

LONG-TERM DEBT

OVERVIEW OF LONG-TERM DEBT

Cities issue long-term debt to pay for long-term capital improvements. The number of years the debt is outstanding is equal to or less than then the useful life of the capital investment. As set by policy, long-term debt shall not be used for operating purposes. Refer to the Financial Policies section of this document for a summary of the City of West Linn's debt policy.

Payments on outstanding debt are referred to as debt service payments. These debt service payments are appropriated to cover the principal and interest. The City has issued general obligation bonds, full faith and credit obligations and revenue bonds.

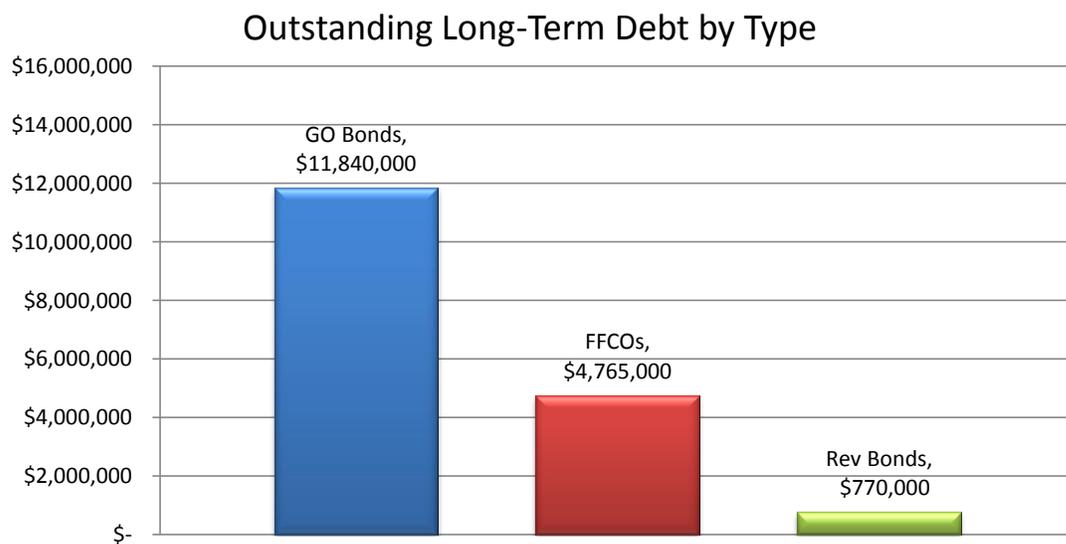
General obligation bonds are secured by property taxes and therefore must be pre-approved by the voters. Full faith and credit obligations are backed by the City's General Fund; however, they may be repaid from any other available resources. Revenue bonds are used to finance enterprise-related capital improvements and are repaid from their respective utility fees and charges.

CONTINUING DISCLOSURE AND THE S.E.C.

The City of West Linn fulfills its obligation for continuing disclosure requirements under the Securities and Exchange Commission Rule 15c2-12 by filing its audited financial reports and other required disclosures with the Municipal Securities Rulemaking Board Electronic Municipal Market Access (EMMA) database service which is available at www.emma.msrb.org.

CITY CREDIT RATINGS

In January 2012, Moody's Investor Services reaffirmed the City of West Linn's credit rating at Aa2 for its general obligation bonds outstanding stating "these rating assignments primarily reflect the City's improved managerial oversight and stronger financial position." Standard & Poor's also reaffirmed their AA rating noting the "City's use of a five-year financial forecast to build budgets and its quarterly reports on budgeted numbers compared to actual performance to the City Council."



LONG-TERM DEBT OUTSTANDING

As of June 30, 2015, the City will have \$11.8 million outstanding in three general obligation bond issues, \$4.8 million outstanding in two full faith and credit obligations, and \$0.8 million outstanding in a water revenue bond issue, for a total of \$17.4 million in long-term debt outstanding:

