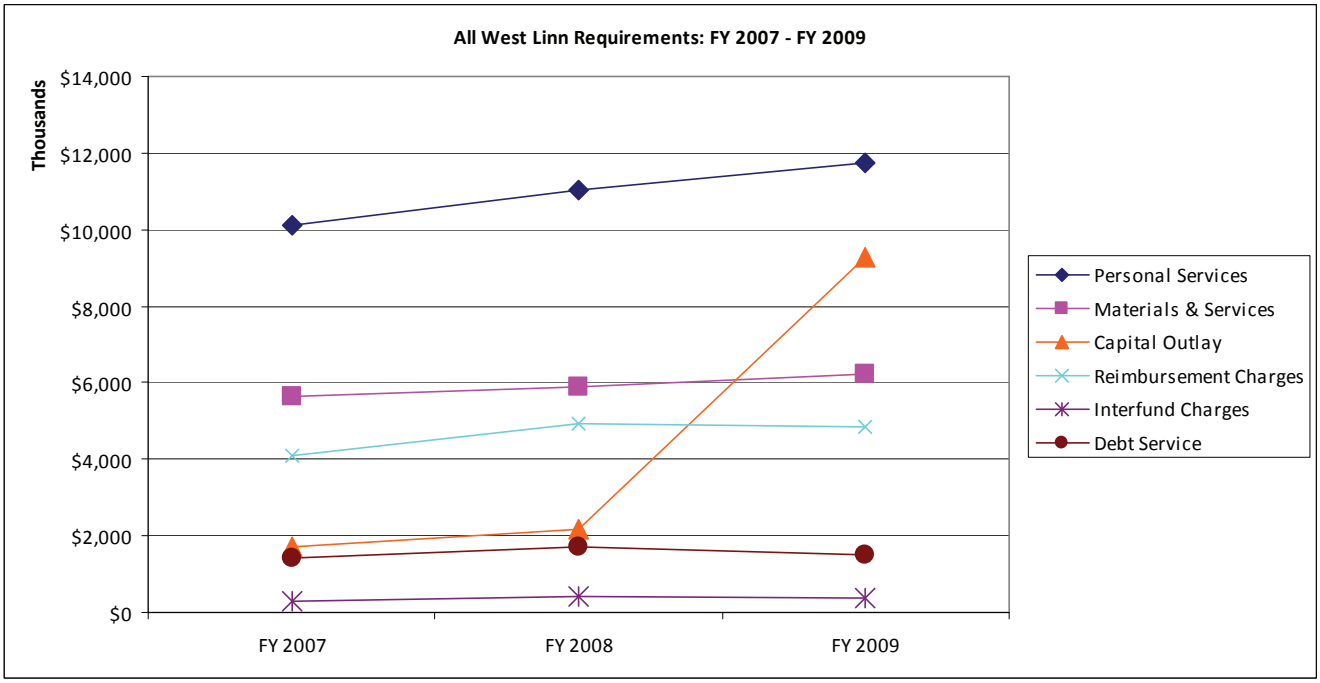

### Debt Service

Fiscal year 2009 Debt Service requirements decreased from fiscal year 2008. There is a budgeted 10.62 percent decrease from fiscal year 2008 to fiscal year 2009.




### All West Linn Requirements:

This chart shows all West Linn requirements from 2007 - 2009:



**FY 2009 Budgeted Beginning and Ending Fund Balance Analysis:**

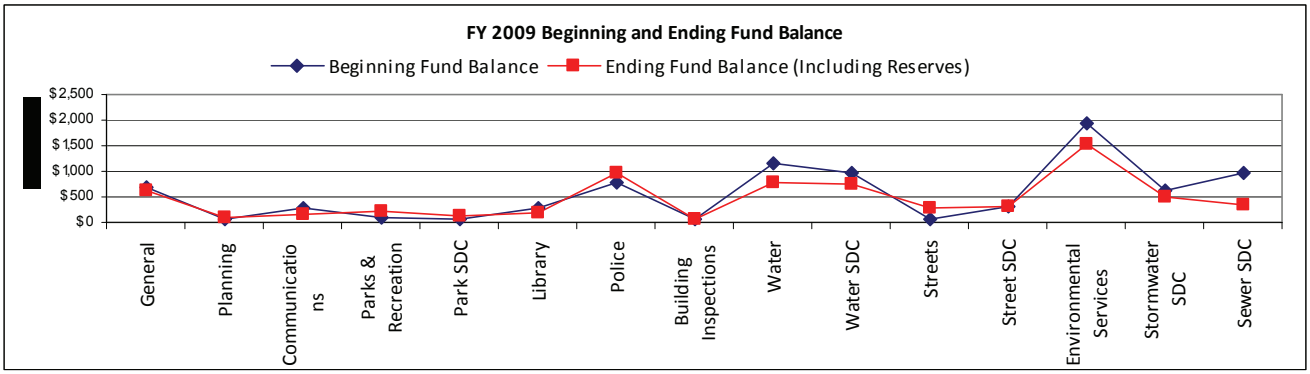
Fund balance in 13 funds is anticipated to increase or decrease +-10 percent for the following reasons:

- General - Planned capital investment in technology, and transfers to Planning Fund
- Planning - Planned capitalization of fund from General Fund
- Communications - Planned capital investments to Willamette Falls Television
- Parks & Recreation - Planned incremental increase to policy level
- Park SDC - Lack of funds to build planned projects
- Library - Maintenance of current operations pending library district election
- Police - Effort to restore balance to policy level
- Water - Planned major capital infrastructure maintenance investment
- Water SDC - Planned capital investment
- Streets - Effort to restore balance to policy level
- Environmental Services - Planned major capital infrastructure maintenance investment
- Stormwater SDC - Planned major capital infrastructure maintenance investment
- Sewer SDC - Planned major capital infrastructure maintenance investment

| Fund[1] | Beginning Fund Balance | Ending Fund Balance *(Including Reserves)* | Increase/ (Decrease) | Percent Increase/ (Decrease) | Policy Reserves Amount[2] | Proposed Budget Over/ (Under) Policy | Meets Policy? |
|---|---|---|---|---|---|---|---|
| General | 701,873 | 616,935 | (84,938) | (12%) | 590,994 | 25,941 | Yes |
| Planning | 56,678 | 98,578 | 41,900 | 74% | 89,160 | 9,418 | Yes |
| Communications | 292,000 | 145,500 | (146,500) | (50%) | 26,100 | 119,400 | Yes |
| Parks & Recreation | 104,723 | 231,823 | 127,100 | 121% | 711,380 | (479,557) | No |
| Park SDC | 49,497 | 118,497 | 69,000 | 139% | 7,500 | 110,997 | Yes |
| Library | 268,695 | 189,195 | (79,500) | (30%) | 329,780 | (140,585) | No |
| Police | 785,342 | 978,542 | 193,200 | 25% | 1,096,720 | (118,178) | No |
| Building Inspections | 70,324 | 71,424 | 1,100 | 2% | 70,890 | 534 | Yes |
| Water | 1,146,722 | 773,652 | (373,070) | (33%) | 360,007 | 413,645 | Yes |
| Water SDC | 977,204 | 750,204 | (227,000) | (23%) | 46,500 | 703,704 | Yes |
| Streets | 71,736 | 274,636 | 202,900 | 283% | 166,910 | 107,726 | Yes |
| Street SDC | 309,098 | 297,598 | (11,500) | (4%) | 1,950 | 295,648 | Yes |
| Environmental Services | 1,926,969 | 1,539,269 | (387,700) | (20%) | 284,470 | 1,254,799 | Yes |
| Stormwater SDC | 623,350 | 506,350 | (117,000) | (19%) | 15,000 | 491,350 | Yes |
| Sewer SDC | 973,620 | 347,620 | (626,000) | (64%) | 74,500 | 273,120 | Yes |
| **Total** | **8,357,831** | **6,939,823** | **(1,418,008)** | **(17%)** | **3,871,861** | **3,067,962** | |

[1] Debt Service & Park Bond funds excluded from analysis because ending fund balance not required.

[2] Policy reserve amount is total expenditures minus debt-funded capital outlay multiplied by reserve requirement percentage.