	Beginning balance as of June 30, 2014	Additions	Reductions	Ending balance as of June 30, 2015
General Obligation bonds:				
Series 2009-A Park Refundings, interest at 3.0-4.0%, original issue of \$4,915,000, due 2019	\$ 2,530,000	\$ -	\$ (535,000)	\$ 1,995,000
Series 2010-A Library Refundings, interest at 2.0-3.0%, original issue of \$3,900,000, due 2021	2,195,000	-	(250,000)	1,945,000
Series 2012 Police Station, interest at 1.0-2.75%, original issue of \$8,500,000, due 2032	8,145,000	-	(245,000)	7,900,000
	<u>12,870,000</u>	<u>-</u>	<u>(1,030,000)</u>	<u>11,840,000</u>
Full Faith and Credit obligations:				
Series 2009-B Streets/Parks, interest at 3.0-4.35%, original issue of \$4,035,000, due 2029	3,315,000	-	(170,000)	3,145,000
Series 2010-B City Hall Refunding, interest at 3.0-4.0%, original issue of \$4,300,000, due 2021	1,860,000	-	(240,000)	1,620,000
	<u>5,175,000</u>	<u>-</u>	<u>(410,000)</u>	<u>4,765,000</u>
Revenue bonds:				
Series 2000 Water Revenue and Refunding, interest at 5.75-6.0%, original issue of \$1,800,000, due 2021	875,000	-	(105,000)	770,000
Total long-term debt obligations	<u>\$ 18,920,000</u>	<u>\$ -</u>	<u>\$ (1,545,000)</u>	<u>\$ 17,375,000</u>

LEGAL DEBT LIMIT MAXIMUM

Pursuant to Oregon Revised Statute 287.004, outstanding general obligation debt for cities in Oregon can not exceed three percent of the real market value of all properties within city limits. For West Linn, this maximum is \$104 million, of which, the City has \$11.8 million outstanding or about eleven percent (11%) of the maximum general obligation debt allowed.

FUTURE DEBT PLANS

There are no plans to issue general obligation bonds at this time.

There are continued discussions to possibly issue FFCO/revenue bonds in the future to replace the City's water lines, if the Utility Advisory Board and the voters of the City of West Linn wish the Council to proceed with these plans.

FUTURE PRINCIPAL AND INTEREST PAYMENTS DUE

FUTURE BOND PRINCIPAL

Fiscal year	General Obligation Bonds			Full Faith and Credit Obligations Bonds		Revenue Bonds	Total
	Series 2009-A	Series 2010-A	Series 2012	Series 2009-B	Series 2010-B	Series 2000	
	Refunded Parks	Refunded Library	Police Station	Streets/Parks	Refunded City Hall	Water	
	Jan. 21, 2009	Sep. 2, 2010	Jan. 25, 2012	Jan. 21, 2009	Sep. 2, 2010	Oct. 1, 2000	
2016	\$ 555,000	\$ 275,000	\$ 275,000	\$ 175,000	\$ 245,000	\$ 110,000	\$ 1,635,000
2017	570,000	290,000	295,000	180,000	255,000	115,000	1,705,000
2018	590,000	310,000	310,000	185,000	265,000	125,000	1,785,000
2019	280,000	330,000	335,000	190,000	275,000	130,000	1,540,000
2020	-	355,000	355,000	200,000	285,000	140,000	1,335,000
2021	-	385,000	375,000	210,000	295,000	150,000	1,415,000
2022	-	-	400,000	215,000	-	-	615,000
2023	-	-	425,000	225,000	-	-	650,000
2024	-	-	450,000	235,000	-	-	685,000
2025	-	-	475,000	245,000	-	-	720,000
2026	-	-	505,000	255,000	-	-	760,000
2027	-	-	530,000	265,000	-	-	795,000
2028	-	-	565,000	275,000	-	-	840,000
2029	-	-	595,000	290,000	-	-	885,000
2030	-	-	630,000	-	-	-	630,000
2031	-	-	665,000	-	-	-	665,000
2032	-	-	715,000	-	-	-	715,000
	<u>\$ 1,995,000</u>	<u>\$ 1,945,000</u>	<u>\$ 7,900,000</u>	<u>\$ 3,145,000</u>	<u>\$ 1,620,000</u>	<u>\$ 770,000</u>	<u>\$ 17,375,000</u>