**FY 2009 Debt Margin**

The City of West Linn has an estimated $13,425,000 in debt outstanding at the beginning of the fiscal year, and an estimated $4,000,000 in debt authorized but not yet incurred at the beginning of the fiscal year:

| | Debt Outstanding, July 1, 2008 |
|---|---|
| FFCO (2000) | $3,235,000 |
| Revenue (Water) | $1,380,000 |
| GO (1998) | $2,785,000 |
| GO (1999) | $2,535,000 |
| GO (2000) | $3,315,000 |
| Interfund Loan | $175,000 |

| | Debt Authorized for FY 2009, Not Issued |
|---|---|
| Not Issued - Wading Pools | $500,000 |
| Not Issued - Police Station Design | $1,500,000 |
| Not Issued - Streets | $4,000,000 |

**FY 2009 Debt Description**

The City of West Linn is currently repaying on six types of debt. Three anticipated debts authorized but not issued will not owe debt service until fiscal year 2010:

**FFCO (2000)**

Full Faith and Credit Obligation for City Hall building, issued in 2000

*FY09 Principal - $180,000*

*FY09 Interest - $159,838*

**Revenue (Water)**

Revenue bond for water projects, issued in 2000

*FY09 Principal - $75,000*

*FY09 Interest - $78,470*

**GO (1998)**

Voter-approved general obligation debt for parks

*FY09 Principal - $230,000*

*FY09 Interest - $123,953*

**GO (1999)**

Voter-approved general obligation debt for parks, issued in 1999

*FY09 Principal - $170,000*

*FY09 Interest - $127,680*

**GO (2000)**

Voter-approved general obligation debt for libraries, issued in 2000

*FY09 Principal - $125,000*

*FY09 Interest - $171,733*

**Interfund Loan**

Loan from the Stormwater SDC fund to the Building Inspections fund in fiscal year 2000

*FY09 Principal - $70,000*

*FY09 Interest - $7,000*

**Wading pools**

Anticipated revenue bond for wading pool and restroom projects at Willamette & Hammerle parks

*Debt service not anticipated until FY 2010*

**Police Station Design**

Anticipated revenue bond for land acquisition and site design for a new police station

*Debt service not anticipated until FY 2010*

**Streets**

Anticipated revenue bond for maintenance projects

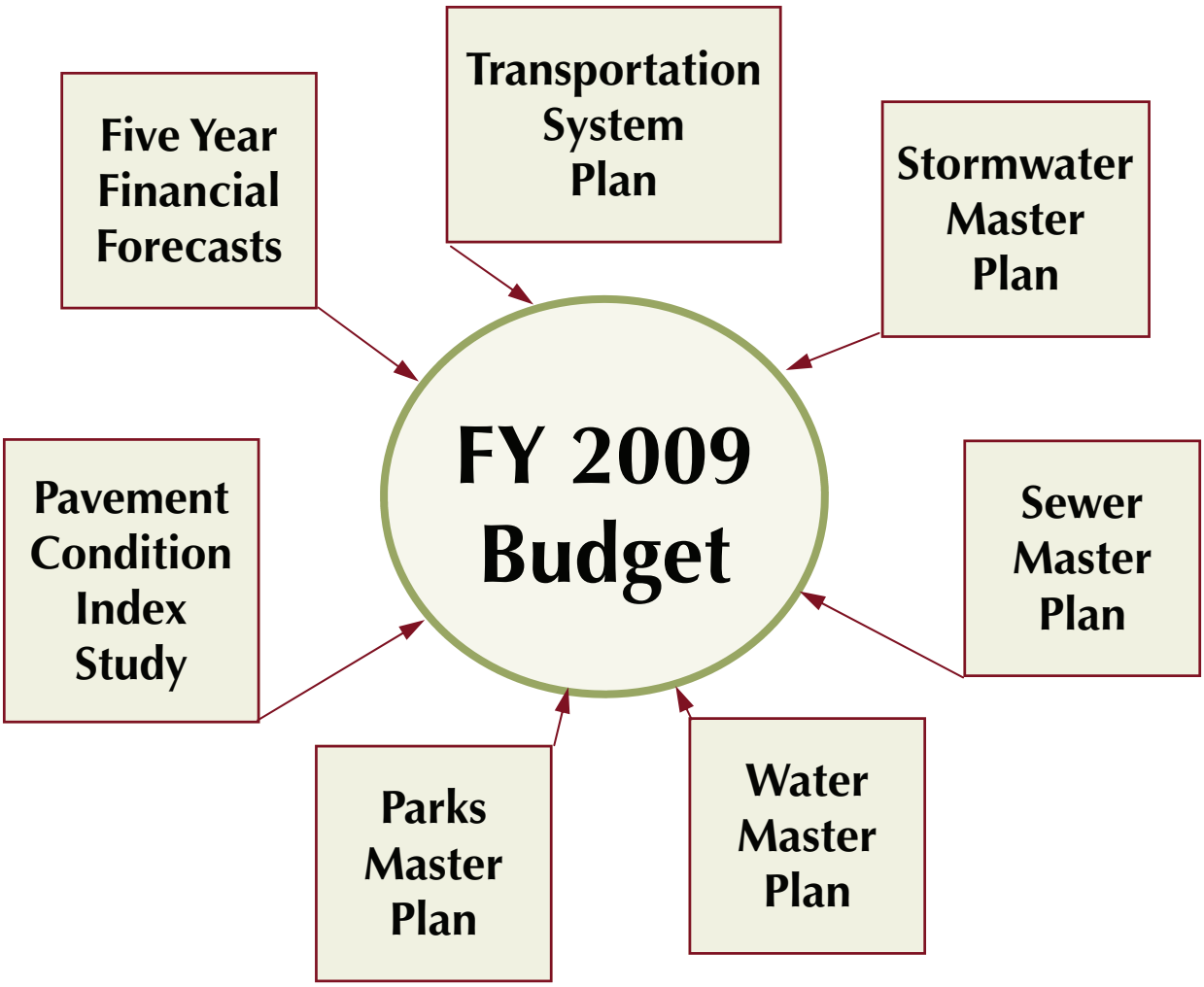
*Debt service not anticipated until FY 2010*

**FY 2009 Description of Long Term Financial Planning Processes**

New in fiscal year 2009, the City of West Linn prepared five-year financial forecasts prior to the development of the fiscal year 2009 budget. The five-year model took into account projected increases and decreases in revenues and expenditures. This information was shared with the budget committee prior to budget deliberations. The five year forecasts (not yet updated to reflect the adopted budget) are included in as an appendix to this budget document.