FUTURE BOND INTEREST

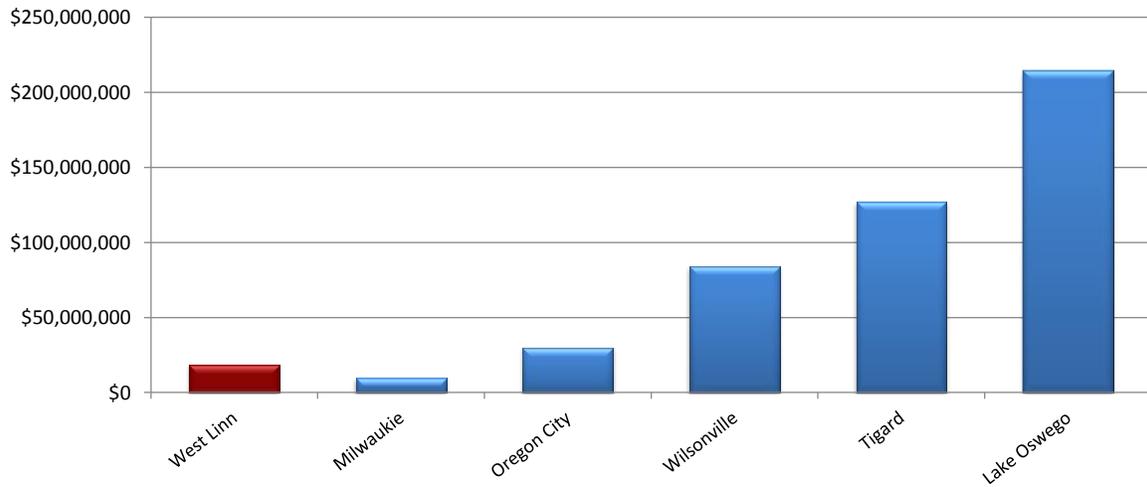
Fiscal year	General Obligation Bonds			Full Faith and Credit Obligations Bonds		Revenue Bonds	Total
	Series 2009-A	Series 2010-A	Series 2012	Series 2009-B	Series 2010-B	Series 2000	
	Refunded Parks	Refunded Library	Police Station	Streets/Parks	Refunded City Hall	Water	
	Jan. 21, 2009	Sep. 2, 2010	Jan. 25, 2012	Jan. 21, 2009	Sep. 2, 2010	Oct. 1, 2000	
2016	\$ 69,838	\$ 49,338	\$ 179,338	\$ 127,723	\$ 51,600	\$ 42,763	\$ 520,600
2017	51,800	43,838	173,837	122,035	42,825	36,150	470,485
2018	31,850	37,313	167,938	115,735	32,425	28,950	414,211
2019	5,600	29,563	161,737	108,335	23,000	21,300	349,535
2020	-	21,313	155,038	100,735	14,600	13,200	304,886
2021	-	11,550	147,937	92,735	5,163	4,500	261,885
2022	-	-	140,438	84,335	-	-	224,773
2023	-	-	132,437	75,735	-	-	208,172
2024	-	-	123,938	66,623	-	-	190,561
2025	-	-	114,937	57,105	-	-	172,042
2026	-	-	105,438	46,815	-	-	152,253
2027	-	-	94,706	36,105	-	-	130,811
2028	-	-	82,781	24,578	-	-	107,359
2029	-	-	69,363	12,615	-	-	81,978
2030	-	-	54,487	-	-	-	54,487
2031	-	-	37,950	-	-	-	37,950
2032	-	-	9,831	-	-	-	9,831
	<u>\$ 159,088</u>	<u>\$ 192,915</u>	<u>\$ 1,952,131</u>	<u>\$ 1,071,209</u>	<u>\$ 169,613</u>	<u>\$ 146,863</u>	<u>\$ 3,691,819</u>

COMPARING DEBT WITH OTHER CITIES

Amounts Below are from the Most Recent Audit Documents (as of June 30, 2014)

	West Linn	Milwaukie	Oregon City	Wilsonville	Tigard	Lake Oswego
General Obligation bonds	\$ 12,870,000	\$ -	\$ 1,095,000	\$ 695,000	\$ 22,210,000	\$ 11,135,000
Full Faith and Credit obligations	5,175,000	-	15,085,000	42,680,000	5,089,856	30,346,913
Revenue bonds	875,000	-	13,936,760	40,730,000	99,921,107	173,010,000
Bank loans and other debt	-	9,951,346	-	-	-	-
Total long-term debt	\$ 18,920,000	\$ 9,951,346	\$ 30,116,760	\$ 84,105,000	\$ 127,220,963	\$ 214,491,913
Total Assets per Balance Sheet	\$ 303,226,372	\$ 88,931,661	\$ 235,513,732	\$ 429,333,354	\$ 474,439,450	\$ 552,889,086
Debt to Total Assets	6.24%	11.19%	12.79%	19.59%	26.82%	38.79%
Net Position per Balance Sheet	\$ 273,794,551	\$ 75,043,444	\$ 198,026,097	\$ 337,879,384	\$ 319,735,576	\$ 249,080,717
Debt to Net Position	6.91%	13.26%	15.21%	24.89%	39.79%	86.11%

Total Long-term Debt by City



Debt to Net Position (i.e. Debt to Equity) by City