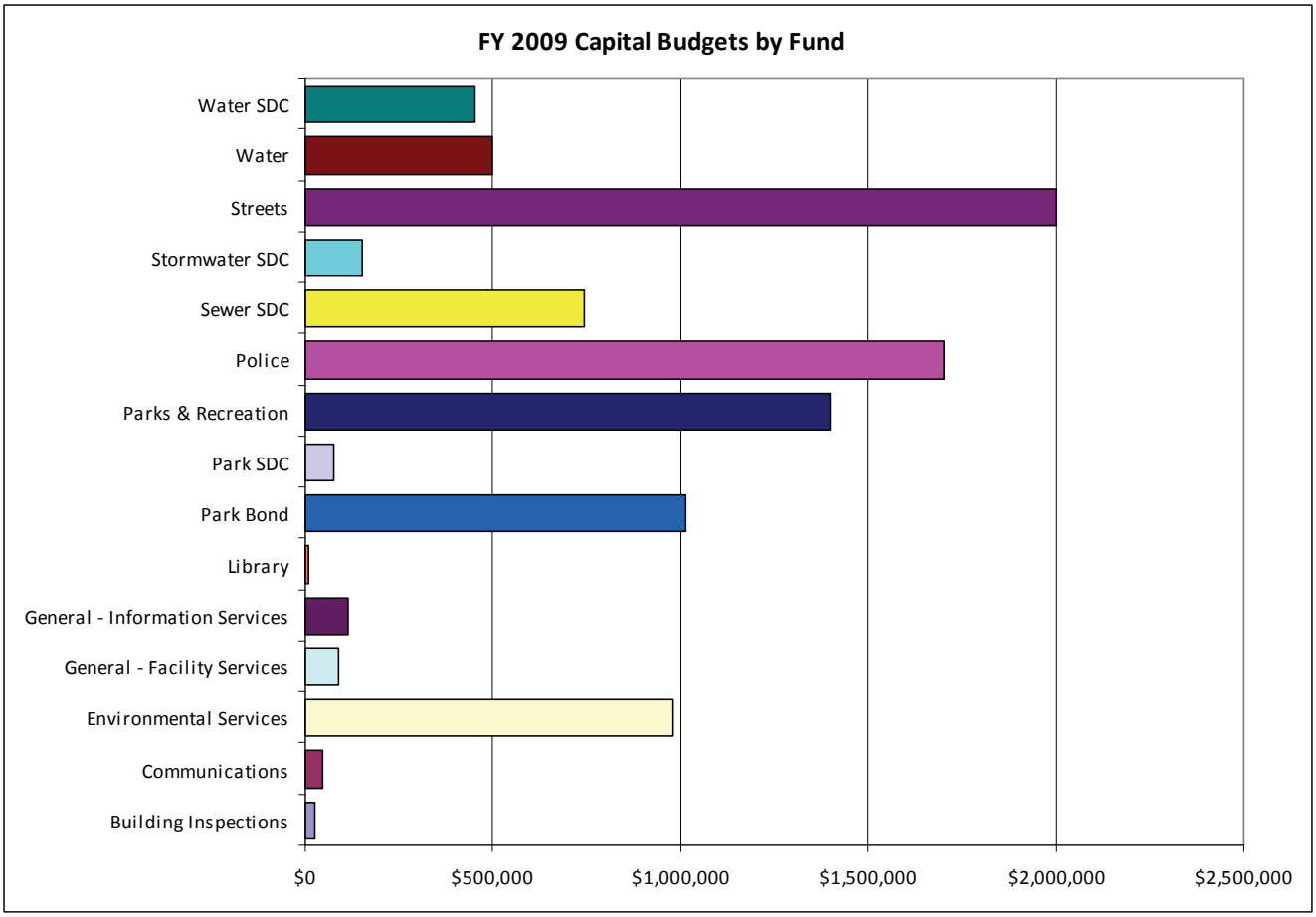
Also prior to the development of the fiscal year 2009 budget, the City of West Linn conducted a pavement condition index (PCI) study to determine the areas of need and amount of deferred maintenance in the streets network. Valued at more than $92 million, the need for general maintenance on all street surfaces was surveyed and reported. This study was a cornerstone of the determination to pursue a monthly street maintenance fee in early 2008, and also resulted in the inclusion of the $2 million in revenue bonds directed toward street maintenance projects in the fiscal year 2009 budget.

The City of West Linn is also undergoing updates to the Transportation System Plan and Water Master Plan. The City has recently completed updates to the Parks Master Plan and Sewer & Stormwater Master Plans. These master plan documents provide long-range (20 year) planning for necessary capital improvements and investments in the City's infrastructure. The Transportation System Plan and Water Master Plan are anticipated for completion in late 2008.



**FY 2009 Capital Expenditures**

The fiscal year 2009 budget includes $9.3 million in capital expenditures across several funds. The City of West Linn defines a capital expense as an item or an improvement (as distinguished from a repair) that will have a useful life of more than one year, and is greater than $5,000 per unit cost.




| Fund | FY 2009 |
|---|---|
| Building Inspections | 25,500 |
| Communications | 45,000 |
| Environmental Services | 980,000 |
| General - Facility Services | 90,000 |
| General - Information Services | 112,500 |
| Library | 10,000 |
| Park Bond | 1,011,797 |
| Park SDC | 75,000 |
| Parks & Recreation | 1,397,000 |
| Police | 1,700,000 |
| Sewer SDC | 745,000 |
| Stormwater SDC | 150,000 |
| Streets | 2,000,000 |
| Water | 500,000 |
| Water SDC | 450,000 |
| **Total** | **9,291,797** |

**Explanation of Capital Items & Impact on Operating Budgets**

Appendix C of this budget document describes the individual capital items in detail, and also provides information on the effects of each capital expense on the City's operating budgets. Departments provided the information about the expenses and how the purchase or acquisition of a capital item would affect department budgets in future years.

City of West Linn